

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



\$5,799,000*

CITY OF BLUE RIDGE, TEXAS,

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT PROJECT)

Dated Date: June 5, 2025

Interest to Accrue from Delivery Date

Due: September 15, as shown on the inside cover

The City of Blue Ridge, Texas, Special Assessment Revenue Bonds, Series 2025 (Blue Ridge Crossing Public Improvement District Project) (the “Bonds”), are being issued by the City of Blue Ridge, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable on each September 15 and March 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, New York, New York (“DTC”). No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry-only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by UMB Bank, N.A., a national banking 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”) on May 13, 2025, and an Indenture of Trust, dated as of June 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 to provide funds for (i) paying a portion of the Actual Costs of the Authorized Improvements, (ii) paying a portion of the costs incidental to the organization and administration of the Blue Ridge Crossing Public Improvement District (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 Authorized Improvements, and other costs related to the issuance of the Bonds. See “AUTHORIZED IMPROVEMENTS” and “APPENDIX B — Form of Indenture.”

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

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

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

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter (identified below), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of 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 the City Attorney, for the Underwriter by its counsel, McCall, Parkhurst & Horton L.L.P., and for LGI Homes - Texas, LLC (the “Developer”) by its counsel, Winstead PC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about June 5, 2025 (the “Delivery Date”).

FMSbonds, Inc.

* Preliminary; subject to change.

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

CUSIP Prefix: _____^(a)

\$5,799,000*
CITY OF BLUE RIDGE, TEXAS,
(a municipal corporation of the State of Texas located in Collin County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT PROJECT)

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

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

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

-
- ^(a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the service provided by CGS. CUSIP numbers are provided for convenience of reference only. The City, the City’s Financial Advisor and the Underwriter do not take any responsibility for the accuracy of such numbers.
- ^(b) The Bonds are subject to redemption, in whole or in part, before their scheduled maturity, at the option of the City, on any date on or after September 15, 20__, such redemption date or dates to be fixed by the City, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the date of redemption, as described herein under “DESCRIPTION OF THE BONDS — Redemption Provisions.”
- ^(c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under “DESCRIPTION OF THE BONDS — Redemption Provisions.”

* Preliminary; subject to change.

CITY OF BLUE RIDGE, TEXAS

CITY COUNCIL

Name	Term Expires
Rhonda Williams, Mayor	May 2026
Keith Chitwood, Mayor Pro-Tem	May 2026
Colby Collinsworth	May 2025
David Sturgeon	May 2025
Tammy Crosswhite	May 2025
David Apple	May 2026

INTERIM CITY SECRETARY

Joni Lawrence

BOND COUNSEL

Norton Rose Fulbright US LLP
Dallas, Texas

FINANCIAL ADVISOR

Hilltop Securities Inc.
Fort Worth, Texas

PID ADMINISTRATOR

P3 Works, LLC
Austin, Houston and North Richland Hills, Texas

For additional information regarding the City, please contact:

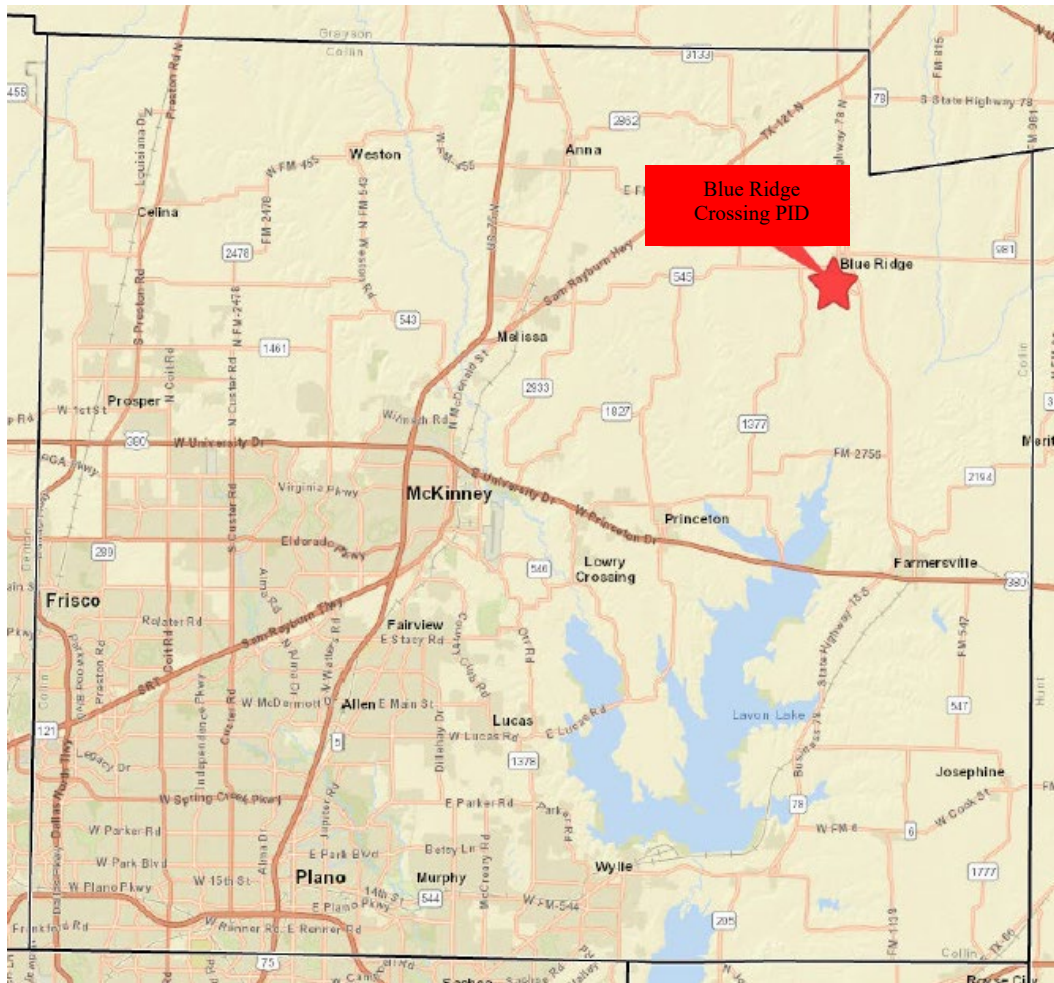
Joni Lawrence
Interim City Secretary
City of Blue Ridge, Texas
200 S. Main Street
Blue Ridge, Texas 75424
(972) 752-5791

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

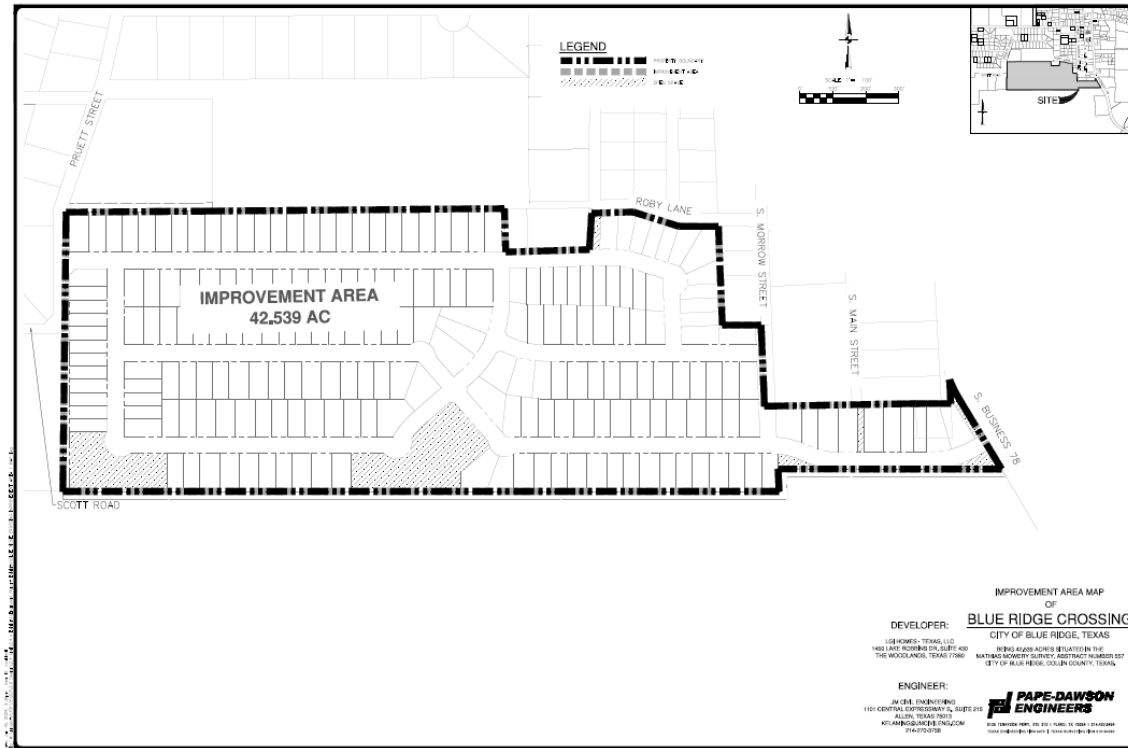
REGIONAL LOCATION MAP OF THE DISTRICT



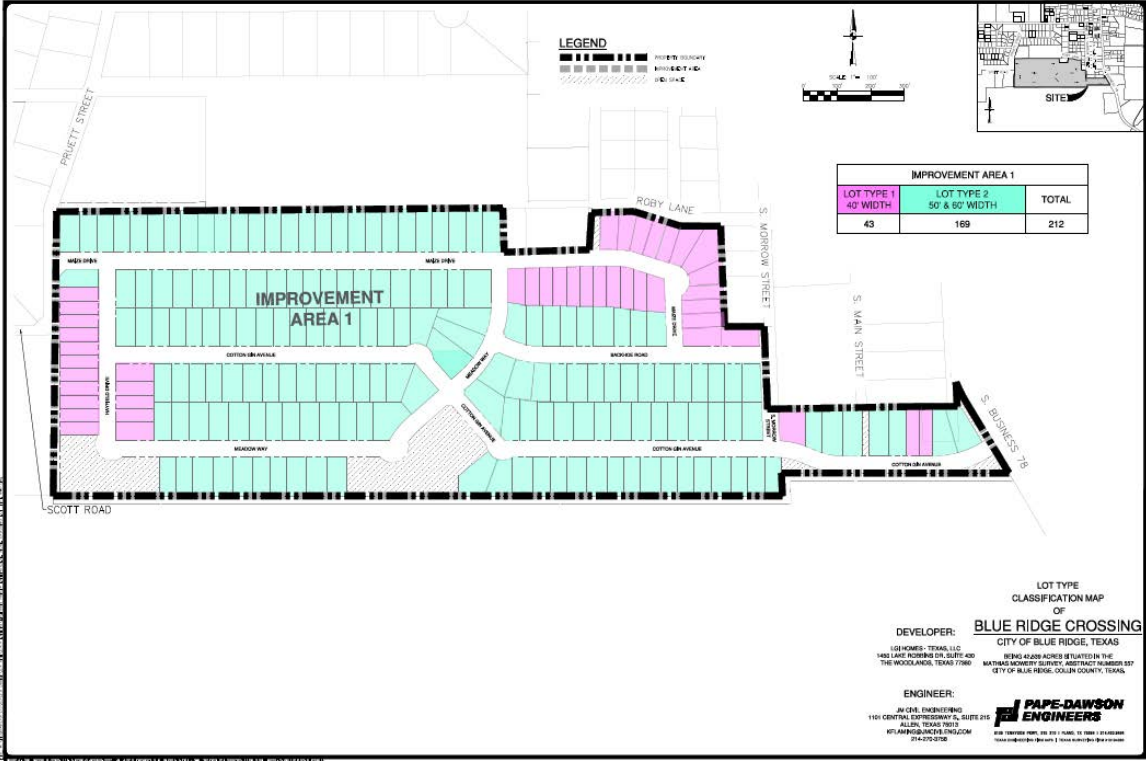
AREA LOCATION MAP OF THE DISTRICT



MAP SHOWING BOUNDARIES OF THE DISTRICT



MAPS SHOWING CONCEPT PLAN OF THE DISTRICT



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 IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

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

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

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

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

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

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TABLE OF CONTENTS

INTRODUCTION	1	THE CITY	26
PLAN OF FINANCE	2	Background	26
Development Plan and Status of		City Government	27
Development	2	THE DISTRICT	27
Financing Plan	2	General	27
The Bonds	2	Powers and Authority of the City	27
LIMITATIONS APPLICABLE TO INITIAL		Utilities	27
PURCHASERS	3	AUTHORIZED IMPROVEMENTS	28
DESCRIPTION OF THE BONDS	4	General	28
General Description	4	Ownership and Maintenance of the	
Redemption Provisions	4	Authorized Improvements	29
BOOK-ENTRY-ONLY SYSTEM	6	THE DEVELOPMENT	30
SECURITY FOR THE BONDS	8	Overview	30
General	8	Development Plan and Status of	
Pledged Revenues	8	Development	30
Collection and Deposit of Assessments	9	Development Agreement	31
Unconditional Levy of Assessments	9	Construction, Funding, and Acquisition	
Perfected Security Interest	10	Agreement	32
Pledged Revenue Fund	10	Additional Improvements	32
Bond Fund	11	Photographs of the Development	33
Project Fund	11	Zoning/Permitting	39
Redemption Fund	12	Education	39
Reserve Fund	12	Environmental	39
Administrative Fund	14	Mineral Rights and Easements	39
Defeasance	14	Utilities	39
Events of Default	14	THE DEVELOPER	40
Remedies in Event of Default	15	General	40
Restriction on Owner's Action	15	Description of the Developer	40
Application of Revenues and Other		Senior Management Biography of the	
Moneys After Default	16	Developer	41
Investment or Deposit of Funds	16	History and Financing of the District	41
Against Encumbrances	17	PID ADMINISTRATOR	41
Additional Obligations; Other Liens	17	APPRAISAL OF PROPERTY IN THE DISTRICT	42
SOURCES AND USES OF FUNDS	18	The Appraisal	42
DEBT SERVICE REQUIREMENTS	19	BONDHOLDERS' RISKS	43
OVERLAPPING TAXES AND DEBT	20	Deemed Representations and	
Overlapping Taxes	20	Acknowledgment by Purchasers	43
Overlapping Debt	21	Assessment Limitations	43
Homeowners' Association	21	State Law Requiring Notice of	
ASSESSMENT PROCEDURES	21	Assessment; Failure of Developer	
General	21	to Deliver Required Notice	
Assessment Methodology	22	Pursuant to Texas Property Code	44
Collection and Enforcement of		Potential Future Changes in State Law	
Assessment Amounts	22	Regarding Public Improvement	
Assessment Amounts	23	Districts	45
Prepayment of Assessments	25	Adverse Developments Affecting the	
Priority of Lien	26	Financial Services Industry	45
Foreclosure Proceedings	26	General Risks of Real Estate Investment	
		and Development	45

Risks Related to the Current Residential Real Estate Market	46	LEGAL MATTERS	54
Risks Related to Recent Increase in Costs of Building Materials and Labor Shortages.....	46	Legal Proceedings	54
Completion of Homes.....	46	Legal Opinions	54
Competition	46	Litigation — The City	55
Lien Foreclosure and Bankruptcy.....	47	Litigation — The Developer.....	55
Direct and Overlapping Indebtedness, Assessments and Taxes	47	SUITABILITY FOR INVESTMENT	55
Depletion of Reserve Account of the Reserve Fund.....	47	ENFORCEABILITY OF REMEDIES	55
Hazardous Substances	47	NO RATING	55
Regulation	48	CONTINUING DISCLOSURE.....	55
100-Year Flood Plain	48	The City	55
Risk from Weather Events.....	48	The City’s Compliance with Prior Undertakings	56
Exercise of Mineral Rights	48	The Developer	56
Bondholders’ Remedies and Bankruptcy of Property Owners.....	49	The Developer’s Compliance with Prior Undertakings	56
Judicial Foreclosures	50	UNDERWRITING	56
No Acceleration.....	50	REGISTRATION AND QUALIFICATION OF BONDS FOR SALE	56
Limited Secondary Market for the Bonds.....	50	LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS.....	57
No Credit Rating	50	INVESTMENTS	57
Chapter 9 Bankruptcy Limitation to Bondholders’ Rights.....	50	INFORMATION RELATING TO THE TRUSTEE.....	59
Tax-Exempt Status of the Bonds	51	SOURCES OF INFORMATION	59
Management and Ownership	51	General	59
Availability of Utilities.....	51	Developer	59
Dependence upon Developer.....	51	Experts.....	60
TAX MATTERS	52	Updating of Limited Offering Memorandum	60
Tax Exemption	52	FORWARD-LOOKING STATEMENTS.....	60
Tax Accounting Treatment of Discount and Premium on Certain Bonds.....	53	AUTHORIZATION AND APPROVAL.....	61
State, Local and Foreign Taxes	53		
Changes in Federal and State Tax Law	53		
APPENDIX A	General Information Regarding the City and Surrounding Area		
APPENDIX B	Form of Indenture		
APPENDIX C	Form of Service and Assessment Plan		
APPENDIX D	Form of Opinion of Bond Counsel		
APPENDIX E-1	Form of Disclosure Agreement of Issuer		
APPENDIX E-2	Form of Disclosure Agreement of Developer		
APPENDIX F	Development Agreement		
APPENDIX G	Appraisal of Property in the District		
APPENDIX H	Form of Construction, Funding, and Acquisition Agreement		

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PRELIMINARY LIMITED OFFERING MEMORANDUM

\$5,799,000*

CITY OF BLUE RIDGE, TEXAS,

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT PROJECT)

INTRODUCTION

The purpose of this Preliminary Limited Offering Memorandum, including the cover page, the inside cover and the appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Blue Ridge, Texas (the “City”), of its \$5,799,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2025 (Blue Ridge Crossing Public Improvement District 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 “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BONDHOLDERS’ RISKS” AND “SUITABILITY FOR INVESTMENT.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the Bonds expected to be adopted by the City Council of the City (the “City Council”) on May 13, 2025 (the “Bond Ordinance”), and an Indenture of Trust, dated as of June 1, 2025 (the “Indenture”), expected to be entered into by and between the City and UMB Bank, N.A., a national banking association, as trustee (the “Trustee”). The Bonds will be secured by a pledge and lien upon the Trust Estate (as defined in the Indenture), consisting primarily of revenue from assessments (the “Assessments”) to be levied against assessed parcels (the “Assessed Property”) located within the District, pursuant to an ordinance expected to be adopted by the City Council on May 13, 2025 (the “Assessment Ordinance”), all to the extent and upon the conditions described in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.” The Blue Ridge Crossing Public Improvement District will be defined herein as the “District.”

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

Set forth herein are brief descriptions of the City, the District, LGI Homes - Texas, LLC (the “Developer”), the Administrator (as defined herein), the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), and the Development Agreement (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, telephone number (214) 302-2246. The Form of Indenture appears as APPENDIX B and the Form of Service and Assessment Plan appears as APPENDIX C. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

* Preliminary; subject to change.

PLAN OF FINANCE

Development Plan and Status of Development

The District is composed of approximately 42.359 acres which are being developed as a master-planned single family residential community (the "Development"). The Development will include 212 single-family residential lots, consisting of 43 40' lots and 169 50'/60' lots, which will be marketed to entry-level homebuyers. The Development will feature various amenities, including a playground, benches, small gazebo with picnic tables and grill, and an eight-foot wide hiking and biking trail. The Developer purchased the land comprising the District (the "Property") from Fieldside Development, LLC (formerly GLA Ventures, LLC), on January 4, 2024. The Developer acquired the Property for an aggregate purchase price of approximately \$5,564,000 on a cash basis, and no third-party financing was used to acquire the Property.

The total costs of the Authorized Improvements (exclusive of costs of issuance relating to the Bonds) are expected to be approximately \$6,469,003. The City will pay for a portion of the project costs for the Authorized Improvements as set forth in the Service and Assessment Plan from proceeds of the Bonds. The balance of the costs of the Authorized Improvements will be financed by the Developer and will not be reimbursed by the City. See "APPENDIX C — Form of Service and Assessment Plan." Such costs will be finalized and included in the Service and Assessment Plan to be approved in connection with the levy of the Assessments.

Construction of the Authorized Improvements will take place in one phase and the Developer began construction in March 2024 with an estimated completion date in May 2025. The Developer is and expects to be the only homebuilder in the District. The Developer will build homes on the finished lots to sell directly to homebuyers. See "THE DEVELOPMENT—Development Plan and Status of Development" for additional information regarding the Developer's current expectations regarding the timing of home construction, home prices and home sales within the District.

Financing Plan

The Developer expects that the actual costs to complete the Authorized Improvements will be approximately \$7,549,946* (includes costs of issuance of the Bonds). The City will finance and/or repay the Developer for a portion of the actual costs, paid or incurred by or on behalf of the Developer, of the Authorized Improvements in the approximate amount of \$4,718,057* (excluding costs of issuance of the Bonds) from a portion of the proceeds of the Bonds. The balance of the costs of the Authorized Improvements, in the approximate amount of \$1,750,946,* will be paid by the Developer with cash available to the Developer and will not be reimbursed by the City. See "AUTHORIZED IMPROVEMENTS" and "THE DEVELOPER — History and Financing of the District."

The offsite sewer main connecting the Development to the wastewater treatment facility, as well as the paving of Pruett Street, will not be financed using Bond proceeds. The Developer will be credited impact fees by the City to pay the Developer for a portion of the offsite sewer improvements. The costs of amenities, including a playground, benches, small gazebo with picnic tables and grill, and an eight-foot wide hiking and biking trail, are expected to total approximately \$738,000 and will be paid by the Developer without reimbursement by the City. As of March, 2025, the Developer has spent approximately \$7,585,596 on improvement costs within the District. See "THE DEVELOPMENT — Additional Improvements" and "THE DEVELOPER — History and Financing of the District."

The Bonds

Proceeds of the Bonds will be used for the purpose of (i) paying a portion of the Actual Costs of the Authorized Improvements, (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the Authorized Improvements, and other costs related to the issuance of the Bonds. See "AUTHORIZED IMPROVEMENTS" and "APPENDIX B — Form of Indenture."

Payment of the Bonds is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of the Assessments expected to be levied against assessed parcels in the District, all to the extent and upon the conditions described herein and in the Indenture. See "SECURITY FOR THE BONDS," "ASSESSMENT PROCEDURES" AND "APPENDIX A – Form of Indenture."

The Bonds shall never constitute an indebtedness or general obligation of the 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

* Preliminary, subject to change.

whatsoever, but the Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

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

1. The Investor has authority and is duly authorized to purchase the Bonds and to execute any instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.
2. The Investor is an “accredited investor” under Rule 501 of Regulation D of the Securities Act of 1933 or a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.
3. The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes and for an indefinite period of time and does not intend at this time to dispose of all or any part of the Bonds. However, the Investor may sell the Bonds at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.
4. The Investor understands that the Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.
5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Authorized Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation, or information from the City in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor’s decision to purchase the Bonds except for gross negligence, fraud, or willful misconduct. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.
6. The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid by the City to the Trustee 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 Delivery Date and will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on each September 15 and March 15, commencing September 15, 2025* (each, an “Interest Payment Date”), until maturity or prior redemption. UMB Bank, N.A., a national banking association, is the initial Trustee, Paying Agent and Registrar for the Bonds.

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

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem the Bonds maturing on or after September 15, 20__, before their respective scheduled maturity date, 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 for such Bonds.

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 other transfers to the Redemption Fund under the terms of the Indenture, or as a result of unexpended amounts transferred from the Project Fund pursuant to the terms of the Indenture. The City will provide the Trustee a City Certificate directing the Bonds to be redeemed in accordance with the provisions of the Indenture. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments and “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 money available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing September 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__	

* Preliminary; subject to change.

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__ *	

*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, randomly by lot, a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

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

Notice of Redemption. Upon written notification by the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption at least forty-five (45) days prior to the date fixed for redemption (unless otherwise approved by the Trustee), by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds are in book-entry-only form and held by DTC as security depository, references to Owner in the Indenture mean Cede & Co., as nominee for DTC.

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

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.

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

With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the 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.

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

“Substantial Amount Redemption” means an extraordinary optional redemption of Bonds pursuant to the Indenture of a principal amount of Bonds redeemed that is greater than or equal to ten percent (10%) of the outstanding principal amount of the Bonds.

“Minor Amount Redemption” means an extraordinary optional redemption of Bonds pursuant to the Indenture of a principal amount of Bonds redeemed that is less than ten percent (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 a by lot random selection process. In selecting the Bonds for 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 pursuant to the Indenture, the Bonds or portion of a Bond to be redeemed shall be selected in the following manner:

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

Upon surrender of any Bond for redemption in part, the Trustee in accordance with the 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.

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 (as defined herein), or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the Securities and Exchange Commission (the “SEC”), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

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

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

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

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

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

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

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

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

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

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

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

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

SECURITY FOR THE BONDS

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

General

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

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of Assessments expected to be levied against the Assessed Property and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, the City has caused the preparation of a Blue Ridge Crossing Public Improvement District Service and Assessment Plan (as updated, amended, and supplemented from time to time, the "Service and Assessment Plan"), expected to be approved by the City on May 13, 2025, which describes the special benefit received by the Assessed Property, provides the basis and justification for the determination of special benefit on the Assessed Property, establishes the methodology for the levy of the Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is required to be reviewed and updated at least annually (each, an "Annual Service Plan Update") for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See "APPENDIX C — Form of Service and Assessment Plan."

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance, and other provisions of applicable law to finance the Authorized Improvements by levying Assessments upon properties in the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments anticipated to be levied in the District, see "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of Service and Assessment Plan." In addition, pursuant to the Indenture, the following terms are assigned the following meanings:

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

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

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

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

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

The City has covenanted in the Indenture that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be enforced continuously. See “SECURITY FOR THE BONDS — Pledged Revenue Fund,” “APPENDIX B — Form of Indenture,” and “APPENDIX C — Form of Service and Assessment Plan.”

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney’s fees, if incurred) are a first and prior lien (the “Assessment Lien”) against the property assessed, are 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. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged), and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See “ASSESSMENT PROCEDURES” herein.

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

Collection and Deposit of Assessments

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

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

Unconditional Levy of Assessments

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

annually during the Annual Service Plan Update and will be due when billed, expected to be on or about January 31 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments will be due on or about January 31, 2026, and will be delinquent if not paid prior to February 1, 2026.

As authorized by Section 372.018(b) of the PID Act, the City will calculate and collect, each year while the Bonds are Outstanding and unpaid, and as part of the Annual Installment, an amount to pay the annual costs incurred by the City in the administration and operation of the District (the “Annual Collection Costs”). The portion of each Annual Installment used to pay Annual Collection Costs shall remain in effect each year until all Bonds are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The amount collected to pay Annual Collection Costs shall be due in the manner set forth in the Assessment Ordinance on or about January 31 of each year and shall be delinquent if not paid by February 1 of the following year. **Amounts collected for Annual Collection Costs do not secure repayment of the Bonds.**

There is no discount for the early payment of Assessments.

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

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

Perfected Security Interest

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

The City has created under the Indenture a Pledged Revenue Fund to be held by the Trustee. On or before March 1 of each year while the Bonds are Outstanding and beginning March 1, 2026, the City directs the Trustee to 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 the Indenture, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, in accordance with the Indenture, (iv) fourth, to pay Actual Costs of the Authorized Improvements, as identified in a City Certificate to be delivered to the Trustee, and (v) fifth, to pay other costs permitted by the PID Act, as identified in a City Certificate to be delivered to the Trustee.

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

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

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.

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

After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in an account of the Reserve Fund, and the other deposits described above, the City may direct the Trustee, by City Certificate, to apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid. The Trustee may rely on such City Certificate and has no obligation to determine the lawful purposes permitted under the PID Act.

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. The Trustee may rely on such City Certificate and has no obligation to determine the lawful purposes permitted under the PID Act.

Bond Fund

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

If amounts in the Principal and Interest Account are insufficient for the purposes set forth above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in 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 dates and in the following amounts:

<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 dates and in the amounts listed above shall be transferred to the Authorized Improvements Account of the Project Fund, or if the Authorized Improvements Account of the Project Fund has been closed as provided in the Indenture, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Project Fund

Money on deposit in the Project Fund shall be used for the purposes specified in the Indenture.

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

Disbursements from the Authorized Improvements Account of the Project Fund to pay Actual Costs of the Authorized Improvements shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certificate for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee provided that the Trustee shall not release funds from the Authorized Improvements Account in excess of the Unrestricted Amount until such time as the Trustee receives a City Certificate confirming that the Release Restriction set forth in the Indenture has been satisfied (the "Release Certificate"), in accordance with the provisions thereof and the Construction, Funding, and Acquisition Agreement. Once the Trustee has received the Release Certificate, disbursements of funds in excess of the Unrestricted Amount from the Authorized Improvements Account of the Project Fund may resume. The execution by the City or its designee of such Certificate for Payment shall constitute conclusive evidence upon which the Trustee may rely that the disbursement of funds from the Authorized Improvements Account of the Project Fund pursuant to a Certificate for Payment is pursuant to and in accordance with the disbursement procedures described in the Construction, Funding, and Acquisition Agreement or as provided in a Certificate

for Payment. The Trustee shall be permitted to rely fully on any Certificate for Payment, City Certificate, or other written direction received pursuant to the Indenture without investigation.

Moneys in excess of the Unrestricted Amount may be disbursed from the Authorized Improvements Account of the Project Fund only upon the City's release of 14 certificates of occupancy for homes within the District (the "Release Restriction"). Until such time as the Release Restriction has been satisfied and the City has submitted a Release Certificate, the City may not approve a Certificate for Payment and the Trustee may not disburse funds from the Authorized Improvements Account of the Project Fund in an amount that would cause the total amount that has been disbursed from the Authorized Improvements Account of the Project Fund to exceed the Unrestricted Amount. In the event all amounts deposited into the Authorized Improvements Account of the Project Fund pursuant to the terms of the Indenture have not been expended by June 5, 2028, the City, pursuant to a City Certificate, shall direct the Trustee to transfer all funds then on deposit in the Authorized Improvements Account of the Project Fund to the Redemption Fund in order to redeem Bonds. Following such transfer, the Authorized Improvements Account of the Project Fund shall be closed.

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

In making any determination described above and detailed in 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 Authorized Improvements have been completed and that all Actual Costs of the Authorized Improvements have been paid, or that any such Actual Costs of the Authorized Improvements are not required to be paid from the Authorized Improvements Account of the Project Fund pursuant to a Certificate for Payment or written direction from the City or its designee, the Trustee shall transfer the amount, if any, remaining within the Authorized Improvements Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfer, the Authorized Improvements Account of the Project Fund shall be closed. If the Authorized Improvements Account has been closed as provided above and the Cost of Issuance Account of the Project Fund has been closed pursuant to the provisions of the Indenture, the Project Fund shall be closed.

Not later than six months following the Closing Date, or upon an earlier determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred first to another Account of the Project Fund and used to pay Actual Costs, or, if no Actual Costs remain to be funded, then 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.

Redemption Fund

The Trustee, pursuant to a City Certificate, shall cause to be deposited to the Redemption Fund from the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in the Indenture on the dates specified for redemption. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in the Indenture.

Reserve Fund

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

The 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 on the Assessment Roll attached to the Service and Assessment Plan or an Annual

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

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

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

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

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

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

Administrative Fund

The City will create under the Indenture an Administrative Fund, and a District Administration Account within such Fund, held by the Trustee. The City shall deposit or cause to be deposited to the District Administration Account of the Administrative Fund the amounts collected each year to pay the Annual Collection Costs and Delinquent Collection Costs.

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

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

Defeasance

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

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. “Investment Securities” means those authorized investments described in the Public Funds Investment Act, 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.

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

Events of Default

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

- (i) The failure of the City to deposit the Pledged Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;
- (ii) The failure of the City to enforce the collection of the Assessments, including the prosecution of foreclosure proceedings;
- (iii) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within 30 days; provided, however, that the payments are to be made only

from Pledged Revenues or other funds currently available in the Pledged Funds and available to the City to make the payments; and

- (iv) Default in the performance or observance of any covenant, agreement or obligation of the City under 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.

No Event of Default will be an Event of Default if it is in violation of any applicable state law or court order.

Remedies in Event of Default

Upon the happening and continuance of any of the Events of Default described in the Indenture, the Trustee may, and at the written direction of the Owners of at least 25% of the Bonds then Outstanding and its receipt of indemnity satisfactory to it, shall proceed against the 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 therein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies of default.

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

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

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

Restriction on Owner's Action

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 therein before granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in the Indenture, (iv) the Trustee has for 90 days after such notice failed or refused to exercise the powers therein before granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) written 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 thereunder except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided therein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall at the option of the Trustee, as advised by Counsel, be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy thereunder.

As provided in the Indenture, nothing 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 thereunder 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 thereunder, 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 Default

All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs 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 pursuant to the Indenture. In the event funds are not adequate to cure any of the Events of Default described in the Indenture, 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 shall not extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

Investment or Deposit of Funds

Money in any Fund or Account established pursuant to the Indenture shall be invested by the Trustee as directed by the 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 (the "PFIA"), and the Trustee may conclusively rely on such City Certificate as confirmation that such investment will comply with the PFIA and the City's official investment policy; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account may not be invested above the Yield 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 pursuant to a City Certificate in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default. Absent written direction, the Trustee shall invest funds into the Morgan Stanley Institutional Liquidity Funds Government Portfolio (CUSIP: 61747C889) as standing instructions and in the event such fund is no longer available, such funds shall be held uninvested.

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

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 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 thereunder, and except as set forth in the Indenture, 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 or other property pledged under the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Additional Obligations; Other Liens

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

Other than Refunding Bonds issued to refund all or a portion of the Bonds issued in accordance with the Indenture, 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 hereof might or could be lost or impaired.

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

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

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SOURCES AND USES OF FUNDS

The table that follows summarizes the expected sources and uses of proceeds of the Bonds:⁽¹⁾

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

⁽¹⁾ To be updated and completed upon pricing.

⁽²⁾ Includes Underwriter's Counsel fee in the amount of \$[_____].

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DEBT SERVICE REQUIREMENTS⁽¹⁾

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

Year Ending (September 30)	Principal	Interest	Total
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⁽¹⁾	<u>\$</u>	<u>\$</u>	<u>\$</u>

⁽¹⁾ To be updated and completed upon pricing. Preliminary; subject to change.

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OVERLAPPING TAXES AND DEBT

Overlapping Taxes

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

Overlapping Taxes⁽¹⁾

Taxing Entity	Tax Year 2024 Ad Valorem Tax Rate ⁽¹⁾
The City	\$0.528548
Blue Ridge ISD	1.255200
Collin County	0.149343
Collin College	0.081220
Total Current Tax Rate	<u>\$2.014311</u>
Estimated Average Annual Installment of Assessment as a Tax Rate Equivalent ⁽²⁾	\$0.649153
Estimated Total Tax Rate and Average Annual Installment as a Tax Rate Equivalent⁽²⁾	<u>\$2.663464</u>

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

⁽²⁾ Includes Assessments to be levied for payment of the Bonds. Derived from information in the Service and Assessment Plan. See “ASSESSMENT PROCEDURES — Assessment Methodology – Estimated Value to Lien Ratios,” and “APPENDIX C — Form of Service and Assessment Plan.” Preliminary; subject to change.

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

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Overlapping Debt

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

<u>Overlapping Debt</u>			
Taxing or Assessing Entity	Total Outstanding Debt as of 4/1/25	Estimated % Applicable ⁽¹⁾	Direct and Estimated Overlapping Debt ⁽²⁾
The City (Assessments - The Bonds)	\$5,799,000	100.00%	\$5,799,000
The City (Ad Valorem)	1,561,000	13.88%	216,652
Blue Ridge ISD	31,295,000	2.57%	804,169
Collin County	776,095,000	0.01%	42,234
Collin College	459,865,000	0.01%	27,790
Total	<u>\$1,274,615,000</u>		<u>\$6,889,845</u>

⁽¹⁾ Based on \$13,665,000 prospective market value at completion of Development as calculated in the Appraisal (as defined herein), and on certified valuations for the Tax Year 2024 for the taxing entities as certified by the Collin Central Appraisal District.

⁽²⁾ Assumes the Bonds are issued. Preliminary; subject to change.

Source: Municipal Advisory Council of Texas (gross outstanding debt secured by property taxes), the Collin Central Appraisal District, and the Appraisal.

Homeowners' Association

In addition to the taxes and the Assessments described above, the Developer has created the Blue Ridge Crossing Homeowners Association, Inc. (the "HOA"). The Developer anticipates that each single-family residential lot owner in the District will pay an annual maintenance and operation fee and/or a homeowners' association fee to the HOA. The Developer expects the HOA fee to be approximately \$432 annually.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Authorized Improvements through Assessments, it must adopt a resolution generally describing the Authorized Improvements and the land within the District that will be subject to Assessments to pay the costs therefor.

The City has caused an assessment roll to be prepared for the District (the "Assessment Roll"). The Assessment Roll shows the land within the District to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll will be filed with the Interim City Secretary and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Authorized Improvements and funding a portion of the same with Assessments. The City expects to levy the Assessments and adopt the Assessment Ordinance on May 13, 2025, after which the Assessments will become legal, valid and binding liens upon the Assessed Property.

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

Assessment Methodology

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

As set forth in the Service and Assessment Plan, the Actual Costs of the Authorized Improvements shall be allocated to each Parcel of Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Assessed Property to the Estimated Buildout Value of all Assessed Property. Currently, the Initial Parcel is the only Parcel within the District, and as such, the Initial Parcel is allocated 100% of the Authorized Improvements.

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

The table below shows the estimated value to lien analysis in the District.

Estimated Value to Lien Ratios*

Lot Type	Number of Lots ⁽¹⁾	Base Lot Price ⁽²⁾	Estimated Buildout Value per Lot ⁽³⁾	Total Estimated Buildout Value ⁽³⁾	Maximum Assessment Per Lot ⁽⁴⁾	Estimated Ratio of Base Lot Price to Assessment	Estimated Ratio of Value of Home Price to Assessment
40'	43	\$50,740	\$330,650	\$14,217,950	\$25,813.48	1.97	12.81
50'/60'	169	66,760	355,400	60,062,600	27,745.68	2.41	12.81
Total	212	\$58,750	\$343,025	\$74,280,550			

* Preliminary; subject to change.

⁽¹⁾ Based on the information in the Service and Assessment Plan.

⁽²⁾ Based on information from the Developer.

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

⁽⁴⁾ Pursuant to the Service and Assessment Plan, the maximum Assessment (the “Maximum Assessment”) that can be levied on a lot is equal to the lesser of (i) the amount calculated pursuant to Section VI.A of the Service and Assessment Plan or (ii) the amount shown on Exhibit E to the Service and Assessment Plan, as shown in the table above. See “APPENDIX C — Form of Service and Assessment Plan.” Preliminary; subject to change.

Collection and Enforcement of Assessment Amounts

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

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

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

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

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

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

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

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

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

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

Assessment Amounts

Assessment Amounts. The Maximum Assessment has been established by the methodology described in Section VI.A of, and shown in Exhibit E to, the Service and Assessment Plan. The Assessment Roll set forth for each year the Annual Installment for each Parcel consisting of (i) the annual portion allocable to principal and interest on the Assessment for each Parcel, (ii) the Additional Interest and (iii) the component of the Annual Installment allocable to Annual Collection Costs. The Annual Installments may not exceed the amounts shown on the Assessment Roll. The Assessments will be levied against the Parcels comprising the Assessed Property as indicated on the Assessment Roll. See "APPENDIX C — Form of Service and Assessment Plan."

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

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Assessments shall initially be allocated entirely to the Assessed Property, which currently consists of the Initial Parcel (as defined in the Service and Assessment Plan).

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 subdivision among the newly divided Assessed Properties according to the following formula:

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

Where the terms have the following meaning:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property

D = the sum of the Estimated Buildout Value for all the newly divided Assessed Properties

Upon 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 the newly subdivided Lots excluding Non-Benefitted Property

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

Prior to the recording of a subdivision plat, the Owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat or recorded declaration. 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 Owner, builders, third party consultants, and/or the Official Public Records of the County regarding the Lot. The Estimated Buildout Values for each Lot Type are shown above under “— Assessment Methodology” and in the Service and Assessment Plan 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 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. Any reallocation pursuant to this section shall be reflected in the Annual Service Plan Update immediately following such reallocation. See “APPENDIX C — Form of Service and Assessment Plan.”

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.

The following table reflects the estimated allocation of Assessments to be levied and collected.

Estimated Allocation of Assessments⁽¹⁾

Lot Type	Number of Lots ⁽²⁾	Maximum Assessment Per Lot ⁽³⁾	Total Assessment ⁽³⁾	Estimated Average Annual Installment per Lot ⁽³⁾	Assessments Equivalent Tax Rate per \$100 Assessed Value ⁽³⁾
40'	43	\$25,813.48	\$1,109,980	\$2,146.42	\$0.6492
50'/60'	169	\$27,745.68	\$4,689,020	\$2,307.09	\$0.6492
Sub/Avg.	212		\$5,799,000		

⁽¹⁾ Preliminary; subject to change. Derived from information in the Service and Assessment Plan. Totals may not add due to rounding.

⁽²⁾ Based on the concept plan for the District.

⁽³⁾ Pursuant to the Service and Assessment Plan, the Maximum Assessment that can be levied on a Lot in the District is equal to the lesser of (i) the amount calculated pursuant to Section VI.A of the Service and Assessment Plan or (ii) the amount shown on Exhibit E to the Service and Assessment Plan. See “APPENDIX C — Form of Service and Assessment Plan”

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

Prepayment of Assessments

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

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

True-Up of Assessments if Maximum Assessment Exceeded at Plat. Prior to the City approving a final subdivision plat, 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 Assessment for any Lot exceed the Maximum Assessment. See “ASSESSMENT PROCEDURES — Assessment Methodology – Estimated Improvement Value to Lien Ratios” and “APPENDIX C — Form of Service and Assessment Plan.”

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

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

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

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

Notwithstanding the previous paragraphs in this subsection, the Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding Bonds.

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, the Trustee shall apply amounts on deposit in the Project Fund that are not expected to be used for purposes of the Project Fund to redeem outstanding Bonds. Excess Bond proceeds shall be applied to redeem outstanding Bonds.

Priority of Lien

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

Foreclosure Proceedings

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

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

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

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

THE CITY

Background

The City is located in the northeast corner of Collin County, 55 miles northeast of Dallas and 26 miles northeast of the City of McKinney. Access to the City is provided by State Highway 78 and Business State Highway 78. The City covers approximately 1.8 square miles. Some of the services that the City provides are: streets, sanitary sewer utilities, planning and zoning, and general administrative services. Fire safety and fire protection is provided through a volunteer fire department. The 2020 Census population for the City was 1,189, while the estimated 2025 population is 1,206.

City Government

The City is a Type A General Law City, with a Mayor-Council form of government. The City is comprised of the Mayor and five City Council members who are elected for staggered two-year terms. The City Council (Mayor and Council) is responsible for setting priorities that affect the quality of living and character of the City by passing laws (ordinances) and resolutions. The City Secretary's office is responsible for the day to day operations of the City. As custodian of the City's records, the City Secretary's office provides notice of and records the proceedings of the City Council, and other boards and commissions. The City Council serves as the Planning and Zoning Commission, as the City of Blue Ridge does not have volunteers to serve as the Planning and Zoning Commission.

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

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District includes approximately 42.539 contiguous acres and lies within the corporate limits of the City. The District was created by Resolution No. 2022-0322-001 of the City adopted on March 22, 2022, 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 Authorized Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property. The District is not a separate political subdivision of the State and is administered by the City Council. A map of the property within the District is included on page iv hereof.

Powers and Authority of the City

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

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction, or improvement of Authorized Improvements. See "AUTHORIZED IMPROVEMENTS" herein. 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, sewer, and drainage improvements within the District 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 the Pledged Revenues. See "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of Service and Assessment Plan."

Utilities

The City will provide both water and wastewater service to the District. The City gets water from the Woodbine Aquifer to meet the City's water supply and sewage treatment and disposal needs. The Woodbine Aquifer is a minor aquifer located in northeast Texas. The aquifer overlies the Trinity Aquifer and consists of sandstone interbedded with shale and clay that form three distinct water-bearing zones. The aquifer provides water for municipal, industrial, domestic, livestock, and small irrigation supplies.

The City also owns various facilities including storage and pump facilities, water distribution and sewage collection lines, meters, valves, and other facilities necessary to provide water and sewer service to its customers. The City then charges its customers such rates that are sufficient to pay for the maintenance, operation, and improvement of the City's water and sewer facilities. Upon final plat the City will have sufficient capacity to provide water and sewer service to the District.

Pursuant to the Development Agreement, the Developer is responsible for the design, installation, and construction of all water and wastewater improvements necessary to serve the District, as well as all necessary "Oversized Public Infrastructure" to provide service to land outside of the District that may be required by the City pursuant to the Development Agreement. The City will

reimburse the Developer with cash or like-kind, dollar for dollar, impact fee credits for costs incurred for the design and construction of such infrastructure. See “THE DEVELOPMENT — Development Agreement” and “— Utilities” and “BONDHOLDERS’ RISKS — Availability of Utilities.”

AUTHORIZED IMPROVEMENTS

General

A portion of the costs the Authorized Improvements will be funded with proceeds of the Bonds. The balance of the costs of the Authorized Improvements will be paid by the Developer under the terms of the Development Agreement and the Service and Assessment Plan without reimbursement by the City. See “APPENDIX C — Form of Service and Assessment Plan.”

Authorized Improvements

Streets. Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. 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, erosion control and all necessary appurtenances required to provide water service to all Lots within the District.

Sanitary Sewer. Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within the District.

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 and all necessary appurtenances required to provide storm drainage for all Lots within the District.

Soft Costs

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

Bond Issuance Costs

Debt Service Reserve Fund. Equals the amount to be deposited in a debt service reserve fund under the Indenture in connection with the issuance of the Bonds.

Capitalized Interest. Equals the amount required to be deposited for the purpose of paying capitalized interest on a series of Bonds under an applicable indenture in connection with the issuance of Bonds.

Underwriter’s Discount. Equals a percentage of the par amount of the Bonds related to the costs of underwriting the Bonds.

Underwriter’s Counsel. Equals a percentage of the par amount of the Bonds reserved for the Underwriter’s attorney fees.

Cost of Issuance. Equals the costs of issuing the Bonds, including but not limited to issuer fees, attorney’s fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City’s costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of the Bonds.

Other Costs

Deposit to Administrative Fund. Equals the amount necessary to fund the first year’s Annual Collection Costs for the Bonds.

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Costs of the Authorized Improvements

The following table reflects the expected total costs of the Authorized Improvements:

Expected Costs of Authorized Improvements⁽¹⁾

Authorized Improvements	Improvements (\$)
Streets	\$ 2,094,122
Water	859,988
Sanitary Sewer	917,105
Storm Drainage	849,094
Soft Costs	1,748,694
<i>Subtotal</i>	\$ 6,469,003
Initial Administrative Fund Deposit	\$ 40,000
Bond Issuance Costs	
Debt Service Reserve Fund	413,443
Capitalized Interest	105,590
Underwriter's Discount	115,980
Underwriter's Counsel	57,990
Costs of Issuance	347,940
<i>Subtotal</i>	\$ 1,040,943
Total⁽²⁾	\$ 7,549,946

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

(2) Totals may not add due to rounding.

The costs of the Authorized Improvements are expected to total approximately \$7,549,946* (includes costs of issuance of the Bonds). The City will finance and/or repay the Developer for a portion of the actual costs, paid or incurred by or on behalf of the Developer, of the Authorized Improvements in the approximate amount of \$4,718,057* (excluding costs of issuance of the Bonds) from a portion of the proceeds of the Bonds. The balance of the costs of the Authorized Improvements, in the approximate amount of \$1,750,946,* will be paid by the Developer with cash available to the Developer and will not be reimbursed by the City.

The offsite sewer main connecting the Development to the wastewater treatment facility, as well as the paving of Pruett Street, will not be financed using Bond proceeds. The Developer will be credited impact fees by the City to reimburse a portion of the costs of offsite sewer improvements. The costs of amenities, including a playground, benches, small gazebo with picnic tables and grill, and an eight-foot wide hiking and biking trail, are expected to total approximately \$738,000 and will be paid by the Developer without reimbursement by the City. As of March, 2025, the Developer has spent approximately \$7,585,596 on improvement costs within the District. The Developer has financed and intends to continue to finance development of the District on a cash basis through corporate funding, and no third-party financing has been used to develop the Property.

Ownership and Maintenance of the Authorized Improvements

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

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* Preliminary, subject to change.

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 Financial Advisor, and the Underwriter, and neither the City, the Financial Advisor, nor the Underwriter have any way of guaranteeing the accuracy of such information.

Overview

The Development is an approximately 42.539-acre planned community project located 51 miles northwest of Dallas, Texas, in Collin County. The City, located in the Dallas/Fort Worth Metropolitan Statistical Area, is poised for growth as the overall area continues its growth trajectory. The Development is within the corporate limits the City. The development is near Highway 78 and FM 545, with easy access to major transportation arteries, including Highways 75 and 121.

Development Plan and Status of Development

The Development will include 212 single-family residential lots, consisting of 43 40' lots and 169 50'/60' lots, which will be marketed to entry-level homebuyers. The Development will feature various amenities, including a playground, benches, small gazebo with picnic tables and grill, and an eight-foot wide hiking and biking trail. Pursuant to the Development Agreement, the Developer is responsible for designing, constructing and installing all public infrastructure as outlined therein, which once accepted by the City, will be maintained and operated by the City. The Developer has established a mandatory homeowner association to maintain common areas within the Development.

Construction of the Authorized Improvements will take place in one phase and the Developer began construction in March 2024 with an estimated completion date in May 2025. The Developer is and expects to be the only homebuilder in the District. The Developer will build homes on the finished lots to sell directly to homebuyers.

The Developer's current expectations regarding buildout and sale of lots in the District are shown in the following table.

<u>Expected Buildout of Single-Family Lots⁽¹⁾</u>			
Lot Size	Number of Lots	Actual/Expected Infrastructure Completion Date	Expected Initial Sale Date of Single-Family Lots to Homeowners
40'	43	May 2025	November 2025
50'/60'	169	May 2025	November 2025
	212		

- ⁽¹⁾ These projections regarding final buildout and final sale dates were provided by the Developer. Expected buildout and final sale date projections in the Appraisal may vary. There are no assurances that development in the District will proceed as expected.

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The anticipated schedule for sale of single-family homes to homeowners by Lot Type is shown in the following tables.

Expected Sale of Single-Family Homes to Homeowners by Lot Type⁽¹⁾			
Expected Sale Date	40'	50'/60'	Total Lots
2025	8	8	16
2026	35	61	96
2027		100	100
Total	43	169	212

⁽¹⁾ Estimates provided by the Developer.

Actual/Estimated Lot and Home Prices. The Developer's current expectations regarding base lot and home prices in the District are as follows:

Estimated Single-Family Lot and Home Prices⁽¹⁾			
Lot Type	Quantity	Estimated Average Base Lot Price	Estimated Base Home Price ⁽¹⁾
40'	43	\$50,740	\$330,650
50'/60'	169	\$66,760	\$355,400
Total	212		

⁽¹⁾ Estimated base home prices have been provided by the Developer.

Development Agreement

The City entered into a Development Agreement with Fieldside Development, LLC (formerly GLA Ventures, LLC) ("Fieldside"), along with Michael McCreary and Chad Knowles, on March 22, 2022, for the development of approximately 42.359 acres known as "Blue Ridge Crossing" (as amended, the "Development Agreement"). Initially, McCreary and Knowles owned most of the property, with Fieldside owning a small portion. On April 1, 2022, McCreary and Knowles sold all of their property within the District to Fieldside, transferring all rights and obligations under the Development Agreement.

Under the Development Agreement, Fieldside intended to develop the property in accordance with the agreed provisions, including constructing and funding various public infrastructure projects such as roads, drainage, water and sewer systems, parks, open spaces, and trail systems. Additionally, Fieldside agreed to fund and construct off-site sewer and roadway improvements, including upgrades to Pruett Street. To facilitate infrastructure funding, the Development Agreement included provisions for establishing a Public Improvement District ("PID"), with improvements partially funded by PID assessments levied on benefiting properties. The Development Agreement also required annexing portions of the property within the City's extraterritorial jurisdiction into the City's corporate limits, with the City providing water and wastewater services. Furthermore, the Development Agreement granted the City exclusive jurisdiction over subdivision, platting, and infrastructure oversight. Under the Development Agreement, the City has agreed to issue up to \$7,000,000 in public improvement district assessment revenue bonds for the District.

On September 15, 2022, the Development Agreement was amended to adjust Fieldside's obligations regarding the acquisition of the right of way for upgrading Pruett Street. Through a second amendment effective as of January 2, 2024, the City and Fieldside updated the Development Agreement by requiring Fieldside to fund and install a new bar screen related to off-site sewer improvements. Additionally, the second amendment removed the Developer's obligation to install an underground storm drain system as part of the Pruett Street Improvements and modified the location of off-site sewer improvements. Fieldside assigned and conveyed all of Fieldside's rights and obligations under the Development Agreement to the Developer on January 2, 2024, as well as all of its rights and obligations under a Professional Services Agreement between Fieldside and the City dated February 1, 2022. As outlined in the Development Agreement, the Developer will construct or cause the construction of improvements to serve and fully develop the District in accordance with the PD Ordinance (as defined herein).

On December 16, 2022, the property within the District that was located in the City's extraterritorial jurisdiction was annexed into the incorporated limits of the City.

The Development Agreement, as amended, sets forth certain agreements between the City and the Developer relating to the Developer's and the City's respective contributions to the Development, the issuance of bonds for development in the District, and the City's contribution to the project. Capitalized terms used but not defined under this heading have the meanings ascribed to them in the Development Agreement. Notwithstanding anything to the contrary in the Development Agreement, the City will not issue bonds until the Developer provides reasonably satisfactory evidence to the City (whether in the form of an escrow deposit, line of credit, lender set aside letter, or other form reasonable acceptable to the City) that the Developer has sufficient funds available to finance the portion of the Authorized Improvements not financed by the proceeds of Bonds. See "APPENDIX F – Development Agreement."

Pursuant to the Development Agreement, the Developer shall be responsible for the acquisition of any and all easements and other property necessary for onsite public improvements for the development of the District, as well as certain off-site sewer improvements and street improvements. Any oversizing of the public infrastructure that may be requested by the City (and any easements or other property interests required that are attributable to such oversizing) that is not attributable to the District shall be funded by the City. The City and the Developer may terminate the Development Agreement upon the occurrence of certain events of default as described in the Development Agreement.

Construction, Funding, and Acquisition Agreement

On May 13, 2025, the City and the Developer are expected to enter into the Construction, Funding, and Acquisition Agreement (the "CFA Agreement") to facilitate the financing, construction, and transfer of public infrastructure improvements within the District. The CFA Agreement provides that the Developer is responsible for constructing all improvements per City standards and covering any cost overruns, while the City is to pay the Developer for the lesser of the Actual Costs or Budgeted Costs using available funds. Payment for completed work will be made through certificates for payment, reviewed and approved by the City before disbursement from the Project Fund. Upon completion, the improvements are transferred to the City for ownership and maintenance. See "EXHIBIT H – Form of Construction, Funding, and Acquisition Agreement."

Additional Improvements

The Developer will construct certain amenities, including a playground, benches, small gazebo with picnic tables and grill, and an eight-foot wide hiking and biking trail (the "Amenities"), with an estimated cost of \$738,000. The costs of the Amenities are being financed with cash available to the Developer and will not be reimbursed by the City. The Amenities will be owned and maintained by the HOA. Construction of the Amenities began in April 2025 and are anticipated to be completed in the third quarter of 2026.

Additionally, the Developer will construct the following "Private Improvements" as shown on Exhibit B of the Service and Assessment Plan, without repayment to the Developer from proceeds of the Bonds or Assessment Revenues:

Description	Estimated Cost	Estimated Completion Date
Earthwork	\$ 1,705,499.00	May 2025
Water	274,562.39 ⁽²⁾	May 2025
Retaining Walls	718,263.00	May 2025
Soft Costs ⁽¹⁾	147,096.00	
Total:	\$ 2,845,420.39	

⁽¹⁾ Contingency, Engineering and Survey, and Inspection and Testing.

⁽²⁾ The Developer will be credited impact fees by the City to reimburse a portion of the costs of offsite sewer improvements in an amount not to exceed \$427,360.

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Photographs of the Development

The following photographs shows aerial views of the District.













Zoning/Permitting

The District is currently zoned under R1 base zoning and a planned development ordinance (the “PD Ordinance.”) The PD Ordinance allows certain residential uses and establishes guidelines pertaining to purpose, height, area, and setbacks. Because the District lies within the city limits of the City, the City’s zoning and subdivision regulations control the aspects of development not specifically set forth in the PD Ordinance. The Development Agreement, as amended includes regulations specifying minimum dwelling size, minimum roof pitch, garage size, and exterior materials. The project is subject to the City’s approval of construction plans, ongoing inspections, and adherence to the Development Agreement and its amendments. The Developer has received all required permitting from the City.

Education

The Development is served by Blue Ridge ISD. Blue Ridge ISD encompasses 61.21 square miles and serves Collin and Fannin Counties. Blue Ridge ISD operates one elementary school, one middle school and one high school. Blue Ridge Elementary, which is approximately 1.4 miles from the District, Blue Ridge Middle School, which is approximately 0.9 miles from the District, and Blue Ridge High School which is approximately 1.2 miles from the District, are expected to serve residents in the District. According to the Texas Education Agency (“TEA”) annual school report cards, Blue Ridge Elementary School, Blue Ridge Middle School and Blue Ridge High School were rated “B” for the 2021-2022 school year (the most recent year for which ratings are available). The categories for public school districts and public schools are A, B, C, D or Not Rated. Greatschools.org rates Blue Ridge Elementary School a 5/10, Blue Ridge Middle School a 5/10 and Blue Ridge High School a 7/10.

Environmental

Site Evaluation. A Phase One Environmental Site Assessment of the property within the District (the “Phase One ESA”) was completed on August 23, 2023. Based on the information presented in the Phase One ESA, there was no evidence that the Development was under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review and historical source review revealed no evidence of recognized environmental conditions involving the site.

Endangered Species. According to the website for the Texas Parks & Wildlife, the whooping crane and the interior least tern are endangered species in Collin County. The Developer is not aware of any endangered species located on District property.

Mineral Rights and Easements

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

The 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 Mineral Owners adjacent to the District. Certain rules and regulations of the Texas Railroad Commission may also restrict the ability of the Mineral Owners to explore or develop the property due to well density, acreage, or location issues. Although the Developer does not expect the above-described Third Party Rights, or the exercise of such rights or any other third party real property rights in or around the District, to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments, the Developer makes no guarantee as to such expectation. See “BONDHOLDERS’ RISKS — Exercise of Mineral Rights.”

Easements. The land within the District is encumbered by various easements, including but not limited to (i) an easement to Community Public Service Company, (ii) an easement to Lone Star Gas Company described as un-locatable and vague in description and blanket in nature, (iii) an easement to Verona Water Supply described as un-locatable and vague in description and blanket in nature, and (iv) an easement to Northeast Texas Telephone Company described as un-locatable and vague in description and blanket in nature.

Utilities

Water and Wastewater. The City will provide both water and wastewater service to the District. The City gets water from the Woodbine Aquifer to meet the City’s water supply and sewage treatment and disposal needs. See “THE DISTRICT — Utilities”.

Additional Utilities. The Developer anticipates additional utilities to be provided by: (1) Telecom – Spectrum; (2) Electric – Texas New Mexico Power; and (3) Natural Gas – Si 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 and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

General

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

Description of the Developer

The Developer is a wholly-owned subsidiary of LGI Homes, Inc ("LGI"). LGI stock trades on the New York Stock Exchange under the symbol LGIH. LGI is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the SEC. Such reports, proxy statements, and other information filed by LGI can be inspected and copied at the Public Reference Section of the SEC, Room 100 F Street, N.E., Washington D.C. 20549 and at the SEC's internet website at <http://www.sec.gov>. Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 11 Wall Street, New York, New York 10005. All documents subsequently filed by LGI pursuant to the requirements of the Securities and Exchange Commission Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

In addition, LGI makes available on its website <http://www.lgihomes.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 electronically filed with the SEC as well as other financial institutions. Unless otherwise specified, information contained on LGI's website, available by hyperlink from LGI's website or on the SEC's website, is not incorporated into this Limited Offering Memorandum. LGI is the 10th largest homebuilder in the United States and has been developing land for residential use since 2003. The Developer was created by LGI for the purpose of acquiring, owning, holding, managing, operating, investing, reinvesting, accumulating, improving, and developing residential housing upon property located in the State, including developing, managing and ultimately conveying property to third parties. The Developer currently owns and is developing multiple projects in Texas.

A snapshot of some of the communities LGI has developed is presented below.

Name of Community	City	Number of Lots	Status of Development
Seagoville Farms	Seagoville	371	Complete
Northpointe Crossing	Anna	469	Complete
Shadowbend Ph 1	Anna	220	Complete
Shadowbend Ph 2	Anna	231	Under construction
Princeton Crossroads	Princeton	371	Complete
The Bridges	Crowley	641	Complete
Lasater Ranch	Crowley	145	Complete
Stonecreek Ranch	Ft. Worth	212	Complete
Beaver Creek	Denton	337	Complete

Name of Community	City	Number of Lots	Status of Development
Big Sky Estates PH 1	Ponder	289	Complete
Oakridge	Ft. Worth	331	Complete

Senior Management Biography of the Developer

Eric Lipar - Chief Executive Officer & Chairman of the Board, LGI Homes. Mr. Lipar is the Chief Executive Officer of LGI and serves as Chairman of the Board of Directors. He has served as the Chief Executive Officer since 2009, as a director since June 2013 and as Chairman of the Board since July 2013. Previously, Mr. Lipar served as the President of LGI from 2003 until 2009. Mr. Lipar has been in the residential land development business since the mid-1990s and is one of the founders of LGI. He has overseen land acquisitions, development and the sale of over 46,000 homes since the inception of LGI. Mr. Lipar currently serves on the Residential Neighborhood Development Council for the Urban Land Institute and is a member of the Policy Advisory Board for the Harvard Joint Center for Housing Studies. Through his in-depth work experience, Mr. Lipar has obtained a broad background in all aspects of residential construction, development, financing, sales and marketing.

History and Financing of the District

In January 2024, the Developer acquired the land within the District from Fieldside Development, LLC (formerly GLA Ventures, LLC) for \$5,564,000.00, with the intention of developing the site for residential use and constructing single-family homes for sale. The Developer acquired the Property on a cash basis, and no third-party financing was used to acquire the Property. The total cost of the Authorized Improvements is forecasted to be approximately \$7,549,946 (excluding costs of issuance of the Bonds).

The City will finance or pay the Developer for a portion of the actual costs, paid or incurred by or on behalf of the Developer, of the Authorized Improvements in the approximate amount of \$5,799,000 through the issuance of the Bonds. The balance of the costs of the Authorized Improvements will be or has been funded by the Developer without reimbursement by the City. As of March 2025, the Developer has spent approximately \$7,585,596 on constructing the Authorized Improvements. The Developer has financed and intends to continue to finance development of the District on a cash basis through corporate funding, and no third-party financing has been used to develop the Property.

There are currently no liens on the property within the District which were incurred by the Developer, and the Developer does not currently anticipate incurring any liens on the property within the District for as long as the Developer owns such property (with the exception of the Assessment Lien). The PID Act provides that the Assessment Lien is a first and prior lien against the assessed property within the District and is superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes.

PID ADMINISTRATOR

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

The City has selected P3Works, LLC as the initial Administrator. The City has entered into an agreement with the Administrator to provide specialized services related to the administration of the District needed to support the issuance of the Bonds. The Administrator will primarily be responsible for preparing the annual update to the Service and Assessment Plan. The 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 Administrator's duties will include:

- Preparation of the annual update to the Service and Assessment Plan;
- Preparation of assessment rolls for City billing and collection;
- Establishing and maintaining a database of all City Parcel IDs within the District;
- Trust account analysis and reconciliation;
- Property owner inquiries;
- Determination of prepayment amounts;

- Preparation and review of disclosure notices with the Dissemination Agent; and
- Review of developer draw requests for reimbursement of public improvement costs.

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by the Administrator and has been included in reliance upon the authority of such firm as an expert in the field of formation and administration of public improvement districts.

APPRAISAL OF PROPERTY IN THE DISTRICT

The Appraisal

General. Peyco Southwest Realty, Inc. (the “Appraiser”) prepared an appraisal report for the City and the Underwriter based upon a physical inspection of the District with an effective date of June 1, 2025 (the “Appraisal”). The Appraisal was prepared at the request of the City and the Underwriter. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the District. The Appraisal is attached hereto as APPENDIX G and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions, and qualifications, which are set forth therein. See “APPENDIX G — Appraisal of Property in the District.”

Value Estimates. The Appraiser estimated the prospective market value at completion of the fee simple interest in the tract of land comprising the 214 improved residential lots, including 43 lots with 40-foot frontages, 125 lots with 50-foot frontages, and 44 lots with 60-foot frontages. The Appraisal assumes that all of the Authorized Improvements have been completed in accordance with plans and specifications as of June 1, 2025. See “THE AUTHORIZED IMPROVEMENTS,” and “THE DEVELOPMENT — Development Plan and Status of Development.”

It is noted that the type and number of residential lots set forth in the Appraisal are based on estimates that differ from the projected development shown under “THE DEVELOPMENT – Development Plan and Status of Development” and on the “MAP SHOWING CONCEPT PLAN OF THE DISTRICT” set forth on page v hereof.

The value estimate for the Assessed Property using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal as of June 1, 2025, is \$13,665,000.

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

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

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

The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in the District. In performing its analyses, an appraiser makes numerous assumptions with respect to general business, economic and regulatory conditions, and other matters, many of which are beyond the Appraiser’s, Underwriter’s, and City’s control, as well as to certain factual matters. Furthermore, the Appraiser’s analysis, opinions and conclusions are necessarily based upon market, economic, financial, and other circumstances and conditions existing prior to the valuation.

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

BONDHOLDERS' RISKS

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

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

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 the District to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the property within the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such property.

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

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

Deemed Representations and Acknowledgment by Purchasers

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

Assessment Limitations

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

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

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

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

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

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights will have been claimed. Furthermore, the Developer currently owns 100% of the Assessed Property within the District and is not eligible to claim homestead rights. Consequently, there are and can be no homestead rights on the Assessed Property superior to the Assessment Lien and, therefore, the Assessment 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 Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

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

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 of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract of purchase and sale. If any sellers of property within the District do not provide the required notice and prospective purchasers of property within the District terminate a purchase and sale contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney’s fees, or (ii) an amount not to exceed \$5,000, plus reasonable attorney’s fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property may be paid. On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further, if any sellers of property within the District do not provide the required notice and become liable for monetary damages, the anticipated

buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The forms of notice to be provided to homebuyers are attached as Appendix B to the Service and Assessment Plan. See “Appendix C — Form of Service and Assessment Plan.”

Potential Future Changes in State Law Regarding Public Improvement Districts

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 89th Legislative Session of the State 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.

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.

If a homebuilder uses a line of credit or other financial instrument to finance home construction and is unable to access funds under such line of credit or other financial instrument, the homebuilder’s ability to take down lots and complete homes could be adversely affected. Additionally, confidence in the safety and soundness of regional banks specifically, or the banking system generally, could impact where customers choose to maintain deposits, which could materially adversely impact the homebuilder’s liquidity and access loan funding capacity, and result in an impact to operations. Similar impacts to the development industry have occurred in the past.

General Risks of Real Estate Investment and Development

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

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

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, including the schedule for and/or the costs of the various improvements to be constructed within the District necessary to serve residents therein, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or

other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

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

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

Risks Related to the Current Residential Real Estate Market

The real estate market is currently experiencing a slowing of new home sales and new home closings due in part to rising inflation and mortgage interest rates. 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 lot and home sales within the District. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

Risks Related to Recent Increase in Costs of Building Materials 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 will impact the ability of the builders to estimate costs.

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 builders' ability to construct homes and improvements within the District.

Completion of Homes

The cost and time for completion of homes by builders 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 District, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; 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.

Competition

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

An example of a competitive project in the area includes:⁽¹⁾

Project Name	# of Units	Proximity to Development	Developer	Prices	# of Units Remaining to be Constructed
Heritage Grove	51	1 Mile	Stonehollow	\$334,900-\$409,000	45
Pioneer Estates	26	4 Miles	Stonehollow	\$454,990+	1
Cypress Creek	735	11 Miles	Lennar	\$260,999-\$383,999	391
Ashford Crossing	423	16 Miles	Centex (Pulte)	\$334,000-\$406,000	423
Morning Ridge	247	16 Miles	Cavender Homes	\$272,000-\$334,000	169

⁽¹⁾ Information provided by Developer using only publicly available data, with no representation as to accuracy or currency.

There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise become able to compete with the Development.

Lien Foreclosure and Bankruptcy

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

Direct and Overlapping Indebtedness, Assessments and Taxes

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

Depletion of Reserve Account of the Reserve Fund

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

Hazardous Substances

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

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

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

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

Regulation

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

100-Year Flood Plain

Based on Federal Emergency Management Agency (“FEMA”) Flood Insurance Rate Map Community Panel No. 48085C0195J, dated June 2, 2009, the Development appears to be partially located within Zone X, an area determined to be outside the 100-year and 500-year flood plains and partially within Zone A, an area determined to be within the 100-year flood zone (1% annual chance of flood). Approximately 11 lots are within the floodplain. The Developer has applied for a Letter of Map Revision Based on Fill (“LOMR-F”) to reclaim approximately 2.764 acres of the Floodplain within the District, which is expected to be approved in the first quarter of 2026. All the lands identified to be within the non-reclaimed portion of the Floodplain will be located within dedicated open space, park, or drainage easements.

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

Risk from Weather Events

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

In the event of a hurricane, fire, flood, tornado, earthquake, natural disaster, or other cause severely damaging the improvements in the Development, there can be no assurance that such facilities will be rebuilt. In such case, completion of improvements, and the overall success of the development could be adversely affected. There can be no assurance that insurance will be properly maintained with adequate coverage or that insurance proceeds will be sufficient or even available to repair or rebuild properties. Further, any insurance proceeds are not assigned as security for the Bonds. The restoration of properties may be delayed by other factors, or the terms of then-applicable mortgage financing could require the application of insurance proceeds to the reduction of mortgage balances rather than the reconstruction or restoration of damaged facilities. Any of the foregoing circumstances could result in a delay in completion of the development. Numerous studies have described changing weather patterns and the potential for increasing extreme weather events. Areas within the development may be vulnerable to flooding, including stormwater flooding, extreme fluctuations in weather temperature, hurricanes, tornadoes and other damaging winds and other severe weather.

Exercise of Mineral Rights

As described herein under “THE DEVELOPMENT—Mineral Rights and Easements” there are certain mineral rights reservations located within the District and not owned by the Developer. There may also be additional mineral rights and related real property rights reflected in the chain of title for the real property within the District recorded in the real property records of Collin County.

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

Bondholders' Remedies and Bankruptcy of Property Owners

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, and upon the written request of at least 25% of the owners of the Bonds then Outstanding and its receipt of indemnity satisfactory to it, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Chapter 9 Bankruptcy Limitation to Bondholders' Rights" herein.

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

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

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

The City is not aware of any State court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by such act. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages in

the absence of City action, the Trustee or the owners of the Bonds may not be able to bring such a suit against the City for breach of the Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the Bonds may exercise the remedy of mandamus to enforce the obligations of the City under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in Tooke, and it is unclear whether Tooke will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by State courts. In general, State courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. State courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

Judicial Foreclosures

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

No Acceleration

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

Limited Secondary Market for the Bonds

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

No Credit Rating

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

Chapter 9 Bankruptcy Limitation to Bondholders’ Rights

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

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

Tax-Exempt Status of the Bonds

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

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

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

Management and Ownership

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

Availability of Utilities

The progress of development within the District is also dependent upon the City providing an adequate supply of water and sufficient capacity for the collection and treatment of wastewater. The City's water distribution system currently has sufficient capacity to provide water and wastewater service to the District. If the City fails to supply water and wastewater services to the property within the District, the development of the land in the District could be adversely affected. See "THE DISTRICT – Utilities."

Dependence upon Developer

The Developer currently has the obligation for payment of 100% of the total Assessments. The ability of the Developer to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The sole assets of the Developer are land within the District, related permits and development rights and

minor operating accounts. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the City will pay the Developer, or the Developer's designee, from proceeds of the Bonds for project costs actually incurred in developing and constructing the Authorized Improvements. See "AUTHORIZED IMPROVEMENTS." There can be no assurances given as to the financial ability of the Developer to complete the Authorized Improvements or any other improvements.

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

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, corporations subject to alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust ("FASIT"), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

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

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

Tax Accounting Treatment of Discount and Premium on Certain Bonds

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

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, corporations subject to alternative minimum tax on adjusted financial statement income, 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. McCall, Parkhurst & Horton L.L.P. serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

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

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

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

Litigation — The City

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to its knowledge, overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action of the City contemplated by any of said documents, or the collection or application of the Trust Estate, 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 managing member, or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Service and Assessment Plan, or the Development Agreement, or otherwise described in this Limited Offering Memorandum or (2) the tax-exempt status of interest on the Bonds.

SUITABILITY FOR INVESTMENT

Investment in the Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS.” The Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the City and the opportunity to ask questions of the Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See “BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy 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 SEC (the “Rule”), the City, the Administrator and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as dissemination agent (in such capacity, the “Dissemination Agent”), will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Issuer”), for the benefit of the owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of Issuer, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX E-1 — Form of Disclosure Agreement of Issuer.” Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the

Disclosure Agreement of Issuer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

The City's Compliance with Prior Undertakings

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

The Developer

Pursuant to the Rule, the Developer, the 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 Authorized Improvements (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX E-2 — Form of Disclosure Agreement of Developer." Under certain circumstances, the failure of the Developer or the Administrator to comply with its obligations under the Disclosure Agreement of Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

The Developer's Compliance with Prior Undertakings

During the last 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 original issue discount of \$ _____, less an underwriting discount of \$ _____). The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Bonds be assigned a rating of at least “A” or its equivalent as to investment quality by a national rating agency. See “NO RATING” above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits 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 under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

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

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

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

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

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and

records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

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

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

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

SOURCES OF INFORMATION

General

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

Developer

The information contained in this Limited Offering Memorandum relating to the description of the Developer, the Development, the Authorized Improvements, generally and, in particular, the information included in all of the maps herein and in the sections captioned "PLAN OF FINANCE — Development Plan and Status of Development" and "— Financing Plan," "OVERLAPPING TAXES AND DEBT — Property Owner Association," "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT,"

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

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by P3 Works, LLC and has been included in reliance upon the authority of such firm as experts in the field of assessment allocation/methodology and district administration.

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

Updating of Limited Offering Memorandum

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

FORWARD-LOOKING STATEMENTS

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

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

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AUTHORIZATION AND APPROVAL

In the Bond Ordinance, the City Council is expected to approve the form and content of this Preliminary Limited Offering Memorandum and authorize and ratify the use thereof by the Underwriter in connection with the marketing and sale of the Bonds, and approve the form and content of the final Limited Offering Memorandum.

CITY OF BLUE RIDGE, TEXAS

Mayor

ATTEST:

City Secretary

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREA

The following information has been provided for informational purposes only.

General Information

The City is located in Collin County and sits approximately 51 miles northwest of Dallas. Access to the City is provided by state highway 78. The City covers approximately 1.11 square miles. The City's 2020 census population was 1,180. The City's 2025 population estimate is 1,206.

Historical Employment in Collin County

	Average Annual				
	2025 ⁽¹⁾	2024	2023	2022	2021
Civilian Labor Force	688,748	680,301	644,705	625,800	600,186
Total Employed	661,115	654,384	622,134	605,672	574,037
Total Unemployed	27,633	25,917	22,571	20,128	26,149
Unemployment Rate	4.0%	3.8%	3.5%	3.2%	4.4%

⁽¹⁾ Through February 2025.

Source: Texas Labor Market Information.

Major Employers in Collin County

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

Employer	Employees
State Farm Insurance Corporate Office	10,000
JPMorgan Chase	9,500
Frisco ISD	8,799
Capital One Finance	7,542
Toyota North American HQ	4,573
Bank of America	4,500
Raytheon Intelligence and Space	4,347
The University of Texas at Dallas	3,455
Blue Cross Blue Shield of Texas	3,100
McKinney ISD	2,729

Source: Collin County Comprehensive Annual Financial Report, September 30, 2023.

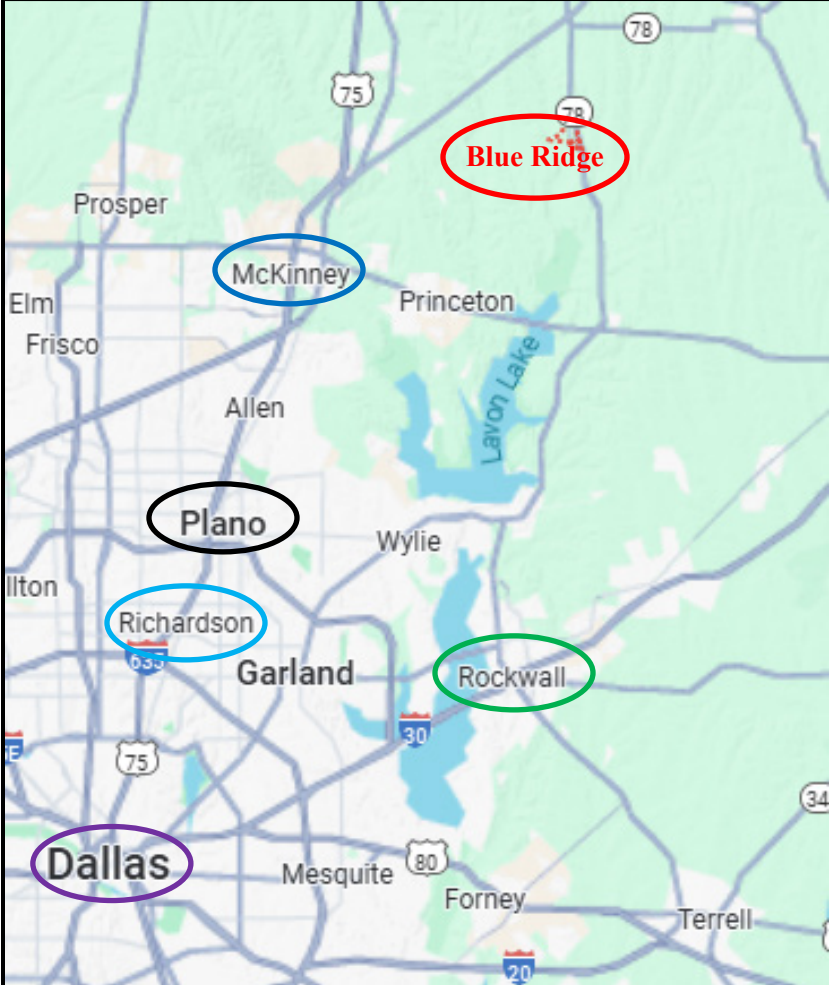
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DALLAS-FORT WORTH-ARLINGTON MSA - REGIONAL EMPLOYMENT

Surrounding Economic Activity

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

City of Plano		City of Rockwall		City of Richardson	
Approximately 31 miles from the City		Approximately 30 miles from the City		Approximately 36 miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees
Capital One Finance	5,979	Rockwall ISD	1,885	State Farm Insurance	8,000
Bank of America Home Loans	5,029	Tex. Health Presb. Hosp.	600	Blue Cross Blue Shield of Texas	3,100
DXC Technology	4,000	Texas Star Express	484	University of Texas at Dallas	2,674
Toyota Motor N. Am. Inc.	3,937	Wal-Mart Superstore	450	Richardson ISD	2,500
Ericsson	2,713	Rockwall County	315	RealPage	2,100
Liberty Mutual Ins. Co.	2,700	City of Rockwall	280	Cisco	2,000
J.C. Penney Co., Inc.	2,420	Special Products	168	GEICO	1,900
NTT Data, Inc.	2,133	L-3 Communications	150	Raytheon	1,700
JP Morgan Chase	2,000	Home Depot	140	United Healthcare	1,700
PepsiCo	1,881	Bimbo Bakeries	134	Fujitsu Network	1,500



City of McKinney	
Approximately 18 miles from the City	
Employer	Employees
Raytheon Space & Air. Sys.	3,096
McKinney ISD	2,800
Torchmark	1,640
City of McKinney	1,369
Encore Wire	1,350
Collin College	852
Baylor	700
Medical City McKinney	670
Timber Blinds	350
Watson & Chalin	350

City of Dallas	
Approximately 53 miles from the City	
Employer	Employees
Dallas ISD	22,222
AT&T Inc.	17,000
Texas Instruments Inc.	12,901
City of Dallas	12,474
Southwest Airlines Co.	12,210
Medical City Dallas	12,104
UTSW Medical Center	11,900
Parkland Health System	10,361
Baylor Scott & White Health	7,045
Dallas County	6,500

Source: Municipal Advisory Council of Texas

APPENDIX B
FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF BLUE RIDGE, TEXAS

and

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

DATED AS OF JUNE 1, 2025

SECURING

**[\$[PAR]
CITY OF BLUE RIDGE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT PROJECT)**

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1.	Definitions.....	4
Section 1.2.	Findings	12
Section 1.3.	Table of Contents, Titles and Headings	12
Section 1.4.	Interpretation	12

ARTICLE II

THE BONDS

Section 2.1.	Granting Clauses	12
Section 2.2.	Security for the Bonds	13
Section 2.3.	Limited Obligations	14
Section 2.4.	Authorization for Indenture	14
Section 2.5.	Contract with Owners and Trustee	14

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1.	Authorization.....	14
Section 3.2.	Date, Denomination, Maturities, Numbers and Interest.....	14
Section 3.3.	Conditions Precedent to Delivery of Bonds	15
Section 3.4.	Medium, Method and Place of Payment.....	15
Section 3.5.	Execution and Registration of Bonds	16
Section 3.6.	Ownership	17
Section 3.7.	Registration, Transfer and Exchange	17
Section 3.8.	Cancellation.....	18
Section 3.9.	Temporary Bonds	18
Section 3.10.	Replacement Bonds	19
Section 3.11.	Book-Entry Only System	20
Section 3.12.	Successor Securities Depository	20
Section 3.13.	Payments to Cede & Co	21

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1.	Limitation on Redemption.....	21
Section 4.2.	Mandatory Sinking Fund Redemption	21
Section 4.3.	Optional Redemption.....	23
Section 4.4.	Extraordinary Optional Redemption	23

TABLE OF CONTENTS

	Page
Section 4.5. Partial Redemption	23
Section 4.6. Notice of Redemption to Owners.....	24
Section 4.7. Payment Upon Redemption	24
Section 4.8. Effect of Redemption	25

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally	25
Section 5.2. CUSIP Registration	25
Section 5.3. Legal Opinion	26

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts	26
Section 6.2. Initial Deposits to Funds and Accounts	27
Section 6.3. Pledged Revenue Fund	27
Section 6.4. Bond Fund	28
Section 6.5. Project Fund	29
Section 6.6. Redemption Fund	31
Section 6.7. Reserve Fund	31
Section 6.8. Rebate Fund; Rebate Amount.....	33
Section 6.9. Administrative Fund	33
Section 6.10. Investment of Funds	33
Section 6.11. Security of Funds.....	35

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments	35
Section 7.2. Collection and Enforcement of Assessments	35
Section 7.3. Against Encumbrances.....	35
Section 7.4. Records, Accounts, Accounting Reports	36
Section 7.5. Covenants to Maintain Tax-Exempt Status	36

ARTICLE VIII

LIABILITY OF CITY

ARTICLE IX

THE TRUSTEE

Section 9.1. Trustee as Paying Agent/Registrar.....	41
---	----

TABLE OF CONTENTS

	Page
Section 9.2. Trustee Entitled to Indemnity	41
Section 9.3. Responsibilities of the Trustee	41
Section 9.4. Property Held in Trust.....	43
Section 9.5. Trustee Protected in Relying on Certain Documents	43
Section 9.6. Compensation	44
Section 9.7. Permitted Acts	44
Section 9.8. Resignation of Trustee	44
Section 9.9. Removal of Trustee	45
Section 9.10. Successor Trustee.....	45
Section 9.11. Transfer of Rights and Property to Successor Trustee	46
Section 9.12. Merger, Conversion or Consolidation of Trustee.....	46
Section 9.13. Security Interest in Trust Estate	46
Section 9.14. Offering Documentation.....	47
Section 9.15. Expenditure of Funds and Risk	47
Section 9.16. Construction of Indenture	47

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted	47
Section 10.2. Owners' Meetings.....	48
Section 10.3. Procedure for Amendment with Written Consent of Owners	49
Section 10.4. Effect of Supplemental Indenture	49
Section 10.5. Endorsement or Replacement of Bonds Issued After Amendments	50
Section 10.6. Amendatory Endorsement of Bonds.....	50
Section 10.7. Waiver of Default	50
Section 10.8. Execution of Supplemental Indenture.....	50

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default	50
Section 11.2. Immediate Remedies for Default	51
Section 11.3. Restriction on Owner's Action	52
Section 11.4. Application of Revenues and Other Moneys After Default	52
Section 11.5. Effect of Waiver	53
Section 11.6. Evidence of Ownership of Bonds	53
Section 11.7. No Acceleration	54
Section 11.8. Mailing of Notice	54

TABLE OF CONTENTS

	Page
Section 11.9. Exclusion of Bonds	54
Section 11.10. Remedies Not Exclusive.....	54
Section 11.11. Direction by Owners	54
<u>ARTICLE XII</u>	
<u>GENERAL COVENANTS AND REPRESENTATIONS</u>	
Section 12.1. Representations as to Trust Estate	55
Section 12.2. Accounts, Periodic Reports and Certificates	55
Section 12.3. General.....	55
<u>ARTICLE XIII</u>	
<u>SPECIAL COVENANTS</u>	
Section 13.1. Further Assurances; Due Performance	56
Section 13.2. Additional Obligations; Other Liens	56
Section 13.3. Books of Record	56
<u>ARTICLE XIV</u>	
<u>PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE</u>	
Section 14.1. Trust Irrevocable.....	57
Section 14.2. Satisfaction of Indenture.....	57
Section 14.3. Bonds Deemed Paid.....	57
<u>ARTICLE XV</u>	
<u>MISCELLANEOUS</u>	
Section 15.1. Benefits of Indenture Limited to Parties.....	58
Section 15.2. Successor is Deemed Included in All References to Predecessor.....	58
Section 15.3. Execution of Documents and Proof of Ownership by Owners.....	58
Section 15.4. Waiver of Personal Liability	59
Section 15.5. Notices to and Demands on City and Trustee.....	59
Section 15.6. Partial Invalidity	60
Section 15.7. Applicable Laws.....	60
Section 15.8. Payment on Business Day	60
Section 15.9. Counterparts.....	61
Section 15.10. Statutory Verifications.....	61
EXHIBIT A	A-1

INDENTURE OF TRUST

THIS INDENTURE, dated as of June 1, 2025 is by and between the CITY OF BLUE RIDGE, TEXAS (the “City”), and UMB BANK, N.A., a national banking association, as trustee (together with its successors, the “Trustee”). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition was submitted and filed with the City Secretary of the City (the “City Secretary”) pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the “PID Act”), requesting the creation of a public improvement district located partly within the corporate limits of the City and partly within the extraterritorial jurisdiction of the City to be known as the Blue Ridge Crossing Public Improvement District (the “District”); and

WHEREAS, the petition contained the signatures 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 Collin Central Appraisal District, and the signatures 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 22, 2022 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 22, 2022, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2022-0322-001, 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 29, 2022, the City Secretary filed a copy of Resolution No. 2022-0322-001 with the county clerk of Collin County, the county in which all of the District is located in accordance with the provisions of the PID Act; and

WHEREAS, no written protests of the District from any owners of record property within the District were filed with the City Secretary within 20 days after March 22, 2022; and

WHEREAS, the District is now located entirely within the corporate limits of the City; and

WHEREAS, on April 1, 2025, the City Council by Resolution No. 2025-[]-[] made findings and determinations relating to the Actual Costs of certain Authorized Improvements, approved a preliminary service and assessment plan and a proposed assessment roll, called a public hearing for May 13, 2025 and directed City staff to (i) file the proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish and mail such notice relating to the May 13, 2025 hearing as required by Section 372.016(b) of the PID Act; and

WHEREAS, on April 10, 2025 City staff, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in *The Farmersville Times*, a newspaper of general circulation in the City, to consider the proposed Service and Assessment Plan, the Assessment Roll and the levy of the Assessments on the property within 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 Assessment Roll, the Service and Assessment Plan, and the levy of the Assessments on property within the District, to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council opened and convened the hearing on May 13, 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 Assessment Roll, and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of estimated costs of the Authorized Improvements to the Assessed Property within the District, the purposes of the Assessments, the special benefits of the Authorized Improvements, and the penalties and interest on Annual Installments of the Assessments and on delinquent Annual Installments; and

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

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

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

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

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

WHEREAS, the City Council now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Blue Ridge, Texas, Special Assessment Revenue Bonds, Series 2025 (Blue Ridge Crossing Public Improvement District Project)" (the "Bonds"), such Bonds being payable solely from the Trust Estate and for the purposes set forth in the preamble of this Indenture; and

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

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

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Assessed Parcel” means each Parcel of land located within the District against which an Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

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

“Assessment Ordinance” means Ordinance No. 2025-[]-[] adopted by the City Council on May 13, 2025, that levied the Assessments on the Assessed Property located within the District.

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

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

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

“Authorized Denomination” means \$25,000 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 \$25,000, then the Authorized Denomination of such Outstanding Bond shall be the amount of such Outstanding Bond.

“Authorized Improvements” means those public improvements described in Appendix B of the Service and Assessment Plan and authorized by Section 372.003 of the PID Act, for which the Assessments are levied against the Assessed Property that are designed, constructed, and installed in accordance with the Construction, Funding, and Acquisition Agreement, and the Service and Assessment Plan or an Annual Service Plan Update, applicable Bond Issuance Costs and Annual Collection Costs, all as further described in Section III of the Service and Assessment Plan.

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

“Bond” means any of the Bonds.

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

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

“Bond Ordinance” means Ordinance No. 2025-[]-[] adopted by the City Council on May 13, 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.

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

“Bonds” means the City’s bonds authorized to be issued by Section 3.1 of this Indenture entitled “City of Blue Ridge, Texas, Special Assessment Revenue Bonds, Series 2025 (Blue Ridge Crossing Public Improvement District Project)”.

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

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

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

“Closing Date” means the date of the initial delivery of and payment for the Bonds. With respect to the Bonds, the Closing Date is June 5, 2025.

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

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

“Construction, Funding, and Acquisition Agreement” means the “Blue Ridge Crossing Public Improvement District Project Construction, Funding, and Acquisition Agreement” by and between the City and the Developer dated as of May 13, 2025, which provides, in part, for the

deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of Authorized Improvements within the District, the issuance of the Bonds, the use of the funds in the Authorized Improvements Account, and other matters related thereto.

“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” 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 the Service and Assessment Plan, including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office located in Dallas, Texas, 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 LGI Homes – Texas, LLC, a Texas limited liability company and any and any successors or assigns that intends to develop the property in the District for the ultimate purpose of transferring title to end users. successors or assigns that intends to develop the property in the District for the ultimate purpose of transferring title to end users.

“District” means the Blue Ridge Crossing Public Improvement District.

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

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

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

“Event of Default” shall have the meaning assigned to such term in Section 11.1(a) of this Indenture.

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

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

“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, 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Service and Assessment Plan” means the “Blue Ridge Crossing Public Improvement District Service and Assessment Plan” dated May 13, 2025, including the Assessment Roll, as hereinafter amended, updated, and/or restated by an Annual Service Plan Update or otherwise, a version of which is attached as an exhibit to the Assessment Ordinance.

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

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

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

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

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

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

“Trustee” means UMB Bank, N.A., a national banking association, duly organized and validly existing under the laws of the United States of America, solely in its capacity as Trustee hereunder, 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.

“Unrestricted Amount” means \$[].

Section 1.2. Findings.

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

Section 1.3. Table of Contents, Titles and Headings.

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

Section 1.4. Interpretation.

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

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

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

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

ARTICLE II

THE BONDS

Section 2.1. Granting Clauses

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

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

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

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

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

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

Section 2.2. Security for the Bonds.

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

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

Section 2.3. Limited Obligations.

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

Section 2.4. Authorization for Indenture.

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

Section 2.5. Contract with Owners and Trustee.

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

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

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$[] for the purpose of (i) paying a portion of the Actual Costs of the Authorized Improvements; (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the Authorized Improvements, and other costs related to the issuance of the Bonds.

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

(a) The Bonds shall be dated June 5, 2025 and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the Closing Date of the Bonds or the most recent Interest Payment Date to which interest has been paid or provided for, at the rates 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>
20[]		
20[]		
20[]		

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

Section 3.3. Conditions Precedent to Delivery of Bonds.

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

- (i) a certified copy of the Assessment Ordinance;
- (ii) a certified copy of the Bond Ordinance;
- (iii) a copy of the executed Construction, Funding, and Acquisition Agreement;
- (iv) a copy of this Indenture executed by the Trustee and the City; and
- (v) a City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City.

Section 3.4. Medium, Method and Place of Payment.

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

(b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the

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

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

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

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

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

Section 3.5. Execution and Registration of Bonds.

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

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to hold such office before the authentication of such Bonds or

before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

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

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

Section 3.6. Ownership.

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

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

Section 3.7. Registration, Transfer and Exchange.

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

(b) A Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or

other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

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

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

(e) Each 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 their 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 at the City's written direction in accordance with its records retention requirements.

Section 3.9. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's written request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any Authorized 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 City shall issue and the Trustee shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

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

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

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

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

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

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

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

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

Section 3.11. Book-Entry Only System.

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

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on the Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the 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 words "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

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

In the event that the 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[]*	
<u>*Stated Maturity</u>	

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[]*	
*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, randomly by lot, a principal amount of Bonds (in accordance with Section 4.5) of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6.

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

(d) The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant

to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

The City reserves the right and option to redeem the Bonds maturing on or after September 15, 20[], before their respective scheduled maturity date, 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 for such Bonds.

Section 4.4. Extraordinary Optional Redemption.

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

Section 4.5. Partial Redemption.

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

(b) In selecting the Bonds to be redeemed pursuant to Section 4.2, the Trustee may select Bonds in a by lot random selection process.

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

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

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

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

(e) Upon surrender of any Bond for redemption in part, the Trustee, in accordance with Section 3.7 of this Indenture, shall authenticate and deliver an 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) Upon written notification by the City to the Trustee of the exercise of any redemption at least forty-five (45) days prior to the date fixed for redemption (unless otherwise approved by the Trustee), the Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds are in book-entry-only form and held by DTC as security depository, references to Owner in this Indenture mean Cede & Co., as nominee for DTC.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Outstanding Bonds are to be redeemed, and subject to Section 4.5 hereof, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such 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 and deposited with the Trustee on the Business Day prior to the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. Upon receipt of the City's written notice of such rescission, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

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

Section 4.7. Payment Upon Redemption.

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

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

Section 4.8. Effect of Redemption.

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

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

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

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

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

Section 5.2. CUSIP Registration.

The City may secure identification numbers through the CUSIP Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof; and none of the City, the Trustee, nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent

service and are included in such notice solely for the convenience of the Owners of the Bonds and that neither the City nor the Trustee shall be liable for any inaccuracies of such numbers.

Section 5.3. Legal Opinion.

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

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

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

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

(b) Creation of Accounts.

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

- (A) Bond Pledged Revenue Account.

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

- (A) Capitalized Interest Account; and
- (B) Principal and Interest Account.

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

- (A) Authorized Improvements Account; and
- (B) Costs of Issuance Account.

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

(A) Reserve Account; and

(B) Additional Interest Reserve Account.

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

(A) District Administration Account.

(c) Each Fund and each Account created within such Fund shall only be established as needed and shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Trustee may, from time to time, upon written direction from the City pursuant to a City Certificate, create additional Funds or Accounts hereunder as may be necessary. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds.

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

Section 6.2. Initial Deposits to Funds and Accounts.

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

(i) to the Capitalized Interest Account of the Bond Fund: \$[];

(ii) to the Reserve Account of the Reserve Fund: \$[];

(iii) to the Authorized Improvements Account of the Project Fund: \$[];

(iv) to the Costs of Issuance Account of the Project Fund: \$[]; and

(v) to the District Administration Account of the Administrative Fund: \$[].

Section 6.3. Pledged Revenue Fund.

(a) On or before March 1 of each year while the Bonds are Outstanding and beginning March 1, 2026, the City hereby directs the Trustee to 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 Authorized Improvements, as identified in a City Certificate delivered to the Trustee, and

(v) fifth, to pay other costs permitted by the PID Act, as identified in a City Certificate delivered to the Trustee.

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

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7 herein, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first, to the payment of interest, and second to the payment of principal (including any Sinking Fund Installments) on the Bonds, as described in Section 11.4(a) hereof.

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

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

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in an account of the Reserve Fund, and the other deposits described in (a) above, the City may direct the Trustee, by City Certificate, to apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid. The Trustee may rely on such City Certificate and shall have no obligation to determine the lawful purposes permitted under the PID Act.

(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. The Trustee may rely on such City Certificate and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Section 6.4. Bond Fund.

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

used to pay interest on the Bonds on such Interest Payment Date from the Capitalized Interest Account as provided below.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in Section 6.7(f) hereof. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

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

<u>Date</u>	<u>Amount (\$)</u>
September 15, 2025	
March 15, 2026	

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

Section 6.5. Project Fund.

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

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

(c) Disbursements from the Authorized Improvements Account of the Project Fund to pay Actual Costs of the Authorized Improvements shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certificate for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee provided that the Trustee shall not release funds from the Authorized Improvements Account in excess of the Unrestricted Amount until such time as the Trustee receives a City Certificate confirming that the Release Restriction set forth in Section 6.5(d) of this Indenture has been satisfied (the "Release Certificate"), in accordance with the provisions hereof and the Construction, Funding, and Acquisition Agreement. Once the Trustee has received the Release Certificate, disbursements of funds in excess of the Unrestricted Amount from the Authorized Improvements Account of the Project Fund may resume. The execution by the City or its designee of such Certificate for Payment shall constitute conclusive evidence upon which the Trustee may rely that the disbursement of funds from the Authorized Improvements Account of the Project Fund pursuant to a Certificate for Payment is pursuant to and in accordance with the disbursement procedures described in the Construction, Funding, and Acquisition Agreement or as provided in a Certificate for Payment. The Trustee shall be permitted to rely fully on any Certificate for Payment, City Certificate, or other written direction received pursuant to this Indenture without investigation.

(d) Moneys in excess of the Unrestricted Amount may be disbursed from the Authorized Improvements Account of the Project Fund only upon the City's release of 14 certificates of occupancy for homes within the District (the "Release Restriction"). Until such time as the Release Restriction has been satisfied and the City has submitted a Release Certificate, the City may not approve a Certificate for Payment and the Trustee may not disburse funds from the Authorized Improvements Account of the Project Fund in an amount that would cause the total amount that has been disbursed from the Authorized Improvements Account of the Project Fund to exceed the Unrestricted Amount. In the event all amounts deposited into the Authorized Improvements Account of the Project Fund pursuant to Section 6.2(a)(iii) have not been expended by June 5, 2028, the City, pursuant to a City Certificate, shall direct the Trustee to transfer all funds then on deposit in the Authorized Improvements Account of the Project Fund to the Redemption Fund in order to redeem Bonds pursuant to Section 4.4 hereof. Following such transfer, the Authorized Improvements Account of the Project Fund shall be closed.

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

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

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

(h) 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 first to another Account of the Project Fund and used to pay Actual Costs, or, if no Actual Costs remain to be funded, then 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, pursuant to a City Certificate, shall cause to be deposited to the Redemption Fund from the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

Section 6.7. Reserve Fund.

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

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

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

(d) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, the Trustee shall transfer, on the Business Day prior to the redemption date (or on

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

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

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

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

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

(i) If the amount held in the Reserve Fund together with the amount held in the Bond Fund and in the 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 Blue Ridge, 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, as directed by the City in a written instruction to the Trustee, shall be made in accordance with the Code and the Tax Certificate.

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

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

Section 6.9. Administrative Fund.

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

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

Section 6.10. Investment of Funds.

(a) Money in any Fund or Account established pursuant to this Indenture shall be invested by the Trustee, as directed by the City pursuant to a City Certificate, filed with the Trustee at least two days in advance of the making of such investment. The money in any Fund or Account shall be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time (the "PFIA"), and the Trustee may conclusively rely on such City Certificate as confirmation that such investment will comply with the PFIA and the City's official investment policy; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be

available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in Section 7.5(a) hereof) on the Bonds, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond. Investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds or Accounts may be invested pursuant to a City Certificate in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default. Absent written direction, the Trustee shall invest funds into the Morgan Stanley Institutional Liquidity Funds Government Portfolio (CUSIP: 61747C889) as standing instructions and in the event such fund is no longer available, such funds shall be held uninvested.

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions contained in any City Certificate. The Trustee shall not incur any liability for losses (including depreciation of value) arising from any investments made or sold pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments or whether investments comply with Section 6.10(a) above. The parties acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.

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

(e) The Trustee will furnish the City and the Administrator, upon the written request of the City or the Administrator, monthly cash transaction statements via access to its online portfolio system, 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 online access.

(f) If, following an annual calculation of the Rebate Amount in accordance with Sections 6.8 and 7.5(h) hereof, it is determined that a Rebate Amount is owed with respect to the Bonds, the 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.

(g) The Trustee may conclusively rely on a City Certificate pursuant to Section 6.10(a) that such an investment will comply with the City's investment policy and with the PFIA.

Section 6.11. Security of Funds.

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

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

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

Section 7.2. Collection and Enforcement of Assessments.

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

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

Section 7.3. Against Encumbrances.

(a) Other than Refunding Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the

Trust Estate, other than that specified in Section 9.6 of this Indenture, or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

(b) So long as Bonds are Outstanding hereunder, and except as set forth in Section 13.2 hereof, the City shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds and Refunding Bonds, if any, secured by any pledge of or other lien or charge on the Trust Estate except for other indebtedness incurred in compliance with Section 13.2 hereof.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds or any interest thereon remain Outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and the Owners of any Bonds or any duly authorized agent or agents of such Owners shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable; provided, however, the Trustee shall have no duty to so inspect. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than 30 days after the City receives such request.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

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

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

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

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

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

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

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

"Regulations" means any proposed, temporary or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150

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

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

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

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

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

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

(d) No Private Loan.

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

arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

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

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

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

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

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

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

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

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall, pursuant to a City Certificate, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such City Certificate and direct the Trustee to pay to the United States from the Rebate Fund the amount that when added to the future value

of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, 100% of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, 90% of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

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

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

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

ARTICLE VIII

LIABILITY OF CITY

The City shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or Event of Default thereunder.

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

No provision of this Indenture, the Bonds, the 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 Secretary or Interim City Secretary 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. The Trustee hereby accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the express terms and conditions, and subject to the provisions of this Indenture to all of which the parties hereto and the Owners of the Bonds agree. No implied covenants or obligations shall be read into this Indenture against the Trustee.

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 or exercise of any rights and powers hereunder, until it shall be indemnified, 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 as finally adjudicated by a court of competent jurisdiction; provided, however, that absent an Event of Default, the Trustee shall not request or require indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to 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 moneys in the District Administration Account of the Administrative Fund are insufficient, from the Pledged Revenue Fund, to pay all fees, costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

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

(a) The recitals contained in this Indenture shall be taken as the statements of the City and the Trustee assumes no responsibility for and undertakes no duty to verify the correctness of the same. The Trustee makes no representations as to the value or condition of the Pledged Revenues or any part thereof, or as to the validity or sufficiency of this Indenture, the Bonds, the right, title, or interest of the City therein, or with respect to the security afforded by this Indenture, or the technical or financial feasibility of the Authorized Improvements, or the compliance of the Authorized Improvements with the PID Act, or the tax-exempt status of the Bonds, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys

paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; or (v) any loss suffered in connection with any investment of funds in accordance with this Indenture.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture. The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and, with respect to such permissive rights, the Trustee shall not be answerable for other than its negligence or willful misconduct. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Such standard of care is not considered a fiduciary standard nor shall the Trustee be considered a fiduciary in the performance of its duties hereunder. The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers or otherwise in respect of the premises granted in this Indenture.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct as finally adjudicated by a court of competent jurisdiction. In the absence of bad faith, the Trustee 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 Trustee and conforming to the requirements of this Indenture. The Trustee shall not be liable for any error of judgment made in good faith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts. In no event shall the Trustee be liable for incidental, indirect, special, or consequential damages.

(d) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in principal amount of the Bonds then Outstanding relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(e) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default unless the Trustee is notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by an Owner of the Bonds. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no Event of Default, except as noted above, unless an officer of the Trustee with responsibility for administration of this Indenture has actual knowledge of an Event of Default.

(f) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys, or receivers, and shall not be

responsible for any misconduct or negligence on the part of any such agent, attorney or receiver appointed or chosen by it with due care, and the Trustee shall be entitled to rely and act upon the opinion or advice of counsel, who may be counsel to the City, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys, and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of its own counsel.

(h) Before taking any action under this Indenture, Article XI or otherwise at the request or direction of an Owner or beneficial owners of the Bonds, the Trustee may require that indemnity satisfactory to it be furnished to it for the payment or reimbursement of all costs and expenses (including, without limitation, attorney's fees and expenses) to which it may be put and to protect it against all liability which it may incur in or by reason of such action, except liability for which it adjudicate to have resulted from its negligence or willful misconduct.

(i) The Trustee shall not be responsible for the recording, filing, or refiling of this Indenture in connection therewith, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency or security of the Bonds.

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 require and conclusively rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture, to be paid for by the City or the Owners of the Bonds, 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 or is selected by the City in accordance with this Indenture, and the Trustee shall be under no duty to make any investigation or inquiry and shall not be deemed to have knowledge into any statements contained or matters referred to in any such instrument or verify any calculations in connection therewith. The Trustee may consult with any counsel, who may or may not be Bond Counsel, and any opinion or advice from of such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making such request, or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor and upon transfer or in place thereof.

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 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, upon written direction of the City, compensation for all services rendered by the Trustee 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, upon delivery of an invoice therefor to the City, and the Trustee shall have a lien therefor on the Administrative Fund. The Trustee shall have the right to increase its fees as the cost of business dictates and as negotiated with the City. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur liability, financial or otherwise, in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee shall make such payment from any moneys in its possession in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient then from any moneys in its possession in the Pledged Revenue Fund and shall be entitled to a preference therefor over any Bonds Outstanding hereunder. The right of the Trustee to fees, expenses, and indemnification shall survive the release, discharge, and satisfaction of this Indenture.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the Owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of 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 principal amount of the Bonds Outstanding.

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 thirty (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 the Owners of at least a majority of the aggregate principal amount of the Bonds Outstanding 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. 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 Owners of not less than ten percent (10%) of the aggregate principal amount of the Bonds Outstanding.

Section 9.10. Successor Trustee.

(a) If the Trustee resigns, is removed, is dissolved, or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property is appointed, or if any public officer takes charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

(b) If the position of Trustee becomes vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed after any such vacancy occurs by the Owners of at least twenty-five percent (25%) of the aggregate principal amount of the Bonds Outstanding by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

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

(d) 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 pursuant to the provisions set forth herein, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

(e) If in a proper case no appointment of a successor Trustee is made within thirty (30) 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 duties and obligations of such predecessor Trustee shall thereafter cease and terminate, but the payment of the fees and expenses owed to the predecessor Trustee, shall survive until paid in full.

(f) 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.

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

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and, upon the receipt of payment of its outstanding charges, shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. Security Interest in Trust Estate.

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Trust Estate provided for herein, and such pledge is, under current law, valid, effective, and perfected. The City shall cause to be filed all appropriate initial financing statements, if any, to ensure that the Trustee (for the benefit of the Owners of the Bonds) is granted a valid and perfected first priority lien on the entire Trust Estate. Nothing herein shall obligate the Trustee to file any initial financing statements. Upon the City's timely delivery of a copy of such filed initial financing statement, if any, naming the Trustee as secured party or additional secured party, to the Trustee, the Trustee shall file continuation statements of such initial financing statement, at the City's expense. Unless the Trustee is otherwise notified in writing by the City, the Trustee may conclusively rely upon the initial financing statement in filing any continuation statement hereunder.

Section 9.14. Offering Documentation.

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, financial report or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds.

Section 9.15. Expenditure of Funds and Risk.

None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of its rights or powers if the Trustee shall have reasonable grounds for believing that the repayment of such funds or indemnity against such risk or liability is not assured. The Trustee shall not be required to make any disbursement of funds until having collected funds.

Section 9.16. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds. Whether or not therein expressly so provided, every provision of this Indenture or any other financing document relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article IX.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, executed by both the City and the Trustee, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of at least 51% of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the

creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws and this Indenture), or reduce the percentage of Owners of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights, immunities or obligations of the Trustee without its written consent.

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

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

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

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

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

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

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

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

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

Section 10.2. Owners' Meetings.

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

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

The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1 herein, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, shall be mailed by first-class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

Except as set forth in Section 10.1(b), such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided and the City or Bond Counsel, acting on the City's behalf, has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6 herein. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period; provided, that the Trustee shall have no obligation to take or refrain from taking any such action and the Trustee shall have no liability with respect to any action taken or any instance of inaction.

Section 10.4. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee, and all

Owners of Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.5. Endorsement or Replacement of Bonds Issued After Amendments.

The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 10.6. Amendatory Endorsement of Bonds.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 10.7. Waiver of Default.

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

Section 10.8. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties and immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

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

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

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

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

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

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

Section 11.2. Immediate Remedies for Default.

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

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

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

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title,

interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in Section 9.2 herein, (iv) the Trustee has for 90 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) written notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his, or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, as advised by counsel, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.

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

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2 hereof, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

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

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

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

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

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

Section 11.5. Effect of Waiver.

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

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of

the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

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

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

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds shall bind all future Owners of the same Bonds in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

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

Section 11.9. Exclusion of Bonds.

Bonds owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

Section 11.10. Remedies Not Exclusive.

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

Section 11.11. Direction by Owners.

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

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Pledged Revenues and the Trust Estate are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

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

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

Section 12.2. Accounts, Periodic Reports and Certificates.

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

Section 12.3. General.

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

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

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

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

Section 13.2. Additional Obligations; Other Liens.

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

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

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

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

Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealing, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds, the Trust Estate, and the Bonds.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain the same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture. Specifically, but without limitation, the Trustee shall have no duty to review such information, is not considered to have notice of the contents of such information or a default based on such contents, and has no duty to verify the accuracy of such information.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

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

Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds has been paid so that the City may determine if the Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the 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 qualified third-party selected by the City verifying the sufficiency of the moneys and/or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency then publishing a rating on the Bonds that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys deposited with

the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee. This Indenture and the exhibit(s) hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

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

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

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

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

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

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. Waiver of Personal Liability.

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

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

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

If to the City:

City of Blue Ridge, Texas
108 W. James Street
Blue Ridge, Texas 75424
Attn: City Secretary

If to the Trustee or the Paying
Agent/Registrar:

UMB Bank, N.A.
5910 N Central Expressway, Suite 1900
Dallas, TX 75206
Attn: Damien Daley
Telephone: 214-389-5941
Email: Damien.Daley@umb.com

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") which incumbency certificate

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

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

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

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next

succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Counterparts.

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

Section 15.10. Statutory Verifications.

The Trustee makes the following representation and verifications to enable the City to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Indenture. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Indenture, notwithstanding anything in this Indenture to the contrary.

(a) Not a Sanctioned Company. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

[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 BLUE RIDGE, TEXAS

By: _____
Rhonda Williams, Mayor

ATTEST:

City Secretary

UMB Bank, N.A.,
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 BLUE RIDGE, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2025
(BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT
PROJECT)

<u>INTEREST RATE</u> _____ %	<u>MATURITY DATE</u> September 15, 20__	<u>DATE OF DELIVERY</u> June 5, 2025	<u>CUSIP NUMBER</u> _____
---------------------------------	--	---	------------------------------

The City of Blue Ridge, 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 Dallas, Texas (the "Designated Payment/Transfer Office"), of UMB Bank, N.A., 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 June 5, 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 June 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 Authorized Improvements, (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the Authorized Improvements, and other costs related to the issuance of the Bonds.

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

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of \$25,000 and any multiple of \$1,000 in excess thereof.

The Bonds are subject to sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

Term Bonds Maturing September 15, 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[]*	
<u>*Stated Maturity</u>	

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[]*	
<u>*Stated Maturity</u>	

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[]*
*Stated Maturity

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

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

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

The City reserves the right and option to redeem the Bonds maturing on and after September 15, 20[] before their scheduled maturity date, 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 under the terms of the Indenture, or as a result of unexpended amounts transferred from the Project Fund pursuant to the terms of the Indenture.

The Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond redeemed in part.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

The City has reserved the right to issue Additional Obligations on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF BLUE RIDGE, 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 Blue Ridge, Texas

City Secretary, City of Blue Ridge, 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.

UMB Bank, N.A., as Trustee

Blue Ridge Crossing PID Indenture of Trust

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto
(print or typewrite name, address and zip code of transferee):

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

Date: _____

Signature Guaranteed By:

Authorized Signatory

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

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

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

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as
specified above, the sum of _____ DOLLARS" shall be deleted and the
following will be inserted: "on September 15 in each of the years, in the principal installments
and bearing interest at the per annum rates set forth in the following schedule:

<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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BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT PRELIMINARY SERVICE AND ASSESSMENT PLAN

APRIL 1, 2025

TABLE OF CONTENTS

Table of Contents.....	1
Introduction	2
Section I: Definitions	3
Section II: The District	8
Section III: Authorized Improvements.....	8
Section IV: Service Plan	10
Section V: Assessment Plan.....	10
Section VI: Terms of the Assessments.....	12
Section VII: Assessment Roll	19
Section VIII: Additional Provisions.....	19
Exhibits.....	20
Appendices	22
Exhibit A-1 – Map of the District	23
Exhibit A-2 – Lot Type Classification Map.....	24
Exhibit B – Project Costs.....	25
Exhibit C – Service Plan	26
Exhibit D – Sources and Uses of Funds	27
Exhibit E – Maximum Assessment and Tax Rate Equivalent.....	28
Exhibit F-1 – Assessment Roll.....	29
Exhibit F-2 – Annual Installments.....	30
Exhibit H – Maps of Authorized Improvements	31
Exhibit I – Form of Notice of Assessment Termination	40
Exhibit J – Debt Service Schedule	43
Exhibit K – District Legal Description	44
Appendix A – Engineer’s Report.....	47
Appendix B – Buyer Disclosures	64

INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section,” an “Exhibit,” or an “Appendix” shall be a reference to a Section of this Service and Assessment Plan or an Exhibit or Appendix attached to and made a part of this Service and Assessment Plan for all purposes.

On March 22, 2022, the City Council passed and approved Resolution No. 2022-0322-001 authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon approval in accordance with the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 42.539 acres located within the corporate limits of the City, as described by the legal description on **Exhibit K** and depicted on **Exhibit A-1**.

The PID Act requires a service plan to (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 determined by the method chosen by the City Council. The Assessment against each Parcel of Assessed Property must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to such Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Assessment Roll is included as **Exhibit F-1**.

SECTION I: DEFINITIONS

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

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

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

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

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

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

“Annual Installment” means the annual installment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest as shown on **Exhibit F-2**.

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

“Assessed Property” means any Parcel within the District against which an Assessment is levied.

“Assessment” means an assessment levied against Assessed Property, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Assessment Roll, subject to reallocation upon the subdivision of such Assessed Property or reduction according to the provisions herein and in the PID Act.

“Assessment Ordinance” means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on the Assessed Property, as shown on any Assessment Roll.

“Assessment Plan” means the methodology employed to assess the Actual Costs of the Authorized Improvements against the Assessed Property based on the special benefits conferred on such property by the Authorized Improvements, more specifically set forth and described in **Section V**.

“Assessment Roll” means the assessment roll for the Assessed Property attached hereto as **Exhibit F-1**, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in any Annual Service Plan Updates.

“Authorized Improvements” means the improvements authorized by Section 372.003 of the PID Act, including Bond Issuance Costs incurred in connection with the issuance of the PID Bonds, and first year’s Annual Collection Costs related to the Assessments, as described in **Section III**, as further depicted on **Exhibit H**.

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

“City” means the City of Blue Ridge, Texas.

“City Council” means the governing body of the City.

“County” means Collin County, Texas.

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

“Developer” means LGI Homes - Texas, LLC, a limited liability company, and any successors or assigns thereof that intends to develop the property in the District for the ultimate purpose of transferring title to end users.

“District” means the Blue Ridge Crossing Public Improvement District containing approximately 42.539 acres located within the corporate limits of the City, and more specifically described in **Exhibit K** 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 directly associated with the establishment of the District.

“Engineer’s Report” means the report provided by a licensed professional engineer that describes the Authorized Improvements, including their costs, location, and benefit, and is attached hereto as **Appendix A**.

“Estimated Buildout Value” means the estimated value of an Assessed Property 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**.

“Indenture” means an Indenture of Trust entered into between the City and the Trustee in connection with the issuance of each series of PID Bonds, as amended from time to time, setting forth the terms and conditions related to a series of PID Bonds.

“Initial Parcel” means all the Assessed Property within the District against which the entire Assessment is levied, as shown on the Assessment Roll.

“Lot” means (1) for any portion of the District for which a final subdivision plat has been recorded in the Plat or Official Public Records of the County, a tract of land described by “lot” in such subdivision plat; and (2) for any portion of the District for which a subdivision plat has not been recorded in the Plat or Official Public Records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat as shown on a concept plan or a preliminary plat. A “Lot” shall not include real property owned by a government entity, even if such property is designated as a separate described tract or lot on a recorded subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. lot size, home product, Estimated Buildout Value, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as provided by the Developer, and confirmed by the City Council, as shown on **Exhibit E**.

“Lot Type 1” means a Lot within the District 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 within the District marketed to homebuilders as a 50’ Lot or 60’ Lot. The buyer disclosure for Lot Type 2 is attached in **Appendix B**.

“Maximum Assessment” means, for each Lot, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A**, or (2) for each Lot Type, the amount shown on **Exhibit E**.

“Non-Benefitted Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council.

“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 I**.

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

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

“PID Bonds” means those certain “City of Blue Ridge, Texas, Special Assessment Revenue Bonds, Series 2025 (Blue Ridge Crossing Public Improvement District Project)” that are secured by Assessment Revenues.

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

“Prepayment Costs” means interest, including Additional Interest and Annual Collection Costs, to the date of Prepayment.

“Service and Assessment Plan” means this Blue Ridge Crossing Public Improvement District Service and Assessment Plan, as updated, amended, or supplemented from time to time.

“Service Plan” means the plan described in **Section IV** which covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements.

“Trustee” means the trustee or successor trustee under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 42.539 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit K** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 212 Lots developed with single-family homes (43 single-family homes that are on Lots classified as Lot Type 1, 169 single-family homes that are on Lots classified as Lot Type 2)).

SECTION III: AUTHORIZED IMPROVEMENTS

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 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, or as otherwise noted below. The budget for the Authorized Improvements is shown on **Exhibit B**.

A. Authorized Improvements

▪ *Streets*

Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. 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, erosion control and all necessary appurtenances required to provide water service to all Lots within the District.

▪ *Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within the District.

- *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 and all necessary appurtenances required to provide storm drainage for all Lots within the District.

- *Soft Costs*

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

B. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount to be deposited in a debt service reserve fund under an applicable Indenture in connection with the issuance of PID Bonds.

- *Underwriter's Discount*

Equals a percentage of the par amount of the PID Bonds related to the costs of underwriting such PID Bonds.

- *Underwriter's Counsel*

Equals a percentage of the par amount of the PID Bonds reserved for the underwriter's attorney fees.

- *Cost of Issuance*

Includes costs of issuing the PID Bonds, including but not limited to issuer fees, attorney's fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City's costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

C. Other Costs

- *Initial Administrative Fund Deposit*

Equals the amount necessary to fund the first year's Annual Collection Costs for the PID Bonds.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan is also required to include a copy of the buyer disclosure notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C** summarizes the Service Plan for the District. Per the PID Act and Section 5.014 of the Texas Property Code, as amended, this 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. The sources and uses of funds shown on **Exhibit D** shall be updated each year in an Annual Service Plan Update and as necessary to reflect any budget revisions at the time the PID Bonds are issued.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the City Council may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the 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 their engineer and reviewed by the City staff and by third-party consultants retained by the City, the City Council has determined that the costs of the Authorized Improvements shall be allocated entirely to the Initial Parcel. Upon subdivision of an Assessed Property, the Actual Costs of the Authorized Improvements shall be reallocated based on Estimated Buildout Value as further described in **Section VI**.

B. Assessments

Assessments will be levied on the Assessed Property according to the Assessment Roll, attached hereto as **Exhibit F-1**. The projected Annual Installments are shown on **Exhibit F-2**, subject to revisions made during any Annual Service Plan Update. Upon division or subdivision of the Initial Parcel, the Assessments will be reallocated pursuant to Section VI.

The Maximum Assessment for each Lot Type is shown on **Exhibit E**. In no case will the Assessment for Lots classified as Lot Type 1, or Lot Type 2, respectively, exceed the corresponding Maximum Assessment for each Lot Type classification.

C. Findings of a 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 the following:

- The costs of the Authorized Improvements equal \$7,549,946 as shown on **Exhibit B**;
- The Assessed Property receives special benefit from the Authorized Improvements equal to or greater than the Actual Cost of the Authorized Improvements;
- The Initial Parcel will be allocated 100% of the Assessment levied for the Authorized Improvements, which equaled \$5,799,000.
- The special benefit (\geq \$7,549,946) received by the Initial Parcel from the Authorized Improvements is equal to or greater than the amount of the Assessment (\$5,799,000) levied on the Initial Parcel for the Authorized Improvements; and
- At the time the City Council approved the Service and Assessment Plan, the Developer owned 100% of the Initial Parcel. The Developer acknowledged that the

Authorized Improvements confer a special benefit on the Initial Parcel and consented to the imposition of the 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 Assessment Ordinance; (2) the Service and Assessment Plan and the Assessment Ordinance; and (3) the levying of the Assessment on the Initial Parcel.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for annually by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

E. 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 and shall be deposited pursuant to the applicable Indenture.

SECTION VI: TERMS OF THE ASSESSMENTS

Any reallocation of Assessments as described in this Section VI shall be considered an administrative action of the City and will not be subject to the notice or public hearing requirements under the PID Act.

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property
D = the sum of the Estimated Buildout Value for all of the newly divided Assessed Properties

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, as provided by the Developer, relying on information from homebuilders, market studies, appraisals, Official Public Records of the County, and any other relevant information regarding the Assessed Property. The Estimated Buildout Values for Lot Type 1 and Lot Type 2 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates, but **Exhibit E** may be updated in future Annual Service Plan Updates to account for additional Lot Types. 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-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 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 Values for Lot Type 1 and Lot Type 2 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive and binding.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the 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-Benefitted Property, the owner of such Lot, Parcel or portion thereof shall pay to the City, or cause to be paid to the City, the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to or concurrently with 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 I**.

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 exceeding the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City, or cause to be paid to the City, the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

D. Reduction of Assessments

If the Actual Costs of completed Authorized Improvements are less than the Assessments, then (i) in the event PID Bonds have not been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the City Council shall reduce each Assessment 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 PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds as directed by the City pursuant to the terms of such Indenture. Such excess PID Bond proceeds may be used for any purpose authorized by such Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

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

E. Prepayment of Assessments

The owner of any Assessed Property may, at any time, pay 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," a form of which is attached as **Exhibit I**.

If an Assessment on an Assessed Property is prepaid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced on said Assessed Property and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit F-2** shows the estimated 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 Parcel not including any Non-Benefitted Property, as shown by the Collin Central Appraisal District for each tax parcel identification number.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. The Annual Collection Costs for a given Assessment shall be paid by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes due and owing to the City. To the extent permitted by the PID Act or other

applicable law, the City Council may provide for other means of collecting Annual Installments, but in no case shall the City take any action, or fail to take any action, that would cause it to be in default under any Indenture. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay any of the remaining unpaid Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with applicable law, including the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of the Assessment 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.

G. Prepayment as a Result of an Eminent Domain Proceeding or Taking

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the "**Remaining Property**"), following the reclassification of the Taken Property as Non-Benefitted Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner of the Remaining Property will remain liable to pay, pursuant to the terms of this Service and Assessment Plan, as updated, and the PID Act, the Assessment that remains due

on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the applicable Maximum Assessment, the owner of the Remaining Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Assessment on the Remaining Property.

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted Property and the remaining 90 acres constituting the Remaining Property shall be subject to the \$100 Assessment (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the \$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment, as applicable, on the Remaining Property by \$10, then the owner shall be required to pay \$10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to \$90.

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

Notwithstanding the previous paragraphs in this subsection, the Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

SECTION VII: ASSESSMENT ROLL

The Assessment Roll is attached as **Exhibit F-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Assessment Roll and Annual Installments for each Parcel as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council's approval of the calculation. Otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. The Administrator shall provide a written response to the City Council and the owner not later than 30 days after receipt of such written notice of error by the Administrator. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and, not later than 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction

of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners of Assessed Property adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public meeting at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners of Assessed Property and developers and their successors and assigns.

D. Form of Buyer Disclosure/Filing Requirements

Per Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the Lot Types with 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 of this Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

E. Severability

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

EXHIBITS

The following Exhibits are attached to and made a part of this Service and Assessment Plan for all purposes:

Exhibit A-1	Map of the District
Exhibit A-2	Lot Type Classification Map
Exhibit B	Project Costs
Exhibit C	Service Plan

Exhibit D	Sources and Uses of Funds
Exhibit E	Maximum Assessment and Tax Rate Equivalent
Exhibit F-1	Assessment Roll
Exhibit F-2	Annual Installments
Exhibit H	Maps of Authorized Improvements
Exhibit I	Form of Notice of Assessment Termination
Exhibit J	Debt Service Schedule
Exhibit K	District Legal Description

APPENDICES

The following Appendices are attached to and made a part of this Service and Assessment Plan for all purposes:

Appendix A	Engineer's Report
Appendix B	Buyer Disclosures

EXHIBIT A-1 – MAP OF THE DISTRICT

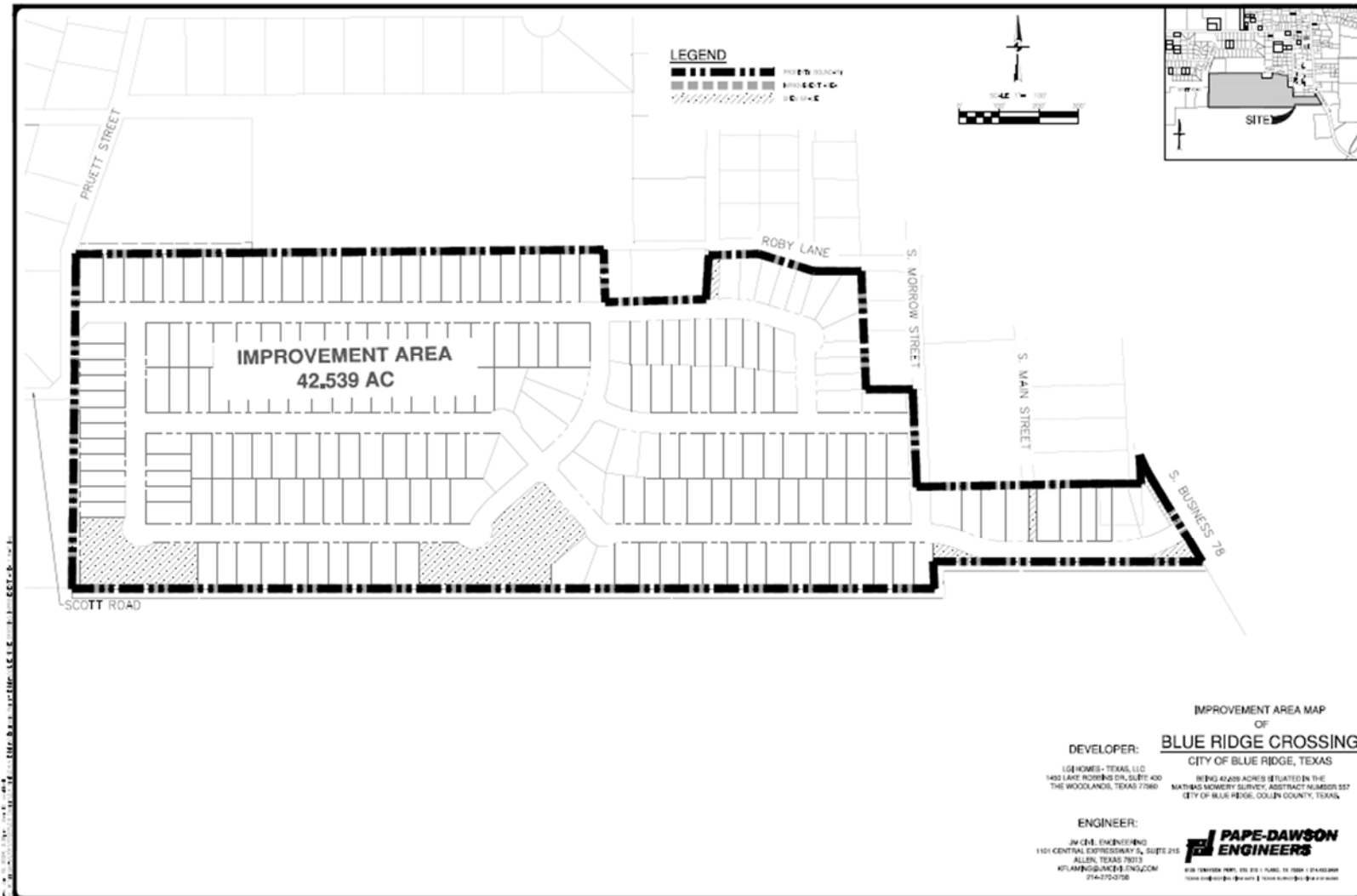


EXHIBIT A-2 – LOT TYPE CLASSIFICATION MAP

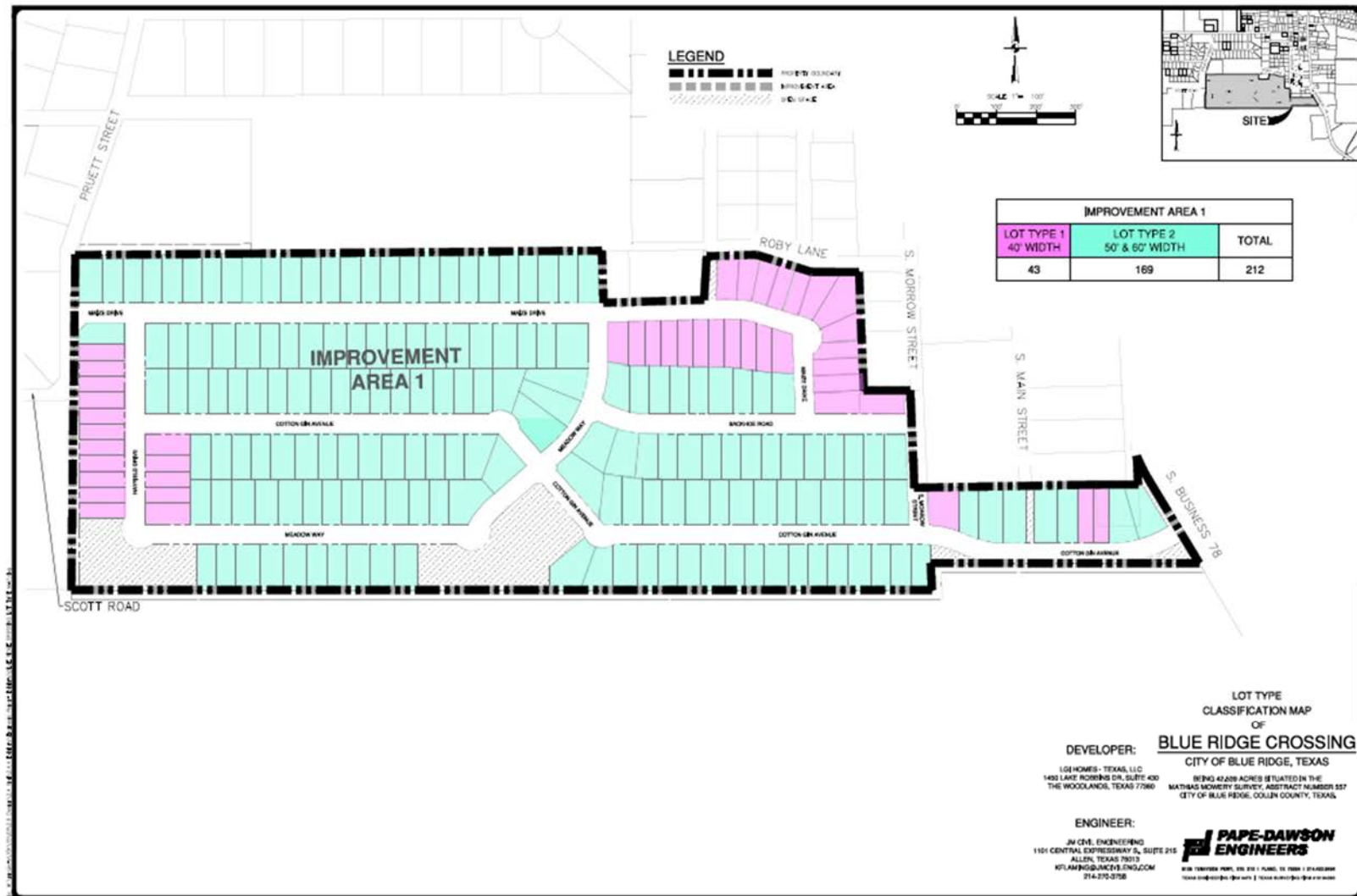


EXHIBIT B – PROJECT COSTS

	Total Costs ^[a]	Impact Fees ^[b]	Private ^[c]	Authorized Improvements	
				%	Cost
<i>Public Infrastructure</i>					
Streets	\$ 2,094,122	\$ -	\$ -	100.00%	\$ 2,094,122
Water	859,988	-	-	100.00%	859,988
Sanitary Sewer	917,105	-	-	100.00%	917,105
Storm Drainage	849,094	-	-	100.00%	849,094
Off-Site Sewer ^[b]	610,316	427,360	182,956	100.00%	-
Pruett Street ^[d]	588,281	-	588,281	100.00%	-
Soft Costs ^[e]	1,748,694	-	-	100.00%	1,748,694
	<u>\$ 7,667,600</u>	<u>\$ 427,360</u>	<u>\$ 771,237</u>		<u>\$ 6,469,003</u>
<i>Private^[c]</i>					
Private Improvements	\$ 2,845,420	\$ -	\$ 2,845,420		\$ -
	<u>\$ 2,845,420</u>	<u>\$ -</u>	<u>\$ 2,845,420</u>		<u>\$ -</u>
<i>Bond Issuance Costs^[f]</i>					
Debt Service Reserve Fund	\$ 413,443	\$ -	\$ -		\$ 413,443
Capitalized Interest	105,590	-	-		105,590
Underwriter Discount	115,980	-	-		115,980
Underwriter Counsel	57,990	-	-		57,990
Cost of Issuance	347,940	-	-		347,940
	<u>\$ 1,040,943</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 1,040,943</u>
<i>Other Costs^[f]</i>					
Deposit to Administrative Fund	\$ 40,000	\$ -	\$ -		\$ 40,000
	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 40,000</u>
Total	\$ 11,593,963	\$ 427,360	\$ 3,616,657		\$ 7,549,946

Footnotes:

[a] Per Engineer's Report dated 12/04/2024.

[b] These costs are to be paid by the Developer and are eligible to be reimbursed to the Developer by impact fees, in an amount not to exceed \$427,360.49 in accordance with the Development Agreement. Any additional costs related to these improvements will be paid by the Developer without reimbursement from Assessments, or PID Bonds, or impact fees.

[c] Non-reimbursable to the Developer through Assessments or PID Bonds.

[d] Developer to pay for and construct off-site roadway improvements to Pruet Street, per the Development Agreement. Non-reimbursable to the Developer through Assessments or PID Bonds.

[e] Soft Costs include contingency, engineering and surveying, District Formation Costs and inspection and testing.

[f] Estimates only and subject to change upon issuance of PID Bonds.

EXHIBIT C – SERVICE PLAN

		PID Bonds				
Annual Installment Due		1/31/2026	1/31/2027	1/31/2028	1/31/2029	1/31/2030
Principal		\$ 80,000	\$ 84,000	\$ 88,000	\$ 93,000	\$ 98,000
Interest		333,443	328,843	324,013	318,953	313,605
	(1)	<u>\$ 413,443</u>	<u>\$ 412,843</u>	<u>\$ 412,013</u>	<u>\$ 411,953</u>	<u>\$ 411,605</u>
Additional Interest	(2)	\$ 28,995	\$ 28,595	\$ 28,175	\$ 27,735	\$ 27,270
Annual Collection Costs	(3)	\$ 40,000	\$ 40,800	\$ 41,616	\$ 42,448	\$ 43,297
Total Annual Installment Due	(4) = (1) + (2) + (3)	<u>\$ 482,438</u>	<u>\$ 482,238</u>	<u>\$ 481,804</u>	<u>\$ 482,136</u>	<u>\$ 482,172</u>

EXHIBIT D – SOURCES AND USES OF FUNDS

	Private	Impact Fee Eligible ^[a]	District	Total
Sources of Funds				
PID Bonds	\$ -	\$ -	\$ 5,799,000	\$ 5,799,000
Developer Contribution - Public Infrastructure ^[b]	-	427,360	1,750,946	2,178,306
Developer Contribution - Pruett Street ^[c]	588,281	-	-	588,281
Developer Contribution - Private Improvements ^[b]	3,028,376	-	-	3,028,376
Total Sources of Funds	\$ 3,616,657	\$ 427,360	\$ 7,549,946	\$ 11,593,963
Uses of Funds				
Authorized Improvements	\$ -	\$ 427,360	\$ 6,469,003	\$ 6,896,363
Pruett Street ^[c]	588,281	-	-	588,281
Private Improvements ^[b]	3,028,376	-	-	3,028,376
	<u>\$ 3,616,657</u>	<u>\$ 427,360</u>	<u>\$ 6,469,003</u>	<u>\$ 10,513,020</u>
<i>Bond Issuance Costs^[d]</i>				
Debt Service Reserve Fund	\$ -	\$ -	\$ 413,443	\$ 413,443
Capitalized Interest	-	-	105,590	105,590
Underwriter Discount	-	-	115,980	115,980
Underwriter Counsel	-	-	57,990	57,990
Cost of Issuance	-	-	347,940	347,940
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,040,943</u>	<u>\$ 1,040,943</u>
<i>Other Costs^[d]</i>				
Deposit to Administrative Fund	\$ -	\$ -	\$ 40,000	\$ 40,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>
Total Uses of Funds	\$ 3,616,657	\$ 427,360	\$ 7,549,946	\$ 11,593,963

Footnotes:

[a] These costs are to be paid by the Developer and are eligible to be reimbursed to the Developer by impact fees, in an amount not to exceed \$427,360.49 in accordance with the Development Agreement. Any additional costs related to these improvements will be paid by the Developer without reimbursement from Assessments, or PID Bonds, or impact fees.

[b] Non-reimbursable to the Developer through Assessments or PID Bonds.

[c] Developer to pay for and construct off-site roadway improvements to Pruett Street, per the Development Agreement. Non-reimbursable to the Developer through Assessments or PID Bonds.

[d] Estimates only and subject to change upon issuance of PID Bonds.

EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units ^[a]	Estimated Buildout Value ^[a]		Assessment ^[b]		Average Annual Installment		PID TRE
		Per Unit	Total	Per Unit	Total	Per Unit	Total	
District								
Lot Type 1	43	\$ 330,650	\$ 14,217,950	\$ 25,813.48	\$ 1,109,980	\$ 2,146.42	\$ 92,296	\$ 0.6492
Lot Type 2	169	\$ 355,400	\$ 60,062,600	\$ 27,745.68	\$ 4,689,020	\$ 2,307.09	\$ 389,898	\$ 0.6492
Total	212	\$ 74,280,550		\$ 5,799,000		\$ 482,194		

Footnotes:

[a] Per information provided by the Developer on 1/13/2025

[b] Based on values provided in the Appraisal dated 2/3/2025.

EXHIBIT F-1 – ASSESSMENT ROLL

Property ID ^[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2026
1038031	Initial Parcel	\$ 34,663	\$ 2,884
2855615	Initial Parcel	\$ 4,985,938	\$ 414,797
2855617	Initial Parcel	\$ 778,399	\$ 64,758
Total		\$ 5,799,000	\$ 482,438

Footnotes:

[a] The entire Initial Parcel is contained within Property IDs 1038031, 2855615, and 2855617. For billing purposes, the Annual Installment due 1/31/2026 shall be allocated pro rata based on acreage and are subject to change based on the final certified rolls provided by the County prior to billing.

EXHIBIT F-2 – ANNUAL INSTALLMENTS

Installment Due 1/31 ^[a]	Principal	Interest ^[b]	Capitalized Interest	Reserve Fund	Additional Interest	Annual Collection Costs	Total Annual Installment Due ^[c]
2025	\$ -	\$ 105,590	\$ (105,590)	\$ -	\$ -	\$ -	\$ -
2026	\$ 80,000	\$ 333,443	\$ -	\$ -	\$ 28,995	\$ 40,000	\$ 482,438
2027	\$ 84,000	\$ 328,843	\$ -	\$ -	\$ 28,595	\$ 40,800	\$ 482,238
2028	\$ 88,000	\$ 324,013	\$ -	\$ -	\$ 28,175	\$ 41,616	\$ 481,804
2029	\$ 93,000	\$ 318,953	\$ -	\$ -	\$ 27,735	\$ 42,448	\$ 482,136
2030	\$ 98,000	\$ 313,605	\$ -	\$ -	\$ 27,270	\$ 43,297	\$ 482,172
2031	\$ 103,000	\$ 307,970	\$ -	\$ -	\$ 26,780	\$ 44,163	\$ 481,913
2032	\$ 109,000	\$ 302,048	\$ -	\$ -	\$ 26,265	\$ 45,046	\$ 482,359
2033	\$ 115,000	\$ 295,780	\$ -	\$ -	\$ 25,720	\$ 45,947	\$ 482,447
2034	\$ 121,000	\$ 289,168	\$ -	\$ -	\$ 25,145	\$ 46,866	\$ 482,179
2035	\$ 128,000	\$ 282,210	\$ -	\$ -	\$ 24,540	\$ 47,804	\$ 482,554
2036	\$ 135,000	\$ 274,850	\$ -	\$ -	\$ 23,900	\$ 48,760	\$ 482,510
2037	\$ 142,000	\$ 267,088	\$ -	\$ -	\$ 23,225	\$ 49,735	\$ 482,048
2038	\$ 150,000	\$ 258,923	\$ -	\$ -	\$ 22,515	\$ 50,730	\$ 482,168
2039	\$ 158,000	\$ 250,298	\$ -	\$ -	\$ 21,765	\$ 51,744	\$ 481,807
2040	\$ 167,000	\$ 241,213	\$ -	\$ -	\$ 20,975	\$ 52,779	\$ 481,967
2041	\$ 177,000	\$ 231,610	\$ -	\$ -	\$ 20,140	\$ 53,835	\$ 482,585
2042	\$ 187,000	\$ 221,433	\$ -	\$ -	\$ 19,255	\$ 54,911	\$ 482,599
2043	\$ 197,000	\$ 210,680	\$ -	\$ -	\$ 18,320	\$ 56,010	\$ 482,010
2044	\$ 209,000	\$ 199,353	\$ -	\$ -	\$ 17,335	\$ 57,130	\$ 482,818
2045	\$ 220,000	\$ 187,335	\$ -	\$ -	\$ 16,290	\$ 58,272	\$ 481,897
2046	\$ 233,000	\$ 174,685	\$ -	\$ -	\$ 15,190	\$ 59,438	\$ 482,313
2047	\$ 246,000	\$ 161,288	\$ -	\$ -	\$ 14,025	\$ 60,627	\$ 481,940
2048	\$ 260,000	\$ 147,143	\$ -	\$ -	\$ 12,795	\$ 61,839	\$ 481,777
2049	\$ 276,000	\$ 132,193	\$ -	\$ -	\$ 11,495	\$ 63,076	\$ 482,764
2050	\$ 291,000	\$ 116,323	\$ -	\$ -	\$ 10,115	\$ 64,337	\$ 481,775
2051	\$ 308,000	\$ 99,590	\$ -	\$ -	\$ 8,660	\$ 65,624	\$ 481,874
2052	\$ 326,000	\$ 81,880	\$ -	\$ -	\$ 7,120	\$ 66,937	\$ 481,937
2053	\$ 345,000	\$ 63,135	\$ -	\$ -	\$ 5,490	\$ 68,275	\$ 481,900
2054	\$ 366,000	\$ 43,298	\$ -	\$ -	\$ 3,765	\$ 69,641	\$ 482,704
2055	\$ 387,000	\$ 22,253	\$ -	\$ (413,443)	\$ 1,935	\$ 71,034	\$ 68,779
Total	\$ 5,799,000	\$ 6,586,194	\$ (105,590)	\$ (413,443)	\$ 563,530	\$ 1,622,723	\$ 14,052,414

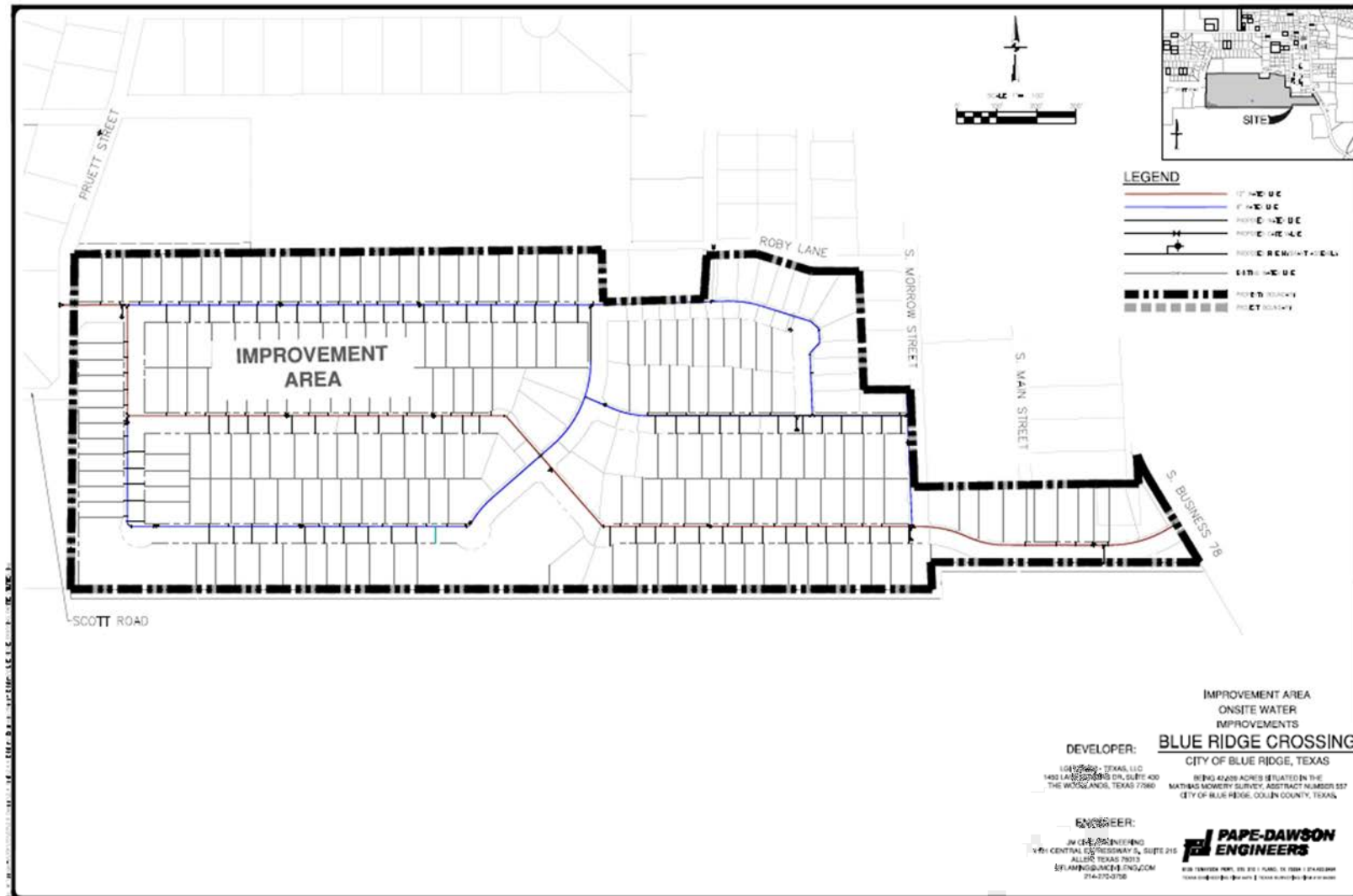
Footnotes:

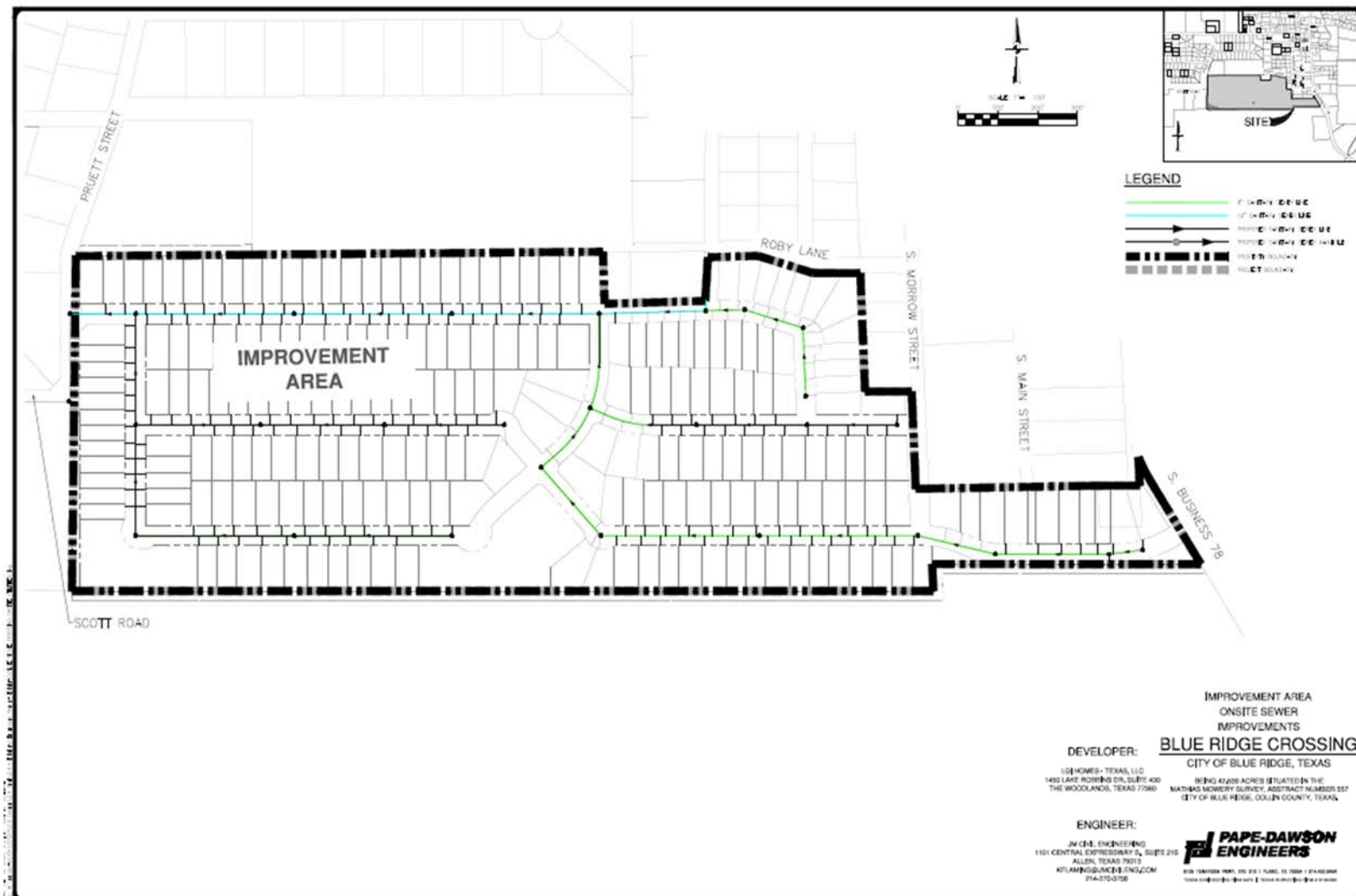
[a] No Assessment collected in 2025 and capitalized interest is contemplated for the 9/15/2025 debt service payment.

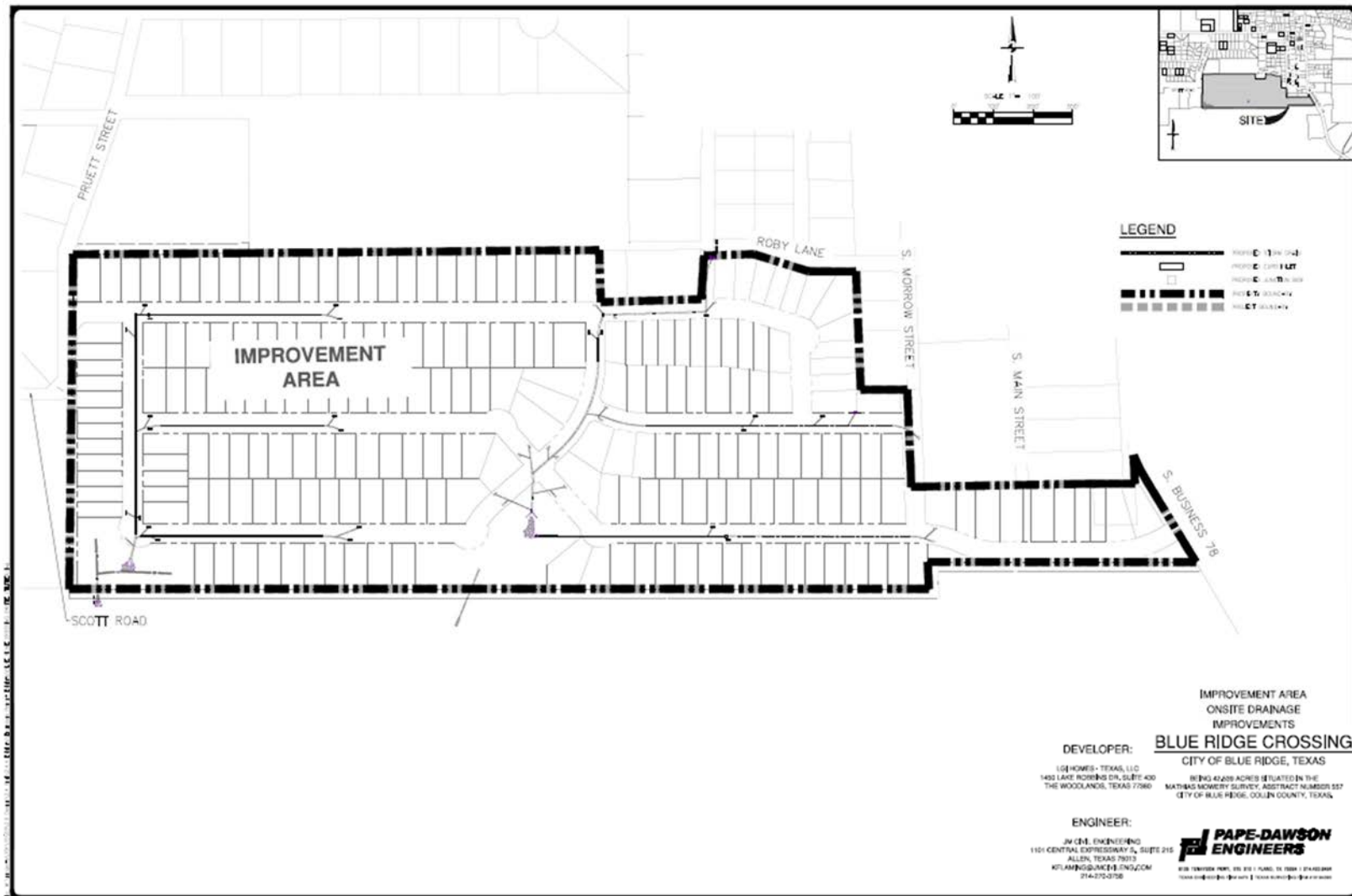
[b] Interest is calculated at a 5.75% rate per the City's Financial Advisor and is subject to change upon final pricing of PID Bonds.

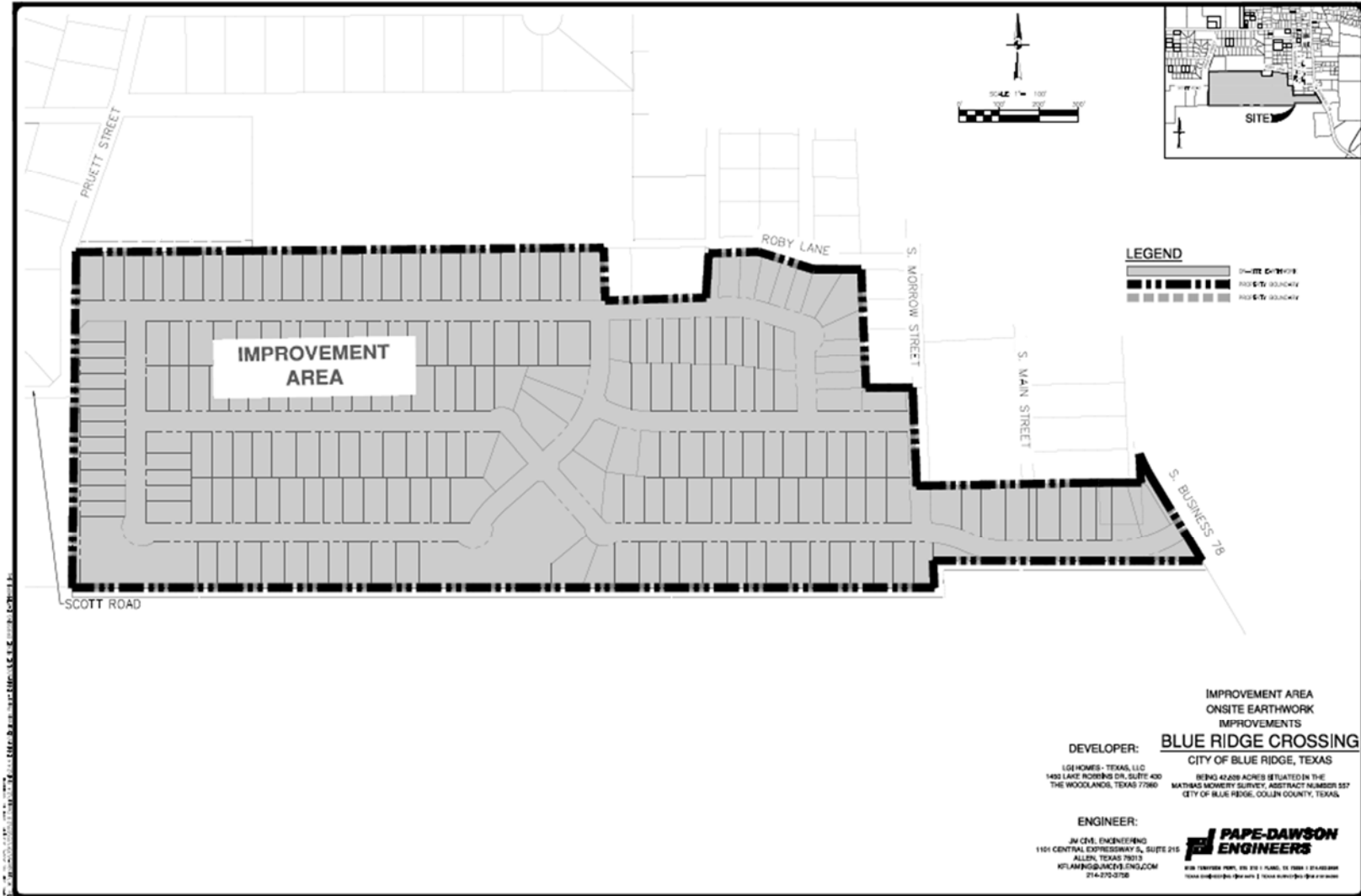
[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

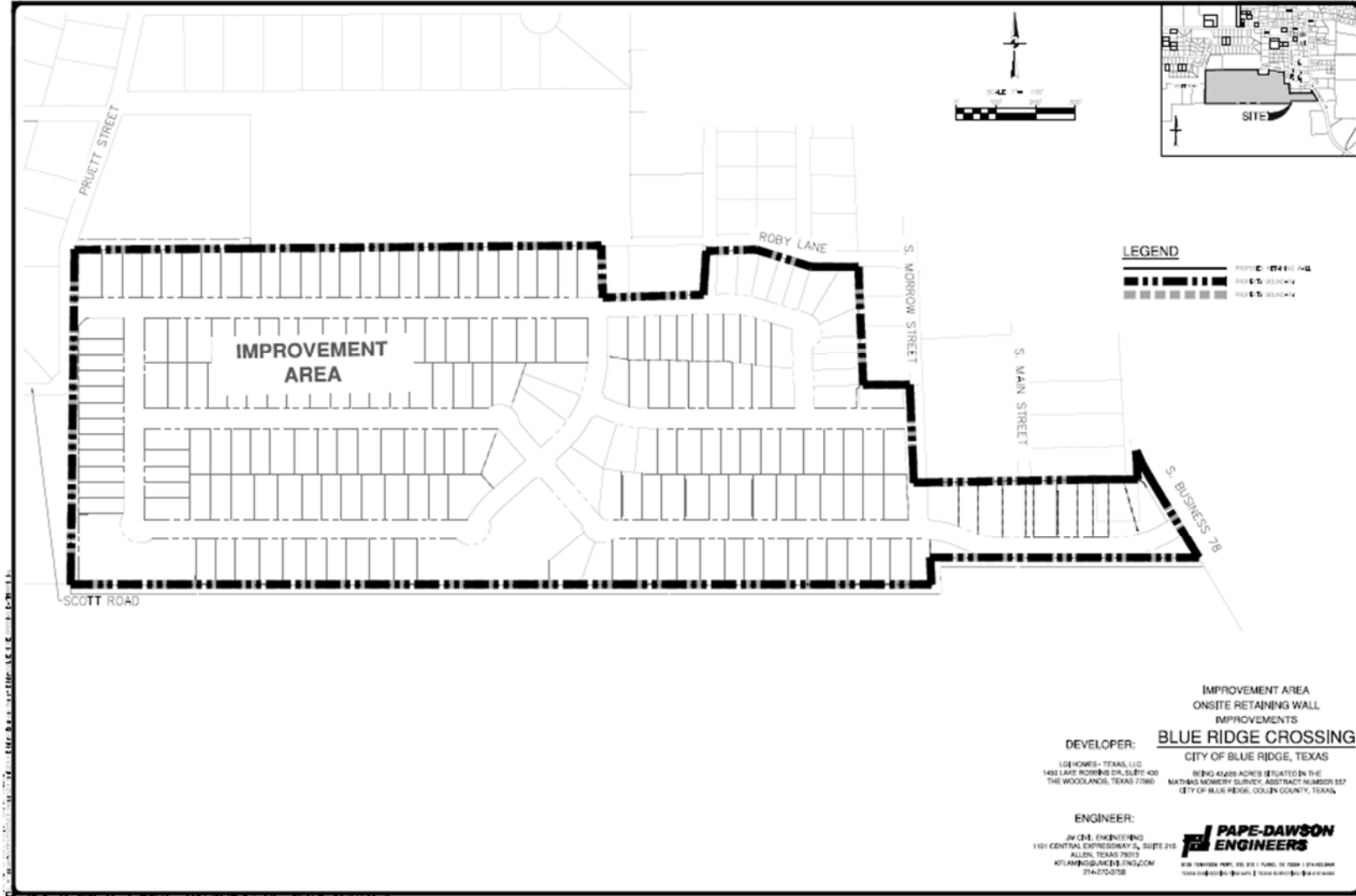
EXHIBIT H – MAPS OF AUTHORIZED IMPROVEMENTS

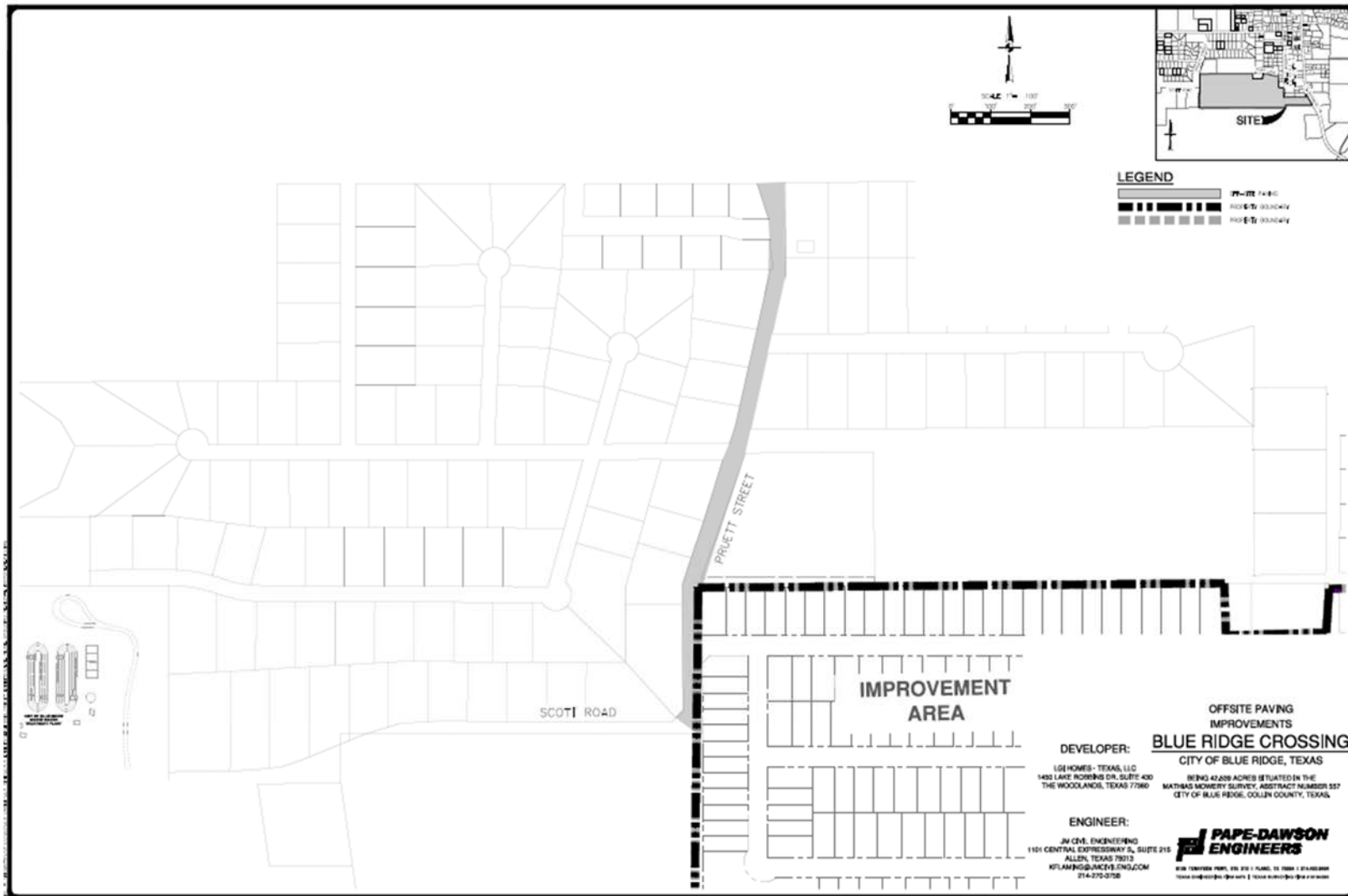


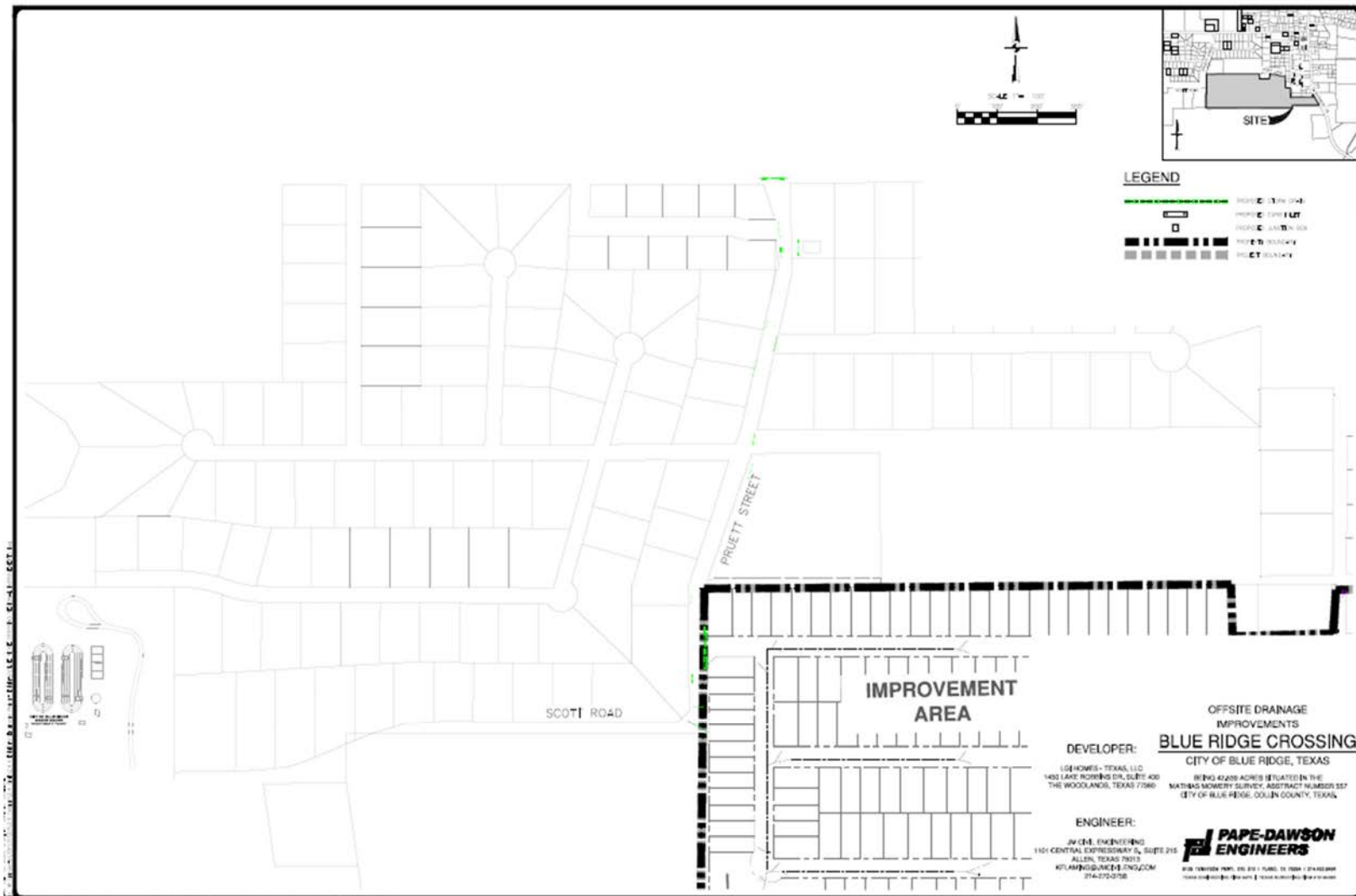












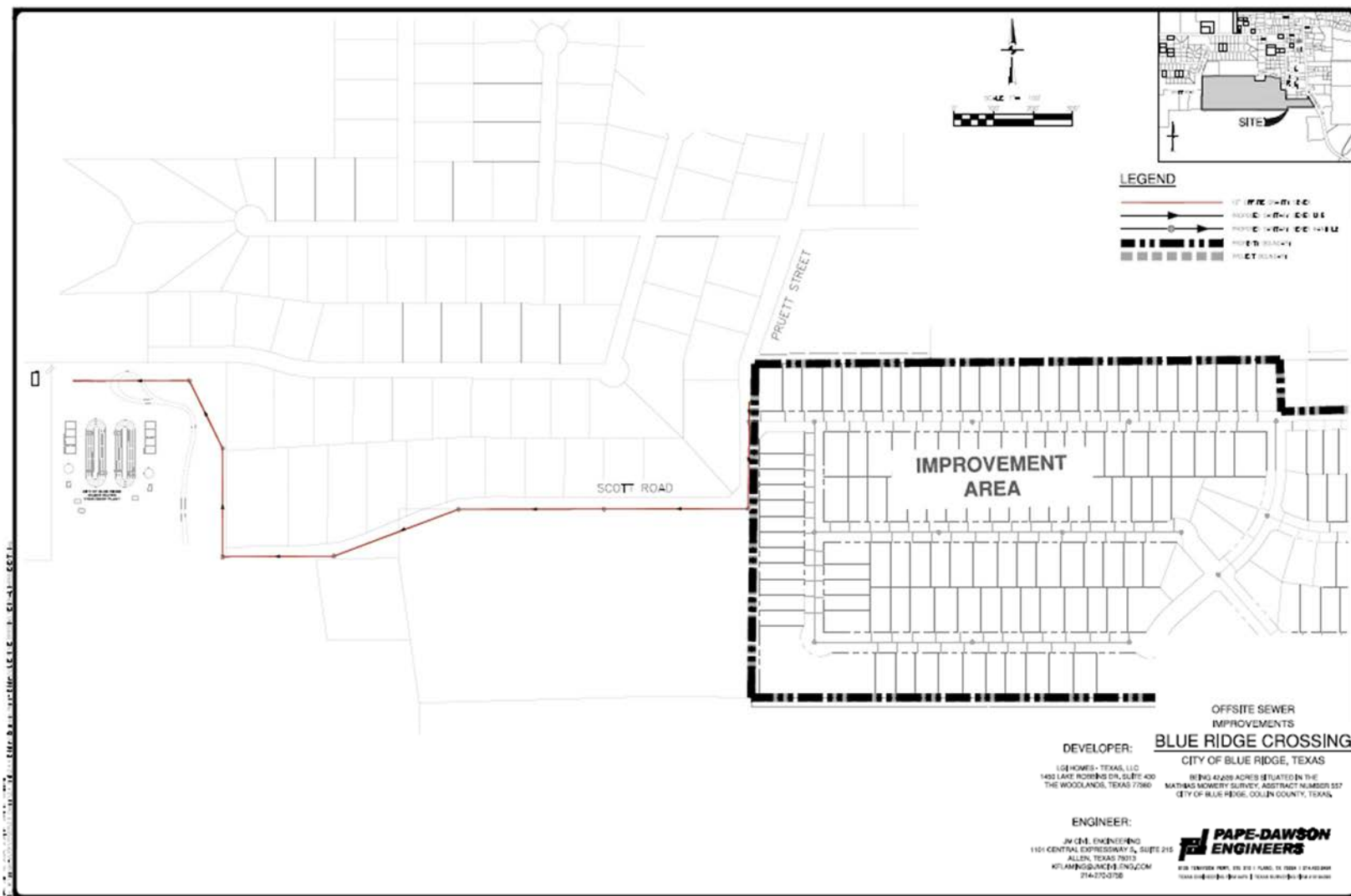


EXHIBIT I – FORM OF NOTICE OF ASSESSMENT TERMINATION



P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Collin County Clerk's Office
Honorable [County Clerk]
Administration Building
2300 Bloomdale Rd., Suite 2106
McKinney, TX 75071

Re: City of Blue Ridge Lien Release documents for filing

Dear Ms./Mr. [County Clerk]

Enclosed is a lien release that the City of Blue Ridge 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 Blue Ridge
Attn: City Secretary
108 W James Street
Blue Ridge, TX 75424

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]
[City Secretary Address]

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

STATE OF TEXAS §
 §
COUNTY OF COLLIN § **KNOW ALL MEN BY THESE PRESENTS:**

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Blue Ridge, Texas, a Texas General Law Type A municipality (the "City").

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City of Blue Ridge, 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 22, 2022, the City Council of the City approved Resolution No. 2022-0322-001 creating the Blue Ridge Crossing Public Improvement District (the “District”); and

WHEREAS, the District consists of approximately 42.539 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 Collin County, Texas; 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:

[legal description], an addition to the City of [City], [County], Texas, according to the map or plat thereof recorded as Instrument No. _____ in the Map Records of Collin County, Texas (the "Property");

WHEREAS, the Lien Amount has been paid in full.

RELEASE

NOW THEREFORE, for and in consideration of the full payment of the Lien Amount, the City hereby releases and discharges, and by these presents does hereby release and discharge, the Lien to the extent that it affects and encumbers the Property.

EXECUTED to be **EFFECTIVE** this the ____ day of _____, 20__.

CITY OF BLUE RIDGE, TEXAS,
A Texas General Law Type A municipality,

By: _____
Mayor

ATTEST:

[Secretary Name], City Secretary

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the ____ day of _____, 20__, by the City Manager for the City of Blue Ridge, Texas, a Texas General Law Type A municipality, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT J – DEBT SERVICE SCHEDULE

[to be provided upon bond issuance.]

EXHIBIT K – DISTRICT LEGAL DESCRIPTION

METES AND BOUNDS DESCRIPTION OF THE PROPERTY

BEING A TRACT OF LAND SITUATED IN THE MATHIAS MOWERY SURVEY, ABSTRACT NO. 557, IN COLLIN COUNTY, TEXAS, BEING A PORTION OF THAT SAME TRACT OF LAND CONVEYED TO MIKE MCCREARY AND CHAD KNOWLES BY DEED RECORDED IN INSTRUMENT NO. 20210911001135230, OF THE OFFICIAL PUBLIC RECORDS OF COLLIN COUNTY, TEXAS (O.P.R.C.C.T.), TOGETHER WITH A TRACT OF LAND CONVEYED TO JACOB W. LITTLEJOHN BY DEED RECORDED IN INSTRUMENT NO. 20210304000430470, O.P.R.C.C.T., AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A MAG NAIL FOUND ON A WOOD POST FOR CORNER, SAID POINT BEING THE SOUTHEAST CORNER OF A TRACT OF LAND CONVEYED TO JORGE ALBERTO JIMENEZ BY DEED RECORDED IN INSTRUMENT NO. 20170109000036820, O.P.R.C.C.T., SAME BEING AN INTERIOR "ELL" CORNER OF SAID MCCREARY & KNOWLES TRACT, SAME BEING THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 00 DEGREES 40 MINUTES 46 SECONDS EAST, WITH THE EAST LINE OF SAID JIMENEZ TRACT, PASSING A 1/2 INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID JIMENEZ TRACT AT A DISTANCE OF 480.00 FEET, SAME BEING THE SOUTHEAST CORNER OF PRUETT STREET (VARIABLE WIDTH RIGHT-OF-WAY), AND CONTINUING WITH THE EAST RIGHT-OF-WAY LINE OF SAID PRUETT STREET, FOR A TOTAL DISTANCE OF 846.78 FEET TO A MAG NAIL FOUND IN A WOOD POST FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED TO BLUE RIDGE AREA SPORTS ASSOCIATION BY DEED RECORDED IN CLERK'S FILE NO. 92-0020137 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS (D.R.C.C.T.), SAME BEING THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 89 DEGREES 34 MINUTES 48 SECONDS EAST, DEPARTING THE EAST RIGHT-OF-WAY LINE OF SAID PRUETT STREET, OVER, ACROSS, AND THROUGH SAID MCCREARY & KNOWLES TRACT, AND WITH THE SOUTH LINE OF SAID BLUE RIDGE AREA SPORTS ASSOCIATION TRACT, A DISTANCE OF 445.19 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER, SAID POINT BEING AN INTERIOR "ELL" CORNER OF SAID MCCREARY & KNOWLES TRACT;

THENCE NORTH 89 DEGREES 30 MINUTES 41 SECONDS EAST, CONTINUING WITH THE SOUTH LINE OF SAID BLUE RIDGE AREA SPORTS ASSOCIATION TRACT, A DISTANCE OF 884.90 FEET TO A 1/2 INCH IRON ROD FOUND WITH A CAP STAMPED "STOVALL & ASSOC." FOR A NORTHEAST CORNER OF SAID MCCREARY & KNOWLES TRACT;

THENCE SOUTH 01 DEGREES 52 MINUTES 31 SECONDS EAST, DEPARTING THE SOUTH LINE OF SAID BLUE RIDGE AREA SPORTS ASSOCIATION TRACT, PASSING A FENCE POST FOUND FOR THE NORTHWEST CORNER OF A TRACT OF LAND CONVEYED TO RANDELL S. MOODY AND BOBBIE MOODY BY DEED RECORDED IN CLERK'S FILE NO. 94-0101604, D.R.C.C.T., AT A DISTANCE OF 3.11 FEET AND CONTINUING WITH THE WEST LINE OF SAID MOODY TRACT, FOR A TOTAL DISTANCE OF 131.63 FEET TO A 6" WOOD FENCE POST FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF SAID MOODY TRACT, SAME BEING AN INTERIOR "ELL" CORNER OF SAID MCCREARY & KNOWLES TRACT;

THENCE NORTH 88 DEGREES 23 MINUTES 58 SECONDS EAST, WITH THE SOUTH LINE OF SAID MOODY TRACT, A DISTANCE OF 253.67 FEET TO A 6 INCH WOOD FENCE POST FOUND FOR CORNER, SAID POINT BEING THE SOUTHEAST CORNER OF SAID MOODY TRACT;

THENCE NORTH 03 DEGREES 51 MINUTES 03 SECONDS EAST, WITH THE EAST LINE OF SAID MOODY TRACT, A DISTANCE OF 110.57 FEET TO A 6 INCH WOOD FENCE POST FOR CORNER, SAID POINT LYING ON THE SOUTH RIGHT-OF-WAY LINE OF ROBY LANE (40 FOOT RIGHT-OF-WAY);

THENCE NORTH 88 DEGREES 20 MINUTES 53 SECONDS EAST, DEPARTING THE EAST LINE OF SAID MOODY TRACT, WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID ROBY LANE, A DISTANCE OF 126.05 FEET TO A 1/2 INCH IRON ROD WITH A CAP STAMPED "STOVALL & ASSOC." FOUND FOR CORNER;

THENCE SOUTH 72 DEGREES 37 MINUTES 51 SECONDS EAST, CONTINUING WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID ROBY LANE, A DISTANCE OF 145.29 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

THENCE SOUTH 89 DEGREES 46 MINUTES 37 SECONDS EAST, CONTINUING WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID ROBY LANE, A DISTANCE OF 119.48 FEET TO A 3/4 INCH IRON PIPE FOUND FOR CORNER, SAID POINT BEING A NORTHEAST CORNER OF SAID MCCREARY & KNOWLES TRACT, SAME BEING THE NORTHWEST CORNER OF A TRACT OF LAND CONVEYED TO ADRIANA TORRES BY DEED RECORDED IN INSTRUMENT NO. 20150415000423960, O.P.R.C.C.T.;

THENCE SOUTH 02 DEGREES 19 MINUTES 20 SECONDS EAST, DEPARTING THE SOUTH RIGHT-OF-WAY LINE OF SAID ROBY LANE, WITH THE WEST LINE OF SAID TORRES TRACT, AND WITH THE WEST LINE OF A TRACT OF LAND CONVEYED TO DAVID PAUL APPLE BY DEED RECORDED IN INSTRUMENT NO. 20190718000844250, AND THROUGH SAID MCCREARY & KNOWLES TRACT, FOR A TOTAL DISTANCE OF 299.36 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

THENCE NORTH 89 DEGREES 58 MINUTES 29 SECONDS EAST, CONTINUING THROUGH SAID MCCREARY & KNOWLES TRACT, A DISTANCE OF 117.50 FEET TO A 1/2 INCH IRON ROD WITH A CAP STAMPED "APPLE 5932" FOUND FOR CORNER, SAID POINT LYING ON THE WEST RIGHT-OF-WAY LINE OF S. MORROW STREET (UNKNOWN RIGHT-OF-WAY);

THENCE SOUTH 02 DEGREES 26 MINUTES 02 SECONDS EAST, WITH THE WEST RIGHT-OF-WAY LINE OF SAID S. MORROW STREET, A DISTANCE OF 246.41 FEET TO A 5/8 INCH IRON ROD WITH A CAP STAMPED "JM CIVIL ENGINEERING" SET FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF SAID S. MORROW STREET;

THENCE NORTH 88 DEGREES 59 MINUTES 53 SECONDS EAST, WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID S. MORROW STREET, PASSING A 1/2 INCH IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID S. MORROW STREET, SAME BEING THE SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED TO RAUL SINGLETERRY AND JENARRA SINGLETERRY BY DEED RECORDED IN VOLUME 2013, PAGE 239, D.R.C.C.T., AT A DISTANCE OF 32.73 FEET AND CONTINUING WITH THE SOUTH LINE OF SAID SINGLETERRY TRACT, AND WITH THE SOUTH RIGHT-OF-WAY LINE OF S. MAIN STREET (UNKNOWN RIGHT-OF-WAY) AND WITH THE SOUTH LINE OF A TRACT OF LAND CONVEYED TO ADRIAN R. PITTS BY DEED RECORDED IN VOLUME 5014, PAGE 3378, D.R.C.C.T. AND CONTINUING FOR A TOTAL DISTANCE OF 458.84 FEET TO A 1/2 INCH IRON ROD WITH A CAP STAMPED "TEXAS RPLS", SAID POINT BEING THE NORTHWEST CORNER OF SAID LITTLEJOHN TRACT;

THENCE NORTH 89 DEGREES 52 MINUTES 16 SECONDS EAST, CONTINUING WITH THE SOUTH LINE OF SAID PITTS TRACT, AND WITH THE NORTH LINE OF SAID LITTLEJOHN TRACT, A DISTANCE OF 106.56 FEET TO A 5/8 INCH IRON ROD WITH A CAP STAMPED "JM CIVIL ENGINEERING" SET FOR CORNER, SAID POINT BEING THE NORTHEAST CORNER OF SAID LITTLEJOHN TRACT;

THENCE NORTH 02 DEGREES 56 MINUTES 37 SECONDS WEST, A DISTANCE OF 71.84 FEET TO A 5/8 INCH IRON ROD WITH A CAP STAMPED "JM CIVIL ENGINEERING" SET FOR CORNER, SAID POINT LYING ON THE WEST RIGHT-OF-WAY LINE OF S. BUSINESS HIGHWAY 78 (VARIABLE WIDTH RIGHT-OF-WAY), AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 08 DEGREES 14 MINUTES 34 SECONDS, A RADIUS OF 507.57 FEET, AND A CHORD BEARING AND DISTANCE OF SOUTH 27 DEGREES 11 MINUTES 39 SECONDS EAST, 72.96 FEET;

THENCE, IN A SOUTHEASTERLY DIRECTION, WITH THE WEST RIGHT-OF-WAY LINE OF SAID S. BUSINESS HIGHWAY 78, ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC LENGTH OF 73.02 FEET TO A 5/8 INCH IRON ROD WITH A CAP STAMPED "JM CIVIL ENGINEERING" SET FOR CORNER;

THENCE SOUTH 31 DEGREES 11 MINUTES 37 SECONDS EAST, CONTINUING WITH THE WEST RIGHT-OF-WAY LINE OF SAID S. BUSINESS HIGHWAY 78, A DISTANCE OF 240.11 FEET TO A 1/2 INCH IRON ROD WITH A CAP STAMPED "APPLE 5932" FOUND FOR CORNER;

THENCE NORTH 89 DEGREES 58 MINUTES 52 SECONDS WEST, DEPARTING THE WEST RIGHT-OF-WAY LINE OF SAID S. BUSINESS HIGHWAY 78, OVER, ACROSS, AND THROUGH SAID MCCREARY & KNOWLES TRACT, A DISTANCE OF 678.20 FEET TO A 1/2 INCH IRON ROD WITH A CAP STAMPED "APPLE 5932" FOUND FOR CORNER;

THENCE SOUTH 02 DEGREES 25 MINUTES 12 SECONDS EAST, CONTINUING THROUGH SAID MCCREARY & KNOWLES TRACT, A DISTANCE OF 68.36 FEET TO A 1/2 INCH IRON ROD FOUND WITH A CAP STAMPED "APPLE 5932" FOR CORNER;

THENCE NORTH 89 DEGREES 59 MINUTES 20 SECONDS WEST, CONTINUING THROUGH SAID MCCREARY & KNOWLES TRACT, PASSING A 1/2 INCH IRON ROD FOUND WITH A CAP STAMPED "APPLE 5932" AT A DISTANCE OF 500.00 FEET AND CONTINUING FOR AN ADDITIONAL 500.00 FEET TO A 1/2 INCH IRON ROD FOUND WITH A CAP STAMPED "APPLE 5932" AND CONTINUING FOR AN ADDITIONAL 240.00 FEET TO A 1/2 INCH IRON ROD FOUND WITH A CAP STAMPED "APPLE 5932" AND CONTINUING FOR A TOTAL DISTANCE OF 2173.66 TO THE POINT OF BEGINNING AND CONTAINING 1,853,018 SQUARE FEET OR 42.539 ACRES OF LAND, MORE OR LESS.

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APPENDIX A – ENGINEER’S REPORT

[to be updated with signed and stamped Engineer’s Report]

BLUE RIDGE CROSSING PID

Cost Summary
12/4/2024

Prepared By:
Pape-Dawson Engineers
6105 Tennyson Pkwy, Suite 210
Plano, Texas 75024
214-420-8494



SUMMARY

DIVISION	PID	PRIVATE	CITY	TOTAL
A. ONSITE EARTHWORK	\$ 1,647,199	\$ 58,300	\$ -	\$ 1,705,499
B. ONSITE SWPPP	\$ 130,831	\$ -	\$ -	\$ 130,831
C. ONSITE PAVING	\$ 2,094,122	\$ -	\$ -	\$ 2,094,122
D. ONSITE WATER	\$ 1,134,550	\$ -	\$ -	\$ 1,134,550
E. ONSITE SANITARY SEWER	\$ 917,105	\$ -	\$ -	\$ 917,105
F. ONSITE DRAINAGE	\$ 718,263	\$ -	\$ -	\$ 718,263
G. RETAINING WALLS	\$ 718,263	\$ -	\$ -	\$ 718,263
H. PRUETT STREET ITEMS	\$ 588,281	\$ -	\$ -	\$ 588,281
I. OFF-SITE SANITARY SEWER ITEMS	\$ -	\$ 610,316	\$ -	\$ 610,316
SUB-TOTAL	\$ 7,948,615	\$ 668,616	\$ -	\$ 8,617,231
CONTINGENCY (10%)	\$ 794,861	\$ 66,862	\$ -	\$ 861,723
ENGINEERING AND SURVEY (10%)	\$ 794,861	\$ 66,862	\$ -	\$ 861,723
INSPECTION AND TESTING (2%)	\$ 158,972	\$ 13,372	\$ -	\$ 172,345
TOTAL	\$ 9,697,310	\$ 815,712	\$ -	\$ 10,513,022
COST PER LOT	\$ 45,742	\$ 3,848	\$ -	\$ 49,590
COST PER ACRE	\$ 227,963	\$ 19,176	\$ -	\$ 247,138

BLUE RIDGE CROSSING

Cost Summary
12/4/2024

Prepared By:
Pape-Dawson Engineers
6105 Tennyson Pkwy, Suite 210
Plano, Texas 75024
214-420-8494

COST ANALYSIS:		ONSITE IMPROVEMENTS						
ITEM	DESCRIPTION	Acres = 42.539		Lots = 212		PID	PRIVATE	CITY
		QUANTITY	UNIT	UNIT PRICE	AMOUNT			
A. ONSITE EARTHWORK								
1	Site Preparation	45	Acres	\$1,892.52	\$84,784.90	\$84,785	\$0	\$0
2	Demolish Structures and Dispose Off-Site	1	LS	\$15,000.00	\$15,000.00	\$15,000	\$0	\$0
3	Excavation, unclassified	65,974	Cubic Yard	\$2.58	\$170,212.92	\$170,213	\$0	\$0
4	Embankment Borrow and Spoils (P Less Than 40) (Item to be imported from Contractor provided Site)	82,195	Cubic Yard	\$15.48	\$1,272,378.60	\$1,272,379	\$0	\$0
5	Strip and Place Existing 6-Inch Topsoil in Areas to Be Vegetated	21,598	Square Yard	\$1.00	\$21,598.00	\$21,598	\$0	\$0
6	Embankment Place Utility Spoils/Retaining Wall Spoils, and Franchise Spoils	12,600	Cubic Yard	\$3.50	\$44,100.00	\$44,100	\$0	\$0
7	Rough Lot Grading (0.3 Foot Tolerance)	212	Each	\$150.00	\$31,800.00	\$0	\$31,800	\$0
8	Final Lot Grading (0.1 Foot Tolerance)	212	Each	\$125.00	\$26,500.00	\$0	\$26,500	\$0
9	Open Space Lot Grading	8	Each	\$850.00	\$6,800.00	\$6,800	\$0	\$0
10	Retaining Wall Cutback Slope	1	Lump Sum	\$3,700.00	\$3,700.00	\$3,700	\$0	\$0
MISC	Mobilization	1	Lump Sum	\$25,000.00	\$25,000.00	\$25,000	\$0	\$0
CO1	Furnish & Install Protection Fence w/T-Posts (500 LF)	1	Lump Sum	\$3,625.00	\$3,625.00	\$3,625	\$0	\$0
				TOTAL:	\$1,705,499.42	\$1,647,199.42	\$58,300.00	\$0.00
B. ONSITE SWPPP								
11	Silt Fence - Stage 1	5,443	Linear Foot	\$1.97	\$10,722.71	\$10,723	\$0	\$0
12	Seeding Turfgrass (General) (Follow NCTCOG Table 204.6.3) (Final Retainage Payment Not to be Paid to Contractor Until 85% Vegetation Established)	21,598	Square Yard	\$1.83	\$39,524.34	\$39,524	\$0	\$0
13	Check Dam (Filter Tube)	13	Each	\$935.00	\$12,155.00	\$12,155	\$0	\$0
14	Erosion Control Blanket	21,598	Square Yard	\$1.08	\$23,325.84	\$23,326	\$0	\$0
15	Stabilized Construction Entrance	1	Each	\$2,678.50	\$2,678.50	\$2,679	\$0	\$0
16	Temporary Sediment Pond Outfall Structures	1	Each	\$24,370.50	\$24,370.50	\$24,371	\$0	\$0
17	Construction of Temporary Sedimentation Basins and Berms	5	Each	\$10,196.00	\$50,980.00	\$50,980	\$0	\$0
18	SWPPP Maintenance	3	Month	\$1,200.00	\$3,600.00	\$3,600	\$0	\$0
CO2.1	Deduct Temporary Sediment Pond Outfall Structure	1	Each	-\$24,370.50	-\$24,370.50	-\$24,371	\$0	\$0
CO2.2	Deduct Check Dam	13	Each	-\$935.00	-\$12,155.00	-\$12,155	\$0	\$0
				TOTAL:	\$130,831.39	\$130,831.39	\$0.00	\$0.00
C. ONSITE PAVING								
1	6-Inch Reinforced 4,000 PSI Portland Cement Concrete Pavement w/ Curb	28006	Square Yard	\$ 50.35	\$1,410,102.10	\$1,410,102.10	\$0.00	\$0.00
2	6-Inch Lime Stabilized Subgrade	29532	Square Yard	\$ 3.60	\$106,315.20	\$106,315.20	\$0.00	\$0.00
3	Hydrated Lime (7%, 36 lbs/SY)	532	Ton	\$ 340.00	\$180,880.00	\$180,880.00	\$0.00	\$0.00
4	4-Inch Thick Concrete Sidewalk (Variable Widths)	2290	Square Yard	\$ 66.10	\$151,369.00	\$151,369.00	\$0.00	\$0.00
5	Barrier Free Ramp	24	Each	\$ 2,550.00	\$61,200.00	\$61,200.00	\$0.00	\$0.00
6	Fire Access Gate	1	Each	\$ 0.00	\$0.00	\$0.00	\$0.00	\$0.00
7	Gravel Road (Morrow St) 8" Thick Flexible Base (Item 247, Type A or D, Grade 1-2) w/ 6" Lime-Treated Subgrade (36 lbs/SY) (Includes Hydrated Lime)	331	Square Yard	\$ 48.75	\$16,136.25	\$16,136.25	\$0.00	\$0.00
8	Traffic Calming Feature with Reflective Noise	11	Each	\$ 2,945.00	\$32,395.00	\$32,395.00	\$0.00	\$0.00
9	Pavement per TxDOT Detail Specifications 9" Concrete (Refer to CRCP-23 for Bar Size and Spacing) Over 2" Asphalt and Over Sub Base. (Connect to Existing Asphalt Pavement - S BUS 78)	218	Square Yard	\$ 275.00	\$59,950.00	\$59,950.00	\$0.00	\$0.00
10	Stop Sign	11	Each	\$ 228.05	\$2,508.55	\$2,508.55	\$0.00	\$0.00
11	Street Sign Name Blade	24	Each	\$ 220.85	\$5,300.40	\$5,300.40	\$0.00	\$0.00
12	Sign Pole	12	Each	\$ 827.75	\$9,933.00	\$9,933.00	\$0.00	\$0.00
13	24-Inch Wide Solid White Pavement Marking	31	Linear Foot	\$ 20.00	\$620.00	\$620.00	\$0.00	\$0.00
14	Word "STOP" Pavement Marking	2	Each	\$ 500.00	\$1,000.00	\$1,000.00	\$0.00	\$0.00
MISC	Mobilization	1	Lump Sum	\$ 30,000.00	\$30,000.00	\$30,000.00	\$0.00	\$0.00
MISC	2-Year Maintenance Bond for 100% of Contract Amount	1	Lump Sum	\$ 7,000.00	\$7,000.00	\$7,000.00	\$0.00	\$0.00
CO1.1	Traffic Calming Feature with Reflective Noise	4	Each	\$ 2,945.00	\$11,780.00	\$11,780.00	\$0.00	\$0.00
CO1.2	Stop Sign	2	Each	\$ 228.05	\$456.10	\$456.10	\$0.00	\$0.00
CO1.3	Mailbox Pads (4-Inch Thick Concrete)	25	Square Yard	\$ 66.10	\$1,652.50	\$1,652.50	\$0.00	\$0.00
CO2.3	Terragrid for Scott Road	1	Lump Sum	\$ 5,524.00	\$5,524.00	\$5,524.00	\$0.00	\$0.00
				TOTAL:	\$2,094,122.10	\$2,094,122.10	\$0.00	\$0.00

D. ONSITE WATER									
1	8-inch C900 PVC Water Pipe, Complete in Place (Including Fittings, Pipe, Restraints, Thrust Blocking, Bedding, & Backfill)	5115	Linear Foot	\$	51.15	\$261,632.25	\$261,632.25	\$0.00	\$0.00
2	12-inch C900 PVC Water Pipe, Complete in Place (Including Fittings, Pipe, Restraints, Thrust Blocking, Bedding, & Backfill)	3565	Linear Foot	\$	84.16	\$300,030.40	\$300,030.40	\$0.00	\$0.00
3	1-inch Poly Single Water Service, with Meter Box (Including 2" Sleeve for Services Under Pavement)	212	Each	\$	1,225.74	\$259,856.88	\$259,856.88	\$0.00	\$0.00
4	1-inch Poly Irrigation Service, with Meter Box (Including 2" Sleeve for Services Under Pavement)	3	Each	\$	1,348.83	\$4,046.49	\$4,046.49	\$0.00	\$0.00
5	1.5-Inch Poly Irrigation Service, with Meter Box (Including 2" Sleeve for Services Under Pavement)	1	Each	\$	2,029.58	\$2,029.58	\$2,029.58	\$0.00	\$0.00
6	4-inch - 31' PVC Schedule 40 Irrigation Sleeves (Open Cut)	8	Each	\$	1,078.68	\$8,629.44	\$8,629.44	\$0.00	\$0.00
7	Fire Hydrant Assembly, Complete in Place (Including 6-inch C900 PVC Water Pipe for Lead & 6" Gate Valve)	18	Each	\$	6,588.57	\$118,594.26	\$118,594.26	\$0.00	\$0.00
8	6-inch Gate Valve and Box, Complete in Place	2	Each	\$	1,509.91	\$3,019.82	\$3,019.82	\$0.00	\$0.00
9	8-inch Gate Valve and Box, Complete in Place	17	Each	\$	2,236.54	\$38,021.18	\$38,021.18	\$0.00	\$0.00
10	12-inch Gate Valve and Box, Complete in Place	10	Each	\$	4,153.36	\$41,533.60	\$41,533.60	\$0.00	\$0.00
11	8-inch Restrained Plug	2	Each	\$	295.44	\$590.88	\$590.88	\$0.00	\$0.00
12	12-inch Restrained Plug	1	Each	\$	486.10	\$486.10	\$486.10	\$0.00	\$0.00
13	8-6 Reducer	1	Each	\$	492.46	\$492.46	\$492.46	\$0.00	\$0.00
14	12-6 Reducer	2	Each	\$	592.92	\$1,185.84	\$1,185.84	\$0.00	\$0.00
15	12-8 Reducer	4	Each	\$	651.91	\$2,607.64	\$2,607.64	\$0.00	\$0.00
16	Combination Air Vacuum Valve	2	Each	\$	10,729.74	\$21,459.48	\$21,459.48	\$0.00	\$0.00
17	6-inch by 6-inch Tapping Tee and Valve, Complete in Place	2	Each	\$	3,080.09	\$6,160.18	\$6,160.18	\$0.00	\$0.00
18	Connect to 6" Water Main	3	Each	\$	1,586.62	\$4,759.86	\$4,759.86	\$0.00	\$0.00
19	Pothole to Verify Depth of Utilities	2	Each	\$	647.82	\$1,295.64	\$1,295.64	\$0.00	\$0.00
20	Asphalt Driveway Repair (To include Flowable Fill in Trench to 6 inches Below Surface)	21	Square Yard	\$	53.65	\$1,126.65	\$1,126.65	\$0.00	\$0.00
21	Flowable Fill to 6 inches Below Surface to 1 Foot Outside of Pavement	11	Square Yard	\$	106.25	\$1,168.75	\$1,168.75	\$0.00	\$0.00
22	Hydrostatic Testing and Chlorination	8680	Linear Foot	\$	1.89	\$16,405.20	\$16,405.20	\$0.00	\$0.00
23	Trench Safety	8680	Linear Foot	\$	0.13	\$1,128.40	\$1,128.40	\$0.00	\$0.00
MISC	Mobilization	1	Lump Sum	\$	3,500.00	\$3,500.00	\$3,500.00	\$0.00	\$0.00
MISC	2-Year Maintenance Bond for 100% of Contract Amount	1	Lump Sum	\$	23,573.33	\$23,573.33	\$23,573.33	\$0.00	\$0.00
CO1.1	8-inch Gate Valve and Box, Complete in Place	-1	Each	\$	2,236.54	-\$2,236.54	-\$2,236.54	\$0.00	\$0.00
CO1.2	12-inch Gate Valve and Box, Complete in Place	1	Each	\$	4,153.36	\$4,153.36	\$4,153.36	\$0.00	\$0.00
CO1.3	6-inch C900 PVC Water Pipe, Complete in Place (Including Fittings, Pipe, Restraints, Thrust Blocking, Bedding, & Backfill)	16	Linear Foot	\$	49.92	\$798.72	\$798.72	\$0.00	\$0.00
CO2.1	Excavate to expose existing gas lines and water lines to move water service.	1	Lump Sum	\$	8,500.00	\$8,500.00	\$8,500.00	\$0.00	\$0.00
						TOTAL	\$1,134,549.85	\$1,134,549.85	\$0.00
E. ONSITE SANITARY SEWER									
24	8-inch SDR-26 PVC Pipe (All Depths)	5601	Linear Foot	\$	63.80	\$357,343.80	\$357,343.80	\$0.00	\$0.00
25	12-inch SDR-26 PVC Pipe (All Depths)	1605	Linear Foot	\$	89.24	\$143,230.20	\$143,230.20	\$0.00	\$0.00
26	Standard 4-Foot Diameter Manhole	26	Each	\$	4,845.14	\$125,973.64	\$125,973.64	\$0.00	\$0.00
27	Extra Depth on 4-Foot Diameter Manhole (Including Coating)	27	Each	\$	952.78	\$25,725.06	\$25,725.06	\$0.00	\$0.00
28	8-inch Sanitary Sewer Plug	1	Each	\$	939.84	\$939.84	\$939.84	\$0.00	\$0.00
29	12" Cleanout	1	Each	\$	1,500.00	\$1,500.00	\$1,500.00	\$0.00	\$0.00
30	4-inch Sanitary Sewer Service, Complete in Place	212	Each	\$	1,074.94	\$227,887.28	\$227,887.28	\$0.00	\$0.00
31	Manhole Vacuum Testing	26	Each	\$	161.54	\$4,200.04	\$4,200.04	\$0.00	\$0.00
32	Post-CCTV Inspection	7206	Linear Foot	\$	2.82	\$20,320.92	\$20,320.92	\$0.00	\$0.00
33	Trench Safety	7206	Linear Foot	\$	0.13	\$936.78	\$936.78	\$0.00	\$0.00
MISC	Mobilization	1	Lump Sum	\$	3,500.00	\$3,500.00	\$3,500.00	\$0.00	\$0.00
MISC	2-Year Maintenance Bond for 100% of Contract Amount	1	Lump Sum	\$	23,573.33	\$23,573.33	\$23,573.33	\$0.00	\$0.00
CO1.1	8-inch SDR-26 PVC Pipe (All Depths)	-5601	Linear Foot	\$	63.80	-\$357,343.80	-\$357,343.80	\$0.00	\$0.00
CO1.2	Extra Depth on 4-Foot Diameter Manhole (Including Coating)	-6	Each	\$	952.78	-\$5,716.68	-\$5,716.68	\$0.00	\$0.00
CO1.3	Post-CCTV Inspection	-30	Linear Foot	\$	2.82	-\$84.60	-\$84.60	\$0.00	\$0.00
CO1.4	Trench Safety	-30	Linear Foot	\$	0.13	-\$3.90	-\$3.90	\$0.00	\$0.00
CO1.5	8-inch SDR-35 PVC Pipe (All Depths)	5571	Linear Foot	\$	61.95	\$345,123.45	\$345,123.45	\$0.00	\$0.00
						TOTAL	\$917,105.36	\$917,105.36	\$0.00

F. ONSITE DRAINAGE									
46	18-inch Reinforced Concrete Pipe, C76, Class III, All Depths, Complete in Place	2,658	Linear Foot	\$ 95.37	\$253,493.46	\$253,493.46	\$0.00	\$0.00	
47	24-inch Reinforced Concrete Pipe, C76, Class III, All Depths, Complete in Place	1,968	Linear Foot	\$ 117.44	\$231,121.92	\$231,121.92	\$0.00	\$0.00	
48	30-inch Reinforced Concrete Pipe, C76, Class III, All Depths, Complete in Place	55	Linear Foot	\$ 150.15	\$8,258.25	\$8,258.25	\$0.00	\$0.00	
49	36-inch Reinforced Concrete Pipe, C76, Class III, All Depths, Complete in Place	408	Linear Foot	\$ 209.56	\$85,500.48	\$85,500.48	\$0.00	\$0.00	
50	42-inch Reinforced Concrete Pipe, C76, Class III, All Depths, Complete in Place	493	Linear Foot	\$ 289.12	\$142,536.16	\$142,536.16	\$0.00	\$0.00	
51	48-inch Reinforced Concrete Pipe, C76, Class III, All Depths, Complete in Place	514	Linear Foot	\$ 303.20	\$155,844.80	\$155,844.80	\$0.00	\$0.00	
52	Standard 10-Foot Curb Inlet	40	Each	\$ 5,878.51	\$235,140.40	\$235,140.40	\$0.00	\$0.00	
53	4"x4" Drop Inlet (SD-C)	1	Each	\$ 5,566.01	\$5,566.01	\$5,566.01	\$0.00	\$0.00	
54	Detention Pond Outfall Structure (4'x4" Drop Inlet w/ Opening & Grate Top)	1	Each	\$ 7,602.50	\$7,602.50	\$7,602.50	\$0.00	\$0.00	
55	Retention Pond Outfall Structure (4'x4" Drop Inlet w/ Opening & Grate Top)	1	Each	\$ 7,062.50	\$7,062.50	\$7,062.50	\$0.00	\$0.00	
56	30-inch Reinforced Concrete Pipe, C76, Class III, All Depths, Complete in Place (Detention Pond Outfall Pipe)	86	Linear Foot	\$ 144.31	\$12,410.66	\$12,410.66	\$0.00	\$0.00	
57	36-inch Reinforced Concrete Pipe, C76, Class III, All Depths, Complete in Place (Retention Pond Outfall Pipe)	111	Linear Foot	\$ 185.94	\$20,639.34	\$20,639.34	\$0.00	\$0.00	
58	3:1 Sloped Headwall 30" (Detention Pond Outfall - Downstream)	1	Each	\$ 4,132.02	\$4,132.02	\$4,132.02	\$0.00	\$0.00	
59	3:1 Sloped Headwall 36" (Retention Pond Outfall - Downstream)	1	Each	\$ 4,263.27	\$4,263.27	\$4,263.27	\$0.00	\$0.00	
60	4-Foot by 4-Foot Manhole/Junction Box, Complete in Place	2	Each	\$ 12,720.51	\$25,441.02	\$25,441.02	\$0.00	\$0.00	
61	5-Foot by 5-Foot Manhole/Junction Box, Complete in Place	3	Each	\$ 13,221.09	\$39,663.27	\$39,663.27	\$0.00	\$0.00	
62	TKDOT CH-FW-0 Headwall - 48" (SD Line A - Downstream)	1	Each	\$ 5,482.02	\$5,482.02	\$5,482.02	\$0.00	\$0.00	
63	Headwall - 36" (SD Line A - Upstream) (NCTCOT 6070)	1	Each	\$ 3,569.52	\$3,569.52	\$3,569.52	\$0.00	\$0.00	
64	TKDOT CH-FW-15 Headwall - 36" (SD Line B - Downstream)	1	Each	\$ 4,263.27	\$4,263.27	\$4,263.27	\$0.00	\$0.00	
65	3:1 Sloped Headwall - 30" (Detention Pond Outfall - Downstream)	1	Each	\$ 4,132.02	\$4,132.02	\$4,132.02	\$0.00	\$0.00	
66	3:1 Sloped Headwall - 36" (Retention Pond Outfall - Downstream)	1	Each	\$ 4,263.27	\$4,263.27	\$4,263.27	\$0.00	\$0.00	
67	3:1 Sloped Headwall - 42" (SD Line D - Downstream)	1	Each	\$ 4,100.77	\$4,100.77	\$4,100.77	\$0.00	\$0.00	
68	TKDOT SETP-PD for 18" RCP @ 6:1 Slope	2	Each	\$ 4,007.02	\$8,014.04	\$8,014.04	\$0.00	\$0.00	
69	5' Wide Concrete Flume (Swale A) (5" Thick Concrete w/ #3 Bars @ 18" O.C.E.W.)	435	Linear Foot	\$ 75.00	\$32,625.00	\$32,625.00	\$0.00	\$0.00	
70	4' Wide Concrete Flume (Swale B) (5" Thick Concrete w/ #3 Bars @ 18" O.C.E.W.)	723	Linear Foot	\$ 60.00	\$43,380.00	\$43,380.00	\$0.00	\$0.00	
71	4' Wide Concrete Flume (Detention Pond) (5" Thick Concrete w/ #3 Bars @ 18" O.C.E.W.)	300	Linear Foot	\$ 60.00	\$18,000.00	\$18,000.00	\$0.00	\$0.00	
72	Riprap (12" Thick Non-Grouted)	120	Square Yard	\$ 103.32	\$12,398.40	\$12,398.40	\$0.00	\$0.00	
73	Post-CCTV Inspection	6,096	Linear Foot	\$ 4.11	\$25,054.56	\$25,054.56	\$0.00	\$0.00	
72	Trench Safety	6096	Linear Foot	\$ 0.13	\$792.48	\$792.48	\$0.00	\$0.00	
MSC	Mobilization	1	Lump Sum	\$ 3,500.00	\$3,500.00	\$3,500.00	\$0.00	\$0.00	
MSC	2-Year Maintenance Bond for 100% of Contract Amount	1	Lump Sum	\$ 23,573.33	\$23,573.33	\$23,573.33	\$0.00	\$0.00	
CO1.1	18-inch Reinforced Concrete Pipe, C76, Class III, All Depths, Complete in Place	-1019	Linear Foot	\$ 95.37	-\$97,182.03	-\$97,182.03	\$0.00	\$0.00	
CO1.2	24-inch Reinforced Concrete Pipe, C76, Class III, All Depths, Complete in Place	-704	Linear Foot	\$ 117.44	-\$82,677.76	-\$82,677.76	\$0.00	\$0.00	
CO1.3	30-inch Reinforced Concrete Pipe, C76, Class III, All Depths, Complete in Place	962	Linear Foot	\$ 150.15	\$144,444.30	\$144,444.30	\$0.00	\$0.00	
CO1.4	36-inch Reinforced Concrete Pipe, C76, Class III, All Depths, Complete in Place	706	Linear Foot	\$ 209.56	\$147,949.36	\$147,949.36	\$0.00	\$0.00	
CO1.5	42-inch Reinforced Concrete Pipe, C76, Class III, All Depths, Complete in Place	167	Linear Foot	\$ 289.12	\$48,283.04	\$48,283.04	\$0.00	\$0.00	
CO1.6	48-inch Reinforced Concrete Pipe, C76, Class III, All Depths, Complete in Place	43	Linear Foot	\$ 303.20	\$13,037.60	\$13,037.60	\$0.00	\$0.00	
CO1.7	36-inch Reinforced Concrete Pipe, C76, Class III, All Depths, Complete in Place (Retention Pond Outfall Pipe)	14	Linear Foot	\$ 185.94	\$2,603.16	\$2,603.16	\$0.00	\$0.00	
CO1.8	4-Foot by 4-Foot Manhole/Junction Box, Complete in Place	1	Each	\$ 12,720.51	\$12,720.51	\$12,720.51	\$0.00	\$0.00	
CO1.9	3:1 Sloped Headwall 30" (Detention Pond Outfall - Downstream)	-1	Each	\$ 4,132.02	-\$4,132.02	-\$4,132.02	\$0.00	\$0.00	
CO1.10	3:1 Sloped Headwall 36" (Retention Pond Outfall - Downstream)	-1	Each	\$ 4,263.27	-\$4,263.27	-\$4,263.27	\$0.00	\$0.00	
CO1.11	5' Wide Concrete Flume (Swale A) (5" Thick Concrete w/ #3 Bars @ 18" O.C.E.W.)	52	Linear Foot	\$ 75.00	\$3,900.00	\$3,900.00	\$0.00	\$0.00	
CO1.12	4' Wide Concrete Flume (Detention Pond) (5" Thick Concrete w/ #3 Bars @ 18" O.C.E.W.)	-15	Linear Foot	\$ 60.00	-\$900.00	-\$900.00	\$0.00	\$0.00	
CO1.13	Riprap (12" Thick Non-Grouted)	54	Square Yard	\$ 103.32	\$5,579.28	\$5,579.28	\$0.00	\$0.00	
CO1.14	Post-CCTV Inspection	155	Linear Foot	\$ 4.11	\$637.05	\$637.05	\$0.00	\$0.00	
CO1.15	Trench Safety	155	Linear Foot	\$ 0.13	\$20.15	\$20.15	\$0.00	\$0.00	
CO2.4	Three (3) Rows of 30" RCP	222	Linear Foot	\$ 450.45	\$99,999.00	\$99,999.00	\$0.00	\$0.00	
CO2.5	30" End Treatment TxDOT PSET-SEP	2	Each	\$ 7,258.65	\$14,517.30	\$14,517.30	\$0.00	\$0.00	
				TOTAL	\$2,998,590.13	\$2,998,590.13	\$0.00	\$0.00	
G. RETAINING WALLS									
1	Stone Gravity Retaining Walls	1	Lump Sum	\$ 718,263.00	\$718,263.00	\$718,263.00	\$0.00	\$0.00	
				TOTAL	\$718,263.00	\$718,263.00	\$0.00	\$0.00	
SUMMARY OF IMPROVEMENTS									
					ONSITE IMPROVEMENTS				
					TOTAL COST	PID	PRIVATE	CITY	
A. ONSITE EARTHWORK					\$1,705,499	\$1,647,199	\$58,300	\$0	\$0
B. ONSITE SWPPP					\$130,831	\$130,831	\$0	\$0	\$0
C. ONSITE PAVING					\$2,094,122	\$2,094,122	\$0	\$0	\$0
D. ONSITE WATER					\$1,134,550	\$1,134,550	\$0	\$0	\$0
E. ONSITE SANITARY SEWER					\$917,105	\$917,105	\$0	\$0	\$0
F. ONSITE DRAINAGE					\$718,263	\$718,263	\$0	\$0	\$0
G. RETAINING WALLS					\$718,263	\$718,263	\$0	\$0	\$0
					TOTAL IMPROVEMENTS:	\$7,418,634	\$7,360,334	\$58,300	\$0
CONTINGENCY (10%)					\$741,863	\$736,033	\$5,830	\$0	\$0
ENGINEERING AND SURVEY (10%)					\$741,863	\$736,033	\$5,830	\$0	\$0
INSPECTION AND TESTING (2%)					\$148,373	\$147,207	\$1,166	\$0	\$0
					TOTAL SOFT COST:	\$1,632,100	\$1,619,274	\$12,826	\$0
					GRAND TOTAL:	\$9,050,734	\$8,979,608	\$71,126	\$0

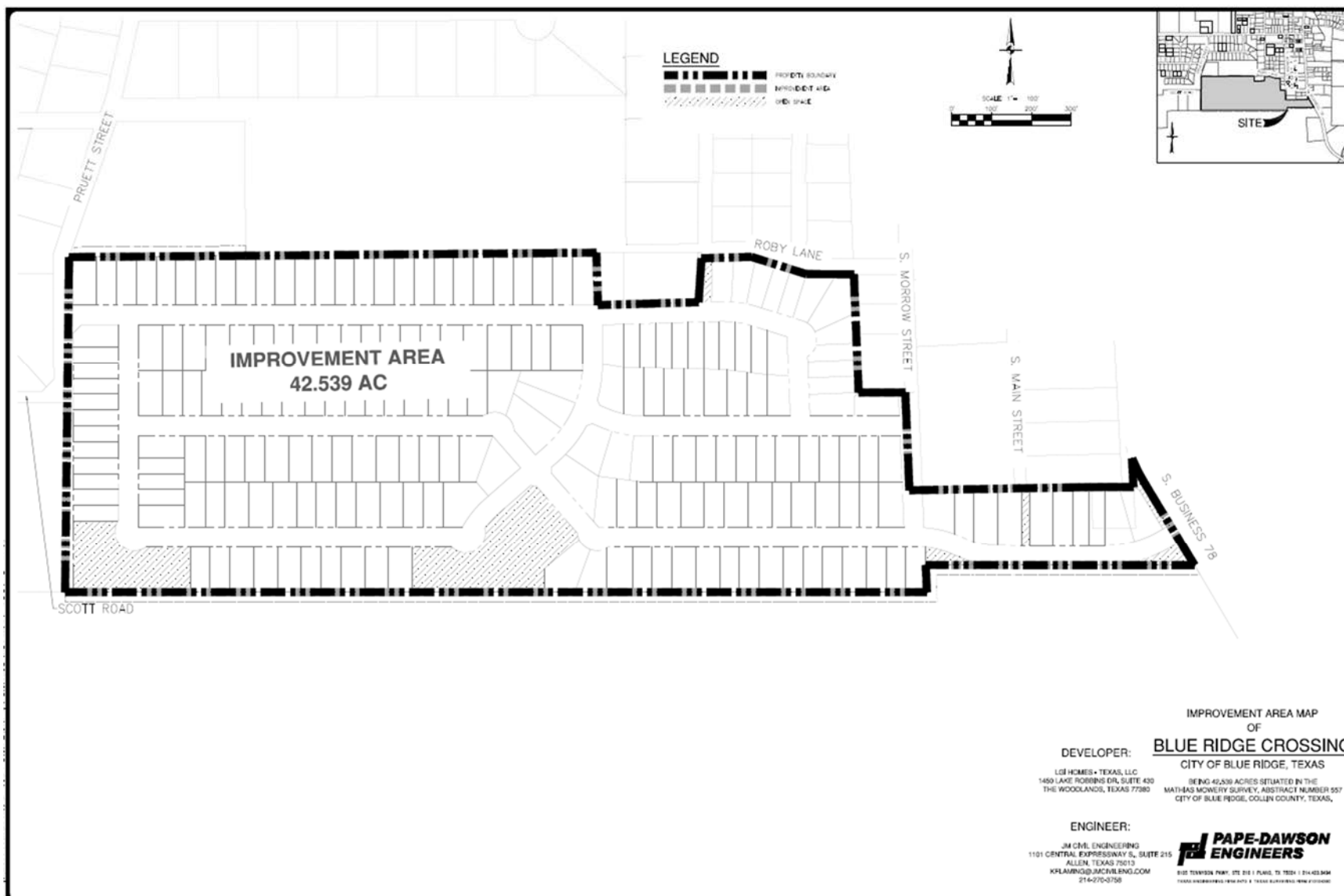
BLUE RIDGE CROSSING REGIONAL IMPROVEMENTS

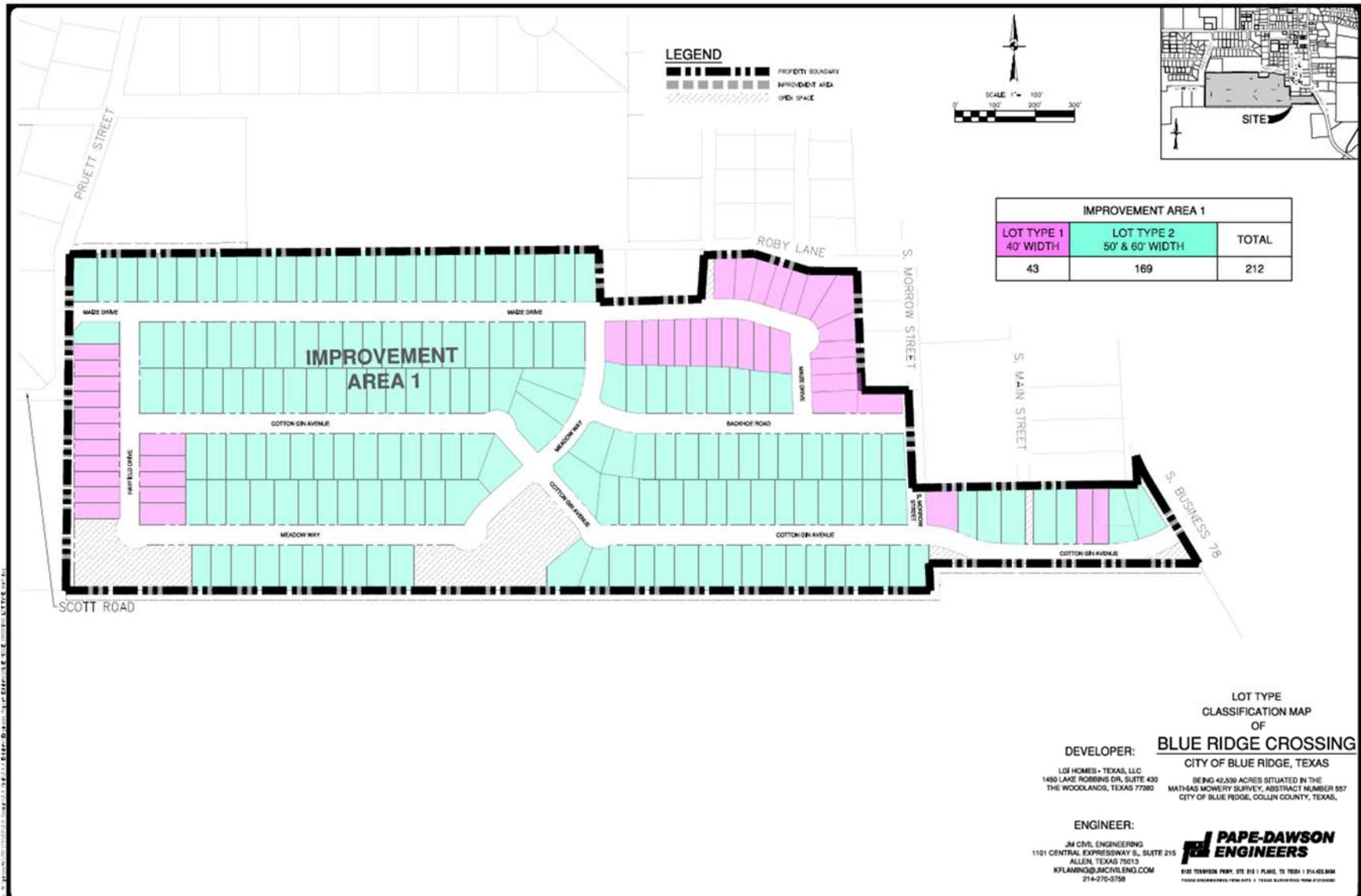
Cost Summary
12/4/2024

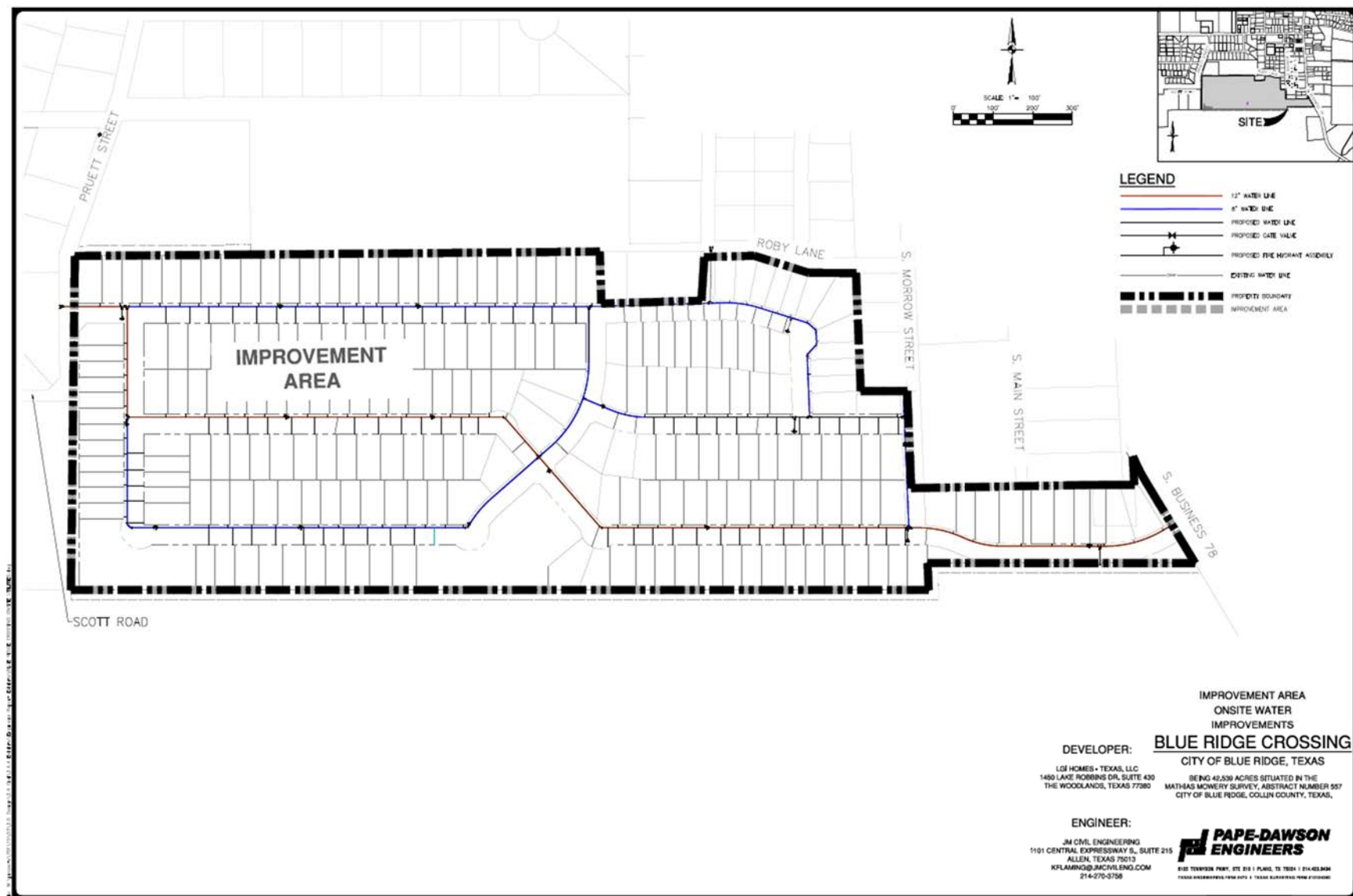
Prepared By:
Page-Dawson Engineers
6305 Terrellway Pkwy, Suite 230
Plano, Texas 75024
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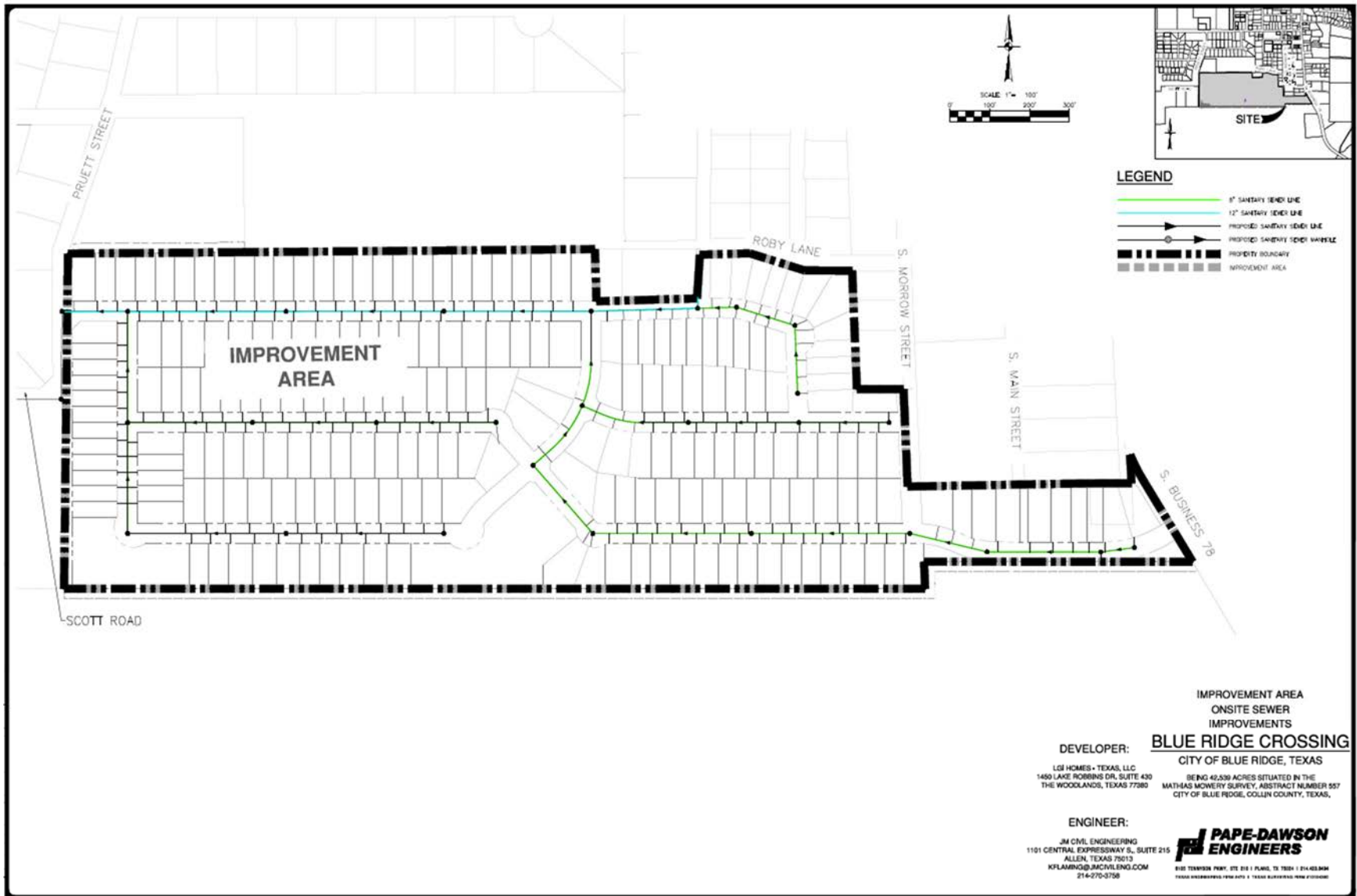
COST ANALYSIS:		REGIONAL IMPROVEMENTS						
ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT	PID	PRIVATE	QTY
H. PRIORITY STREET ITEMS								
14	18-Inch Reinforced Concrete Pipe, C75, Class II, All Depths, Complete In Place	40	Linear Foot	\$ 200.00	\$8,000.00	\$8,000.00	\$0.00	\$0.00
15	24-Inch Reinforced Concrete Pipe, C75, Class II, All Depths, Complete In Place	110	Linear Foot	\$ 248.00	\$27,280.00	\$27,280.00	\$0.00	\$0.00
16	30-Inch Reinforced Concrete Pipe, C75, Class II, All Depths, Complete In Place	208	Linear Foot	\$ 280.00	\$58,240.00	\$58,240.00	\$0.00	\$0.00
17	Type II Safety End Treatment for 3-18" Pipe (TXDOT Detail: SET-P-PD)	2	Each	\$ 3,200.00	\$6,400.00	\$6,400.00	\$0.00	\$0.00
18	Type II Safety End Treatment for 3-24" Pipe (TXDOT Detail: SET-P-PD)	4	Each	\$ 3,900.00	\$15,600.00	\$15,600.00	\$0.00	\$0.00
19	Type II Safety End Treatment for 3-30" Pipe (TXDOT Detail: SET-P-PD)	2	Each	\$ 6,800.00	\$13,600.00	\$13,600.00	\$0.00	\$0.00
20	2-Inch Hot mix Asphalt: Concrete, Type D	4180	Square Yard	\$ 25.55	\$106,799.00	\$106,799.00	\$0.00	\$0.00
21	8-Inch Aggregate Base	4180	Square Yard	\$ 26.05	\$108,889.00	\$108,889.00	\$0.00	\$0.00
22	6-Inch Lime Stabilized Subgrade	4646	Square Yard	\$ 5.60	\$26,017.60	\$26,017.60	\$0.00	\$0.00
23	Hydrated Lime (7%)	84	Ton	\$ 340.00	\$28,560.00	\$28,560.00	\$0.00	\$0.00
24	2-Inch Hot mix Asphalt: Concrete, Type C	82	Square Yard	\$ 44.43	\$3,644.30	\$3,644.30	\$0.00	\$0.00
25	8-Inch Asphalt (Type B)	82	Square Yard	\$ 166.70	\$13,669.40	\$13,669.40	\$0.00	\$0.00
26	Subgrade Prep/Excavation	800	Cubic Yard	\$ 18.25	\$14,600.00	\$14,600.00	\$0.00	\$0.00
27	Barrier Free Ramp	2	Each	\$ 2,550.00	\$5,100.00	\$5,100.00	\$0.00	\$0.00
28	24-Inch Wide Solid White Pavement Marking	87	Linear Foot	\$ 20.00	\$1,740.00	\$1,740.00	\$0.00	\$0.00
29	Stop Sign	5	Each	\$ 228.05	\$1,140.25	\$1,140.25	\$0.00	\$0.00
30	Street Sign Name Blade	10	Each	\$ 220.85	\$2,208.50	\$2,208.50	\$0.00	\$0.00
31	Sign Pole	5	Each	\$ 87.75	\$438.75	\$438.75	\$0.00	\$0.00
32	Sawcut and Removal of Existing Asphalt Pavement	4180	Square Yard	\$ 30.00	\$125,400.00	\$125,400.00	\$0.00	\$0.00
33	Remove Existing Culvert	2	Each	\$ 2,500.00	\$5,000.00	\$5,000.00	\$0.00	\$0.00
34	Remove Existing Fence	389	Linear Foot	\$ 30.30	\$11,796.70	\$11,796.70	\$0.00	\$0.00
35	5/8" Fence	2754	Linear Foot	\$ 6.50	\$17,901.00	\$17,901.00	\$0.00	\$0.00
36	Riprap (6" Thick Non-Grouted)	27	Square Yard	\$ 89.65	\$2,420.55	\$2,420.55	\$0.00	\$0.00
37	Construction Entrance	1	Each	\$ 2,500.00	\$2,500.00	\$2,500.00	\$0.00	\$0.00
38	Concrete Washout Pit	1	Each	\$ 5,665.00	\$5,665.00	\$5,665.00	\$0.00	\$0.00
39	Excavation for Bar Ditch Grading	1000	Cubic Yard	\$ 18.25	\$18,250.00	\$18,250.00	\$0.00	\$0.00
40	Traffic Control (To include maintaining access for residents at all times)	1	Lump Sum	\$ 6,500.00	\$6,500.00	\$6,500.00	\$0.00	\$0.00
41	Re-Establish Vegetation (Approximate quantity - to be field verified)	2210	Square Yard	\$ 1.40	\$3,094.00	\$3,094.00	\$0.00	\$0.00
42	Curbs (Approximate quantity - to be field verified)	2210	Square Yard	\$ 1.75	\$3,867.50	\$3,867.50	\$0.00	\$0.00
CD1.1	18-Inch Reinforced Concrete Pipe, C75, Class II, All Depths, Complete In Place	42	Linear Foot	\$ 200.00	\$8,400.00	\$8,400.00	\$0.00	\$0.00
CD1.2	24-Inch Reinforced Concrete Pipe, C75, Class II, All Depths, Complete In Place	-35	Linear Foot	\$ 248.00	-\$8,680.00	-\$8,680.00	\$0.00	\$0.00
CD1.3	Type II Safety End Treatment for 3-18" Pipe (TXDOT Detail: SET-P-PD)	-2	Each	\$ 3,200.00	-\$6,400.00	-\$6,400.00	\$0.00	\$0.00
CD1.4	Type II Safety End Treatment for 3-24" Pipe (TXDOT Detail: SET-P-PD)	-4	Each	\$ 3,900.00	-\$15,600.00	-\$15,600.00	\$0.00	\$0.00
CD1.5	Type II Safety End Treatment for 3-30" Pipe (TXDOT Detail: SET-P-PD)	-2	Each	\$ 6,800.00	-\$13,600.00	-\$13,600.00	\$0.00	\$0.00
CD1.6	Subgrade Prep/Excavation	-800	Cubic Yard	\$ 18.25	-\$14,600.00	-\$14,600.00	\$0.00	\$0.00
CD1.7	Barrier Free Ramp	-2	Each	\$ 2,550.00	-\$5,100.00	-\$5,100.00	\$0.00	\$0.00
CD1.8	24-Inch Wide Solid White Pavement Marking	-87	Linear Foot	\$ 20.00	-\$1,740.00	-\$1,740.00	\$0.00	\$0.00
CD1.9	Stop Sign	-5	Each	\$ 228.05	-\$1,140.25	-\$1,140.25	\$0.00	\$0.00
CD1.10	Street Sign Name Blade	-10	Each	\$ 220.85	-\$2,208.50	-\$2,208.50	\$0.00	\$0.00
CD1.11	Sign Pole	-5	Each	\$ 87.75	-\$438.75	-\$438.75	\$0.00	\$0.00
CD1.12	Remove Existing Culvert	9	Each	\$ 2,500.00	\$22,500.00	\$22,500.00	\$0.00	\$0.00
CD1.13	Remove Existing Fence	-389	Each	\$ 30.30	-\$11,796.70	-\$11,796.70	\$0.00	\$0.00
CD1.14	Riprap (6" Thick Non-Grouted)	-48	Square Yard	\$ 89.65	-\$4,303.20	-\$4,303.20	\$0.00	\$0.00
CD1.15	Excavation for Bar Ditch Grading	-1000	Cubic Yard	\$ 18.25	-\$18,250.00	-\$18,250.00	\$0.00	\$0.00
CD1.16	8-Inch Corrugated Metal Pipe	140	Linear Foot	\$ 100.00	\$14,000.00	\$14,000.00	\$0.00	\$0.00
CD1.17	12-Inch Corrugated Metal Pipe	27	Linear Foot	\$ 110.00	\$2,970.00	\$2,970.00	\$0.00	\$0.00
CD1.18	18-Inch Corrugated Metal Pipe	60	Linear Foot	\$ 195.00	\$11,700.00	\$11,700.00	\$0.00	\$0.00
CD1.19	12-Inch Reinforced Concrete Pipe, C75, Class II, All Depths, Complete In Place	43	Linear Foot	\$ 120.00	\$5,160.00	\$5,160.00	\$0.00	\$0.00
CD1.20	Prurent St - Min. 30 mil polyurethane plastic over subgrade prior to base placement	4262	Square Yard	\$ 3.35	\$14,277.70	\$14,277.70	\$0.00	\$0.00
CD1.21	Subgrade Prep/Excavation	774	Cubic Yard	\$ 20.15	\$15,596.10	\$15,596.10	\$0.00	\$0.00
CD1.22	Excavation for Bar Ditch Grading	705	Cubic Yard	\$ 20.15	\$14,205.75	\$14,205.75	\$0.00	\$0.00
CD1.23	Adjust Existing Sanitary Sewer Manhole to Grade	1	Each	\$ 500.00	\$500.00	\$500.00	\$0.00	\$0.00
CD2.2	Additional Road Base Install	1	Lump Sum	\$ 13,500.00	\$13,500.00	\$13,500.00	\$0.00	\$0.00
					TOTAL:	\$588,280.79	\$588,280.79	\$0.00
L. OFF-SITE SANITARY SEWER ITEMS								
34	36" P546 ASTM F679 PVC PIPE 0-8' DEEP	2,332	Linear Foot	\$ 144.03	\$335,877.96	\$0.00	\$335,877.96	\$0.00
35	36" P546 ASTM F679 PVC PIPE 8-12' DEEP	4	Each	\$ 4,316.36	\$17,265.44	\$0.00	\$17,265.44	\$0.00
36	36" P546 ASTM F679 PVC PIPE 12-16' DEEP	12	Each	\$ 428.75	\$5,145.00	\$0.00	\$5,145.00	\$0.00
37	36" P546 ASTM F679 PVC PIPE 16-20' DEEP	4	Each	\$ 7,176.09	\$28,704.36	\$0.00	\$28,704.36	\$0.00
38	CONCRETE ENCASUREMENT ON 36"	38	Each	\$ 590.00	\$22,420.00	\$0.00	\$22,420.00	\$0.00
39	6" CONCRETE CAP	1	Each	\$ 496.09	\$496.09	\$0.00	\$496.09	\$0.00
40	6" DIA VENTED MANHOLE	1	Each	\$ 125,000.00	\$125,000.00	\$0.00	\$125,000.00	\$0.00
41	6" DIA VENTED MH EXTRA DEPTH	8	Each	\$ 146.40	\$1,171.20	\$0.00	\$1,171.20	\$0.00
42	6" DIA BOLTED LID MANHOLE	2,045	Square Yard	\$ 72.07	\$147,338.15	\$0.00	\$147,338.15	\$0.00
43	6" DIA BOLTED LID EXTRA DEPTH	1	Lump Sum	\$ 22,500.00	\$22,500.00	\$0.00	\$22,500.00	\$0.00
44	EPOXY MANHOLE LINER	2,332	Linear Foot	\$ 3.25	\$7,579.00	\$0.00	\$7,579.00	\$0.00

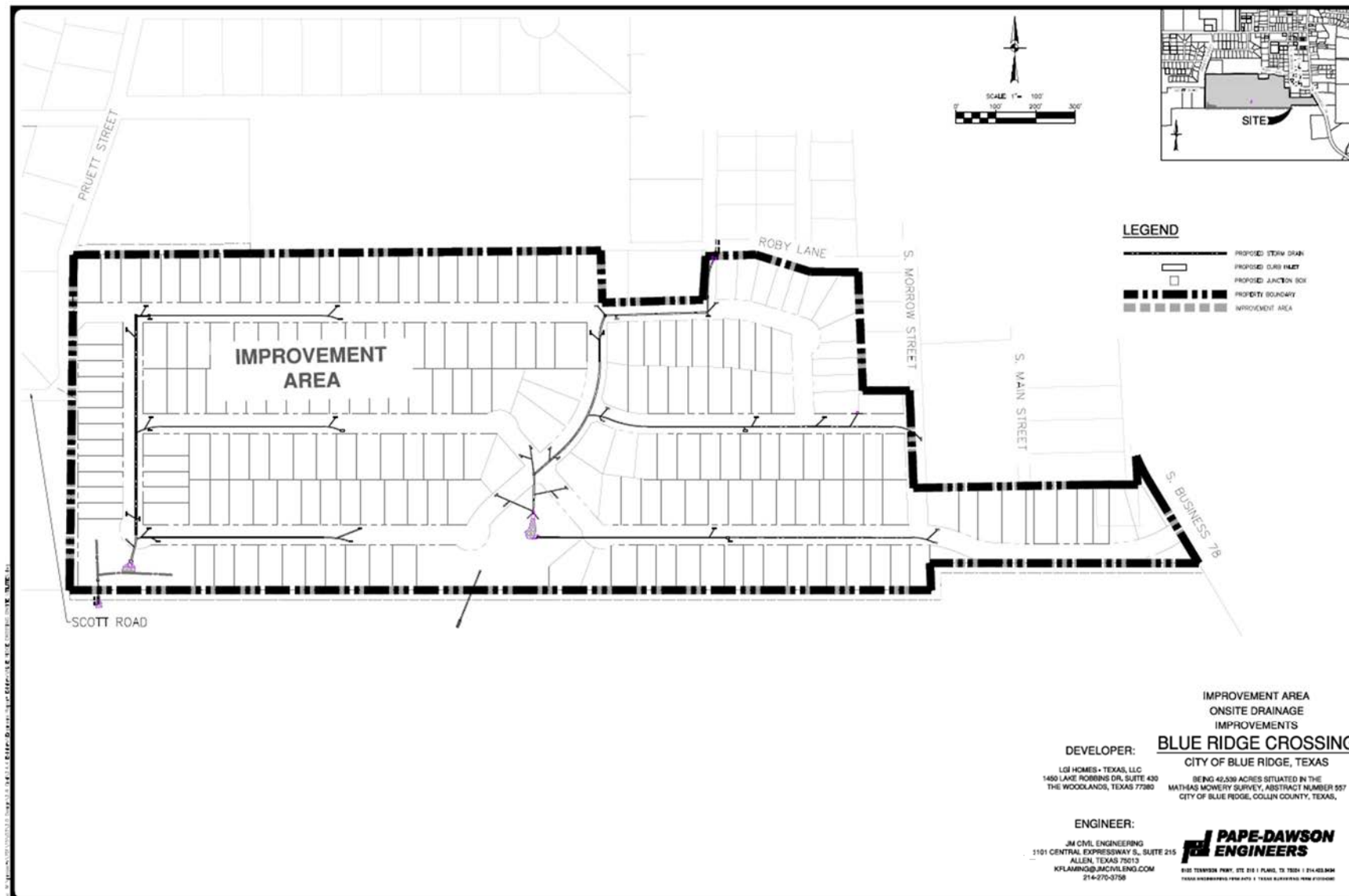
41	CEMENT STAB. SAND BACKFILL	2,332	Linear Foot	\$	0.13	\$303.16	\$0.00	\$303.16	\$0.00
CO1.1	12-inch SDR-26 PVC Pipe (All Depths)	44	Linear Foot	\$	344.03	\$6,337.32	\$0.00	\$6,337.32	\$0.00
CO1.2	Automatic Bar Screen with Downstream Discharge for Flows up to 250 GPM	-1	Lump Sum	\$	125,000.00	-\$125,000.00	\$0.00	-\$125,000.00	\$0.00
CO1.3	Post-CCTV Inspection	44	Linear Foot	\$	3.25	\$143.00	\$0.00	\$143.00	\$0.00
CO1.4	Trench Safety	44	Linear Foot	\$	0.13	\$5.72	\$0.00	\$5.72	\$0.00
CO2.6	Add 5' Manhole for Bar Screen	1	Each	\$	7,176.09	\$7,176.09	\$0.00	\$7,176.09	\$0.00
CO2.7	Remove and Dispose of Existing Bar Screen and Concrete Trench	1	Each	\$	9,854.00	\$9,854.00	\$0.00	\$9,854.00	\$0.00
					TOTAL:	\$610,316.49	\$0.00	\$610,316.49	\$0.00
SUMMARY OF IMPROVEMENTS		REGIONAL IMPROVEMENTS							
		TOTAL COST				PID	PRIVATE	CITY	
H. PRIUETT STREET ITEMS						\$588,281	\$0	\$0	\$0
L. OFF-SITE SANITARY SEWER ITEMS						\$610,316	\$0	\$610,316	\$0
					TOTAL IMPROVEMENTS	\$1,198,597	\$588,281	\$610,316	\$0
CONTINGENCY (10%)						\$119,860	\$58,828	\$61,032	\$0
ENGINEERING AND SURVEY (10%)						\$119,860	\$58,828	\$61,032	\$0
INSPECTION AND TESTING (2%)						\$23,972	\$11,766	\$12,206	\$0
					TOTAL SOFT COST:	\$263,692	\$128,422	\$135,270	\$0
					GRAND TOTAL:	\$1,462,289	\$717,703	\$744,586	\$0

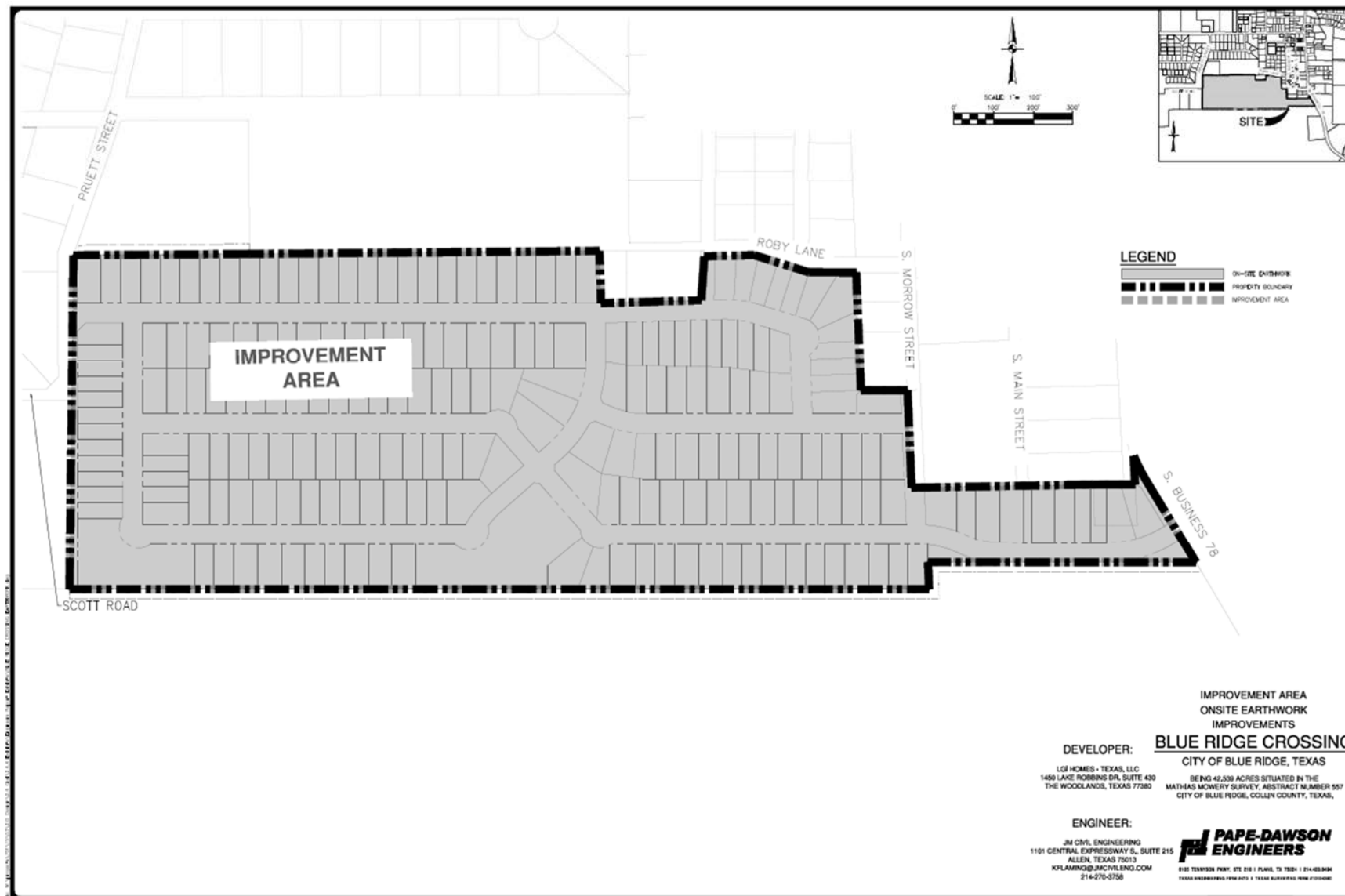










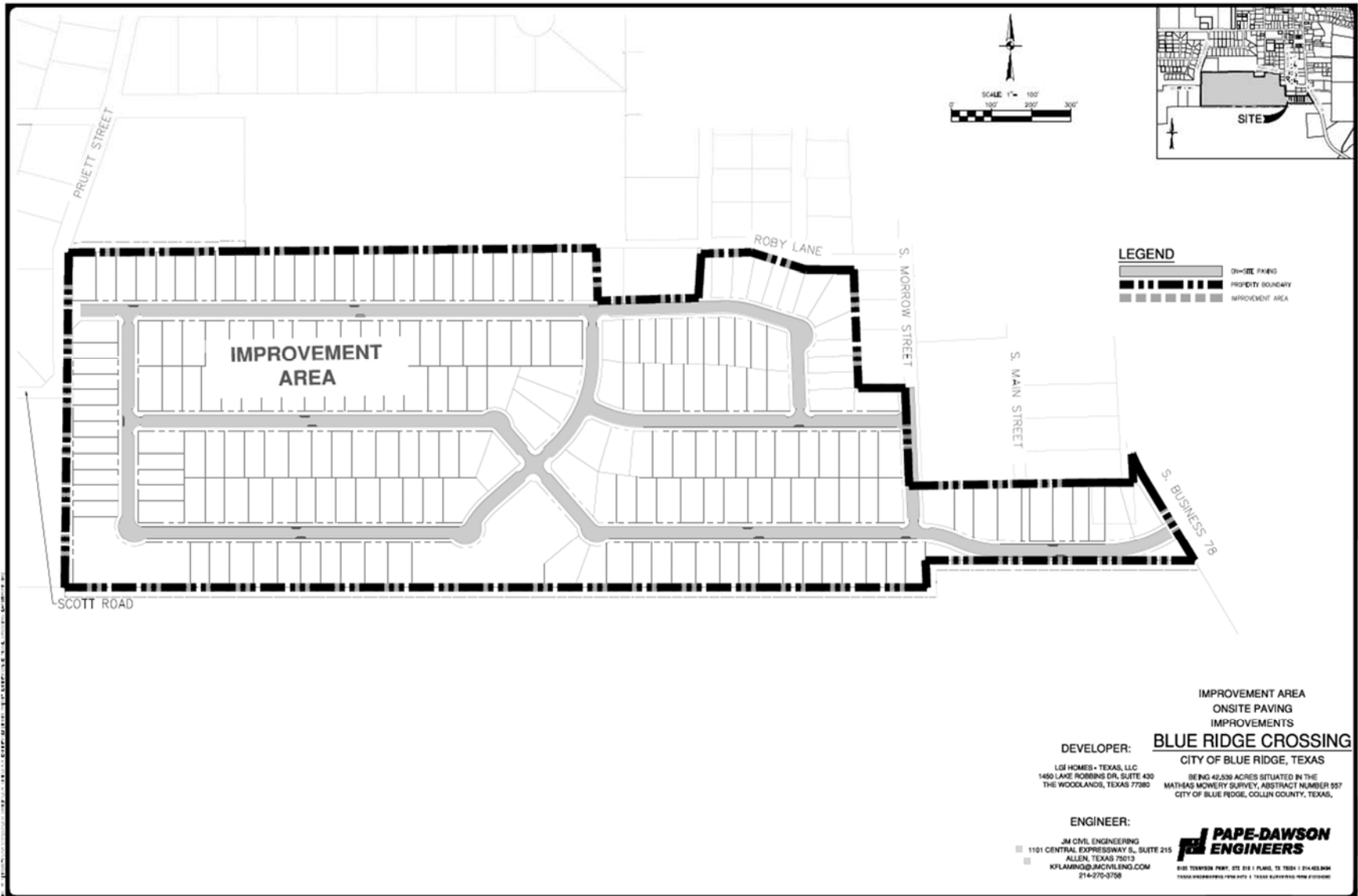


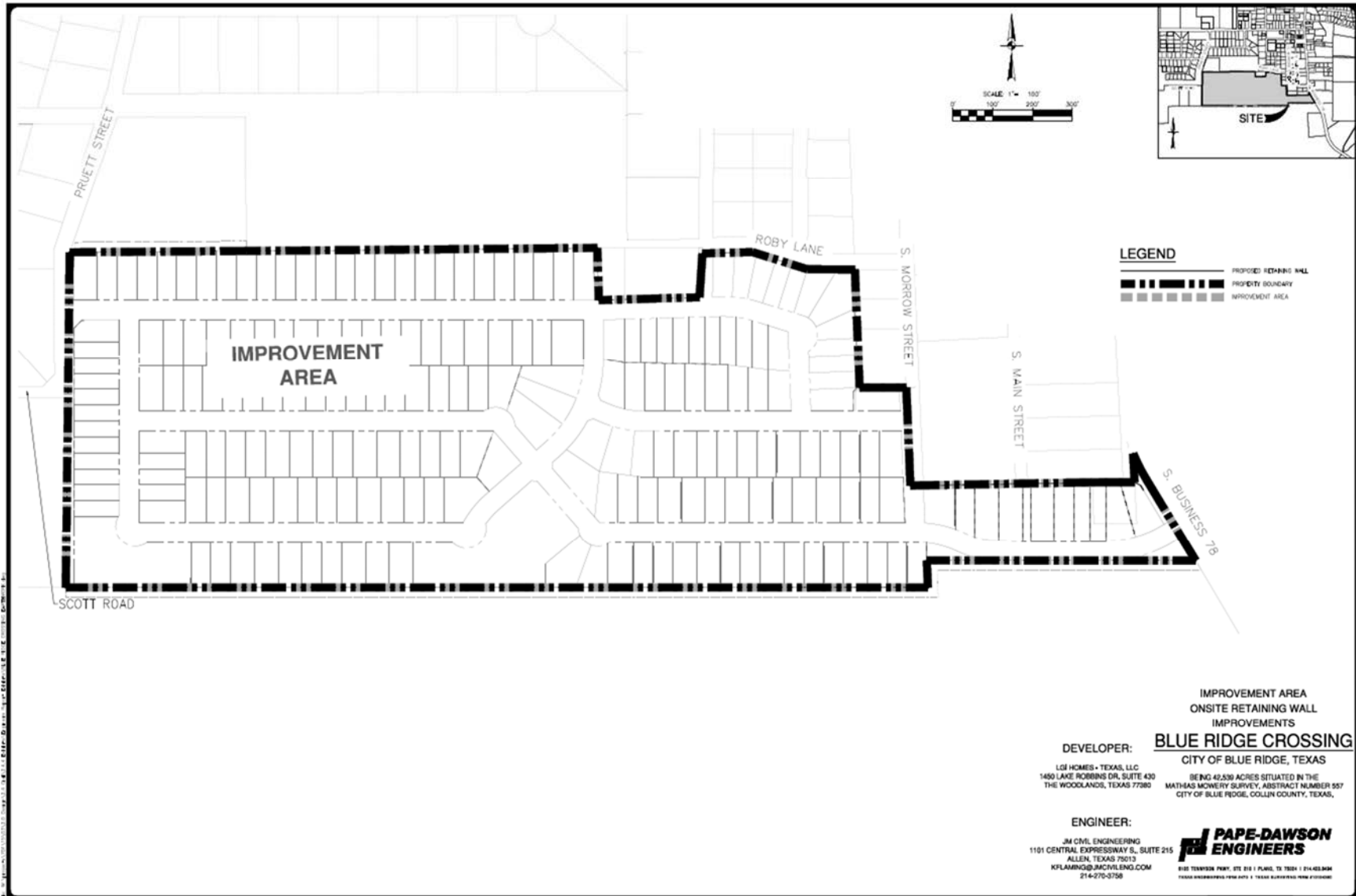
IMPROVEMENT AREA
ON-SITE EARTHWORK
IMPROVEMENTS
BLUE RIDGE CROSSING
CITY OF BLUE RIDGE, TEXAS
BEING 42.539 ACRES SITUATED IN THE
MATHIAS MOWERY SURVEY, ABSTRACT NUMBER 557
CITY OF BLUE RIDGE, COLLIN COUNTY, TEXAS,

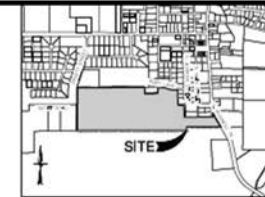
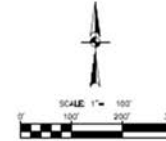
DEVELOPER:
LGI HOMES - TEXAS, LLC
1450 LAKE HOBBS DR, SUITE 430
THE WOODLANDS, TEXAS 77380

ENGINEER:
J.M. CIVIL ENGINEERING
1101 CENTRAL EXPRESSWAY S., SUITE 215
ALLEN, TEXAS 75013
KPLAMING@JMCVIL.ENG.COM
214-276-9758

Pape-Dawson
ENGINEERS
8102 TROSTMAN PARK, STE. 210 | PLANO, TX 75075 | 972-455-8948
PAPER-DAWSON ENGINEERS - PAPER-DAWSON ENGINEERS - PAPER-DAWSON ENGINEERS







LEGEND	
	OFF-SITE PAVING
	PROPERTY BOUNDARY
	IMPROVEMENT AREA



DEVELOPER:

LSI HOMES - TEXAS, LLC
1450 LAKE ROBBINS DR., SUITE 430
THE WOODLANDS, TEXAS 77380

ENGINEER:

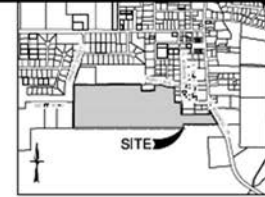
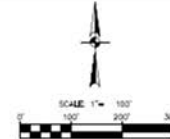
JM CML ENGINEERING
1101 CENTRAL EXPRESSWAY S., SUITE 215
ALLEN, TEXAS 75013
KFLAMING@JMCML.ENG.COM
214-270-3758

OFFSITE PAVING
IMPROVEMENTS
BLUE RIDGE CROSSING
CITY OF BLUE RIDGE, TEXAS

BEING 42.539 ACRES SITUATED IN THE
MATHIAS MOWERY SURVEY, ABSTRACT NUMBER 557
CITY OF BLUE RIDGE, COLLIN COUNTY, TEXAS,

**PAPE-DAWSON
ENGINEERS**

3000 TOWNSEND PARK, STE. 210 | PLANO, TX 75075 | 214-455-8348
PAPE-DAWSON ENGINEERS, P.C. TEXAS REGISTRATION NO. 0000000000



LEGEND

-  PROPOSED STORM DRAIN
-  PROPOSED CURB INLET
-  PROPOSED JUNCTION BOX
-  PROPERTY BOUNDARY
-  IMPROVEMENT AREA

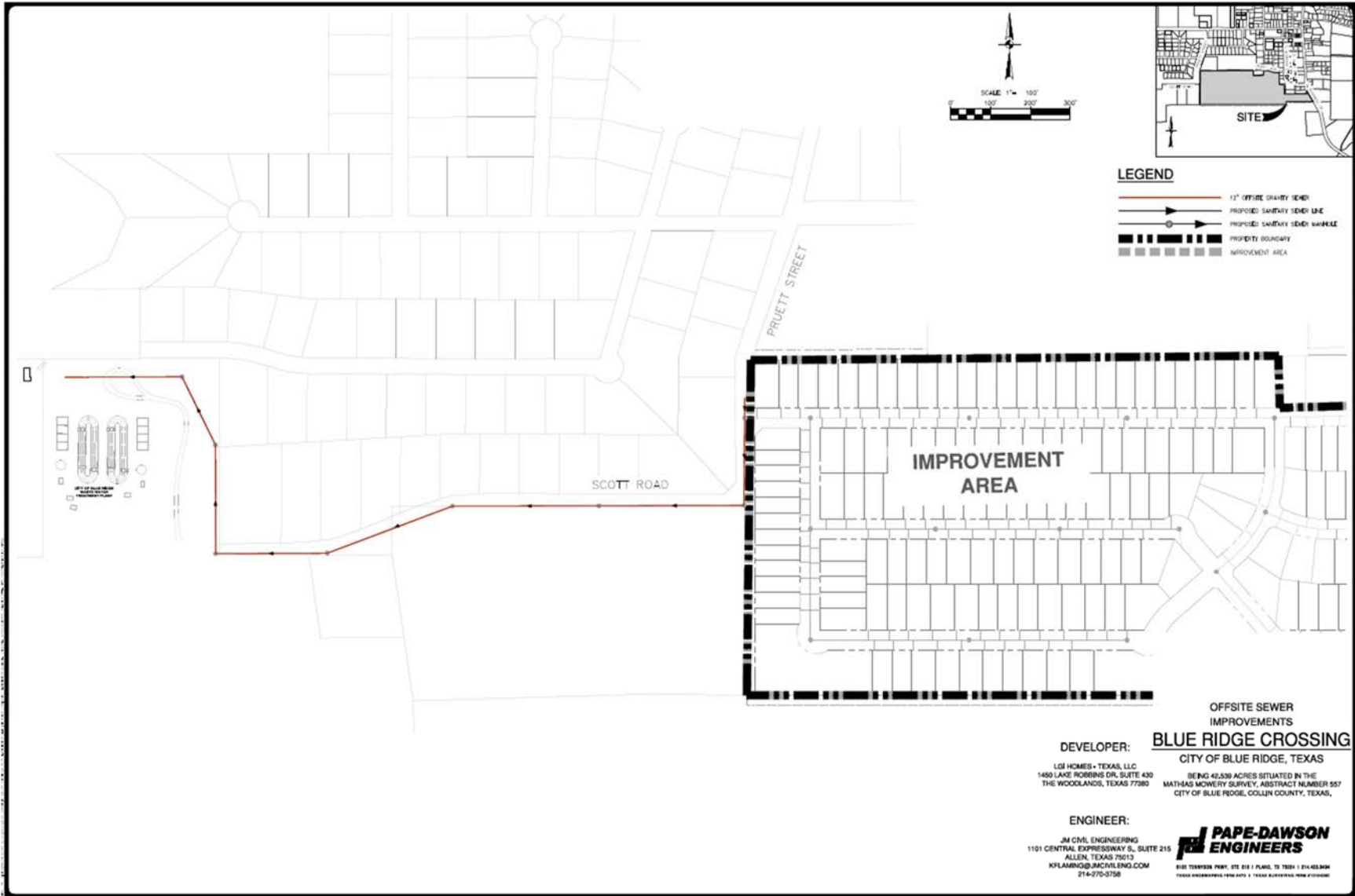


OFFSITE DRAINAGE
IMPROVEMENTS
BLUE RIDGE CROSSING
CITY OF BLUE RIDGE, TEXAS
BEING 48.339 ACRES SITUATED IN THE
MATHIAS MOWERY SURVEY, ABSTRACT NUMBER 557
CITY OF BLUE RIDGE, COLLIN COUNTY, TEXAS,

DEVELOPER:
LGI HOMES + TEXAS, LLC
1450 LAKE ROSSING DR, SUITE 430
THE WOODLANDS, TEXAS 77380

ENGINEER:
JM CIVIL ENGINEERING
1101 CENTRAL EXPRESSWAY S., SUITE 215
ALLEN, TEXAS 75013
KPLAMING@JMCIVILENG.COM
214-275-5758

Pape-Dawson
ENGINEERS
8102 TINKER PARK, STE 210 | FARM, TX 75041 | 214-483-8048
CREW ENGINEERS/ARCHITECTS & DESIGNERS SINCE 1958



APPENDIX B – BUYER DISCLOSURES

Forms of the buyer disclosures for the following Lot Types are found in this appendix:

District

- Initial Parcel
- Lot Type 1
- Lot Type 2

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BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT – 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
CITY OF BLUE RIDGE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

INITIAL PARCEL PRINCIPAL ASSESSMENT: \$5,799,000

As the purchaser of the real property described above, you are obligated to pay assessments to City of Blue Ridge, 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 ***Blue Ridge Crossing Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Blue Ridge. The exact amount of each annual installment will be approved each year by the Blue Ridge 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 Blue Ridge.

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 Collin 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 Collin 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 Collin County

ANNUAL INSTALLMENTS - INITIAL PARCEL

Installment Due 1/31 ^[a]	Principal	Interest ^[b]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment Due ^[c]
2025	\$ -	\$ 105,590	\$ (105,590)	\$ -	\$ -	\$ -
2026	\$ 80,000	\$ 333,443	\$ -	\$ 28,995	\$ 40,000	\$ 482,438
2027	\$ 84,000	\$ 328,843	\$ -	\$ 28,595	\$ 40,800	\$ 482,238
2028	\$ 88,000	\$ 324,013	\$ -	\$ 28,175	\$ 41,616	\$ 481,804
2029	\$ 93,000	\$ 318,953	\$ -	\$ 27,735	\$ 42,448	\$ 482,136
2030	\$ 98,000	\$ 313,605	\$ -	\$ 27,270	\$ 43,297	\$ 482,172
2031	\$ 103,000	\$ 307,970	\$ -	\$ 26,780	\$ 44,163	\$ 481,913
2032	\$ 109,000	\$ 302,048	\$ -	\$ 26,265	\$ 45,046	\$ 482,359
2033	\$ 115,000	\$ 295,780	\$ -	\$ 25,720	\$ 45,947	\$ 482,447
2034	\$ 121,000	\$ 289,168	\$ -	\$ 25,145	\$ 46,866	\$ 482,179
2035	\$ 128,000	\$ 282,210	\$ -	\$ 24,540	\$ 47,804	\$ 482,554
2036	\$ 135,000	\$ 274,850	\$ -	\$ 23,900	\$ 48,760	\$ 482,510
2037	\$ 142,000	\$ 267,088	\$ -	\$ 23,225	\$ 49,735	\$ 482,048
2038	\$ 150,000	\$ 258,923	\$ -	\$ 22,515	\$ 50,730	\$ 482,168
2039	\$ 158,000	\$ 250,298	\$ -	\$ 21,765	\$ 51,744	\$ 481,807
2040	\$ 167,000	\$ 241,213	\$ -	\$ 20,975	\$ 52,779	\$ 481,967
2041	\$ 177,000	\$ 231,610	\$ -	\$ 20,140	\$ 53,835	\$ 482,585
2042	\$ 187,000	\$ 221,433	\$ -	\$ 19,255	\$ 54,911	\$ 482,599
2043	\$ 197,000	\$ 210,680	\$ -	\$ 18,320	\$ 56,010	\$ 482,010
2044	\$ 209,000	\$ 199,353	\$ -	\$ 17,335	\$ 57,130	\$ 482,818
2045	\$ 220,000	\$ 187,335	\$ -	\$ 16,290	\$ 58,272	\$ 481,897
2046	\$ 233,000	\$ 174,685	\$ -	\$ 15,190	\$ 59,438	\$ 482,313
2047	\$ 246,000	\$ 161,288	\$ -	\$ 14,025	\$ 60,627	\$ 481,940
2048	\$ 260,000	\$ 147,143	\$ -	\$ 12,795	\$ 61,839	\$ 481,777
2049	\$ 276,000	\$ 132,193	\$ -	\$ 11,495	\$ 63,076	\$ 482,764
2050	\$ 291,000	\$ 116,323	\$ -	\$ 10,115	\$ 64,337	\$ 481,775
2051	\$ 308,000	\$ 99,590	\$ -	\$ 8,660	\$ 65,624	\$ 481,874
2052	\$ 326,000	\$ 81,880	\$ -	\$ 7,120	\$ 66,937	\$ 481,937
2053	\$ 345,000	\$ 63,135	\$ -	\$ 5,490	\$ 68,275	\$ 481,900
2054	\$ 366,000	\$ 43,298	\$ -	\$ 3,765	\$ 69,641	\$ 482,704
2055	\$ 387,000	\$ 22,253	\$ -	\$ 1,935	\$ 71,034	\$ 482,222
Total	\$ 5,799,000	\$ 6,586,194	\$ (105,590)	\$ 563,530	\$ 1,622,723	\$ 14,465,857

Footnotes:

[a] No Assessment collected in 2025 and capitalized interest is contemplated for the 9/15/2025 debt service payment.

[b] Interest is calculated at a 5.75% rate per the City's Financial Advisor and is subject to change upon final pricing of PID Bonds.

[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.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT – LOT TYPE 1 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest.

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF BLUE RIDGE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: \$25,813.48

As the purchaser of the real property described above, you are obligated to pay assessments to City of Blue Ridge, 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 ***Blue Ridge Crossing Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Blue Ridge. The exact amount of each annual installment will be approved each year by the Blue Ridge 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 Blue Ridge.

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 Collin 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 Collin 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 Collin County.

ANNUAL INSTALLMENTS - LOT TYPE 1

Installment Due 1/31 ^[a]	Principal	Interest ^[b]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment ^[c]
2025	\$ -	\$ 470.02	\$ (470.02)	\$ -	\$ -	\$ -
2026	\$ 356.11	\$ 1,484.28	\$ -	\$ 129.07	\$ 178.05	\$ 2,147.51
2027	\$ 373.91	\$ 1,463.80	\$ -	\$ 127.29	\$ 181.62	\$ 2,146.62
2028	\$ 391.72	\$ 1,442.30	\$ -	\$ 125.42	\$ 185.25	\$ 2,144.69
2029	\$ 413.98	\$ 1,419.78	\$ -	\$ 123.46	\$ 188.95	\$ 2,146.17
2030	\$ 436.23	\$ 1,395.97	\$ -	\$ 121.39	\$ 192.73	\$ 2,146.33
2031	\$ 458.49	\$ 1,370.89	\$ -	\$ 119.21	\$ 196.59	\$ 2,145.17
2032	\$ 485.20	\$ 1,344.53	\$ -	\$ 116.92	\$ 200.52	\$ 2,147.16
2033	\$ 511.91	\$ 1,316.63	\$ -	\$ 114.49	\$ 204.53	\$ 2,147.55
2034	\$ 538.62	\$ 1,287.19	\$ -	\$ 111.93	\$ 208.62	\$ 2,146.36
2035	\$ 569.77	\$ 1,256.22	\$ -	\$ 109.24	\$ 212.79	\$ 2,148.02
2036	\$ 600.93	\$ 1,223.46	\$ -	\$ 106.39	\$ 217.05	\$ 2,147.83
2037	\$ 632.09	\$ 1,188.91	\$ -	\$ 103.38	\$ 221.39	\$ 2,145.77
2038	\$ 667.71	\$ 1,152.56	\$ -	\$ 100.22	\$ 225.82	\$ 2,146.31
2039	\$ 703.32	\$ 1,114.17	\$ -	\$ 96.88	\$ 230.33	\$ 2,144.70
2040	\$ 743.38	\$ 1,073.73	\$ -	\$ 93.37	\$ 234.94	\$ 2,145.41
2041	\$ 787.89	\$ 1,030.98	\$ -	\$ 89.65	\$ 239.64	\$ 2,148.16
2042	\$ 832.41	\$ 985.68	\$ -	\$ 85.71	\$ 244.43	\$ 2,148.23
2043	\$ 876.92	\$ 937.81	\$ -	\$ 81.55	\$ 249.32	\$ 2,145.60
2044	\$ 930.34	\$ 887.39	\$ -	\$ 77.16	\$ 254.31	\$ 2,149.20
2045	\$ 979.30	\$ 833.90	\$ -	\$ 72.51	\$ 259.39	\$ 2,145.10
2046	\$ 1,037.17	\$ 777.59	\$ -	\$ 67.62	\$ 264.58	\$ 2,146.95
2047	\$ 1,095.04	\$ 717.95	\$ -	\$ 62.43	\$ 269.87	\$ 2,145.29
2048	\$ 1,157.36	\$ 654.99	\$ -	\$ 56.96	\$ 275.27	\$ 2,144.57
2049	\$ 1,228.58	\$ 588.44	\$ -	\$ 51.17	\$ 280.77	\$ 2,148.96
2050	\$ 1,295.35	\$ 517.80	\$ -	\$ 45.03	\$ 286.39	\$ 2,144.56
2051	\$ 1,371.02	\$ 443.31	\$ -	\$ 38.55	\$ 292.12	\$ 2,145.00
2052	\$ 1,451.15	\$ 364.48	\$ -	\$ 31.69	\$ 297.96	\$ 2,145.28
2053	\$ 1,535.72	\$ 281.04	\$ -	\$ 24.44	\$ 303.92	\$ 2,145.12
2054	\$ 1,629.20	\$ 192.74	\$ -	\$ 16.76	\$ 310.00	\$ 2,148.69
2055	\$ 1,722.68	\$ 99.06	\$ -	\$ 8.61	\$ 316.20	\$ 2,146.55
Total	\$ 25,813.48	\$ 29,317.57	\$ (470.02)	\$ 2,508.48	\$ 7,223.34	\$ 64,392.84

Footnotes:

[a] No Assessment collected in 2025 and capitalized interest is contemplated for the 9/15/2025 debt service payment.

[b] Interest is calculated at a 5.75% rate per the City's Financial Advisor and is subject to change upon final pricing of PID Bonds.

[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.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT – LOT TYPE 2 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest.

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF BLUE RIDGE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 2 PRINCIPAL ASSESSMENT: \$27,745.68

As the purchaser of the real property described above, you are obligated to pay assessments to City of Blue Ridge, 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 ***Blue Ridge Crossing Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Blue Ridge. The exact amount of each annual installment will be approved each year by the Blue Ridge 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 Blue Ridge.

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 Collin 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 Collin 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 Collin County.

ANNUAL INSTALLMENTS - LOT TYPE 2

Installment Due 1/31 ^[a]	Principal	Interest ^[b]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment ^[c]
2025	\$ -	\$ 505.20	\$ (505.20)	\$ -	\$ -	\$ -
2026	\$ 382.77	\$ 1,595.38	\$ -	\$ 138.73	\$ 191.38	\$ 2,308.26
2027	\$ 401.90	\$ 1,573.37	\$ -	\$ 136.81	\$ 195.21	\$ 2,307.30
2028	\$ 421.04	\$ 1,550.26	\$ -	\$ 134.81	\$ 199.11	\$ 2,305.22
2029	\$ 444.96	\$ 1,526.05	\$ -	\$ 132.70	\$ 203.10	\$ 2,306.81
2030	\$ 468.89	\$ 1,500.46	\$ -	\$ 130.48	\$ 207.16	\$ 2,306.98
2031	\$ 492.81	\$ 1,473.50	\$ -	\$ 128.13	\$ 211.30	\$ 2,305.74
2032	\$ 521.52	\$ 1,445.17	\$ -	\$ 125.67	\$ 215.53	\$ 2,307.88
2033	\$ 550.22	\$ 1,415.18	\$ -	\$ 123.06	\$ 219.84	\$ 2,308.30
2034	\$ 578.93	\$ 1,383.54	\$ -	\$ 120.31	\$ 224.24	\$ 2,307.02
2035	\$ 612.42	\$ 1,350.25	\$ -	\$ 117.41	\$ 228.72	\$ 2,308.81
2036	\$ 645.92	\$ 1,315.04	\$ -	\$ 114.35	\$ 233.29	\$ 2,308.60
2037	\$ 679.41	\$ 1,277.90	\$ -	\$ 111.12	\$ 237.96	\$ 2,306.39
2038	\$ 717.68	\$ 1,238.83	\$ -	\$ 107.72	\$ 242.72	\$ 2,306.96
2039	\$ 755.96	\$ 1,197.57	\$ -	\$ 104.14	\$ 247.57	\$ 2,305.24
2040	\$ 799.02	\$ 1,154.10	\$ -	\$ 100.36	\$ 252.53	\$ 2,306.00
2041	\$ 846.87	\$ 1,108.15	\$ -	\$ 96.36	\$ 257.58	\$ 2,308.96
2042	\$ 894.71	\$ 1,059.46	\$ -	\$ 92.13	\$ 262.73	\$ 2,309.03
2043	\$ 942.56	\$ 1,008.01	\$ -	\$ 87.65	\$ 267.98	\$ 2,306.21
2044	\$ 999.97	\$ 953.82	\$ -	\$ 82.94	\$ 273.34	\$ 2,310.07
2045	\$ 1,052.60	\$ 896.32	\$ -	\$ 77.94	\$ 278.81	\$ 2,305.67
2046	\$ 1,114.80	\$ 835.79	\$ -	\$ 72.68	\$ 284.38	\$ 2,307.66
2047	\$ 1,177.00	\$ 771.69	\$ -	\$ 67.10	\$ 290.07	\$ 2,305.87
2048	\$ 1,243.99	\$ 704.02	\$ -	\$ 61.22	\$ 295.87	\$ 2,305.09
2049	\$ 1,320.54	\$ 632.49	\$ -	\$ 55.00	\$ 301.79	\$ 2,309.81
2050	\$ 1,392.31	\$ 556.55	\$ -	\$ 48.40	\$ 307.83	\$ 2,305.09
2051	\$ 1,473.65	\$ 476.49	\$ -	\$ 41.43	\$ 313.98	\$ 2,305.56
2052	\$ 1,559.77	\$ 391.76	\$ -	\$ 34.07	\$ 320.26	\$ 2,305.86
2053	\$ 1,650.67	\$ 302.07	\$ -	\$ 26.27	\$ 326.67	\$ 2,305.68
2054	\$ 1,751.15	\$ 207.16	\$ -	\$ 18.01	\$ 333.20	\$ 2,309.53
2055	\$ 1,851.63	\$ 106.47	\$ -	\$ 9.26	\$ 339.87	\$ 2,307.22
Total	\$ 27,745.68	\$ 31,512.06	\$ (505.20)	\$ 2,696.25	\$ 7,764.02	\$ 69,212.81

Footnotes:

[a] No Assessment collected in 2025 and capitalized interest is contemplated for the 9/15/2025 debt service payment.

[b] Interest is calculated at a 5.75% rate per the City's Financial Advisor and is subject to change upon final pricing of PID Bonds.

[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.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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[CLOSING DATE]

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

Tel +1 214 855 8000
Fax +1 214 855 8200
nortonrosefulbright.com

IN REGARD to the authorization and issuance of the “City of Blue Ridge, Texas, Special Assessment Revenue Bonds, Series 2025 (Blue Ridge Crossing Public Improvement District Project)” (the “Bonds”), dated June 5, 2025, in the principal amount of \$_____, we have examined the legality and validity of the issuance thereof by the City of Blue Ridge, 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 June 1, 2025, with UMB Bank, N.A., 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.

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 BLUE RIDGE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of June 1, 2025 (this “Disclosure Agreement”) is executed and delivered by and between the City of Blue Ridge (the “Issuer”), P3 Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (in such capacity, the “Dissemination Agent”) with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2025 (Blue Ridge Crossing Public Improvement District 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 June 1, 2025, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, as amended or supplemented, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall have the meaning assigned to such term in the Indenture. The current Administrator is P3 Works, LLC.

“Affiliate” shall have the meaning assigned to such term in Section 18 of this Disclosure Agreement.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Service Plan Update” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Audited Financial Statements” shall mean the audited financial statements of the Issuer that have been 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.

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

“Developer” shall mean LGI Homes - Texas, LLC, a Texas limited liability company, and its successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of the Developer dated as of June 1, 2025, executed and delivered by the Developer, the Administrator, and the Dissemination Agent, relating to the Bonds.

“Disclosure Representative” shall mean the City Secretary 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 available on the internet at <http://emma.msrb.org/>.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the calendar year from October 1 through September 30.

“Foreclosure Proceeds” shall have the meaning assigned to such term in the Indenture.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reporting pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc. and its successors and assigns.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall mean UMB Bank, N.A., and its successors, and any other corporation or association that may at any time be substituted in its place.

SECTION 3. Provision of Annual Financial Information and Annual Financial Statements.

(a) Commencing with the Fiscal Year ending September 30, 2025, the Issuer shall provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB (i) not later than six (6) months after the end of the Issuer’s Fiscal Year, its Annual Financial Information and (ii) not later than twelve (12) months after the end of the Issuer’s Fiscal Year, its Audited Financial Statements or unaudited financial statements in accordance with Section 4(b) hereof. In each case, the Annual Financial Information and the Audited Financial Statements, as applicable, may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer’s Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next date by which the Issuer otherwise would be required to provide the Annual Financial Information or Audited Financial Statements, as applicable, pursuant to Section 4 of this Disclosure Agreement. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Upon delivery by the Issuer of the Annual Financial Information or the Audited Financial Statements, as applicable, to the Dissemination Agent, the Dissemination Agent shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information or the Audited Financial Statements, as applicable, on the respective dates required in subsection (a); and

(ii) file the Annual Financial Information or the Audited Financial Statements, as applicable, on the respective dates required, 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 Financial Information or the Audited Financial Statements, as applicable, and the Dissemination Agent has filed such financial information or financial statements with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Financial Information or the Audited Financial Statements, as applicable, has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which such financial information or financial statements shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Financial Information and Audited Financial Statements. The Annual Financial Information and the Audited Financial Statements shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent, the following:

(a) *Annual Financial Information.* Within six (6) months after the end of each Fiscal Year, the Annual Financial Information of the Issuer (any or all of which may be unaudited) being:

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount, the principal amount remaining Outstanding, and the outstanding interest amount;

(B) The amounts in the funds and accounts under the Indenture securing the Bonds and a description of the related investments; and

(C) The assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type, in substantially similar form to that shown in the tables provided under Sections 4(a)(ii)(A) and 4(a)(ii)(B) of Exhibit B attached hereto. Such information shall be provided: (a) as of the end of the Fiscal Year (for tables in Section 4(a)(ii)(A) of Exhibit B), and (b) both as of the end of the Fiscal Year and through February 1 of the calendar year immediately the succeeding such Fiscal Year (for tables in Section 4(a)(ii)(B) of Exhibit B).

(iii) The certified total assessed value for the property in the District for such Fiscal Year according to the Collin Central Appraisal District.

(iv) Updates to the information in the Service and Assessment Plan or the Annual Service Plan Update as most recently amended or supplemented, including any changes to the methodology for levying the Assessments of the Issuer.

(v) Until building permits have been issued for parcels or lots representing, in the aggregate, ninety-five percent (95%) of the total amount of the Assessments levied within the District, the Annual Financial Information (in the Annual Service Plan Update or otherwise) shall include the number of certificates of occupancy ("COs") issued for new homes completed in the District during such Fiscal Year and the aggregate number of COs

issued for new homes completed within the District since filing the initial Annual Financial Information for the Fiscal Year ending September 30, 2025.

(vi) If the total amount of delinquencies greater than 150 days equals or exceeds five percent (5%) of the amount of Assessments due in any fiscal year, a list of delinquent property owners.

(vii) 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.* Within twelve (12) months after the end of each Fiscal Year, the Audited Financial Statements of the Issuer, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If such audited financial statements are not complete within twelve (12) months after the end of each Fiscal Year, then the Issuer shall provide unaudited financial statements within such period and shall provide audited financial statements for the applicable Fiscal Year when and if the audit report on such statements is approved by the City Council of the Issuer.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraphs. The Issuer has designated P3 Works, LLC, as the current Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Financial Information and Audited Financial Statements under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material

notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Developer of real property within the Issuer 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 other obligations without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 5 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent in writing to immediately file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

Additionally, the Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide Audited Financial Statements (or unaudited financial statements, if Audited Financial Statements are not available) or Annual Financial Information, as applicable, as required under this Disclosure Agreement. See Exhibit A hereto for a form for submitting the "Notice to MSRB of Failure to File."

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written 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 5. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or

beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14 or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 6. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent 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 Administrator and the Dissemination Agent may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within thirty (30) days of such discharge. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The current Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer. The Dissemination Agent may resign at any time with thirty (30) days' written notice to the Issuer.

SECTION 8. 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, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information or Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Audited Financial Statements for the fiscal year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Financial Information, Audited Financial Statements or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information, Audited Financial Statements or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent 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 by the Issuer shall not be deemed a default under the Disclosure Agreement of Developer by the Developer, and a default under the Disclosure Agreement of Developer by the Developer shall not be deemed a default under this Disclosure Agreement by the Issuer.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Financial Information and the Audited Financial Statements) prepared by the Issuer pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent shall not be responsible for the Issuer's failure to submit a complete Annual Financial Information or Audited Financial Statements to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. 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 C which is solely 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 13. 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 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in the District, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 18. Statutory Verifications. The Dissemination Agent and the Administrator, each respectively, make the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications,

“affiliate” means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

(a) *Not a Sanctioned Company.* The Dissemination Agent and the Administrator, each respectively, represent that neither the Dissemination Agent, the Administrator, nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent and the Administrator and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) *No Boycott of Israel.* The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) *No Discrimination Against Firearm Entities.* The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) *No Boycott of Energy Companies.* The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

SECTION 19. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded

business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. 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 20. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 21. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The 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 BLUE RIDGE
(as Issuer)

By: _____
City Secretary

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER

HTS Continuing Disclosure Services,
a division of Hilltop Securities Inc.
(as Dissemination Agent)

By: _____

P3 Works, LLC,
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL FINANCIAL INFORMATION] [AUDITED FINANCIAL STATEMENTS]**

Name of Issuer: City of Blue Ridge
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 Blue Ridge
Crossing Public Improvement District Project)

Date of Delivery _____, 20__
CUSIP Nos: [Insert CUSIP Nos]

NOTICE IS HEREBY GIVEN that the City of Blue Ridge, has not provided [an Annual Financial Information] [Audited Financial Statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement of Issuer dated as of June 1, 2025, among the Issuer, P3 Works, LLC, as Administrator and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent. The Issuer anticipates that the [Annual Financial Information] [Audited Financial Statements] will be filed by _____.

Dated: _____

HTS Continuing Disclosure Services,
a division of Hilltop Securities Inc.,
on behalf of the City of Blue Ridge
(solely in its capacity as Dissemination Agent)

By: _____

Title: _____

cc: City of Blue Ridge

EXHIBIT B

**CITY OF BLUE RIDGE,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT 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: 717 N. Harwood, Suite 3400
Dallas, TX 75201

Telephone:
Contact Person:

Section 4(a)(i)(A)

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

Section 4(a)(i)(B)

INVESTMENTS

Fund/Account Name	Investment Description	Par Value	Book Value	Market Value

* Excluding Audited Financial Statements of the Issuer

Section 4(a)(i)(A)**ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE****ASSETS**

Bonds (Principal Balance)	_____
Funds and Accounts [list]	_____
TOTAL ASSETS	_____

LIABILITIES

Outstanding Bond Principal	_____
Outstanding Program Expenses (if any)	_____
TOTAL LIABILITIES	_____

EQUITY

Assets Less Liabilities	_____
Parity Ratio	_____

Form of Accounting ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)(A)**FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR****Debt Service Requirements on the Bonds**

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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Top Assessment Payers⁽¹⁾

<u>Property Owner</u>	<u>No. of</u> <u>Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Assessments</u>	<u>Percentage of</u> <u>Total</u> <u>Assessments</u>
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⁽¹⁾ Does not include those owing less than one percent (1%) of total Assessments.

Section 4(a)(ii)(B)

**FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO
THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL
YEAR AND THROUGH FEBRUARY 1 OF THE NEXT SUCCEEDING YEAR**

Foreclosure History Related to the Assessments

<u>Time Period</u>	<u>Parcels in Foreclosure Proceedings</u>	<u>Delinquent Assessment</u>		<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
		<u>Amount</u>	<u>in Foreclosure Proceedings</u>		
[FISCAL YEAR END]		\$			\$
[FEB. 1 OF CURRENT YEAR] ⁽¹⁾		\$			\$

⁽¹⁾ As of February 1, 20__.

Collection and Delinquency History of Assessments

<u>Time Period</u>	<u>Total Assessment Levied</u>	<u>Parcels Levied⁽¹⁾</u>	<u>Delinquent</u>		<u>Delinquent</u>		<u>Total Assessments Collected⁽²⁾</u>
			<u>Amount as of 3/1</u>	<u>Delinquent % as of 3/1</u>	<u>Amount as of 9/1</u>	<u>Delinquent % as of 9/1</u>	
[FISCAL YEAR END]	\$		\$	%	\$	%	\$
[FEB. 1 OF CURRENT YEAR] ⁽³⁾	\$		\$	%	N/A	N/A	\$

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, May 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. Includes \$_____ attributable to Prepayments.

⁽³⁾ Collected as of February 1, 20__.

History of Prepayment of Assessments

<u>Time Period</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u>	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u>
[FISCAL YEAR END]		\$		\$
[FEB. 1 OF CURRENT YEAR] ⁽¹⁾		\$		\$

⁽¹⁾ As of February 1, 20__.

ITEM REQUIRED BY SECTION 4(a)(iii)

Assessed Value of the Issuer

The [YEAR] certified total assessed value for the land in the District is approximately \$[AMOUNT] according to the COLLIN CENTRAL APPRAISAL DISTRICT.

ITEMS REQUIRED BY SECTION 4(a)(iv) - (vii)

[Insert a line item for each applicable listing]

EXHIBIT C

BASIC TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES⁽¹⁾

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received. Upon receipt but no later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Dissemination Agent should be immediately notified in writing. Issuer and/or 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 June and December.
March 15	43/44	Issuer and/or Administrator should be aware of actual and specific delinquencies. Trustee pays bond interest payments to Owners. 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.

⁽¹⁾ Illustrates anticipated dates and procedures for pursuing the collection of delinquent 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 procedures of the District's Tax/Assessor Collector, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

May 1

59/60

At this point, if total delinquencies are under 5% and if there is adequate funding for September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the District Attorney or an appropriate designee, will begin process to cure delinquency. **For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure, in accordance with the procedures of the District's Tax/Assessor Collector.**

If there are over 5% delinquencies or if there is insufficient funding in the Revenue Fund for transfer to the Principal and Interest Account of the Bond Fund such amounts as shall be required for the full payments, the collection-foreclosure procedure will proceed against all delinquent properties, in accordance with the procedures of the District's Tax/Assessor Collector.

July 1

152/153

Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments, in accordance with the procedures of the District's Tax/Assessor Collector.

Issuer and/or Administrator to notify Dissemination Agent in writing for disclosure to MSRB of all delinquencies.

Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the

Indenture, 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 for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.

If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

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APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

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**CITY OF BLUE RIDGE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of June 1, 2025 (this “Disclosure Agreement”), is executed and delivered by and among LGI Homes - Texas, LLC, a Texas limited liability company (the “Developer”), P3 Works, 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 June 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 P3 Works, LLC, as the initial Administrator.

“Affiliate” shall mean an entity that owns property within the District and is controlled by, controls, or is under common control with the Developer, or any Homebuilder.

“Amenities” shall mean a playground, benches, small gazebo with picnic tables and grill, and an eight-foot wide hiking and biking trail.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Authorized Improvements” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Certification Letter” shall mean a certification letter provided by the Developer or Homebuilder, if any, pursuant to Section 3, in substantially the form attached as Exhibit D.

“Developer” shall mean LGI Homes - Texas, LLC, a Texas limited liability company, its successors and assigns, including any Affiliate of the Developer.

“Developer Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of the Issuer with respect to the Bonds dated as of even date herewith executed and delivered by the Issuer, the Administrator, and the Dissemination Agent.

“Dissemination Agent” shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer, and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean the Blue Ridge Crossing Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at <http://emma.msrb.org>.

“Homebuilder(s)” shall mean any merchant homebuilder who enters into a Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

“Issuer” shall mean the City of Blue Ridge, 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 agreement between a Homebuilder and the Developer to purchase lots or to purchase land.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Parcel” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Person” shall have the meaning assigned to such term in the Indenture.

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

“Quarterly Ending Date” shall mean each March 31, June 30, September 30 and December 31, beginning June 30, 2025.

“Quarterly Filing Date” shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being February 15, May 15, August 15, November 15.

“Quarterly Information” shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

“Quarterly Report” shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

“Reporting Party” shall mean, collectively, the Developer and any Significant Homebuilder who has acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Significant Homebuilder” shall mean a Homebuilder that then owns 21 or more of the single family residential lots within the District.

“Significant Homebuilder Listed Events” shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

“Trustee” shall have the meaning assigned to such term in the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder that is a Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with June 30, 2025, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to Section 3(d) (with respect to each Reporting Party, the “Quarterly Information”). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party’s obligations terminate pursuant to Section 7 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder and (ii) the Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until a Significant Homebuilder Acknowledgement (as defined herein) with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than twenty (20) days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any necessary changes to the applicable Quarterly Information or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any necessary changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than thirty (30) days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Parties pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than twenty (20) days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and direct the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, with a copy to each Reporting Party, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in Section 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

- (d) Each Quarterly Report shall consist of the information listed in Exhibit A attached hereto.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within the District on a parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within the District to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within the District, including the Authorized Improvements, and the Amenities;

(iii) Material default by the Developer or any of the Developer's Affiliates on any loan with respect to the acquisition, development, or permanent financing of the Authorized Improvements 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 the District owned by the Developer or any of the Developer's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages in excess of \$1,000,000 against the Developer or any of the Developer's Affiliates that may adversely affect the completion of development of the District, or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any change in the legal structure, chief executive officer, or controlling ownership of the Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 hereof.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within the District on a lot or parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within the District to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer, or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Lot Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if a Reporting Party is providing Quarterly Information on behalf of any other Reporting Party.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations of Developer.

The Developer shall cause each Person who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Authorized Improvements or the Amenities to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement. The Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgement from each Person who assumes the obligations, requirements, or covenants to construct one or more of the Authorized Improvements or Amenities in substantially the form attached as Exhibit E (the “Developer Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person’s delivery of written acknowledgement of assumption of Developer’s obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilder.

(a) If a Homebuilder acquires ownership of real property in the District resulting in such Homebuilder becoming a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer's disclosure obligations under Section 3 and Section 4(b) hereof, with respect to such acquired real property, until such party's disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (i) above, the Developer shall deliver to the Dissemination Agent, Administrator and the Issuer a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit F, acknowledging and assuming the Developer's obligations under this Disclosure Agreement with respect to the real property transferred (the "Significant Homebuilder Acknowledgment"). Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) above. Upon any such transfer to a Significant Homebuilder and such Significant Homebuilder's delivery of the Significant Homebuilder Acknowledgment, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until the Significant Homebuilder Acknowledgment with respect to such real property is delivered to the Dissemination Agent, Administrator, the Issuer and the MSRB, in accordance with this Section 6(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership of real property, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of a Reporting Party under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Reporting Party, including their respective affiliates and/or successors and assigns, no longer owns 21 or more single family residential lots within the District, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Reporting Party, including their respective Affiliates and/or successors and assigns, respectively; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with Section 6(a) above, the reporting obligations of the Developer under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns, collectively no longer own 21 or more single family residential lots within the District, as of each

Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) of this Section 7 and any Termination Notice required by subsection (b) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist the Developer and any other Reporting Party in carrying out their obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' notice to the Issuer, the Developer, and the Administrator; provided, however, that if the Dissemination Agent is serving in the same capacity under the Disclosure Agreement of Issuer, the Dissemination Agent shall resign under the Disclosure Agreement of Issuer simultaneously with its resignation hereunder; provided, further, that if the Issuer is the Dissemination Agent, the Issuer may not resign without first appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each Reporting Party of any change in the identity of the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be 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 a Reporting Party, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into in accordance with this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent a Reporting Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, such Reporting Party shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided on their behalf by a Reporting Party provided hereunder.

SECTION 12. Default. In the event of a failure of any Reporting Party or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction, the Dissemination Agent shall take such actions as may be necessary and appropriate to cause the applicable Reporting Party, and/or the Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of a Reporting Party, or the Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by any Reporting Party shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by any Reporting Party or the Administrator. Additionally, a default by any Reporting Party of its obligations under this Disclosure

Agreement shall not be deemed a default by any other Reporting Party of under this Disclosure Agreement.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by the Developer, Significant Homebuilder, and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to hold harmless the Administrator, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence, or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the

Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. [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 paragraph 13(c) are Administrative Expenses.]

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 12 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of any Reporting Party, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future officer, agent, or employee of the Reporting Party, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder, or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act, or action, or part thereof, is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof, shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual

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 the District, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made 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 delivery receipt from the recipient confirming that the e-mail was delivered with such notice. Failure to provide proof of delivery receipt does not constitute a breach or default under this Disclosure Agreement.

If to Developer:

LGI Homes - Texas, LLC
Attn: Elaine Torres
1450 Lake Robbins Drive, Suite 430
The Woodlands, TX 77380
Email: elaine.torres@lgihomes.com

With a copy to:

Winstead PC
Attn: Ryan Hafner
500 Winstead Building
2728 N. Harwood Street
Dallas, Texas 75201
E-mail: rhafner@winstead.com

If to the Dissemination Agent:

HTS Continuing Disclosure Services,
a division of Hilltop Securities Inc.
717 N. Harwood, Suite 3400
Dallas, Texas 75201
E-mail: tanya.calvit@hilltopsecurities.com

If to the Trustee:

UMB Bank, N.A.
5910 N. Central Expressway, Suite 1900
Dallas, Texas 75206
Email: damien.daley@umb.com

If to Administrator: P3Works, LLC
Attn: Mary Petty
9284 Huntington Square, Ste 100
North Richland Hills, Texas 76182
E-mail: admin@p3-works.com

If to the Issuer: City of Blue Ridge
Attn: Edie Sims
200 S. Main Street
Blue Ridge, Texas 75424
Email: esims@blueridgecity.com

If to Participating Underwriter: FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034
E-mail: Tdavenport@fmsbonds.com

SECTION 21. Term of Disclosure Agreement. Except for surviving indemnities of the parties to this Disclosure Agreement, this Disclosure Agreement terminates on the earlier of (i) the first date on which none of the Bonds remain Outstanding and (ii) the first date on which the reporting obligations of all Reporting Parties have terminated in accordance with the terms of this Disclosure Agreement.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

HTS Continuing Disclosure Services,
a division of Hilltop Securities Inc.
Dissemination Agent

By: _____
Authorized Officer

DEVELOPER:

LGI Homes - Texas, LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____

P3 Works, LLC,
Administrator

By:_____

Name:_____

Title:_____

EXHIBIT A

CITY OF BLUE RIDGE, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT 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: 717 N. Harwood, Suite 3400
City: Dallas, TX 75201
Telephone:
Contact Person:

I. Expenditures Paid from Accounts under Indenture

1. TOTAL BUDGETED COSTS REQUIRED TO COMPLETE AUTHORIZED IMPROVEMENTS: \$ _____
2. Of the budgeted costs for Authorized Improvements shown in the Service and Assessment Plan:
 - a. Actual costs drawn from the Authorized Improvements Account¹:
\$ _____

II. Status of Authorized Improvements

Projected/actual completion date of the Authorized Improvements:

1. [Actual/Expected] date of completion of the Authorized Improvements:
[_____]
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [_____]

III. Unit Mix in the District

¹ Authorized Improvements Account means the account titled Authorized Improvements Account of the Project Fund in the Indenture.

<u>Product Type</u>	<u>Number of Units</u>
Single Family _____	
Single Family _____	

IV. Lot Status in the District

Of the 212 lots in the District, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 212
2. Planned lots as of the date of this Quarterly Report: _____
3. Lots developed: _____
4. Lots platted: _____
5. Expected completion date of all lots in the District (if incomplete): _____

V. Ownership of Lots/Units in the District

PLANNED LOTS IN THE DISTRICT:

Of the 212 lots in the District:

1. Number of lots owned by the Developer: _____
2. Number of lots under contract but not closed to Homebuilder(s): _____
3. Number of lots owned by all Homebuilder(s): _____²
 - a. Number of lots owned by [*insert name of Homebuilder*]: _____³
 - b. Number of lots owned by [*insert name of Homebuilder*]: _____
4. Number of units owned by homeowners: _____

VI. Home Sales Information in the District

PLANNED HOMES IN THE DISTRICT: 212

Of the 212 homes planned for the District:

1. How many total building permits were issued during the current quarter? _____
 - a. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____²
 - b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____²
2. How many total homes have closed with homebuyers during the current quarter? _____
 - a. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____²

² If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

³ Include a line item for each individual Homebuilder.

- b. Number of homes closed with homebuyers during the current quarter for [insert name of Homebuilder]: _____⁴
3. How many total homes have closed with homebuyers **cumulatively**? _____
 - a. Number of homes closed with homebuyers cumulatively for [insert name of Homebuilder]: _____³
 - b. Number of homes closed with homebuyers cumulatively for [insert name of Homebuilder]: _____³

VII. Amenities⁵

TOTAL [EXPECTED/ACTUAL] COSTS OF AMENITIES: \$[_____]

Of the \$[_____] [expected/actual] costs of the Amenities:

1. Amount spent as of Quarterly Ending Date: \$[_____]
2. [Actual/Expected] completion date of Amenities: [_____]

VIII. Material Changes

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Lot Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgement pursuant to the Disclosure Agreement?

⁴ Include a line item for each individual Homebuilder.

⁵ "Amenities" means _____.

5. **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.
6. **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 Blue Ridge, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025
(Blue Ridge Crossing Public Improvement District Project) (the
“Bonds”)
CUSIP Numbers: [insert CUSIP Numbers]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that _____, a
_____ (the [“Developer”]⁶) [“Significant Homebuilder”]) has not provided the
[Quarterly Information][Quarterly Report] [the [Quarterly Information][Quarterly Report] was not
filed in a timely manner due to [_____] for the period ending on [*Insert
Quarterly Ending Date*] with respect to the Bonds as required by the Continuing Disclosure
Agreement of Developer related to such Bonds, by and among LGI Homes - Texas, LLC, a
[CORPORATE ENTITY TYPE] (the “Developer”), P3 Works, LLC, as Administrator, and HTS
Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent. The
[Developer][Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be
[provided][filed] by _____.

Dated: _____

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.,
on behalf of the Developer,
as Dissemination Agent

By: _____

Title: _____

cc: City of Blue Ridge, Texas

⁶ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: City of Blue Ridge, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025
(Blue Ridge Crossing Public Improvement District 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.
717 N. Harwood, Suite 3400
Dallas, Texas 75201

City of Blue Ridge, Texas
200 S. Main Street
Blue Ridge, Texas 75424

LGI Homes – Texas, LLC
1450 Lake Robbins Drive Suite 430
The Woodlands, TX 77380

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN that 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 LGI Homes - Texas, LLC, a Texas
limited liability company (the “Developer”), P3 Works, LLC, as Administrator, and HTS
Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent.

Dated: _____

P3 Works, LLC
on behalf of the LGI Homes - Texas, LLC
[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 Blue Ridge, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025
(Blue Ridge Crossing Public Improvement District Project)
CUSIP Numbers: [insert CUSIP Numbers]
Quarterly Ending Date: _____, 20__

Re: Quarterly Report for Blue Ridge Crossing Public Improvement District Public Improvement District (Blue Ridge Crossing Public Improvement District Project)

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among LGI Homes - Texas, LLC, a Texas limited liability company¹ (the “Developer”), P3 Works, 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.

LGI Homes - Texas, LLC,
a Texas limited liability company

By: _____

[OR

SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)

By: _____
Title: _____]

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF DEVELOPER REPORTING OBLIGATIONS**

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Blue Ridge Crossing Public Improvement District Public Improvement District – Blue Ridge Crossing Public Improvement District Project – Continuing Disclosure Obligation

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 20__, you have been assigned and have assumed the obligations, requirements, or covenants to construct one or more of the Authorized Improvements or Amenities (as those terms are defined in the Disclosure Agreement of Developer) (as defined herein) within the Blue Ridge Crossing Public Improvement District Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the “Disclosure Agreement of Developer”) by and among LGI Homes - Texas, LLC, a Texas limited liability company (the “Developer”), P3 Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”), with respect to the “City of Blue Ridge, Texas, Special Assessment Revenue Bonds, Series 2025 Blue Ridge Crossing Public Improvement District Public Improvement District (Blue Ridge Crossing Public Improvement District Project),” any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of Authorized Improvements or Amenities is defined as a Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

LGI Homes - Texas, LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: _____
Title: _____

EXHIBIT F

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS**

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

Re: Blue Ridge Crossing Public Improvement District Public Improvement District – Blue Ridge Crossing Public Improvement District Project – Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you own _____ lots within the Blue Ridge Crossing Public Improvement District 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 LGI Homes - Texas, LLC, a Texas limited liability company (the “Developer”), P3 Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”), with respect to the “City of Blue Ridge, Texas, Special Assessment Revenue Bonds, Series 2025 (Blue Ridge Crossing Public Improvement District Public Improvement District Blue Ridge Crossing Public Improvement District Project),” any entity that owns 21 or more of the single family residential lots within 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,

LGI Homes - Texas, LLC,
a Texas limited liability company

By: _____

Name: _____

Title: _____

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: _____

Title: _____

APPENDIX F
DEVELOPMENT AGREEMENT

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**CITY OF BLUE RIDGE, TEXAS
RESOLUTION 2022-0322-002**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLUE RIDGE, TEXAS; APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE A DEVELOPMENT AGREEMENT RELATING TO THE BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT; AND RESOLVING OTHER MATTERS RELATED THERETO.

WHEREAS, on March 22, 2022, the City Council (the “City Council”) of the City of Blue Ridge, Texas (the “City”) adopted a resolution creating the Blue Ridge Crossing Public Improvement District (the “District”) in accordance with Chapter 372, Texas Local Government Code, as amended (the “Act”); and

WHEREAS, the City desires to approve the “Development Agreement (Blue Ridge Crossing in Blue Ridge, Texas)” relating to the District (the “Development Agreement”); and

WHEREAS, the Development Agreement satisfies the requirements of Section 212.172 of the Texas Local Government Code and provides for the orderly development of property within the District in accordance with the terms agreed to by the Owner (as defined in the Development Agreement) and the City and promotes the interests of the City.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BLUE RIDGE, TEXAS, THAT:

SECTION 1. The findings and premises contained in the WHEREAS clauses above are hereby deemed to be true and correct and incorporated as a part of this Resolution for all purposes.

SECTION 2. The Development Agreement attached hereto as **Exhibit A**, is approved and the Mayor is authorized to execute such Development Agreement on behalf of the City.

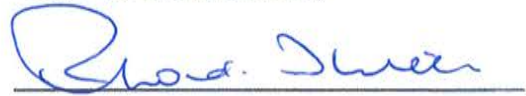
SECTION 3. The City Council hereby authorizes and directs the City Secretary of the City to record the Development Agreement in the deed records of Collin County, Texas pursuant to the requirements of Section 212.172(f) of the Texas Local Government Code and Section 5.9 of the Development Agreement.

SECTION 4. This Resolution shall become effective from and after its date of passage in accordance with law.

[Remainder of Page Intentionally Left Blank]

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF BLUE RIDGE
THIS THE 22nd DAY OF MARCH, 2022.

CITY OF BLUE RIDGE,



RHONDA WILLIAMS, MAYOR

ATTEST:



EDIE SIMS, CITY SECRETARY

**DEVELOPMENT AGREEMENT
(BLUE RIDGE CROSSING IN BLUE RIDGE, TEXAS)**

This Development Agreement (this "Agreement") is executed between GLA Ventures LLC, a Texas limited liability company ("Developer"), Michael McCreary and Chad Knowles (Developer, Michael McCreary, and Chad Knowles are collectively the "Owners") and the City of Blue Ridge (the "City"), each a "Party" and collectively the "Parties" to be effective on March 22, 2022 (the "Effective Date"). If Developer or an affiliate of Developer does not acquire fee simple title to 100% of the Property defined in the first recital by May 31, 2022, this Agreement shall automatically be null and void and of no further force or effect on that date.

**ARTICLE I
RECITALS**

WHEREAS, on the Effective Date, Owners are the owner of the approximately 42.539 acre tract of land described by metes and bounds on **Exhibit A** (the "Property") and Developer has entered into a purchase and sale contract with Michael McCreary and Chad Knowles pursuant to which Developer or its affiliate will acquire fee simple title to the portion of the Property owned by Michael McCreary and Chad Knowles making Developer or its affiliate the owner of 100% of the Property; and

WHEREAS, Michael McCreary and Chad Knowles intends to assign all rights, title, interest, and obligations under this Agreement to the Developer or its affiliate upon Developer's or its affiliate's acquisition of fee simple title to the portion of the Property currently owned by Michael McCreary and Chad Knowles on or before May 31, 2022, and, pursuant to such assignment, Developer and, if applicable its affiliate, will become the sole owner of the Property under this Agreement and shall be the sole "Owner" and the "Developer" under this Agreement for all purposes; and

WHEREAS, the Developer intends to develop the Property in accordance with this Agreement in the immediate future; and

WHEREAS, the Parties contemplate the development of the entire Property pursuant to the terms of this Agreement (the "Development"); and

WHEREAS, the Parties intend for this Agreement to establish certain restrictions and to impose certain commitments in connection with the development of the Property; and

WHEREAS, the Developer intends to construct and/or make financial contributions to certain onsite and/or offsite public improvements to serve the Development and for the benefit of the City; and

WHEREAS, the Developer will pay for and construct certain onsite infrastructure, including streets and roads; drainage; water, sanitary sewer, and other utility systems; parks, open space, landscaping, and trail systems; and dedicate in fee or by easement land to the City for all of the onsite public improvements necessitated by and attributable to the development of the Property (collectively, "Onsite Public Improvements"); and

WHEREAS, Developer has agreed to pay for and construct certain off-site sewer improvements (the "Off-Site Sewer Improvements") as described herein and shown on Exhibit D; and

WHEREAS, Developer has agreed to pay for and construct certain off-site roadway improvements to Pruett Street (the "Pruett Street Improvements") as described in Section 3.1(d)(i) of this Agreement; and

WHEREAS, the Parties desire to create a public improvement district (a "PID") pursuant to Chapter 372, Texas Local Government Code (the "PID Act") that will include the Property; and

WHEREAS, the Onsite Public Improvements necessary to serve the Property and all other improvements authorized by Section 372.003 of the PID Act that Developer will construct as part of the Development are referred to herein as the "PID Authorized Improvements"; and

WHEREAS, the Parties intend for PID Authorized Improvements to be funded, in part, by public improvement district assessments ("PID Assessments") levied on portions of the Property receiving a special benefit from the PID Authorized Improvements; and

WHEREAS, the Parties intend for the costs related to the Off-Site Sewer Improvements (the "Off-Site Sewer Costs") and the costs related to the Pruett Street Improvements to be funded as described herein; and

WHEREAS, the PID Authorized Improvements, the Off-Site Sewer Improvements and the Pruett Street Improvements are referred to collectively as the "Public Infrastructure"; and

WHEREAS, due to the location and other natural features of the Property, the cost of the Public Infrastructure does not allow for the intended Development in a cost-effective and market-competitive manner without participation by the City; and

WHEREAS, the City has determined that annexation and full development of the Property as provided herein will promote local economic development within the City and will stimulate business and commercial activity within the City, which will drive infrastructure investment and job creation, and have a multiplier effect that increases both the City's tax base and utility revenues; and

WHEREAS, the Parties have determined that the Development will increase the diversity of housing within the City; and

WHEREAS, the City and the Developer agree that the Development can best proceed pursuant to a development agreement such as this Agreement; and

WHEREAS, a small portion of the Property is located within the City's corporate limits (the "In-City Property") and the remainder of the Property is located wholly within the extraterritorial jurisdiction ("ETJ") of the City and not within the ETJ or corporate limits of any other town or city (the "ETJ Property"); and

WHEREAS, the Concept Plan attached as Exhibit B (as amended from time to time in accordance with Section 2.2 of this Agreement, the "Concept Plan") and the development regulations set forth on Exhibit C (the "Development Regulations") do not currently apply to the In-City Property, the Parties contemplate that the In-City Property will be re-zoned to a planned development district consistent with the Concept Plan and Development Regulations, and after annexation, it is the intent of the Parties that the Concept Plan and Development Regulations apply to the In-City Property and the ETJ Property; and

WHEREAS, the Property is located in Collin County, Texas ("Collin County"); and

WHEREAS, the Parties intend for the ETJ Property to be annexed into the City's corporate limits pursuant to the terms of this Agreement and to be developed consistent with the terms of this Agreement; and

WHEREAS, the City will be the retail provider of water and wastewater service to the Property and holds the certificates of convenience and necessity to serve as the retail provider of water and wastewater service to the Property; and

WHEREAS, the Parties intend that this Agreement be a development agreement as provided for by Section 212.172 of the Texas Local Government Code; and

WHEREAS, the Parties have the authority to enter into this Agreement pursuant to Section 212.172 of the Texas Local Government Code; and

WHEREAS, the Parties intend for the Property to be developed within the City's corporate limits and, that, pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the City to have and exercise exclusive jurisdiction over the subdivision and platting of the Property and the design, construction, installation, and inspection of the Public Infrastructure to serve the Property and the Off-Site Improvements described herein, and that Collin County to have and exercise no jurisdiction over such matters; and

WHEREAS, the Parties intend for this Agreement to terminate if the Developer or its affiliate does not close on the purchase of all of the Property by May 31, 2022, as described above, with no further action by the City, and in which event the Parties also intend to dissolve any PID.

NOW THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are acknowledged and agreed to by the Parties, the Parties agree as follows:

ARTICLE II

GOVERNING REGULATIONS; ANNEXATION; ZONING

2.1 Governing Regulations. Development of the Property is currently governed, until annexation, solely by the following regulations (collectively, the "Governing Regulations"):

- (a) the Concept Plan which shall apply only to the ETJ Property;

(b) the subdivision regulations of the City in effect on the Effective Date (the "Subdivision Regulations");

(c) the comprehensive zoning ordinance of the City in effect on the Effective Date (the "Zoning Ordinance");

(d) all building codes adopted by the City, including local amendments, as amended;

(e) the Development Regulations which shall apply only to the ETJ Property; and

(f) all other City ordinances in effect on the Effective Date (the "City Ordinances").

After annexation, the Governing Regulations will continue to apply to the Property, and the Parties contemplate that a planned development zoning ordinance will be adopted by the City Council after annexation that will apply the Governing Regulations (including the Concept Plan and Development Regulations) to both the ETJ Property and the In-City Property. The Governing Regulations are exclusive, and no other City-adopted ordinances, rules, regulations, standards, policies, orders, guidelines, or other City-adopted or City-enforced requirements of any kind (including but not limited to any moratorium adopted by the City after the Effective Date) apply to the development of the Property (with the exception of zoning regulations applicable to the In-City Property). To the extent any provision in the Subdivision Regulations, building codes, or City Ordinances is inconsistent with State or federal law, State and federal law shall apply, and nothing herein shall be deemed to be a waiver by either Party of any State or federal law. Pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the Parties agree that the Governing Regulations shall include the City's exercise of exclusive jurisdiction over the subdivision and platting of the Property and the design, construction, installation, and inspection of Public Infrastructure

2.2 Concept Plan Revisions. The lot layout and composition shall generally conform to or be similar with the Concept Plan, provided that Owner may alter such layout and composition with further City approval, including the right to relocate any or all of the lots to cluster such lots in one or more locations, so long as such changes comply with the Governing Regulations and this Agreement.

2.3 Plat. The Developer may submit a plat for all or any portion of the Property. Any plat shall be in general conformance with the Concept Plan, including any amendments. The processing and content of all plats must adhere to the City Regulations, as they may be expressly altered by this Agreement.

2.4 Vested Rights. This Agreement shall constitute a "permit" under Chapter 245 of the Texas Local Government Code that is deemed filed with the City on the date upon which the last of all of the Parties has approved and duly executed this Agreement. The Developer does not, by entering into this Agreement, waive any rights or obligations arising under Chapter 245 of the Texas Local Government Code.

2.5 Building Codes, Fire Codes and Building Materials. As consideration for impact fees being reimbursed for the Property, Developer has consented to and requested that, and the Parties agree the City-adopted building codes and local amendments as subsequently amended, the City-adopted fire codes and local amendments as subsequently amended, all as subsequently amended, as well as the building material regulations in the Development Regulations, shall apply to the Property, and Developer voluntarily agrees to burden the Property with their applicability, despite Texas Government Code Chapter 3000, effective September 1, 2019, as it presently exists or may be subsequently amended. The Parties further acknowledge and agree that the terms, provisions, covenants, and agreements contained in, or referenced in, this paragraph are covenants that touch and concern the Property and that it is the intent of the Parties that such terms, provisions, covenants, and agreements shall run with the Property and shall be binding upon the Parties hereto, their successors and assigns, and all subsequent owners of the Property.

2.6 Annexation. As of June 1, 2022 this Agreement acts as Developer's irrevocable voluntary annexation petition for the ETJ Property; however, a condition precedent to the City's annexation of the ETJ Property shall be the City's levy of PID Assessments as contemplated by this Agreement, which the Parties contemplate will occur at the same City Council meeting. The foregoing sentence shall not preclude Owner or Developer from electing to commence the annexation process earlier than June 1, 2022. Within 15 days after receipt of a written request from the City, Developer agrees to execute and supply any and all instruments and/or other documentation necessary for the City to annex the ETJ Property into the City's corporate limits. This Agreement constitutes the service plan agreement for providing City services to the ETJ Property. If the City is unable to complete the annexation of the ETJ Property for any reason, including but not limited to procedural error or legal challenge, Developer shall execute another voluntary annexation petition for the ETJ Property, within ten (10) days of being requested to do so by the City. Developer acknowledges and agrees that:

- (a) This section 2.6 was a material inducement for the City to enter into this Agreement with Developer and to create PID;
- (b) Developer is not required to enter into this Agreement;
- (c) the annexation procedures described in this Agreement require Developer's consent, and by entering into this Agreement, Developer hereby voluntarily provides such consent; and
- (d) with this Agreement and the provisions contained herein, City has provided to Developer the written disclosure required by Section 212.172(b-1) of the Texas Local Government Code.

2.7 Zoning Upon Annexation. While the Parties expressly acknowledge that the ETJ Property will be voluntarily annexed in accordance with Section 2.6 of this Agreement, the Parties agree that the Concept Plan, Development Regulations and the applicable provisions of this Agreement memorialize the plan for development of the ETJ Property as provided for in Section 212.172 of the Texas Local Government Code and other applicable law. The City shall consider zoning the Property in a planned development district consistent with the Concept Plan,

Development Regulations and applicable provisions of this Agreement contemporaneously with the annexation of the ETJ Property, although nothing herein shall be construed to require that the City zone the Property in any particular manner. Through this Agreement, the Developer expressly consents and agrees to the zoning of the Property consistent with and as contemplated by this section. In the event of a conflict between this Agreement and the zoning of the ETJ Property, the Parties agree that this Agreement shall control. The Developer agrees that nothing in this Agreement shall prevent Section 2.5 of this Agreement and the Governing Regulations, including but not limited to zoning, from being enforced against an End-Buyer.

2.8 Conflicts.

(a) In the event of any conflict between this Agreement and any other ordinance, rule, regulation, standard, policy, order, guideline or other City-adopted or City-enforced requirement, whether existing on the Effective Date or hereinafter adopted, this Agreement controls.

(b) In the event of any conflict between this Agreement, including the Concept Plan or Development Regulations, and any of the other Governing Regulations, this Agreement, including the Concept Plan and Development Regulations, shall control.

ARTICLE III **PUBLIC INFRASTRUCTURE; PARKS**

3.1 Public Infrastructure.

(a) Standards. All Public Infrastructure shall be designed, constructed and installed by the Developer in compliance with the Governing Regulations. Construction and/or installation of Public Infrastructure shall not begin until complete and accurate plans and specifications have been approved by the City. Each contract for construction of Public Infrastructure shall require a two-year maintenance bond following completion of such Public Infrastructure, which bond shall run in favor of the City. To the extent the Development creates the need for easements or rights-of-way within the Property, easements for water, sewer, and drainage shall be granted and right-of-way for roads shall be dedicated in fee by the Developer to the City by final plat or separate instrument at no cost to the City, although PID Bond proceeds or other PID Assessment revenue may be used to acquire easements and right-of-way, to the extent authorized by the PID Act. The Public Infrastructure will be installed within easements granted to the City or in the public right-of-way, however utilities must be in an easement separate from the right-of-way.

(b) Drainage. Developer shall construct certain drainage improvements as part of the PID Authorized Improvements for the benefit of the Property. Parties hereby agree that a retention pond (in lieu of a detention pond) shall be permitted within the open space area of the Property provided the Developer's engineer demonstrates to the reasonable satisfaction of the City's engineer that there will be sufficient natural water to keep the pond reasonably full, in which case the Parties further agree to make good faith efforts to ensure a retention pond is located in either of the open space areas designated on the Concept Plan as 1-X and 2-X.

(c) Sewer. The Developer shall design and construct the Off-Site Sewer Improvements (including a 12-inch sewer line) depicted on Exhibit D. Although the Parties believe the City already has existing easements for the construction of the Off-Site Sewer Improvements insofar as the Developer is replacing an existing 8-inch sewer line at the same location where the Off-Site Sewer Improvements will be located, if the Parties determine that additional off-site easements are needed to construct such improvements, the City shall acquire such easements pursuant to Section 3.1(e) and the Developer's responsibility to fund such acquisition costs shall be limited to the fair market value paid by the City in connection with its exercise of its condemnation rights, plus Eminent Domain Fees, hereafter defined, up to \$25,000, incurred by the City related thereto (collectively, the "Easement Condemnation Costs"). All off-site sewer costs associated with the design and construction of the Off-Site Sewer Improvements shall be reimbursed to the Developer as a grant of sewer impact fees collected by the City from the Property pursuant to the authority of Section 212.172 of the Texas Local Government Code and Chapter 380 of the Texas Local Government Code. Total sewer impact fee reimbursement for the Off-Site Sewer Improvements will be the actual cost of the Off-Site Sewer Improvements incurred by the Developer for the design and construction of such improvements, not to exceed 100 percent of the cost estimate set forth on Exhibit D. Impact Fees shall be paid when building permit application is filed. As sewer impact fees for the Property are collected by the City, the City agrees to rebate such fees to the Developer on the first business day of January, April, July, and October of each year during the Term of this Agreement until the Developer is fully reimbursed for the Off-Site Sewer Costs. The Off-Site Sewer Costs will not be funded through PID Assessments or PID Bonds (defined below).

(d) Roadways.

(i) The Developer shall be required to improve and construct a section of Pruett Street, as shown on Exhibit E, to a concrete road with a 31-foot paving width and curb, gutter and underground storm drain within 50 feet of right-of-way consistent with the standards set forth in the Governing Regulations. If additional right-of-way is necessary for such improvements, the City agrees to acquire all right-of-way necessary for the Pruett Street Improvements, subject to the Developer funding the cost to acquire such right-of-way pursuant to 3.1(e) below. The Pruett Street Improvements shall be constructed concurrently with the construction of the PID Authorized Improvements to serve the Property. All of Developer's obligations to construct or fund the Pruett Street Improvements are conditioned on the City issuing a series of the PID Bonds prior to final plat approval as contemplated by this Agreement.

(ii) The Developer agrees to dedicate the right-of-way for Church Street shown on the Concept Plan as "Lot 8-X" at the time of approval of the first final plat for all or any portion of the Property. Developer shall use commercially reasonable efforts to purchase, pursuant to 3.1(e) below, a small portion of the parcel immediately adjacent to Lot 8-X to the west currently owned by Randall Moody (Parcel No. R-6557-002-0960-1) (the "Moody Property") to add to and dedicate in fee with "Lot 8-X" such that, when combined, the City will have a complete 50' right of way for the future Church Street (the "Moody ROW Property"). The Moody ROW Property is depicted on Exhibit F. To the extent the

City is required to exercise its Eminent Domain power, the Developer agrees to reimburse the City for the actual cost the City paid to secure the Moody ROW Property (including costs associated with the condemnation process and attorneys fees), provided the Developer shall not be required to pay more than \$100,000. Nothing herein shall preclude the Developer's ability to purchase some or all of the Moody Property and thereafter dedicate the Moody ROW Property to the City. The Developer shall not be required to make any improvements to Lot 8-X or the Moody ROW Property, except the Developer shall, to the satisfaction of the City's engineer, ensure access to the Moody ROW Property by motor vehicle from Church Street is deterred by a fire gate or similar method.

(iii) With the exception of internal streets constituting PID Authorized Improvements constructed within the Property as part of the Development, the Church Street right-of-way dedication provided for in this section, and the Pruett Street Improvements, the Developer shall not be required to dedicate land for, construct, or fund any off-site roadways. However, if construction vehicles damage any existing roads and there is evidence clearly indicating that the damage directly resulted from a construction vehicle traveling to or from the Property, then the Developer will repair all streets as requested by the City. The obligation for the Developer to repair streets shall be limited to streets owned by the City, and shall expire automatically upon the City's acceptance of the Public Infrastructure.

(iv) Development of the Property shall include traffic calming mechanisms which may generally include the implementation of speed limit signs, residential stop signs, mid-block choker(s), intersection bulb-out(s), center island narrowing, and/or median barrier(s). The exact location, size, and specifications of such traffic calming mechanisms shall be with City consent and shown on plats or engineering plans.

(v) As part of the preliminary plat application for the Property, the Developer will include a traffic impact analysis. The traffic impact analysis shall be approved by the City engineer and include recommendations for how to best design the entrance to the Property from Highway Business 78.

(e) Eminent Domain. Except as otherwise provided in this Section 3.1, the Developer agrees to use commercially reasonable efforts to obtain all third-party rights-of-way, consents, or easements, if any, required for the Public Infrastructure. If, however, the Developer is unable to obtain such third-party rights-of-way, consents, or easements within ninety (90) days of the Effective Date, the City agrees to take reasonable steps to secure same (subject to City Council authorization after a finding of public necessity) through the use of the City's power of eminent domain. The Developer shall be responsible for funding all reasonable and necessary legal proceeding/litigation costs, attorney's fees and related expenses, and appraiser and expert witness fees (collectively, "Eminent Domain Fees") paid or incurred by the City in the exercise of its eminent domain powers and shall, if requested in writing by the City, escrow with a mutually agreed upon escrow agent the City's reasonably estimated Eminent Domain Fees both in advance of the initiations of each eminent domain proceeding and as funds are needed by the City. Provided that the escrow fund remains appropriately funded in accordance with this Agreement, the City

will use all reasonable efforts to expedite such condemnation procedures so that the Public Infrastructure can be constructed as soon as reasonably practicable. If the City's Eminent Domain Fees exceed the amount of funds escrowed in accordance with this paragraph, the Developer shall deposit additional funds as requested by the City into the escrow account within ten (10) days after written notice from the City. City is not required to continue pursuing the eminent domain unless and until the Developer deposits additional Eminent Domain Fees with the City. Any unused escrow funds will be refunded to the Developer with thirty (30) days after any condemnation award or settlement becomes final and non-appealable. Nothing in this subsection is intended to constitute a delegation of the police powers or governmental authority of the City, and the City reserves the right, at all times, to control its proceedings in eminent domain.

(f) Oversizing. The Developer shall not be required to oversize any Public Infrastructure unless expressly agreed to in the terms of this Agreement.

(g) Inspections, Acceptance of Public Infrastructure.

(i) Roadway and Storm Infrastructure. The City shall have the right to inspect, at any time, the construction of all roadway and storm water Public Infrastructure, and any related Public Infrastructure necessary to support the proposed development within the Property, which shall be inspected, designed and constructed in compliance with all statutory and regulatory requirements, including design and construction criteria, and the City Regulations.

(ii) Water and Wastewater Infrastructure. The City shall have the right to inspect the construction of all water and wastewater Public Infrastructure at any time, which water and wastewater shall be inspected, designed and constructed in compliance with all statutory and regulatory requirements, including design and construction criteria, and the City Regulations. The timing of construction of the various components of the water and wastewater Public Infrastructure shall be as required by the City Regulations.

(iii) No Release. The City's inspections shall not release the Developer from its responsibility to construct, or ensure the construction of, adequate Public Infrastructure in accordance with approved engineering plans, construction plans, and other approved plans related to the Development.

(iv) City Owned. From and after the inspection and acceptance by the City of the Public Infrastructure and any other dedications required under this Agreement, such improvements and dedications shall be owned by the City.

(v) Approval of Plats/Plans. Approval of plats, permits, plans, designs or specifications by the City shall be in accordance with the City Regulations. Approval by the City, the City's engineer or other City employee or representative of any plats, permits, plans, designs or specifications submitted pursuant to this Agreement or pursuant to the City Regulations shall not constitute or be deemed to be a release of the responsibility and liability of the Developer, his engineer, employees, officers or agents for the accuracy and competency of their design and

specifications. Further, any such approvals shall not be deemed to be an assumption of such responsibility and liability by the City for any defect in the design and specifications prepared by the Developer or the Developer's engineer, or engineer's officers, agents, servants, or employees, it being the intent of the Parties that approval by the City's engineer signifies the City's approval on only the general design concept of the improvements to be constructed. All plats and plans of the Developer related to the Property shall meet the requirements of the applicable City Regulations.

(h) Operation and Maintenance

(i) Upon inspection, approval, and acceptance of the water and wastewater Public Infrastructure or any portion thereof, the City shall maintain and operate the accepted water and wastewater infrastructure or any accepted portion thereof and provide water and wastewater service to the Property.

(ii) Upon inspection, approval, and acceptance of the roadway and storm water Public Infrastructure or any portion thereof, the City shall maintain and operate the roadways and storm water infrastructure or any accepted portion thereof.

(i) Mandatory Homeowners Association. Prior to the closing of the first lot for a single-family residential home by a homebuilder within the first phase of the Development, the Developer will create a mandatory homeowners association (the "HOA") that shall be required to levy and collect from homeowners annual fees in an amount calculated to maintain the common areas, including open spaces, sidewalks, trails, retention and detention ponds, right-of-way landscaping, right-of-way irrigation systems, and any other common improvements or appurtenances in the Property. All common areas and common improvements shall be maintained solely by the HOA. Maintenance of common areas and common improvements by the HOA shall comply with City Regulations and shall be subject to oversight by the City. A copy of any HOA agreement(s) and covenants and restrictions establishing and creating the homeowners' association must be approved by the City Council prior to the approval of any final plat of the Property and must be filed with such final plat in the records of Collin County. Any final plat shall clearly identify all facilities, structures, improvements, systems, areas or grounds that are to be operated and/or maintained by such HOA.

3.2 Parks.

(a) The City shall seek to secure an irrevocable license from the Blue Ridge Area Sports Association that generally permits residents of the Property to access the adjacent park from the Property. The Developer agrees to pay to the City \$50,000 to be used exclusively for improvements to a park located adjacent to the Property, which payment shall be due to the City within 60 days after the date the City annexes the ETJ Property. If such improvements have not been completed within six months after the City's issuance of the first building permit for a residence within the Property, or if the City elects in its sole discretion to not contribute such funds to the Blue Ridge Area Sports Association, the City agrees to refund the \$50,000 payment to the Developer by such date, and the Developer agrees to use the funds to make park improvements

within common areas within the Property within six months after receipt of the refund from the City. In such instance, the Parties agree to cooperate in good faith to agree on the list of Developer park improvements to common areas.

(b) The City agrees that development of the Property shall not be subject to (a) any park land dedication requirements or requirements for payment of cash in lieu of dedication; (b) any park fee requirements; or (c) any similar park or open space requirements not expressly stated in this Agreement.

3.3 Retail Water and Sewer Service. The City agrees to be the retail provider of water and wastewater service to the Property.

ARTICLE IV **PUBLIC IMPROVEMENT DISTRICT**

4.1 PID Financing. The City will consider the creation of the PID, to fund, in part, the PID Authorized Improvements that will confer a special benefit upon the Property. As soon as reasonably practicable following a request by the Developer, and provided the City's financial advisor confirms the bonds meet the below requirements and are marketable to third party institutional investors, the City agrees to consider the issuance of PID Bonds, subject to City Council approval.

(a) A PID creation petition for the Property has been submitted by the Developer to the City and the PID has been created by act of the City Council.

(b) Funding of the PID Authorized Improvements as authorized by the PID Act, including but not limited to local streets, water, sewer and storm drainage improvements and appurtenances providing special benefit to the Property, will include, to the maximum extent authorized by State law, and only as requested by the Developer, one or more of the following: (i) annual payments by the City to the Developer of PID Assessments not pledged to the repayment of special revenue bonds issued by the City secured solely by PID Assessments in accordance with the PID Act ("PID Bonds"); (ii) the issuance by the City of PID Bonds secured only by PID Assessments, with a total overall minimum value to lien ratio of 3 to 1 (unless the City, in its sole discretion approves a lower value to lien ratio) assuming that the PID Authorized Improvements to be financed by the net proceeds of such PID Bonds are in place as of the date of valuation, and as confirmed by an appraisal from a licensed third-party appraiser; or (iii) any other method approved by the Parties. The total amount of PID Bonds secured by PID Assessments from the Property shall not exceed \$7,000,000.

(c) The PID Authorized Improvements to be funded by PID Assessments or PID Bonds will be described in the service and assessment plan for the PID (as amended and updated to from time to time, the "Service and Assessment Plan").

(d) The total estimated cost of the PID Authorized Improvements (the "PID Project Costs") will be as stated in the Service and Assessment Plan. The PID Project Costs will include the cost of two-year maintenance bonds for the PID Projects.

(e) The Developer will provide an engineer's opinion of probable cost, and the City will prepare the Service and Assessment Plan. After the City approves the final PID Project Costs, prepares a proposed assessment roll based thereon, and files the Service and Assessment Plan and proposed assessment roll with the Secretary of the City for public inspection, the City will hold a public hearing and consider levying PID Assessments against the Property.

(f) The City shall review and update the Service and Assessment Plan consistent with the requirements of Section 372.013(b) of the PID Act. Concurrent with the levy of PID Assessments and as needed to implement the Service and Assessment Plan, the City and the Developer will enter into a PID reimbursement agreement that provides for the Developer's construction of certain PID Authorized Improvements and the City's reimbursement to the Developer of certain PID Project Costs.

(g) The City will use its reasonable efforts to issue one or more series of PID Bonds secured, in whole or in part, by PID Assessments levied against the portion of the Property specially benefitted by the PID Authorized Improvements. The net proceeds from the sale of PID Bonds (i.e., net of costs and expenses of issuance and amounts for debt service reserves and capitalized interest) will be used to pay PID Project Costs. Notwithstanding the foregoing, the obligation of the City to issue PID Bonds is conditioned upon the following: (1) annexation of the Property; (2) there being a total overall minimum value to lien ratio of 3 to 1 (unless the City, in its sole discretion approves a lower value to lien ratio) assuming that the PID Authorized Improvements to be financed by the net proceeds of such PID Bonds are in place as of the date of the valuation as determined by an independent third-party appraisal; (3) the adequacy of the bond security and the financial obligation of the Developer to pay: (a) the amount, if any, by which PID Project Costs exceed the net proceeds from the sale of PID Bonds, and (b) the amount, if any, of cost overruns and all private costs needed to reach final lot value; and (5) the PID bonds are approved by the Texas Attorney General. In the event the total overall minimum value to lien is less than 3 to 1 and the City, in its sole discretion approves a lower value to lien ratio for the issuance of PID Bonds, to the extent permitted by applicable laws, the City will hold back of a portion of the PID Bond proceeds not supported by the total overall 3 to 1 value to lien ratio until the value produced by development of the Property increases to 3 to 1 value to lien. Additionally, if the PID Project Costs exceed the net bond proceeds of the PID Bonds, the City may require the Developer to deposit cash for the shortfall. The net proceeds from the sale of the PID Bonds will be deposited in and disbursed from a construction fund created and administered pursuant to the indenture under which the PID Bonds are issued.

4.2 Costs for Non-Bank Qualified Bonds.

(a) If in any calendar year the City issues bonds, notes or other obligations as approved by the City Council for any given year in question that would constitute a qualified tax-exempt obligation but for the issuance of the PID Bonds or other bonds, notes or other obligations supporting public improvements for non-City owned development projects or City owned projects financed for a direct benefit to the non-City owned development projects, including either bonds authorized by Texas Tax Code Chapter 311, as amended, or bonds authorized by the PID Act, then the Developer shall pay to the City a fee (the "Bank Qualified Debt Fee") to compensate the City for the debt service savings the City would have achieved had the debt issued by the City been able to be classified as a qualified tax-exempt obligation provided that all other Owners or owners

benefitting from the City issuing debt are similarly burdened with an obligation to compensate the City. The Bank Qualified Debt Fee of the Developer and all other Owners or owners on whose behalf the City issues debt, will be calculated as follows:

The net present value (calculated based on the Internal Revenue Service bond yield) of the debt service savings that would have accrued to the City had it been able to issue qualified tax-exempt obligation debt multiplied by a fraction, the numerator of which is the amount of debt issued by the City for any particular owner or Developer (including the Developer, as applicable) and the denominator of which is the total debt issued by the City for the benefit of all owners or Owners (including the Developer, as applicable).

(b) To the extent any Developer(s) or owner(s) (including the Developer, as applicable) has (have) paid the Bank Qualified Debt Fee for any particular calendar year, any such Bank Qualified Debt Fee paid subsequently by a Developer or owner (including the Developer, as applicable) to the City applicable to the same calendar year shall be reimbursed by the City to the Developer(s) or owner(s) (including the Developer, as applicable) as necessary so as to put all Owners and owners so paying for the same calendar year in the required payment proportion as set forth above, said reimbursement to be made by the City within ten (10) business days after its receipt of such subsequent payments of the Bank Qualified Debt Fee.

(c) If in any calendar year the City issues PID Bonds on its own account that exceed the amount that would otherwise qualify the City for the issuance of bank qualified debt, or if the City fails to charge the Bank Qualified Debt Fee to any other developer or owner on whose behalf the City has issued debt and fails to cure such oversight, then no Bank Qualified Debt Fee shall be due under this provision and if any Bank Qualified Debt Fee had already been paid to the City under this provision, then such Bank Qualified Debt Fee shall be reimbursed promptly to the Developer from lawfully available and otherwise unencumbered funds.

4.3 PID Notice. When selling any of the Property included in the PID, the Owner shall provide notices in the form and manner required by the Texas Property Code, as amended, including specifically Sections 5.014, 5.0141, 5.0142, and 5.0143, to anyone who purchases property within the PID. Further, such Owner shall require builders selling homes to continuously post a notice of the PID Assessments in a conspicuous location in each model home and provide an explanation of the PID Assessments in written brochures and promotional materials given to each prospective purchaser. This Section 4.3 applies to all owners of all or any portion of the Property.

ARTICLE V

ADDITIONAL PROVISIONS

5.1 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; (c) are legislative findings of the City Council, and (d) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, must be taken into consideration and, to the maximum extent possible, given full effect.

The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

5.2 Term. The term of this Agreement (the "Term") shall be twenty 20 years commencing on the Effective Date except that Section 2.5, plus all provisions referenced in Section 2.5, of this Agreement are covenants that touch and concern the Property and shall run with the Property until the 45th anniversary of the Effective Date. The Parties may extend the term of this Agreement if the execute an agreement in writing.

5.3 Events of Default. No Party shall be in default under this Agreement until written notice of the alleged failure of such Party to perform has been given in writing (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time to be determined based on the nature of the alleged failure, but in no event more than 30 days after written notice of the alleged failure has been given). Notwithstanding the foregoing, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured and within such 30-day period gives written notice to the non-defaulting Party of the details of why the cure will take longer than 30 days with a statement of how many days are needed to cure.

5.4 REMEDIES. If a Party is in default, the aggrieved Party may only seek relief for specific performance, mandamus, or injunctive relief; however, if such relief is inadequate to allow the Developer to recover sewer cost reimbursements where the City is in default, pursuant to Section 3.1(c), the Developer may seek damages limited to the balance due and owed by the City for sewer cost reimbursements. Attorneys' fees, interest, consequential damages, exemplary damages, and any other damages, except the balance due and owed by the City for sewer cost reimbursements, are not recoverable as a remedy. If the City is the non-defaulting Party, it may withhold building permits to the Developer in default for any portion or phase of the Property for which the Developer retains obligations under this Agreement (i.e., the Developer has not been released from its obligations under this agreement for that portion of the Property) until the default is cured, provided, however, the City's remedies for a Developer breach of the road repair obligations in Section 3.1(d)(iii) shall be limited to specific performance, mandamus, or injunctive relief and, to the extent the foregoing remedies are inadequate, a suit for damages (excluding consequential and exemplary damages). NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL ENTITLE THE AGGRIEVED PARTY TO TERMINATE THIS AGREEMENT OR LIMIT THE TERM OF THIS AGREEMENT.

5.5 Governmental Functions; Waivers of Immunity. By its execution of this Agreement, the City does not waive or surrender any of its respective governmental powers, immunities, or rights except as provided in this section. The Parties acknowledge that the City waives its sovereign immunity as to suit solely for the purpose of adjudicating a claim for relief pursuant to Section 5.4.

5.6 Assignment. Developer has the right (from time to time without the consent of the City but with prior notice to the City) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of Developer under this Agreement, to the purchaser of any portion of the Property that is the subject of a City-approved preliminary plat or to an entity that is controlled by or under common control with Developer. Developer has the right (from time to time with the consent of the City which shall not be unreasonably withheld) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of Developer under this Agreement, to any other person or entity that will become the owner of the portion of the Property that is the subject of the assignment. Michael McCreary and Chad Knowles have the right (without the consent of the City) to assign this Agreement in whole or in part to Developer or its affiliate that acquires title to the portion of the Property owned by Michael McCreary and Chad Knowles. Any person or entity who takes an assignment of this Agreement pursuant to this section shall be referred to as an "Assignee". Each assignment must be in writing executed by the assignor and the Assignee and must obligate the Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment must be provided to all Parties within 15 days after execution. From and after such assignment, the City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that the assignor shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the City within 15 days after execution, the assignor shall not be released until the City receives such assignment. No assignment by an assignor shall release the assignor from any liability that resulted from an act or omission by the assignor that occurred prior to the effective date of the assignment unless the City approves the release in writing. The assignor must maintain written records of all assignments made by the assignor to Assignees, including a copy of each executed assignment and the Assignee's Notice information as required by this Agreement, and, upon written request from any Party or Assignee, shall provide a copy of such records to the requesting person or entity. The City shall not assign this Agreement. An Assignee shall be considered a "Party" and the "Developer" and "Owner" for the purposes of the rights, title, interest, and obligations assigned to the Assignee.

5.7 Encumbrance by Developer and Assignees. Developer and Assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of their respective lenders with the consent of the City; provided, however, that no such encumbrance shall be made without prior written consent of the City if such encumbrance would result in (1) the issuance of multiple securities, and (2) the City being viewed as an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, and/or (3) the City being subject to additional reporting or recording duties. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any lender to perform any obligations or incur any liability under this Agreement unless the lender agrees in writing to perform such obligations or incur such liability. Provided the City has been given a copy of the documents creating the lender's interest, including Notice (hereinafter defined) information for the lender, then that lender shall have the right, but not the obligation, to cure any default under this Agreement and shall be given a reasonable time to do so in addition to the cure periods otherwise provided to the defaulting

Party by this Agreement; and the City agrees to consider a cure offered by the lender as if offered by the defaulting Party. A lender is not a Party to this Agreement unless this Agreement is amended, with the consent of the lender, to add the lender as a Party. Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a lender, whether judicial or non-judicial. Any purchaser from or successor owner through a lender of any portion of the Property shall be bound by this Agreement but shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all defaults under this Agreement with respect to the acquired portion of the Property have been cured.

5.8 Encumbrance by City. The City shall not collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of its rights, title, or interest under this Agreement without Developer's prior written consent.

5.9 Binding Obligations. Pursuant to the requirements of Section 212.172(f) of the Texas Local Government Code, this Agreement and all amendments hereto (including amendments to the Concept Plan) shall be recorded in the deed records of Collin County. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any End-Buyer except for land use and development regulations that apply to specific lots. For purposes of this Agreement, the Parties agree: (a) that the term "End-Buyer" means any owner, developer, tenant, user, or occupant; (b) that the term "fully developed and improved lot" means any lot, regardless of proposed use, for which a final plat has been approved by the City and recorded in the deed records; and (c) that the term "land use and development regulations that apply to specific lots" means all of the Governing Regulations.

5.10 Releases. From time to time upon written request of Developer, the City Manager shall execute, in recordable form, a release of this Agreement if the requirements of this Agreement have been met, subject to the continued application of the Governing Regulations.

5.11 Estoppel Certificates. From time to time upon written request of Developer, the City Secretary will execute a written estoppel certificate identifying any obligations of Developer under this Agreement that are in default or, with the giving of notice or passage of time, would be in default; and stating, to the extent true, that to the best knowledge and belief of the City, Developer is in compliance with its duties and obligations under this Agreement.

5.12 Notices. All notices required or contemplated by this Agreement (or otherwise given in connection with this Agreement) (a "Notice") must be in writing, shall be signed by or on behalf of the Party giving the Notice, and shall be effective as follows: (a) on or after the 10th business day after being deposited with the United States mail service, Certified Mail, Return Receipt Requested with a confirming copy sent by E-mail; (b) on the day delivered by a private delivery or private messenger service (such as FedEx or UPS) as evidenced by a receipt signed by any person at the delivery address (whether or not such person is the person to whom the Notice is addressed); or (c) otherwise on the day actually received by the person to whom the

Notice is addressed, including, but not limited to, delivery in person and delivery by regular mail (with a confirming copy sent by E-mail). Notices given pursuant to this section shall be addressed as follows:

To the City: City of Blue Ridge, Texas
Attn: Ms. Edie Sims
200 S. Main Street
Blue Ridge, Texas 75424
E-mail: ESims@blueridgecity.com

With a copy to: Messer, Fort & McDonald, PLLC
Attn: Wm. Andrew Messer
6371 Preston Road, Suite 200
Frisco, Texas 75034
Email: andy@txmunicipallaw.com

To the Owners: Michael McCreary and Chad Knowles
P.O. Box 399
Blue Ridge, Texas 75434
E-mail: mike@mccrearysales.com

To the Developer/Owner: GLA Ventures LLC
Attn: Mitchell Fielding
4232 Ridge Road, Suite 104
Heath, Texas 75434
E-mail: mitchell@glaventures.net

With a copy to: Shupe Ventura, PLLC
Attn: Corey Admire
9406 Biscayne Boulevard
Dallas, Texas 75218
E-mail: corey.admire@svlandlaw.com

5.13 INDEMNIFICATION AND HOLD HARMLESS.

(a) THE DEVELOPER AND ITS SUCCESSORS AND ASSIGNS SHALL INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN "INDEMNIFIED PARTY"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE ALLEGED BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE ALLEGED NEGLIGENT DESIGN, ENGINEERING AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE PUBLIC INFRASTRUCTURE ACQUIRED

FROM THE DEVELOPER HEREUNDER, PROVIDED THAT IF THERE IS CONCLUSIVE PROOF THAT THE DESIGN, ENGINEERING, AND CONSTRUCTION OF THE PUBLIC INFRASTRUCTURE IS IN STRICT ACCORDANCE WITH THE GOVERNING REGULATIONS, IT SHALL NOT BE CONSIDERED NEGLIGENT FOR PURPOSES OF THIS SECTION; (III) THE DEVELOPER'S ALLEGED NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION AND/OR CONSTRUCTION OF THE PUBLIC INFRASTRUCTURE; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE PUBLIC INFRASTRUCTURE; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES, AND/OR TRUSTEES, REGARDING OR RELATED TO THE PUBLIC INFRASTRUCTURE OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE PUBLIC INFRASTRUCTURE, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OR SOLE NEGLIGENCE OF ANY INDEMNIFIED PARTY. DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

(b) IN ITS REASONABLE DISCRETION, CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON THEIR OWN BEHALF, AND DEVELOPER SHALL BE LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES. THE CITY AGREES, UNLESS ADVISED BY DEFENSE COUNCIL TO THE CONTRARY, TO ASSERT ITS IMMUNITY FROM LIABILITY AND IMMUNITY FROM SUIT AND/OR OTHER AVAILABLE AFFIRMATIVE DEFENSES.

(c) THIS SECTION 5.13 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

(d) THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION AND THE EXPRESS NEGLIGENCE TEXT COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

5.14 THE DEVELOPER'S ACKNOWLEDGEMENT OF THE CITY'S COMPLIANCE WITH FEDERAL AND STATE CONSTITUTIONS, STATUTES AND CASE LAW AND FEDERAL, STATE AND

LOCAL ORDINANCES, RULES AND REGULATIONS/DEVELOPERS' WAIVER AND RELEASE OF CLAIMS FOR OBLIGATIONS EXPRESSLY SET FORTH IN THIS AGREEMENT.

(a) THE DEVELOPER AND OWNER ACKNOWLEDGE AND AGREE THAT, PROVIDED THERE ARE NO CITY DEFAULTS UNDER THIS AGREEMENT:

(I) THE PUBLIC INFRASTRUCTURE EXPRESSLY SET FORTH IN ARTICLE III OF THIS AGREEMENT TO BE CONSTRUCTED UNDER THIS AGREEMENT, AND THE FEES TO BE IMPOSED BY THE CITY PURSUANT TO THIS AGREEMENT, REGARDING THE PROPERTY, IN WHOLE OR IN PART, DO NOT CONSTITUTE A:

(A) TAKING UNDER THE TEXAS OR UNITED STATES CONSTITUTION;

(B) VIOLATION OF THE TEXAS LOCAL GOVERNMENT CODE, AS IT EXISTS OR MAY BE AMENDED; AND/OR

(C) NUISANCE.

(II) THE AMOUNT OF THE DEVELOPER'S FINANCIAL AND INFRASTRUCTURE CONTRIBUTION FOR THE PUBLIC INFRASTRUCTURE EXPRESSLY SET FORTH IN ARTICLE III OF THIS AGREEMENT IS ROUGHLY PROPORTIONAL TO THE DEMAND THAT THE DEVELOPER'S ANTICIPATED IMPROVEMENTS AND DEVELOPER'S DEVELOPMENT OF THE PROPERTY PLACES ON THE CITY'S INFRASTRUCTURE AND THAT THE TERMS OF TEXAS LOCAL GOVERNMENT CODE § 212.904 ARE FULFILLED.

(III) THE DEVELOPER HEREBY AGREES, STIPULATES AND ACKNOWLEDGES THAT: (A) ANY PROPERTY WHICH IT CONVEYS TO THE CITY OR ACQUIRES PURSUANT TO THE EXPRESS TERMS OF THIS AGREEMENT FOR THE CITY IS ROUGHLY PROPORTIONAL TO THE BENEFIT RECEIVED BY THE DEVELOPER FOR SUCH LAND, AND THE DEVELOPER HEREBY WAIVES ANY CLAIM THEREFOR THAT IT MAY HAVE; AND (B) ALL PREREQUISITES TO SUCH DETERMINATION OF ROUGH PROPORTIONALITY HAVE BEEN MET, AND ANY VALUE RECEIVED BY THE CITY RELATIVE TO SAID CONVEYANCE IS RELATED BOTH IN NATURE AND EXTENT TO THE IMPACT OF THE DEVELOPMENT OF THE PROPERTY ON THE CITY'S INFRASTRUCTURE. THE DEVELOPER FURTHER WAIVES AND RELEASES ALL CLAIMS IT MAY HAVE AGAINST THE CITY UNDER THIS AGREEMENT RELATED TO ANY AND ALL: (A) CLAIMS OR CAUSES OF ACTION BASED ON ILLEGAL OR EXCESSIVE EXACTIONS; AND (B) ROUGH PROPORTIONALITY AND INDIVIDUAL DETERMINATION REQUIREMENTS MANDATED BY THE UNITED STATES SUPREME COURT IN *DOLAN V. CITY OF TIGARD*, 512 U.S. 374 (1994), AND ITS PROGENY, AS WELL AS ANY OTHER REQUIREMENTS OF A NEXUS BETWEEN DEVELOPMENT CONDITIONS AND THE PROJECTED IMPACT OF THE PUBLIC INFRASTRUCTURE.

(b) THIS SECTION 5.14 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

5.15 Interpretation. The Parties acknowledge that each of them has been actively involved in negotiating this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this

Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for or against any Party, regardless of which Party originally drafted the provision.

5.16 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by resolution by the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. Developer represents and warrants that this Agreement has been approved by appropriate action of Developer, and that the individual executing this Agreement on behalf of Developer has been duly authorized to do so. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions and that the performance by the Parties under this Agreement is authorized by Section 212.172 of the Texas Local Government Code.

5.17 Entire Agreement; Severability. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties. Without limiting the generality of the foregoing, (a) if it is determined that, as of the Effective Date, Developer does not own any portion of the Property, this Agreement shall remain in full force and effect with respect to all of the Property that Developer does then own, and (b) if it is determined, as of the Effective Date, that any portion of the Property is not within the City's ETJ, this Agreement shall remain in full force and effect with respect to all of the Property that is then within the City's ETJ. If at any time after the Effective Date it is determined that any portion of the Property is no longer within the City's ETJ, this Agreement shall remain in full force and effect with respect to all of the Property that remains within the City's ETJ.

5.18 Applicable Law; Venue. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Collin County. Venue for any action to enforce or construe this Agreement shall be in Collin County.

5.19 Non Waiver. Any failure by a Party to insist upon strict performance by another Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

5.20 No Third Party Beneficiaries. This Agreement only inures to the benefit of, and may only be enforced by, the Parties. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

5.21 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within 30 days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, must give Notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" includes events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the exercise of good faith, due diligence and reasonable care including, but not limited to, events or circumstances related to a pandemic or supply shortage delays.

5.22 Boycott of Israel. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable compliance with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

5.23 Iran, Sudan and Foreign Terrorist Organizations. Section 2252.151 of the Texas Government Code defines a "governmental contract" as a contract awarded by a governmental entity for general construction, an improvement, a service, or a public works project or for a purchase of supplies, materials, or equipment, and provides that the term includes a contract to obtain a professional or consulting service subject to Chapter 2254 of the Texas Government Code. The Developer represents that, as of the date of this Agreement, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither the Developer nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Developer (if any) is an entity listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code or identified on a list prepared and maintained by the Texas Comptroller of

Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

- (a) <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
- (b) <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
- (c) <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

5.24 Form 1295. Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Developer and the City agrees to acknowledge such form with the TEC through its electronic filing application system not later than the 30th day after the receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

5.25 Verification Regarding Discrimination Against Fossil Fuel Companies. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

5.26 Verification Regarding No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The

foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification and the following definitions,

(a) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association,

(b) 'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and

(c) 'firearm trade association,' a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code."

5.27 Employment of Undocumented Workers. During the term of this Agreement, the Developer agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), the Developer shall repay the Chapter 380 grant

payments granted herein within 120 days after the date the Developer is notified by the City of such violation, plus interest at the rate of six percent (6%) compounded annually from the date of violation until paid. Pursuant to Section 2264.101 (c), Texas Government Code, a business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee of the business, or by a person with whom the business contracts.

5.28 Chapter 380 Reporting. The City agrees to timely report this Agreement to the State Comptroller in accordance with Section 403.0246 of the Texas Government Code and Chapter 380 of the Texas Local Government Code.

5.29 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

5.30 Further Documents. Each Party shall, upon request of the other Party, execute and deliver such further documents and perform such further acts as may reasonably be requested to effectuate the terms of this Agreement and achieve the intent of the Parties.

5.31 Exhibits. The following Exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Metes and Bounds Description of the Property
Exhibit B	Concept Plan
Exhibit C	Development Regulations
Exhibit D	Off-Site Sewer Improvements
Exhibit E	Pruett Street Improvements
Exhibit F	Moody ROW Property

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Executed by Developer and the City to be effective on the Effective Date.

ATTEST:

CITY OF BLUE RIDGE

Name: Edie Sims
Title: City Secretary

By: Rhonda Williams
Name: RHONDA WILLIAMS
Title: Mayor

Date: 3/28/2022

APPROVED AS TO FORM AND
LEGALITY:

Name: _____
City Attorney

§

STATE OF TEXAS

§

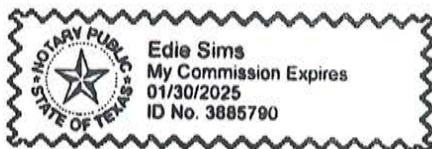
COUNTY OF COLLIN

§



This instrument was acknowledged before me on 3/28, 2022 by RHONDA WILLIAMS
Mayor of the City of Blue Ridge, Texas on behalf of said city.

Edie Sims
Notary Public, State of Texas



Executed by Developer and the City to be effective on the Effective Date.

ATTEST:

CITY OF BLUE RIDGE

Name: _____
Title: City Secretary

By: _____
Name: _____
Title: _____

Date: _____

**APPROVED AS TO FORM AND
LEGALITY:**

Name: Andy Meyer
City Attorney

§

STATE OF TEXAS

§

COUNTY OF COLLIN

§

This instrument was acknowledged before me on _____, 2022 by _____,
_____ of the City of Blue Ridge, Texas on behalf of said city.

Notary Public, State of Texas

ONE OF OWNERS:


Michael McCreary

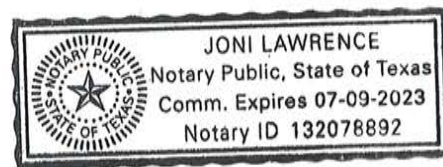
STATE OF TEXAS

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COUNTY OF COLLIN

This instrument was acknowledged before me on MARCH 25th, 2022 by Michael McCreary, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.


Notary Public, State of Texas



ONE OF OWNERS:

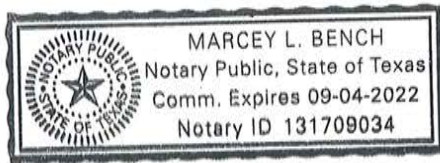

Chad Knowles

STATE OF TEXAS

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COUNTY OF COLLIN

This instrument was acknowledged before me on March 25, 2022 by Chad Knowles, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.




Notary Public, State of Texas

**DEVELOPER/ONE OF
OWNERS/OWNER:**

GLA VENTURES LLC,
a Texas limited liability company



Mitchell Fielding, its Manager

STATE OF TEXAS

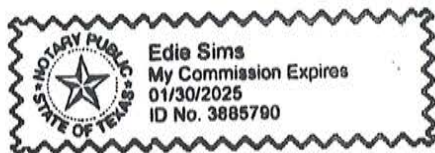
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COUNTY OF COLLIN

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This instrument was acknowledged before me on 3/28, 2022 by Mitchell Fielding, Manager of GLA Ventures LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.





Notary Public, State of Texas

EXHIBIT A
METES AND BOUNDS DESCRIPTION OF THE PROPERTY

BEING A TRACT OF LAND SITUATED IN THE MATHIAS MOWERY SURVEY, ABSTRACT NO. 557, IN COLLIN COUNTY, TEXAS, BEING A PORTION OF THAT SAME TRACT OF LAND CONVEYED TO MIKE MCCREARY AND CHAD KNOWLES BY DEED RECORDED IN INSTRUMENT NO. 20210911001135230, OF THE OFFICIAL PUBLIC RECORDS OF COLLIN COUNTY, TEXAS (O.P.R.C.C.T.), TOGETHER WITH A TRACT OF LAND CONVEYED TO JACOB W. LITTLEJOHN BY DEED RECORDED IN INSTRUMENT NO. 20210304000430470, O.P.R.C.C.T., AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A MAG NAIL FOUND ON A WOOD POST FOR CORNER, SAID POINT BEING THE SOUTHEAST CORNER OF A TRACT OF LAND CONVEYED TO JORGE ALBERTO JIMENEZ BY DEED RECORDED IN INSTRUMENT NO. 20170109000036820, O.P.R.C.C.T., SAME BEING AN INTERIOR "ELL" CORNER OF SAID MCCREARY & KNOWLES TRACT, SAME BEING THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 00 DEGREES 40 MINUTES 46 SECONDS EAST, WITH THE EAST LINE OF SAID JIMENEZ TRACT, PASSING A 1/2 INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID JIMENEZ TRACT AT A DISTANCE OF 480.00 FEET, SAME BEING THE SOUTHEAST CORNER OF PRUETT STREET (VARIABLE WIDTH RIGHT-OF-WAY), AND CONTINUING WITH THE EAST RIGHT-OF-WAY LINE OF SAID PRUETT STREET, FOR A TOTAL DISTANCE OF 846.78 FEET TO A MAG NAIL FOUND IN A WOOD POST FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED TO BLUE RIDGE AREA SPORTS ASSOCIATION BY DEED RECORDED IN CLERK'S FILE NO. 92-0020137 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS (D.R.C.C.T.), SAME BEING THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 89 DEGREES 34 MINUTES 48 SECONDS EAST, DEPARTING THE EAST RIGHT-OF-WAY LINE OF SAID PRUETT STREET, OVER, ACROSS, AND THROUGH SAID MCCREARY & KNOWLES TRACT, AND WITH THE SOUTH LINE OF SAID BLUE RIDGE AREA SPORTS ASSOCIATION TRACT, A DISTANCE OF 445.19 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER, SAID POINT BEING AN INTERIOR "ELL" CORNER OF SAID MCCREARY & KNOWLES TRACT;

THENCE NORTH 89 DEGREES 30 MINUTES 41 SECONDS EAST, CONTINUING WITH THE SOUTH LINE OF SAID BLUE RIDGE AREA SPORTS ASSOCIATION TRACT, A DISTANCE OF 884.90 FEET TO A 1/2 INCH IRON ROD FOUND WITH A CAP STAMPED "STOVALL & ASSOC." FOR A NORTHEAST CORNER OF SAID MCCREARY & KNOWLES TRACT;

THENCE SOUTH 01 DEGREES 52 MINUTES 31 SECONDS EAST, DEPARTING THE SOUTH LINE OF SAID BLUE RIDGE AREA SPORTS ASSOCIATION TRACT, PASSING A FENCE POST FOUND FOR THE NORTHWEST CORNER OF A TRACT OF LAND

CONVEYED TO RANDELL S. MOODY AND BOBBIE MOODY BY DEED RECORDED IN CLERK'S FILE NO. 94-0101604, D.R.C.C.T., AT A DISTANCE OF 3.11 FEET AND CONTINUING WITH THE WEST LINE OF SAID MOODY TRACT, FOR A TOTAL DISTANCE OF 131.63 FEET TO A 6" WOOD FENCE POST FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF SAID MOODY TRACT, SAME BEING AN INTERIOR "ELL" CORNER OF SAID MCCREARY & KNOWLES TRACT;

THENCE NORTH 88 DEGREES 23 MINUTES 58 SECONDS EAST, WITH THE SOUTH LINE OF SAID MOODY TRACT, A DISTANCE OF 253.67 FEET TO A 6 INCH WOOD FENCE POST FOUND FOR CORNER, SAID POINT BEING THE SOUTHEAST CORNER OF SAID MOODY TRACT;

THENCE NORTH 03 DEGREES 51 MINUTES 03 SECONDS EAST, WITH THE EAST LINE OF SAID MOODY TRACT, A DISTANCE OF 110.57 FEET TO A 6 INCH WOOD FENCE POST FOR CORNER, SAID POINT LYING ON THE SOUTH RIGHT-OF-WAY LINE OF ROBY LANE (40 FOOT RIGHT-OF-WAY);

THENCE NORTH 88 DEGREES 20 MINUTES 53 SECONDS EAST, DEPARTING THE EAST LINE OF SAID MOODY TRACT, WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID ROBY LANE, A DISTANCE OF 126.05 FEET TO A 1/2 INCH IRON ROD WITH A CAP STAMPED "STOVALL & ASSOC." FOUND FOR CORNER;

THENCE SOUTH 72 DEGREES 37 MINUTES 51 SECONDS EAST, CONTINUING WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID ROBY LANE, A DISTANCE OF 145.29 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

THENCE SOUTH 89 DEGREES 46 MINUTES 37 SECONDS EAST, CONTINUING WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID ROBY LANE, A DISTANCE OF 119.48 FEET TO A 3/4 INCH IRON PIPE FOUND FOR CORNER, SAID POINT BEING A NORTHEAST CORNER OF SAID MCCREARY & KNOWLES TRACT, SAME BEING THE NORTHWEST CORNER OF A TRACT OF LAND CONVEYED TO ADRIANA TORRES BY DEED RECORDED IN INSTRUMENT NO. 20150415000423960, O.P.R.C.C.T.;

THENCE SOUTH 02 DEGREES 19 MINUTES 20 SECONDS EAST, DEPARTING THE SOUTH RIGHT-OF-WAY LINE OF SAID ROBY LANE, WITH THE WEST LINE OF SAID TORRES TRACT, AND WITH THE WEST LINE OF A TRACT OF LAND CONVEYED TO DAVID PAUL APPLE BY DEED RECORDED IN INSTRUMENT NO. 20190718000844250, AND THROUGH SAID MCCREARY & KNOWLES TRACT, FOR A TOTAL DISTANCE OF 299.36 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

THENCE NORTH 89 DEGREES 58 MINUTES 29 SECONDS EAST, CONTINUING THROUGH SAID MCCREARY & KNOWLES TRACT, A DISTANCE OF 117.50 FEET TO A 1/2 INCH IRON ROD WITH A CAP STAMPED "APPLE 5932" FOUND FOR CORNER, SAID POINT LYING ON THE WEST RIGHT-OF-WAY LINE OF S. MORROW STREET (UNKNOWN RIGHT-OF-WAY);

THENCE SOUTH 02 DEGREES 26 MINUTES 02 SECONDS EAST, WITH THE WEST RIGHT-OF-WAY LINE OF SAID S. MORROW STREET, A DISTANCE OF 246.41 FEET TO A 5/8 INCH IRON ROD WITH A CAP STAMPED "JM CIVIL ENGINEERING" SET FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF SAID S. MORROW STREET;

THENCE NORTH 88 DEGREES 59 MINUTES 53 SECONDS EAST, WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID S. MORROW STREET, PASSING A 1/2 INCH IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID S. MORROW STREET, SAME BEING THE SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED TO RAUL SINGLETERRY AND JENARRA SINGLETERRY BY DEED RECORDED IN VOLUME 2013, PAGE 239, D.R.C.C.T., AT A DISTANCE OF 32.73 FEET AND CONTINUING WITH THE SOUTH LINE OF SAID SINGLETERRY TRACT, AND WITH THE SOUTH RIGHT-OF-WAY LINE OF S. MAIN STREET (UNKNOWN RIGHT-OF-WAY) AND WITH THE SOUTH LINE OF A TRACT OF LAND CONVEYED TO ADRIAN R. PITTS BY DEED RECORDED IN VOLUME 5014, PAGE 3378, D.R.C.C.T. AND CONTINUING FOR A TOTAL DISTANCE OF 458.84 FEET TO A 1/2 INCH IRON ROD WITH A CAP STAMPED "TEXAS RPLS", SAID POINT BEING THE NORTHWEST CORNER OF SAID LITTLEJOHN TRACT;

THENCE NORTH 89 DEGREES 52 MINUTES 16 SECONDS EAST, CONTINUING WITH THE SOUTH LINE OF SAID PITTS TRACT, AND WITH THE NORTH LINE OF SAID LITTLEJOHN TRACT, A DISTANCE OF 106.56 FEET TO A 5/8 INCH IRON ROD WITH A CAP STAMPED "JM CIVIL ENGINEERING" SET FOR CORNER, SAID POINT BEING THE NORTHEAST CORNER OF SAID LITTLEJOHN TRACT;

THENCE NORTH 02 DEGREES 56 MINUTES 37 SECONDS WEST, A DISTANCE OF 71.84 FEET TO A 5/8 INCH IRON ROD WITH A CAP STAMPED "JM CIVIL ENGINEERING" SET FOR CORNER, SAID POINT LYING ON THE WEST RIGHT-OF-WAY LINE OF S. BUSINESS HIGHWAY 78 (VARIABLE WIDTH RIGHT-OF-WAY), AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 08 DEGREES 14 MINUTES 34 SECONDS, A RADIUS OF 507.57 FEET, AND A CHORD BEARING AND DISTANCE OF SOUTH 27 DEGREES 11 MINUTES 39 SECONDS EAST, 72.96 FEET;

THENCE, IN A SOUTHEASTERLY DIRECTION, WITH THE WEST RIGHT-OF-WAY LINE OF SAID S. BUSINESS HIGHWAY 78, ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC LENGTH OF 73.02 FEET TO A 5/8 INCH IRON ROD WITH A CAP STAMPED "JM CIVIL ENGINEERING" SET FOR CORNER;

THENCE SOUTH 31 DEGREES 11 MINUTES 37 SECONDS EAST, CONTINUING WITH THE WEST RIGHT-OF-WAY LINE OF SAID S. BUSINESS HIGHWAY 78, A DISTANCE OF 240.11 FEET TO A 1/2 INCH IRON ROD WITH A CAP STAMPED "APPLE 5932" FOUND FOR CORNER;

THENCE NORTH 89 DEGREES 58 MINUTES 52 SECONDS WEST, DEPARTING THE WEST RIGHT-OF-WAY LINE OF SAID S. BUSINESS HIGHWAY 78, OVER, ACROSS,

AND THROUGH SAID MCCREARY & KNOWLES TRACT, A DISTANCE OF 678.20 FEET TO A 1/2 INCH IRON ROD WITH A CAP STAMPED "APPLE 5932" FOUND FOR CORNER;

THENCE SOUTH 02 DEGREES 25 MINUTES 12 SECONDS EAST, CONTINUING THROUGH SAID MCCREARY & KNOWLES TRACT, A DISTANCE OF 68.36 FEET TO A 1/2 INCH IRON ROD FOUND WITH A CAP STAMPED "APPLE 5932" FOR CORNER;

THENCE NORTH 89 DEGREES 59 MINUTES 20 SECONDS WEST, CONTINUING THROUGH SAID MCCREARY & KNOWLES TRACT, PASSING A 1/2 INCH IRON ROD FOUND WITH A CAP STAMPED "APPLE 5932" AT A DISTANCE OF 500.00 FEET AND CONTINUING FOR AN ADDITIONAL 500.00 FEET TO A 1/2 INCH IRON ROD FOUND WITH A CAP STAMPED "APPLE 5932" AND CONTINUING FOR AN ADDITIONAL 240.00 FEET TO A 1/2 INCH IRON ROD FOUND WITH A CAP STAMPED "APPLE 5932" AND CONTINUING FOR A TOTAL DISTANCE OF 2173.66 TO THE POINT OF BEGINNING AND CONTAINING 1,853,018 SQUARE FEET OR 42.539 ACRES OF LAND, MORE OR LESS.

BLUE RIDGE CROSSING MIXED LOT SIZES
42.6± ACRES

214 RESIDENTIAL LOTS TOTAL

20.1% = 43 - 40' LOTS, NO MORE THAN 43 LOTS OF THIS SIZE (40'x115' Typical Lot Size - 4,600 s.f. Minimum)

56.6% = 121 - 50' LOTS, ANY NUMBER OF LOTS (50'x115' Typical Lot Size - 5,500 s.f. Minimum)

21.0% = 45 - 60' LOTS, NO LESS THAN 45 LOTS OF THIS SIZE (60'x115' Typical Lot Size - 6,900 s.f. Minimum)

2.3% = 5 - 50' LOTS (50'x100' Minimum)

7 Common Area Lots

EXHIBIT C
DEVELOPMENT REGULATIONS

- I. **DEVELOPMENT STANDARDS:** The Property shall generally develop in accordance with the Concept Plan and comply with the standards for property located in the R-1 base zoning district, as set forth in the Zoning Ordinance, except as modified on this **Exhibit C**; however, the Developer reserves the right to relocate lots shown on the Concept Plan provided the changes otherwise comply with these Development Regulations and the minimum and maximum number of each lot type stated on the Concept Plan. The development standards in the following table and the notes following the table shall be the exclusive lot size, building size, setback, building height, and landscaping requirements applicable to the Property. The maximum number of residential lots is 214.

Single Family (Base Zoning: R-1)	
Lot Size	
(Unless stated otherwise, the minimum)	
Lot Width (feet)	40' – Up to 43 of the Lots 50' – All remaining Total Project Lots 60' – No less than 42 of the Lots
Lot Area (sq. ft.)	40' Width Lots – 4,000 50' Width Lots – 5,000 60' Width Lots – 6,000
Lot Depth (feet)	100
Dwelling Regulations	
(Minimum)	
Minimum air conditioned floor area for single family residences	40' Width Lots – 1,300 SF 50' Width Lots – 1,400 SF 60' Width Lots – 1,400 SF
Yard Requirements	
(Minimum building setback requirements)	
Front Yard (feet)	20
Garage Set Back (feet)	23
Side Yard (feet)	5
Side Yard of Corner Lots (feet)	10
Side Yard of Corner Lots (feet) on Key Lots	20
Rear Yard (feet)*	15

Height of Structures

(Maximum)

Main Structure (feet)	35
Accessory Structure (feet)	15

Landscaping

(Minimum)

Minimum 3" Caliper Tree and minimum 1.5" caliper ornamental tree	2 Trees in Front Yard
Shrubs – minimum 3 gallon to 5 gallon shrubs along the front elevation of the home (excluding garage and front entry	10 shrubs
Sod	Front and Side Yards

Fences

Board-on-board, stained, cedar and weather treated with a face cap and steel posts	Minimum six foot (6') in height
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*Cul-de-sac and elbow lots may have a minimum rear yard building setback of 10 feet.

II. ADDITIONAL CONDITIONS:

- A. Maximum number of residential lots within the Property shall not exceed 214 lots ("Total Project Lots"). The Developer reserves the right to relocate lots as stated in the first paragraph of this exhibit.
- B. "Key Lots" are defined as a corner lot which is backing up to an abutting side yard.
- C. All homes may be front entry (i.e., may have front entry garages).
- D. The Property shall be used for single family purposes, parks, and open spaces only.
- E. No mobile or manufactured homes shall be built within the project.

III. MAINTENANCE OF THE COMMON AREAS:

- A. Maintenance of the common areas, including, but not limited to, ponds, trails, and entrance features will be the responsibility of the homeowners' association (HOA).
- B. The Developer will be the contact entity with the City for all concerns regarding maintenance of park and open space until 100% of HOA control is turned over to the homeowners.
- C. HOA maintenance and responsibilities for common areas include, but are not limited to:

1. Clean up and litter removal.
2. Landscaping installation, care, maintenance, and replacement.
3. Mowing, trimming, clearing, and removal of unwanted vegetation and dead trees, including parkway areas and areas outside of fences extending to the right-of-way.
4. Maintain irrigation system, pay for the water used in the system.
5. Maintain entry features and any other installed improvements, as shown on the Concept Plan.
6. Pay for the electricity used for the lighting for the entry features.

D. It is the Developer's responsibility to install irrigation systems, entry features, and any other improvements (excluding buildings) within the Property.

IV. HOME DESIGN

All structures shall abide by the following architectural standards:

1. Exterior Façade Building Materials: All homes shall have at least 65% brick, stone, granite, marble, concrete block, cement siding, or any other reasonably comparable masonry material per elevation. Such masonry requirement shall exclude any doors, windows and awnings.
2. Roof and Roof Material: All homes constructed within the project shall have a minimum of a 6:12 roof pitch. Roof materials shall be composition 25-year architectural shingles, standing seam metal or copper, natural or imitation slate shingles, natural or imitation clay shingles, or 3-tab shingles. Wooden shingles are prohibited.
3. Garages: All dwellings may have garages that face the street. The minimum garage size is eighteen (18) feet in width by twenty (20) feet in depth.

V. STREET AND SIDEWALK STANDARDS:

1. Street Treatments – Entry Features and Signage at Entries

Entry features shall include a stone capped monument with landscaping incorporated into open space area and illuminated by means other than streetlights, which shall include decorative iron accent panels of 2 or more different type/color of stone (can be synthetic or cultured).



Additionally, Developer will install a small, commercially suitable entrance sign or monument at the entrance of Pruett Street. Upon the request of the applicant, the City Council may approve increases to the maximum height and size of any entrance sign or monument.

2. Street Treatments

Block numbers shall be incorporated with street lighting that is coordinated throughout the subdivision.

3. Pedestrian Sidewalks and Bike Trail

A four-foot wide concrete pedestrian sidewalk shall be located on both sides of every internal street within the right-of-way. The Developer shall install and either, at the City's election, dedicate to the City or grant a non-exclusive easement for the benefit of the City for an eight-foot wide minimum concrete hike and bike trail at the location generally depicted on the Concept Plan (or such other location acceptable to the City).

Exhibit D
Off-Site Sewer Improvements Exhibit



OPINION OF PROBABLE COSTS FOR PUBLIC INFRASTRUCTURE

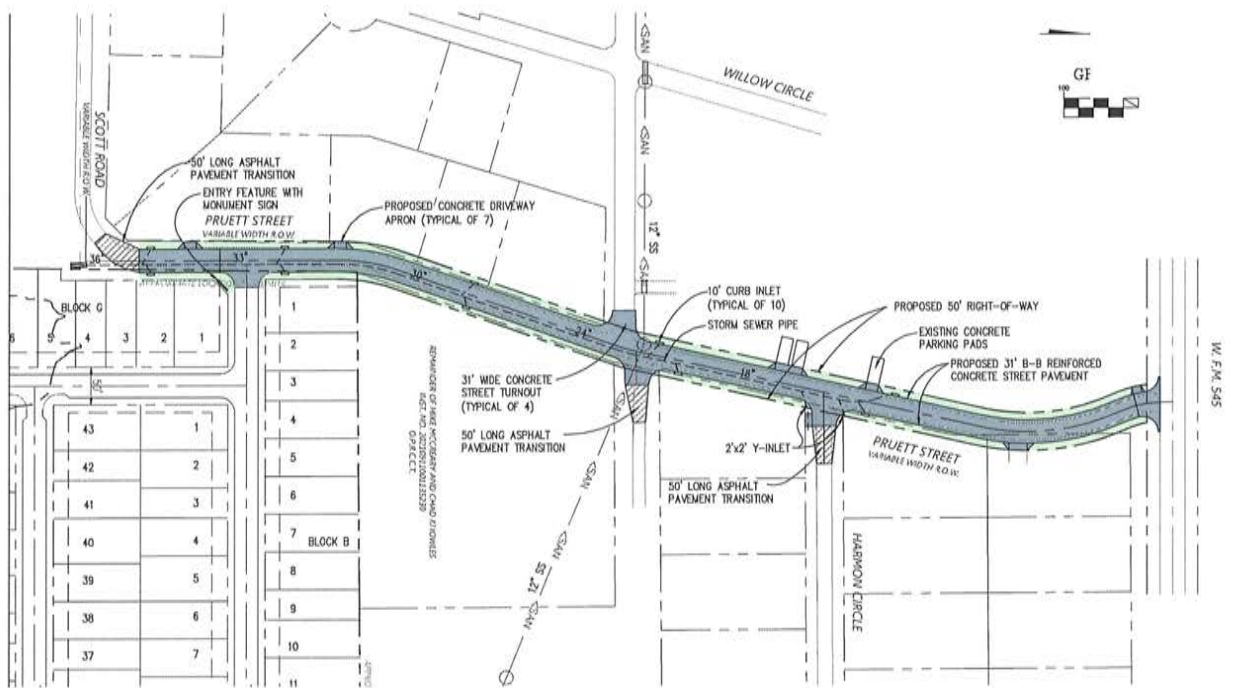
COST ESTIMATE DISCLAIMER: THIS ESTIMATE HAS BEEN COMPLETED ON LIMITED INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY. PRIOR TO MAKING FINANCIAL COMMITMENTS BASED ON THIS ESTIMATE, THESE NUMBERS SHOULD BE VERIFIED.

PROJ NAME:	BLUE RIDGE CROSSING	NET ACRES:		NO. OF LOTS:	211
CITY:	BLUE RIDGE, TEXAS	GROSS ACRES:	42.88	CREATED BY:	TVA
STREET INT.	BUS 79 AT E. STAMP LN.	CREATED:	12-30-2021	CHECKED BY:	
FILE NAME:	OAK STREET SAN SWR	PRINTED:	15-Feb-22	REVISED BY:	

A. OFF-SITE SANITARY SEWER SYSTEM IN OAK STREET				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
12" P.V.C. SEWER PIPE	LF	3,465	\$55.00	\$190,575.00
5' DIAMETER MANHOLE	EA	15	\$6,000.00	\$90,000.00
CONNECT TO EXISTING	EA	1	\$3,000.00	\$3,000.00
REM. & REPL. EX. CONC. STREET 6", 3600 PSI, #3@18"	SY	154	\$70.00	\$10,780.00
REM. & REPL. EX. CONC. DRIVE 4", 3600 PSI, #3@24"	SY	55	\$55.00	\$3,025.00
REM. & REPL. EX. CONC. FURGE 4", 3600 PSI, #3@24"	SY	110	\$55.00	\$6,050.00
TRENCH SAFETY	LF	3,465	\$1.75	\$6,063.75
DRY UTILITY COORDINATION (NO UNDERGROUNDING)	LS	1	\$35,109.28	\$35,109.28
SUB - TOTAL OFF-SITE SANITARY SEWER DISTRIBUTION SYSTEM IN OAK STREET				\$341,183.03

SUMMARY OF OFF-SITE PUBLIC INFRASTRUCTURE CONSTRUCTION	
OFF-SITE SANITARY SEWER DISTRIBUTION SYSTEM	\$341,183.03
FIFTEEN PERCENT (15%) CONTINGENCES	\$51,177.45
ENGINEERING AND REPORTS	\$35,000.00
TOTAL OFF-SITE SANITARY SEWER DISTRIBUTION SYSTEM IN OAK STREET	\$427,360.49

EXHIBIT E **PRUETT STREET IMPROVEMENTS**



OPINION OF PROBABLE COSTS FOR PUBLIC INFRASTRUCTURE

COST ESTIMATE DISCLAIMER: THIS ESTIMATE HAS BEEN COMPLETED ON LIMITED INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY. PRIOR TO MAKING FINANCIAL COMMITMENTS BASED ON THIS ESTIMATE, THESE NUMBERS SHOULD BE VERIFIED.

PROJ NAME:	BLUE RIDGE CROSSING	NET ACRES:		NO. OF LOTS:	211
CITY:	BLUE RIDGE, TEXAS	GROSS ACRES:	42.08	CREATED BY:	TWA
STREET INT.	BUS 78 AT E. STAPPLIN	CREATED:	12-30-2021	CHECKED BY:	
FILE NAME:	PRUETT ST. CONCRETE	PRINTED:	15-Feb-22	REVISED BY:	

A. OFFSITE STORM DRAINAGE SYSTEM				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
36" RCP	LF	75	\$235.00	\$17,625.00
33" RCP	LF	220	\$208.00	\$44,000.00
30" RCP	LF	240	\$175.00	\$42,000.00
24" RCP	LF	295	\$100.00	\$29,500.00
18" RCP	LF	520	\$85.00	\$44,200.00
7.5' TYPE Y DROPPINETS	EA	2	\$3,800.00	\$7,600.00
19 CURB BALLETS	EA	8	\$7,000.00	\$56,000.00
TX DOT SAFETY END TREATMENT HEADWALL	EA	1	\$3,500.00	\$3,500.00
TRENCH SAFETY	LF	1,275	\$1.75	\$2,231.25
DRY UTILITY COORDINATION (NO UNDERGROUNDING)	LS	1	\$9,161.25	\$9,161.25
SUB - TOTAL OFFSITE STORM DRAINAGE DISTRIBUTION SYSTEM				\$255,817.50

B. OFFSITE CONCRETE STREET PAVING				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
6" REINF. CONC. PMWT, 3600 PSI, #3@18"	SY	6,800	\$75.00	\$435,000.00
6" LIME SUBGRADE PREPARATION	SY	6,175	\$5.50	\$33,962.50
6" REINF. CONC. DRIVEWAY APRON 3600 PSI, #3@18"	SY	200	\$70.00	\$14,000.00
6" TEMPORARY TYPE 1" HMAC TRANSITION	SY	470	\$65.42	\$30,747.40
REMOVE, HAUL AWAY & DISPOSE OF EX. ASPHL PMWT	SY	4,000	\$4.75	\$19,000.00
REL. EXIST. POWER POLES (NO UNDERGROUNDING)	EA	4	\$5,000.00	\$20,000.00
DRY UTILITY COORDINATION (NO UNDERGROUNDING)	LS	1	\$22,108.40	\$22,108.40
SUB-TOTAL OFFSITE CONCRETE STREET PAVING				\$574,818.30

COST ESTIMATE DISCLAIMER: THIS ESTIMATE HAS BEEN COMPLETED ON LIMITED INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY. PRIOR TO MAKING FINANCIAL COMMITMENTS BASED ON THIS ESTIMATE, THESE NUMBERS SHOULD BE VERIFIED.

PROJ. NAME:	BLUE RIDGE CROSSING	NET ACRES:		NO. OF LOTS:	211
CITY:	BLUE RIDGE, TEXAS	GROSS ACRES:	43.65	CREATED BY:	TWA
STREET INT.	BLG 78 AT E. STAFF LN	CREATED:	12-30-2021	CHECKED BY:	
FILE NAME:	PHUETT ST. CONCRETE	PRINTED:	15-Feb-22	REVISED BY:	

C. ADDITIONAL OFFSITE CONCRETE FRONTAGE PAVING				
DESCRIPTION	UNIT	APPROXIMATE QUANTITY	UNIT PRICE	TOTAL AMOUNT
6" REINF. CONC. P/MT, 3600 PSI, 8 3/4" 18"	SY	500	\$71.00	\$37,500.00
6" LIME SUBGRADE PREPARATION	SY	540	\$5.00	\$2,700.00
6" REINF. CONC. DRIVEWAY APRON 3600 PSI, 8 3/4" 18"	SY	27	\$75.00	\$2,025.00
6" TEMPORARY TYPE 1" HMA TRANSITION	SY	172	\$65.43	\$11,252.24
REL. EXIST. POWER POLES (NO UNDERGROUNDING)	EA	1	\$5,000.00	\$5,000.00
DRY UTILITY COORDINATION (NO UNDERGROUNDING)	LS	1	\$2,349.89	\$2,349.89
SUB-TOTAL ADDITIONAL OFFSITE CONCRETE FRONTAGE PAVING				\$61,097.13

SUMMARY OF OFFSITE PUBLIC INFRASTRUCTURE CONSTRUCTION	
OFFSITE STORM DRAINAGE DISTRIBUTION SYSTEM	\$265,817.68
OFFSITE CONCRETE STREET PAVING	\$674,818.30
FIFTEEN PERCENT (15%) CONTINGENCIES	\$124,695.37
ENGINEERING AND REPORTS	\$86,000.00
TOTAL OFFSITE PUBLIC INFRASTRUCTURE CONSTRUCTION COSTS	\$1,040,231.17
TOTAL WITH ADDITIONAL OFFSITE CONCRETE FRONTAGE CONSTRUCTION COSTS	\$1,261,931.68

EXHIBIT F
MOODY ROW PROPERTY

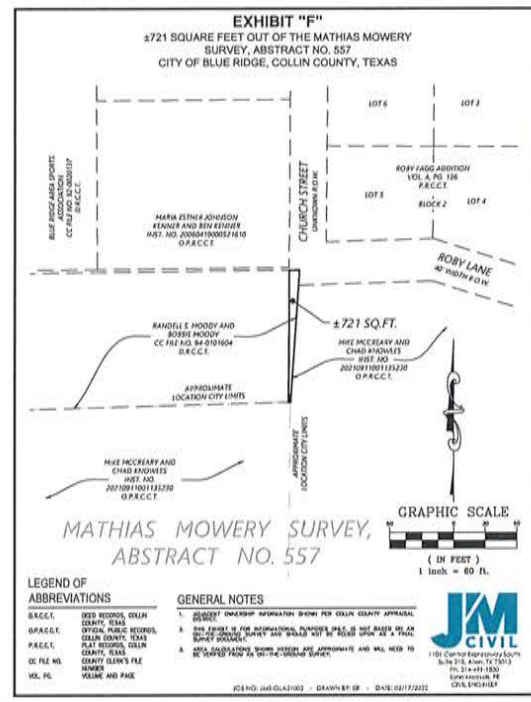


Exhibit F – Page 1

1517.010\104255.21

Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
03/30/2022 01:17:58 PM
\$210.00 CGRAFF
20220330000510140



Stacey Kemp

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY
CERTIFICATION OF FILING****1 Name of business entity filing form, and the city, state and country of the business entity's place of business.**

GLA Ventures LLC
Heath, TX United States

Certificate Number:
2022-863726

Date Filed:
03/22/2022

Date Acknowledged:

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Blue Ridge

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

Blue Ridge Crossing PID and DA
Blue Ridge Crossing Public Improvement District and ETJ Development Agreement

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Burnside Organization LLC	Trenton, TX United States	X	
	F2 Capital Partners, LLC	Heath, TX United States	X	
	Burnside, Stacie	Trenton, TX United States	X	
	Burnside, Terence	Trenton, TX United States	X	
	Fielding, Michael	Heath, TX United States	X	
	Fielding, Mitchell	Heath, TX United States	X	
	Lindelov Shupe Ventura PLLC, Melissa	Dallas, TX United States		X
	Admire Shupe Ventura PLLC, Corey	Dallas, TX United States		X

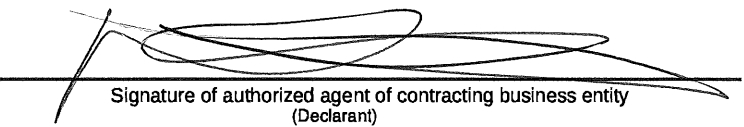
5 Check only if there is NO interested Party. ☐

6 UNSWORN DECLARATION

My name is Mitchell Fielding, and my date of birth is 11/8/87.
My address is 458 Keystone Blvd, Heath, TX, 75032, USA.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Rockwall County, State of Texas, on the 22 day of March, 2022.
(month) (year)


Signature of authorized agent of contracting business entity
(Declarant)

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CITY OF BLUE RIDGE, TEXAS
RESOLUTION NO. 2022- 0915-001

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLUE RIDGE, TEXAS APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE A FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (BLUE RIDGE CROSSING IN BLUE RIDGE, TEXAS); AND, RESOLVING OTHER MATTERS RELATED THERETO

WHEREAS, the City of Blue Ridge, Texas (the "City") entered into that certain "Development Agreement (Blue Ridge Crossing in Blue Ridge, Texas)" with Fieldside Development, LLC, a Texas limited liability company (formerly known as GLA Ventures, LLC) ("Developer"), Michael McCreary and Chad Knowles, effective as of March 22, 2022 and recorded on March 30, 2022 in the real property records of Collin County, Texas as Instrument No. 2022033000510140 (the "Development Agreement") related to the development of approximately 42.359 acres of land (the "Property") located partially within the extra-territorial jurisdiction and partially within the corporate limits of the City for a project commonly known as "Blue Ridge Crossing"; and

WHEREAS, at the time the Development Agreement was executed, Developer owned approximately 0.2568 acres of the Property, and Michael McCreary and Chad Knowles owned the remaining portion of the Property; and

WHEREAS, on April 1, 2022, Michael McCreary and Chad Knowles sold and conveyed fee title ownership in their entire portion of the Property to Developer and assigned of all their rights, title, interest, and obligations under the Development Agreement to Developer; and

WHEREAS, the Developer owns 100% of the Property subject to the Development Agreement; and

WHEREAS, the City and Developer desire to amend the Development Agreement to modify Developer's obligations under the Development Agreement to acquire right of way for the upgrade by Developer of Pruett Street; and

WHEREAS, the City Council of the City desires to approve a First Amendment to Development Agreement (Blue Ridge Crossing in Blue Ridge, Texas) (the "Amendment") and authorize and direct the Mayor of the City to execute the Amendment.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BLUE RIDGE, TEXAS:

SECTION 1. THAT the findings and premises contained in the recitals above are hereby deemed to be true and correct and incorporated as a part of this Resolution for all purposes.

SECTION 2. THAT the Amendment attached hereto as **Exhibit A**, is approved and the Mayor is authorized to execute such Amendment on behalf of the City.

**FIRST AMENDMENT
TO
DEVELOPMENT AGREEMENT**

(BLUE RIDGE CROSSING IN BLUE RIDGE, TEXAS)

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (this “First Amendment”) is made as of September 15, 2022 (the “Effective Date”), by and between Fieldside Development, LLC, a Texas limited liability company (formerly known as GLA Ventures, LLC) (the “Developer” or “Owner”) and the City of Blue Ridge (the “City”), each a “Party” and collectively the “Parties” to the Development Agreement, as amended by this First Amendment. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Development Agreement (as defined below).

RECITALS

A. **WHEREAS**, the City, Owner, Michael McCreary and Chad Knowles are parties to that certain Development Agreement (Blue Ridge Crossing in Blue Ridge, Texas), dated March 22, 2022 and recorded on March 30, 2022 as entry number 2022033000510140 in the official records of Collin County’s Records Office (the “Development Agreement”) related to the development of the Property commonly known as “Blue Ridge Crossing” and consisting of approximately 42.359 acres of land in Blue Ridge, Collin County, Texas;

B. **WHEREAS**, at the time the Development Agreement was executed, Developer owned approximately 0.2568 acres of the Property, and Michael McCreary and Chad Knowles owned the remaining portion of the Property;

C. **WHEREAS**, on April 1, 2022, Michael McCreary and Chad Knowles sold and conveyed fee title ownership in their entire portion of the Property to Developer and assigned of all their rights, title, interest, and obligations under the Development Agreement to Developer;

D. **WHEREAS**, on April 4, 2022, Developer changed its name with the Texas Secretary of State from “GLA Ventures, LLC, a Texas limited liability company” to “Fieldside Development, LLC, a Texas limited liability company”;

E. **WHEREAS**, as of the Effective Date of this First Amendment, Developer is the sole “Owner” and the “Developer” under the Agreement for all purposes; and

F. **WHEREAS**, the City and Developer desire by this First Amendment to modify Developer’s obligations to acquire right of way for the upgrade by Developer of Pruett Street.

NOW, THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are acknowledged and agreed to by the Parties, the Parties agree as follows:

1. Roadways – Pruett Street. The first sentence of Section 3.1(d)(i) of the Development Agreement is hereby amended and restated in entirety as follows:

“The Developer shall be required to improve and construct a section of Pruett Street, as shown on Exhibit E, to a concrete road with a 31-foot paving width and curb, gutter and underground storm drain within 40 feet of right-of-way consistent with the standards set forth in the Governing Regulations.”

An updated Exhibit E is attached hereto and shall replace page 1 of Exhibit E attached to the Development Agreement. Except as set forth above, the remaining portion of Section 3.1(d)(i) of the Development Agreement shall not be altered or modified by this Amendment and shall remain enforceable in accordance with their terms.

2. Incorporation by Reference. The terms of the Development Agreement (as amended hereby) are hereby incorporated herein by this reference.

3. Development Agreement Affirmed. Except as specifically set forth herein, the Development Agreement is hereby affirmed and deemed to continue in full force and effect.

4. Recitals. The recitals contained in this First Amendment: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this First Amendment; (c) are legislative findings of the City Council, and (d) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this First Amendment, the intent of the Parties, as evidenced by the recitals, must be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this First Amendment and, but for the intent of the Parties reflected by the recitals, would not have entered into this First Amendment.

5. Recording. Pursuant to the requirements of Section 212.172(f) of the Texas Local Government Code, this First Amendment shall be recorded in the deed records of Collin County.

6. Notices. The Notice provisions of Section 5.12 of the Development Agreement are amended to require that all Notices to the Developer or Owner shall be directed only to the following: Fieldside Development, LLC, Attn: Mitchell Fielding, 4232 Ridge Road, Suite 104, Heath, Texas 75434, E-mail: mitchell@glaventures.net. If Developer assigns the Development Agreement (as amended by this First Amendment), the Developer shall provide Notice to the City of the Assignee's contact information, and the Notice requirements of the Development Agreement shall be deemed to be updated to require the City to give future Notices in accordance with such Notice.

7. Counterparts. This First Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

8. Form 1295. Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the

TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Developer and the City agrees to acknowledge such form with the TEC through its electronic filing application system not later than the 30th day after receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by Developer; and, neither the City nor its consultants have verified such information.

9. Exhibit. The following Exhibit is attached to this Agreement and is incorporated herein for all purposes:

Exhibit E Revised Pruett Street Improvements

[SIGNATURES TO FOLLOW]

Executed by Developer and the City to be effective on the Effective Date.

ATTEST:

CITY OF BLUE RIDGE

Name: Edie Sims
Title: City Secretary

By: Rhonda Williams
Name: RHONDA WILLIAMS
Title: MAYOR

Date: SEPTEMBER 15, 2022

**APPROVED AS TO FORM AND
LEGALITY:**

Name: _____
City Attorney

§

STATE OF TEXAS

§

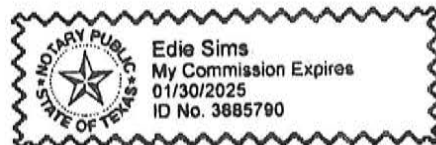
COUNTY OF COLLIN

§



This instrument was acknowledged before me on 9/15, 2022 by RHONDA WILLIAMS of the City of Blue Ridge, Texas on behalf of said city.

Edie Sims
Notary Public, State of Texas



Executed by Developer and the City to be effective on the Effective Date.

ATTEST:

CITY OF BLUE RIDGE

Name: Edie Sims
Title: City Secretary

By: Rhonda Williams
Name: RHONDA WILLIAMS
Title: MAYOR

Date: SEPTEMBER 15, 2022

APPROVED AS TO FORM AND
LEGALITY:

Name: [Signature]
City Attorney

§

STATE OF TEXAS

§

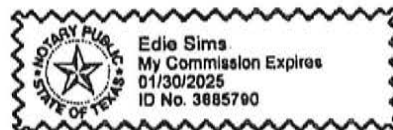
COUNTY OF COLLIN

§



This instrument was acknowledged before me on 9/15, 2022 by RHONDA WILLIAMS of the City of Blue Ridge, Texas on behalf of said city.

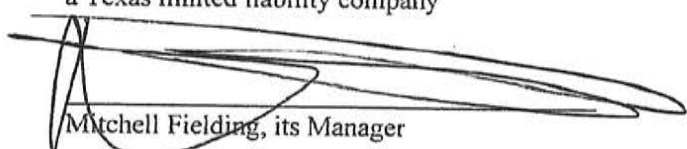
[Signature]
Notary Public, State of Texas



Executed by Owners and the City to be effective on the Effective Date.

DEVELOPER/OWNER:

FIELDSDIDE DEVELOPMENT, LLC,
a Texas limited liability company

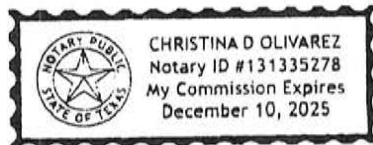

Mitchell Fielding, its Manager

STATE OF TEXAS

COUNTY OF Rockwall

§
§
§

This instrument was acknowledged before me on November 18, 2022 by Mitchell Fielding, Manager of Fieldside Development, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.



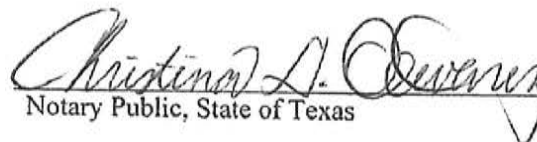
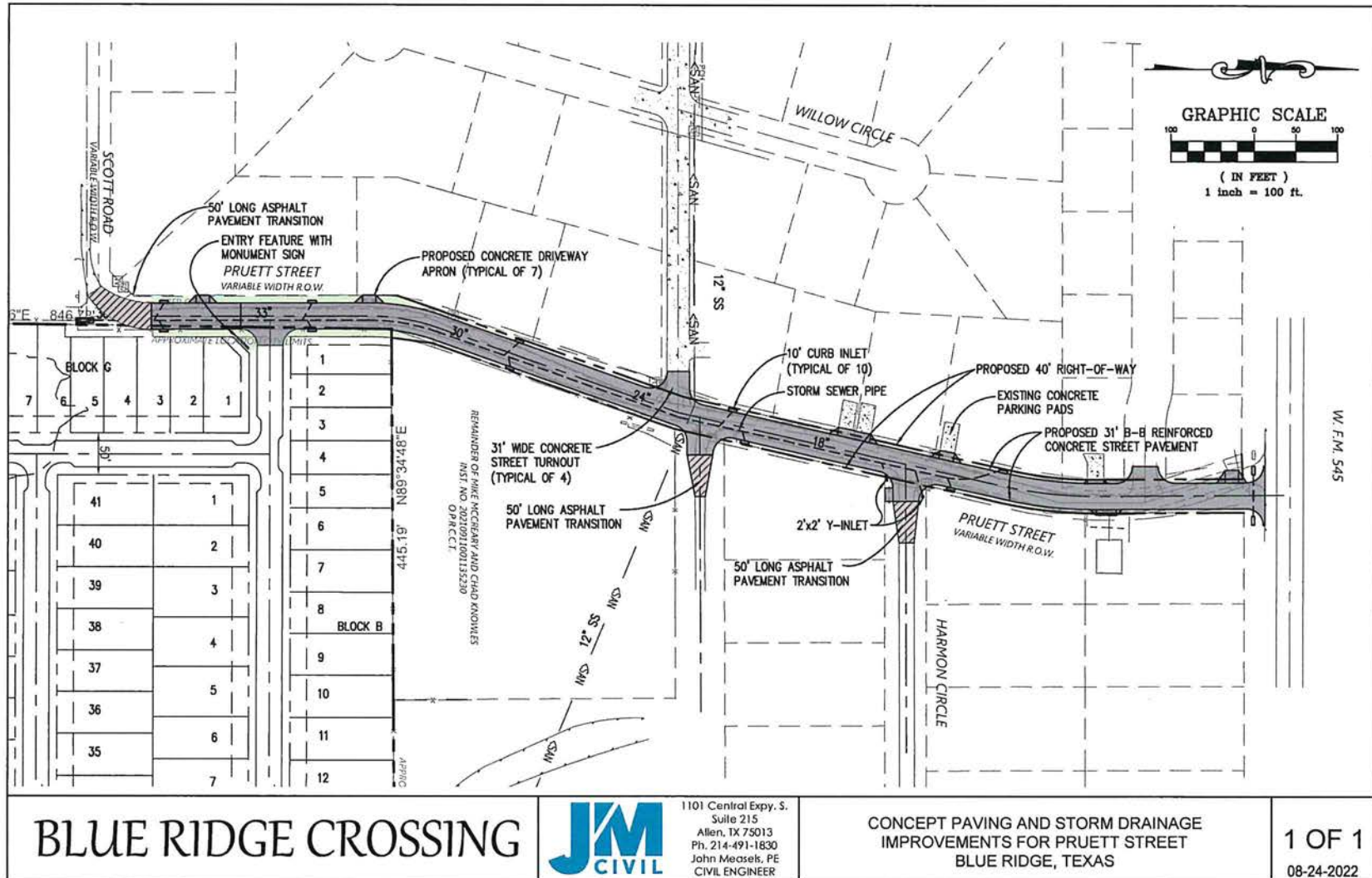

Notary Public, State of Texas

Exhibit "E"


Revised Pruett Street Improvements



SECTION 3. THAT this Resolution shall become effective upon its adoption.

DULY PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF
BLUE RIDGE, TEXAS, ON THIS THE 6th DAY OF SEPTEMBER, 2022.


CITY OF BLUE RIDGE, TEXAS:


Rhonda Williams, Mayor

ATTEST:


Edie Sims, City Secretary

APPROVED AS TO FORM AND LEGALITY:


~~Andy Messer, City Attorney~~
SUSAN B. THOMAS, ASST. CITY ATTORNEY



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SECOND AMENDMENT TO DEVELOPMENT AGREEMENT
(BLUE RIDGE CROSSING – BLUE RIDGE, TEXAS)

THIS SECOND AMENDMENT TO DEVELOPMENT AGREEMENT (BLUE RIDGE CROSSING – BLUE RIDGE, TEXAS) ("Second Amendment") is made and entered into by and between **FIELDSTIDE DEVELOPMENT, LLC**, a Texas limited liability company (formerly known as GLA Ventures, LLC) (the "Developer") and the **CITY OF BLUE RIDGE, TEXAS**, a Type A General Law municipality of the State of Texas (the "City"), to be effective on January 2, 202 4 (the "Effective Date").

RECITALS

WHEREAS, the Developer and the City are sometimes individually referred to as a "Party" and collectively as the "Parties";

WHEREAS, the City, Developer, Michael McCreary and Chad Knowles are parties to that certain Development Agreement (Blue Ridge Crossing in Blue Ridge, Texas), dated March 22, 2022 and recorded on March 30, 2022 under Document Number 20220330000510140 of the Official Public Records of Collin County, Texas (the "Original Development Agreement") related to the development of the Property commonly known as "Blue Ridge Crossing" and consisting of approximately 42.359 acres of land in Blue Ridge, Collin County, Texas;

WHEREAS, at the time the Original Development Agreement was executed, Developer owned approximately 0.2568 acres of the Property, and Michael McCreary and Chad Knowles owned the remaining portion of the Property;

WHEREAS, on April 1, 2022, Michael McCreary and Chad Knowles sold and conveyed fee title ownership in their entire portion of the Property to Developer and assigned of all their rights, title, interest, and obligations under the Original Development Agreement to Developer;

WHEREAS, on April 4, 2022, Developer submitted a Certificate of Amendment with the Texas Secretary of State effectuating a name change from "GLA Ventures, LLC, a Texas limited liability company" to "Fieldside Development, LLC, a Texas limited liability company";

WHEREAS, Developer and the City executed that certain First Amendment to Development Agreement (Blue Ridge Crossing in Blue Ridge, Texas), dated September 15, 2022 (the "First Amendment", and collectively with the Original Development Agreement, the "Development Agreement");

WHEREAS, as of the Effective Date of this Second Amendment, Developer is the sole "Owner" and the "Developer" under the Agreement for all purposes; and

WHEREAS, the Parties desire to further amend the Development Agreement to, among other things: (a) recognize Developer's agreement to pay for and install a new bar screen (the "New Bar Screen") at the location where the Off-Site Sewer Improvements connects to the City's existing sewer plant; (b) recognize the City's agreement to remove the requirement for Developer

to install an underground storm drain system as part of the Pruett Street Improvements; and (c) recognize the City and Developer's agreement to alter the location of the Off-Site Sewer Improvements; and

WHEREAS, the Parties acknowledge and agree that, except to the extent amended by this Second Amendment herein, all provisions and terms contained in the Development Agreement shall remain in full force and effect.

NOW, THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Second Amendment, and for good and valuable consideration the receipt and adequacy of which are acknowledged and agreed, the Parties agree as follows:

AGREEMENT

1. **Defined Terms.** All capitalized terms used in this Second Amendment, to the extent not otherwise expressly defined herein, shall have the meanings assigned to them in the Development Agreement.

2. **Sewer.** The Parties hereby agree that Section 3.1(c) of the Development Agreement is amended as follows:

- (a) The Off-Site Sewer Improvements will now be installed within the Scott Road right of way as opposed to within the Oak Street right of way. Accordingly, **Exhibit D** of the Development Agreement is hereby replaced in entirety with the **Exhibit D** attached hereto, and any references to Oak Street in the Development Agreement shall now refer to Scott Road.
- (b) The total sewer impact fee reimbursement for the Off-Site Sewer Improvements will be the actual cost of the Off-Site Sewer Improvements incurred by the Developer for the design and construction of such improvements, not to exceed \$427,360.49.
- (c) In exchange for the City's willingness to agree to the terms set forth in Section 3 below, the Developer will install, or cause to be installed, the New Bar Screen as part of the Off-Site Sewer Improvements. The Developer agrees to pay for the costs associated with the design and construction of the New Bar Screen, not to exceed \$125,000.00 (the "**Bar Screen Maximum Cost**"). The City agrees to reasonably cooperate with the Developer in designing and bidding out the New Bar Screen. After bidding the New Bar Screen, if the Developer is unable to install the New Bar Screen at or below the Bar Screen Maximum Cost, then the City shall have the option, but not the obligation, to pay for any costs that exceed the Bar Screen Maximum Cost, in which case Developer will be required to proceed with installing the New Bar Screen, pay the Bar Screen Maximum Cost and the City will pay for the excess costs. If the City elects not to pay such excess costs, then Developer, in its sole discretion, must either (a) elect to install the New Bar Screen and pay all costs associated therewith, or (b) elect not to install the New Bar Screen, in which case the Developer shall install, or cause to be installed, an underground

storm drain system in connection with the Pruett Street Improvements, as further set forth in Section 3 below and as contemplated in the Original Development Agreement.

3. Pruett Street Drainage. In exchange for the Developer's willingness to agree to the terms set forth in Section 2(c) above, and notwithstanding Section 3.1(d)(i) of the Development Agreement to the contrary (including, without limitation, Exhibit E thereof), the Developer is not required to install, but may elect to install in accordance with Section 2(c) above, an underground storm drain system as part the Pruett Street Improvements. Developer is permitted to allow for open ditch drainage. Developer agrees to clean and/or grade the existing ditches to ensure positive drainage. Developer shall not be obligated to replace any culverts unless necessary to accommodate positive drainage.

4. Miscellaneous.

(a) This Second Amendment amends the Development Agreement in no other manner except as expressly set forth herein. Except as amended herein, the terms, provisions, agreements, covenants, and conditions of the Development Agreement shall continue in full force and effect. In the event of a conflict between this Second Amendment and the Development Agreement, the terms of this Second Amendment shall control.

(b) This Second Amendment together with the Original Development Agreement and the First Amendment shall constitute the entire agreement between the Parties and supersedes all prior agreements and understandings, whether oral or written, concerning the subject matter of this Second Amendment, the Original Development Agreement, and the First Amendment. This Second Amendment, the Original Development Agreement, and the First Amendment, shall not be modified or amended except in writing signed by the Parties.

(c) If any provision of this Second Amendment is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Second Amendment; (b) the unenforceable provision shall, to the extent possible and upon mutual agreement of the Parties, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Second Amendment shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

(d) This Second Amendment may be executed in one (1) or more counterparts, each of which when taken together shall constitute one and the same instrument.

(e) The City represents and warrants that the individual executing this Second Amendment on behalf of the City has been duly authorized to do so. The Developer represents and warrants that this Second Amendment has been approved by appropriate action of Developer, and that each individual executing this Second Amendment on behalf of Developer has been duly authorized to do so.

5. No Waiver of Powers or Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its

remedies under this Second Amendment.

6. No Boycott Israel. To the extent this Second Amendment constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Second Amendment. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

7. Not a Listed Company. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: [https:// comptroller.texas.gov/purchasing/docs/ sudan-list.pdf](https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf), <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. As used in this Section, the Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

8. Verification Regarding Energy Company Boycotts. To the extent this Second Amendment constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Second Amendment. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise

taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. As used in this Section, the Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

9. Verification Regarding Discrimination Against Firearm Entity or Trade Association.

To the extent this Second Amendment constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Second Amendment. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification and the following definitions:

(i) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association;

(ii) 'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or

adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting); and

(iii) ‘firearm trade association,’ a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

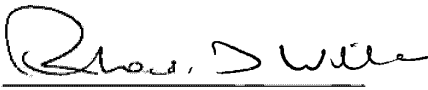
As used in this Section, the Developer understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

10. Form 1295. Submitted herewith is a completed Form 1295 in connection with the Developer’s participation in the execution of this Second Amendment generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.


[SIGNATURE PAGE TO FOLLOW]

EXECUTED by the City and Developer to be effective as of the Effective Date.

CITY OF BLUE RIDGE, TEXAS


By: 
Rhonda Williams, Mayor

ATTEST:


Name: Edie Sims
Title: City Secretary

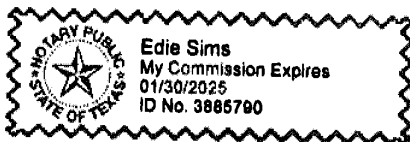


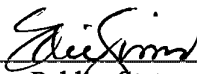
APPROVED AS TO FORM:


Susan Thomas, City Attorney

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on the 2nd day of January, 2024 by RHONDA WILLIAMS, Mayor of the City of Blue Ridge, Texas, on behalf of said City.




Notary Public, State of Texas

DEVELOPER:

Fieldside Development, LLC,
a Texas limited liability company

By:

Mitchell Fielding, Manager

STATE OF TEXAS

§

§

COUNTY OF ROCKWALL

§

This instrument was acknowledged before me on the 4th day of January, 2024 by Mitchell Fielding, Manager of Fieldside Development, LLC a Texas limited liability company on behalf of said company.

Cori Von Chance

Notary Public, State of Texas

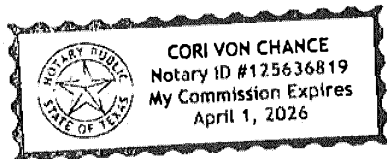
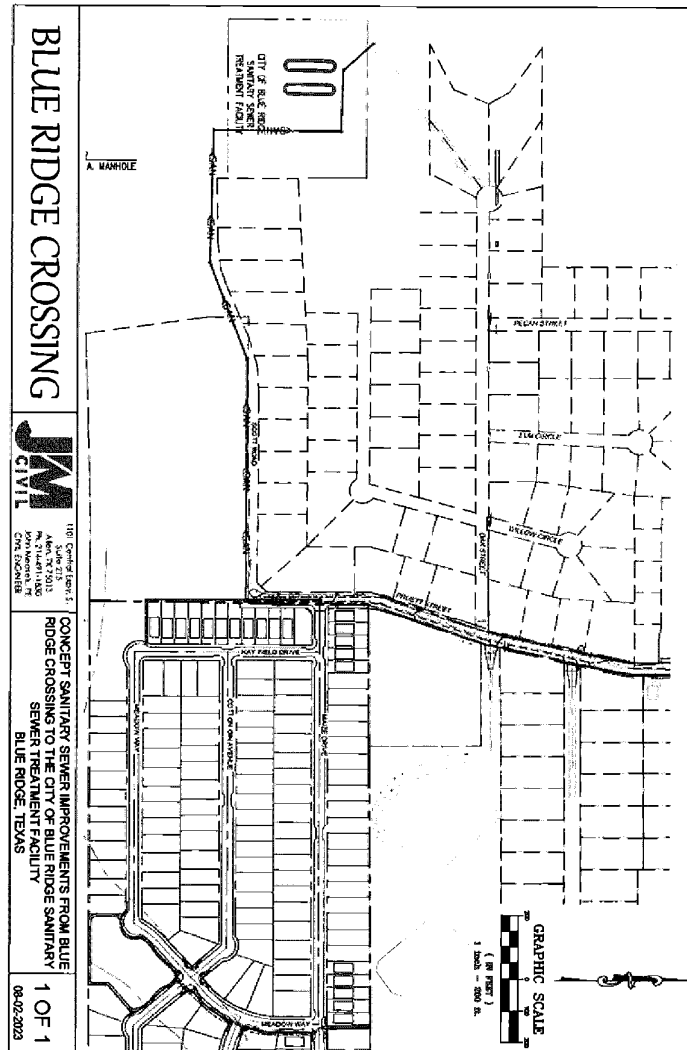


EXHIBIT D



Collin County
Honorable Stacey Kemp
Collin County Clerk

Instrument Number: 2024000003058

eRecording - Real Property

AGREEMENT

Recorded On: January 09, 2024 10:54 AM

Number of Pages: 10

" Examined and Charged as Follows: "

Total Recording: \$57.00

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2024000003058
Receipt Number: 20240109000260
Recorded Date/Time: January 09, 2024 10:54 AM
User: Kim D
Station: Workstation cck024

Record and Return To:

Simplifile



STATE OF TEXAS
COUNTY OF COLLIN

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time
printed hereon, and was duly RECORDED in the Official Public Records of Collin County, Texas.

Honorable Stacey Kemp
Collin County Clerk
Collin County, TX

APPENDIX G

APPRAISAL OF PROPERTY IN THE DISTRICT

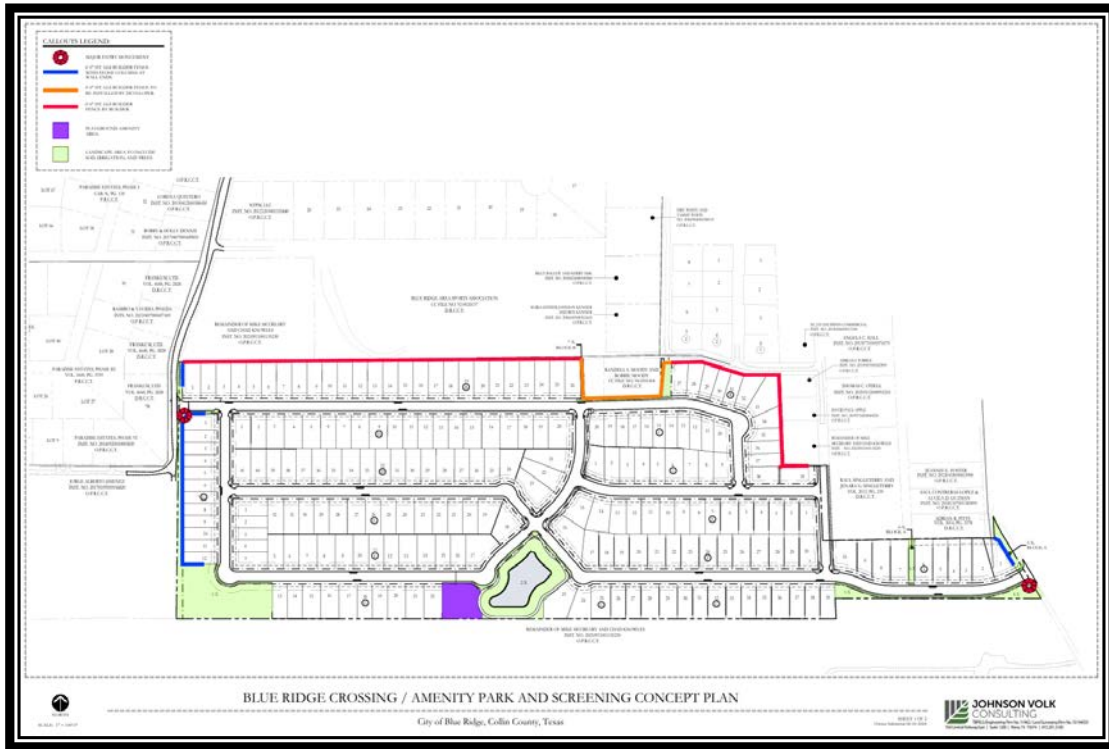
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APPRAISAL REPORT

PROJECT # A24-1218-05

APPRAISAL REPORT

PROJECT # A24-1218-05



**BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT
42.539 ACRES CONTAINING 212 PROSPECTIVE RESIDENTIAL LOTS
BLUE RIDGE, TX 75424**

FOR:

FMSBONDS, INC.
5 COWBOYS WAY, SUITE 300-25
FRISCO, TEXAS 75034

**EFFECTIVE DATE OF APPRAISAL:
JUNE 1, 2025 (DATE OF SUBSTANTIAL COMPLETION) FOR 212 RESIDENTIAL LOTS**

PREPARED BY:
JAMES L. MAIBACH, CPM, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER,
LESLIE TOLLIVER, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER,
BROOKE CLOCK, LICENSED RESIDENTIAL APPRAISER, AND
BRANDON LAWSON, APPRAISER TRAINEE
OF:

PEYCO SOUTHWEST REALTY, INC.
1703 NORTH PEYCO DRIVE
ARLINGTON, TEXAS 76001

Blue Ridge Crossing Public Improvement District

April 30, 2025

Mr. R.R “Tripp” Davenport, III

Director

FMSbonds, Inc.

5 Cowboys Way, Suite 300-25

Frisco, Texas 75034

tdavenport@fmsbonds.com

SUBJECT: Prospective Market Value “Upon Completion” Appraisal
Blue Ridge Crossing Public Improvement District,
Blue Ridge, Collin County, Texas

Mr. Davenport,

At your request, we have inspected and appraised the above-referenced property. The purpose of the appraisal is to develop an opinion of prospective market value of the Fee Simple interest of the 212 residential lots located in the Blue Ridge Crossing Public Improvement District (Referred to as Blue Ridge Crossing PID). Blue Ridge Crossing PID has a total of 42.539-acres consisting of the following:

- **Prospective Market Value “Upon Completion” as of **June 1, 2025 for 212 detached residential lots on approximately 42.539 acres. The lots are as follows:****
- **43 lots with 40-foot frontages**
- **125 lots with 50-foot frontages, and**
- **44 lots with 60-foot frontages**

The client for the assignment is FMSbonds, Inc., The intended users are FMSbonds, Inc. and the City of Blue Ridge. The intended use is underwriting of a proposed Public Improvement District bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by the City of Blue Ridge or Collin County, nor is it the basis of a determination of the benefit of any constructed or installed public improvements will have on properties within Blue Ridge Crossing PID.

A public improvement district containing the property Blue Ridge Crossing PID was created by Resolution No. 2022-0322-002 adopted on March 22, 2022. Development of the subject property is governed by a Development Agreement between the City of Blue Ridge and GLA Ventures, LLC, which the Development Agreement will allow single-family development at the subject property. Each of the lots are located in Blue Ridge Independent School District.

Per the Development Agreement, Blue Ridge Crossing PID is comprised of approximately 42.539 contiguous acres of land with an estimated build-out of 43 detached single-family residential 40-foot frontage lots, 125 detached single-family residential 50-foot frontage lots, and 44 detached single-family residential 60-foot frontage (FF) lots totaling 212 improved residential lots on approximately 42.539-acres, located in the City of Blue Ridge, Collin County, Texas. The subject property of this assignment - Blue Ridge Crossing PID - will be developed in one phase.

Each of the 40-FF lot types will have an average of 4,000-SF, each 50-FF lot types will have an average of 5,000-SF, and each of the 60-FF lot types will have an average of 6,000-SF in size. The average lot depths for each of

Blue Ridge Crossing Public Improvement District

the 40-FF, 50-FF and the 60-FF lots of the subject property will be 100' in depth. The three lot types may have different market values with identical characteristics; however, the developer reflects an average Estimated Lot Value of \$63,000 for the 40-FF lots, 50-FF lots, and 60-FF lots. We have considered any difference in market value based on lot depth is marginal, and other attributes, such as overall situs of the PID, are more important to the market value consideration of a single lot.

The focus of our appraisal of the Blue Ridge Crossing PID are as follows:

Blue Ridge Crossing PID					
Area Type	Size (Acres)	40' Lot Type	50' Lot Type	60' Lot Type	Total Lots Appraised
<i>Residential Lots</i>	<i>42.539-AC</i>	<i>43</i>	<i>125</i>	<i>44</i>	<i>212</i>

The land within the development is owned by GLA Ventures, LLC. GLA Ventures, LLC appears to be under the corporate umbrella of LGI Homes. According to the developer, LGI Homes will develop the subject property and will be the ultimate seller to the end user when the lots are fully developed with single-family residential developments. Therefore, there are no purchase and sale contracts.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **Extraordinary Assumptions** that may affect the assignment results. An Extraordinary Assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Effective Date of the appraisal, we reserve the right to modify our value conclusions. Extraordinary Assumptions are used in this assignment because the improved residential lots to be delivered by the date utilized in this report are currently incomplete as of the report date.

- Our opinions of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications by Pape-Dawson Engineers, the Professional Engineers, dated December 4, 2024 for 212 improved residential lots in Blue Ridge Crossing PID.
- All information relative to the property located within Blue Ridge Crossing PID including land areas, lot totals, lot sizes, and other pertinent data that was provided by GLA Ventures, LLC (Owner), Pape-Dawson Engineers (Professional Engineers), JM Civil Engineering (Professional Surveyors), the City of Blue Ridge, Collin County, and the Collin Central Appraisal District is assumed to be correct.
- The subject is proposed residential lots construction with an expected prospective completion date of June 1, 2025; therefore, this report contains a prospective opinion of value. Considering this, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable global events that alter market conditions prior to the prospective Effective Date.

The use of these extraordinary assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **Hypothetical Conditions** that may affect the assignment results. A Hypothetical Condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

- No Hypothetical Conditions are used in this report.

Blue Ridge Crossing Public Improvement District

This appraisal report is intended to conform with the 2024-2025 Uniform Standards of Professional Appraisal Practice (USPAP) and applicable state appraisal regulations. To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. Based upon the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our final value conclusion as of the Expected Substantial Completion Date are as follows:

BLUE RIDGE CROSSING PID, BLUE RIDGE					
Total Lots	Feet Frontage (FF)	Retail Price/Lot	Effective Date	Price/FF (\$/FF)	Total Retail Value (\$)
43	40 FF	\$62,000	June 1, 2025	\$1550/FF	\$2,666,000
125	50 FF	\$69,500	June 1, 2025	\$1390/FF	\$8,687,500
44	60 FF	\$82,800	June 1, 2025	\$1380/FF	\$3,643,200
212					\$14,996,700

After considering discount cash flows, our final value conclusion “Upon Completion” is shown below:

INCOME APPROACH VALUE INDICATION	
<i>Fee Simple Interest, Complete June 1, 2025</i>	
Blue Ridge Crossing PID 212 Improved Residential Lots	\$13,665,000 (\$64,500/Lot)

Attached is our Appraisal Report which summarizes the investigation and analyses undertaken in arriving at our value conclusions. Should you have any questions, please contact our office.

Respectfully submitted,

Peyco Southwest Realty



James L. Maibach, C.P.M.
TX-1323658
State Certified General Real Estate Appraiser



Leslie Tolliver
TX-1381494
State Certified General Real Estate Appraiser
Associate Member, Appraisal Institute



Brooke Clock
TX-1350743
State Licensed Residential Appraiser



Brandon Lawson
TX-1343865
Appraiser Trainee
Associate Member, Appraisal Institute

Contents

EXECUTIVE SUMMARY	6
CERTIFICATION	7
SCOPE OF WORK.....	8
VALUATION METHODOLOGY.....	10
PENDING TRANSACTIONS TO BUILDERS	13
REAL ESTATE TAXES.....	14
MARKET OVERVIEW	15
REGIONAL ANALYSIS.....	42
NEIGHBORHOOD ANALYSIS.....	46
ABSORPTION ANALYSIS	55
SUBJECT PROPERTY ANALYSIS.....	61
PROPERTY PHOTOGRAPHS	83
HIGHEST AND BEST USE	85
VALUATION – IMPROVED RESIDENTIAL LOTS.....	87
COST APPROACH: RESIDENTIAL LOTS IN BLUE RIDGE CROSSING PID	88
INCOME (SUBDIVISION DEVELOPMENT) APPROACH - IMPROVED RESIDENTIAL LOTS.....	105
RECONCILIATION AND FINAL VALUE CONCLUSION.....	144
ADDENDA	146
ENGAGEMENT LETTER	147
LEGAL DESCRIPTION.....	154
DEVELOPMENT REGULATIONS.....	158
ASSUMPTIONS AND LIMITING CONDITIONS	162
EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS.....	165
ENVIRONMENTAL ASSUMPTIONS	166
DEFINITIONS.....	167
JAMES L. MAIBACH, CPM - STATE CERTIFIED GENERAL REAL ESTATE APPRAISER.....	170
LESLIE TOLLIVER - STATE CERTIFIED GENERAL REAL ESTATE APPRAISER.....	172
BROOKE CLOCK – LICENSED RESIDENTIAL APPRAISER	174
BRANDON LAWSON – APPRAISER TRAINEE	176

EXECUTIVE SUMMARY

Property Name	Blue Ridge Crossing PID
Property Type	Master-Planned Community
Location	West of South Texas 78 Business and east of Pruett Street
City, County, State, Zip	City of Blue Ridge, Collin County, TX 75424
Legal Descriptions (Collin CAD)	ABS A0557 M MOWERY SURVEY, SHEET 4, TRACT 100, 36.8232 ACRES BLUE RIDGE ORIGINAL DONATION (CBL), BLK 1, LOT 11A-1
Owner of Record	GLA Ventures, LLC
Census Tract	0301.01
Tax ID's – Collin Central Appraisal District	2855615 2855617
Total Land Area	42.539-AC - Total Land Area (Per Survey)
Total Lots	212 Single-Family Improved Lots
Total Lots Breakdown	43 40-FF Width Lots 125 50-FF Width Lots 44 60-FF Width Lots
Topography	Gently Sloping
FEMA Flood Zones	Unshaded Zone X and Shaded Zone A
FEMA Panel	48085C0195J
FEMA Map Date	6/2/2009
Utilities	
Water	City of Blue Ridge
Sewer	City of Blue Ridge
Electric	Oncor
Natural Gas	Atmos
Zoning (City of Blue Ridge)	Planned Development
Future Land Use	Single-Family Residential Subdivision
Highest & Best Use	Single-Family Residential Subdivision
Final Value Conclusion	\$13,665,000 (\$64,500/Lot) Effective Date of June 1, 2025, for 212 Improved Residential Lots on 42.539 Acres
Exposure Period	6-12 Months
Marketing Period	6-12 Months
Date of Inspection	January 8, 2025
Date of Valuation	June 1, 2025
Report Date	April 30, 2025

CERTIFICATION

We certify that, to the best of our knowledge and belief that:

- (1) The statements of fact contained in this report are true and correct.
- (2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- (3) We have no present or prospective interest in the property that is the subject of this analysis, and we have no personal interest with respect to the parties involved.
- (4) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (5) Our compensation for completing this assignment is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this report, or upon developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our engagement in this assignment is not contingent upon developing or reporting predetermined results.
- (6) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- (7) Leslie Tolliver has physically viewed the subject property. Jim Maibach, Brooke Clock, and Brandon Lawson have not viewed the subject property.
- (8) This assignment was not based on a requested minimum value, a specific valuation, or the approval of a loan.
- (9) None of the signatories have previously performed services as an appraiser or in any other capacity, other than that specifically stated, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.
- (10) James L. Maibach and Brooke Clock are not members of the Appraisal Institute. Leslie Tolliver and Brandon Lawson are Associate Members of the Appraisal Institute. As of the date of this report, Leslie Tolliver and Brandon Lawson have completed the Standards and Ethics Education Requirements for Associate Members of the Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



James L. Maibach, C.P.M.
TX-1323658
State Certified General Real Estate Appraiser



Leslie Tolliver
TX-1381494
State Certified General Real Estate Appraiser
Associate Member, Appraisal Institute



Brooke Clock
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TX-1343865
Appraiser Trainee
Associate Member, Appraisal Institute

SCOPE OF WORK

Scope of Work is defined by the Uniform Standards of Professional Appraisal Practice as “the type and extent of research and analyses in an assignment.” Under the Scope of Work Rule, the appraiser must:

- Identify the problem to be solved;
- Determine and perform the scope of work necessary to develop credible assignment results; and
- Disclose the scope of work in the report.

The problem to be solved is:

- Determine the *Prospective Market Value* with a Substantial Completion Date of June 1, 2025 for the Fee Simple interest of 212 improved single-family residential lots in Blue Ridge Crossing PID as such.
 - 43 lots with 40-FF
 - 125 lots with 50-FF
 - 44 lots with 60-FF

The definition of market value¹ utilized herein is as follows:

Market Value is defined as the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite for a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.²

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice, in a manner necessary to produce a credible result.

This Appraisal Report has been prepared under Standards Rule 2-2(a) of an appraisal performed under Standards Rule 1 of USPAP. The value set forth herein was determined after consideration and appropriate application and analysis by three approaches to value i.e., the Cost Approach, the Income (Subdivision Development) Approach, and the Sales Comparison Approach.

¹ The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice, Washington, D.C.: Appraisal Standards Board (2020-2021), DEFINITIONS

Blue Ridge Crossing Public Improvement District

As part of this appraisal, we completed a thorough investigation and analysis of the data considered pertinent to valuing the subject property.

Property Identification

The property has been identified using the following sources:

- Public records – Collin Central Appraisal District(CCAD)
- Legal descriptions
- Deed Records – Collin County
- Blue Ridge Crossing PID Concept Plan Exhibit by Pape-Dawson Engineers, Professional Engineers

Type and Extent of Data Researched

The following information was reviewed in preparing this report:

- Public record data
 - City of Blue Ridge Maps and Land Use Plans
 - Flood plain maps
 - Topographic maps
 - Demographics – CoStar, ESRI, and US Census Bureau
 - Market Conditions Data – S&P Case Schiller, CoreLogic, NTREIS, JLL, CBRE, Integra, CoStar, etc.
 - Concept Plan Exhibit by Johnson Volk Consulting, Professional Engineers
 - Estimated development costs provided by Pape-Dawson Engineers, the Professional Engineers
 - Survey by JM Civil Engineering, the Professional Engineers
 - Conversations with developers and homebuilders in DFW market
 - Information provided by the client
 - Development Agreement between the City of Blue Ridge and GLA Ventures, LLC

VALUATION METHODOLOGY

Three approaches to value are typically considered when developing a market value opinion for real property. These are the Cost Approach, the Sales Comparison Approach, and the Income (Subdivision Development) Approach. A summary of each portion of the subject property that requires valuation is shown below:

- 212 Improved Single-Family Residential Lots (40-FF, 50-FF, and 60-FF).

Improved Detached Single-Family Residential Lots (212 Improved Residential Lots)

Cost Approach

The Cost Approach involves research, verification, and comparison of sales of other vacant land with the subject land. The sales are then adjusted for value-related differences. Cost figures are obtained from the developer and engineer and compared to cost figures on competing developments. A developer's profit is based on profit expectations reported by developers as well as actual profit on similar developments.

The Cost Approach provides information that contrasts with information from the Income Capitalization and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when finished lots make up a substantial portion of the entire project. The subject property is being developed in one phase and there are no major improvements in place, *the Cost Approach is appropriate and thus was utilized* for the 212 improved residential lots.

Income (Subdivision Development) Approach

In the Income Capitalization Approach, the retail value of the residential lots is estimated. The individual lot values are based on lot sales in competing developments. The absorption rates, expenses, and discount rates are also based on competing developments. Since sales of individual lots to an end-user homeowner is exceedingly rare in tract home subdivisions in this market, the value of an individual retail lot is effectively the same value of a portion of lots to a homebuilder because homebuilders tend to be the exclusive buyers of vacant developed lots from land developers. In addition, discussions with developers and homebuilders as well as review of contracts indicate that lots are typically received by the builders on a takedown schedule with annual price escalations of approximately 6% so the lots are not released in bulk to the home builders. The indicated value by the Income (Subdivision) Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since the problem to be solved in this assignment is to determine the bulk sale value of 212 improved residential lots, as of the date of Substantial Completion (Effective Date), *the Income (Subdivision Development) Approach is appropriate and was developed.*

Sales Comparison Approach

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved

Blue Ridge Crossing Public Improvement District

subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify, *the Sales Comparison Approach was not fully developed by the appraisers*. Use of the approaches for the valuation of the improved lots in Blue Ridge Crossing PID is summarized as follows:

<i>Approach</i>	<i>Applicability to Subject</i>	<i>Use in Assignment</i>
Cost Approach	<i>Appropriate Since the Subject Property is Developed in One Phase</i>	<i>Utilized</i>
Income (Subdivision Development) Approach	<i>Appropriate in Determining Residential Subdivision Value</i>	<i>Utilized</i>
Sales Comparison Approach	<i>Aspects Used in Subdivision Valuation to Determine Retail Market Value of the Vacant Developed Lots</i>	<i>Partially Utilized</i>

COMPETENCY OF THE APPRAISER

James L. Maibach, C.P.M. is a State Certified General Real Estate Appraiser according to the Texas Appraiser Licensing and Certification Board and has appraised numerous properties similar to the subject since 1993. The appraiser also manages, through his commercial real estate management company, approximately 2.25 million SF of which 70% is industrial warehouse, 20% is Class B and C office and 10% in retail product in Tarrant, Dallas, and Johnson counties. Mr. Maibach has been personally involved in over 35 residential development projects as a broker, developer, bank director, and zoning consultant in the past 35 years. Leslie Tolliver is a State Certified General Real Estate Appraiser who has assisted in the analysis and appraisal of numerous properties similar to the subject. Brooke Clock is a Licensed Residential Appraiser and Brandon Lawson is an Appraiser Trainee and have assisted in numerous properties similar to the subject property. Attention is paid to the qualifications of each individual, which are presented in the Addenda of this report.

Peyco Southwest Realty is a full-service professional real estate appraisal and consulting firm, providing service to a variety of corporate, institutional, governmental, and private clientele. In the past 12 months, our firm has completed numerous valuation assignments involving similar properties. Mr. Maibach currently owns, represents, and manages multiple properties throughout the DFW Metroplex, mostly in Tarrant, Dallas, Johnson, and Ellis Counties. The subject is located in the City of Blue Ridge, Collin County, Texas.

INTENDED USE AND USERS

The intended use of the appraisal is to estimate the market value upon completion of the underwriting of a proposed Public Improvement District bond transaction as of the Effective Date of Substantial Completion. The client and intended user is FMSbonds, Inc. The City of Blue Ridge is also an intended user. The appraisal is not intended for any other use or user. No party or parties other than the City of Blue Ridge and FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in this report; provided, however, it is acknowledged that this Appraisal will be used in a preliminary and final limited offering memorandum for the Public Improvement District bonds. The Client may, without Appraiser's prior authorization or notice to Appraiser, provide the Appraisal to other parties for their use in analysis-related activities, however, it does not make the recipient an intended user of this engagement.

DATE OF THE APPRAISAL REPORT

The preparation of this Appraisal Report was completed on **April 30, 2025**. The initial draft of this appraisal report was completed on **January 27, 2025**.

EFFECTIVE DATES OF THE APPRAISAL

The descriptions, analyses, and conclusions of this report for the designated Market Values of the subject property are applicable as of **June 1, 2025**, which is the expected date of Substantial Completion. Leslie Tolliver inspected the property on **January 8, 2025**. Jim Maibach, Brooke Clock, and Brandon Lawson have not inspected the subject property.

ASSIGNMENT CONDITIONS

Assignment conditions include assumptions that affect the scope of work, other than those previously discussed in the “Assumptions and Limiting Conditions”. There are no other material and specific hypothetical conditions or extraordinary assumptions other than those referenced in this report.

PROPERTY RIGHTS APPRAISED

The property rights appraised in this assignment are the Fee Simple Estate in the subject property. A commitment for Title Insurance was not submitted to the appraisers and reservations, if any, are unknown. If property rights differ from the above definitions, the value may be affected.

ASSETS APPRAISED

The assets appraised in this appraisal assignment include land, any primary and ancillary site improvements. No furniture, fixtures, equipment (FF&E), personal property, mineral rights or business value were included in the valuation process.

ENVIRONMENTAL CONDITIONS

No environmental report was available to us, and no recent environmental tests were performed. Because we have no evidence to the contrary, we have assumed that the property is free of any material defects, other than those noted, which would adversely affect the value, including, but not limited to, asbestos and toxic waste. Our value conclusions are subject to revision should these assumptions prove incorrect. We caution and advise the user of this report to obtain environmental studies which may be required to ascertain the status of the property regarding asbestos and other hazardous materials.

HISTORY OF SUBJECT PROPERTY

Grayson County deed records indicate the subject property is owned by GLA Ventures, LLC. The subject property consists of two parcels and the purchase price of the property was not disclosed to the appraisers. The subject property was deeded as follows:

- Per Grayson County Appraisal District parcel numbers 2855615, 2855617 were deeded to GLA Ventures, LLC on March 31, 2022, from Michael McCreary via deed instrument 20220401000530400. This transaction appears to be arms-length.

We are unaware of any other attempts to sell or divest the subject property, as of the report date. This historical ownership data was researched and reported in order to comply with USPAP which requires a 3-year history of the subject property. It should not be used in lieu of a title search and is not intended as a guarantee to the chain of title.

LEGAL DESCRIPTIONS

The subject property includes two tracts of land within the subject property with a legal description of ABS A0557 M MOWERY SURVEY, SHEET 4, TRACT 100, 36.8232 ACRES (Collin County Tax ID Number 2855615) and BLUE RIDGE ORIGINAL DONATION (CBL), BLK 1, LOT 11A-1 (Collin County Tax ID Number 2855617).

PENDING TRANSACTIONS TO BUILDERS

The land within the development is owned by GLA Ventures, LLC. GLA Ventures, LLC appears to be under the corporate umbrella of LGI Homes. According to the developer, LGI Homes will develop the subject property and will be the ultimate seller to the end user when the lots are fully developed with single-family residential developments. Therefore, there are no purchase and sale contracts.

**Real Estate Taxes
Collin Central Appraisal District**

Real estate tax assessments are administered by the Collin Central Appraisal District (CCAD) and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by \$100, then multiplying the estimate by the composite rate.

Real estate taxes and assessments for the projected 2025 tax year are shown in the following table which include taxes to Blue Ridge City, Collin County, Collin College, and Blue Ridge ISD. The projected combined tax rate for those entities is **.02014311 per \$100 assessed** as shown in the table below:

Projected Property Taxes - 2025	
Entity	Rate
Blue Ridge City	0.528548
Collin County	0.149343
Collin College	0.081220
Blue Ridge ISD	1.255200
Total	2.014311

The Blue Ridge Crossing PID is two contiguous tracts of land consisting of two tax parcels. The projected (2025) tax burden for the subject property – which is currently undeveloped land – was \$257.99 which is heavily reduced due to the Agricultural exemptions. A table of the assessed values and property taxes of the projected year (2025) of the subject property is shown below:

TAXES (COLLIN CAD - 2025)							
ID	Owner	Size (AC)	Improvement Market Value	Land Market Value	Ag Exemption	Assessed Value	Estimated Taxes
2855615	GLA Ventures, LLC	82.561	\$ 5,783	\$ 1,031,050	\$ 1,024,974	\$ 11,859	\$ 238.88
2855617	GLA Ventures, LLC	36.823	\$ -	\$ 160,966	\$ 160,017	\$ 949	\$ 19.12
Total Combined:		119.384	\$5,783.00	\$1,192,016	\$ 1,184,991	\$12,808	\$257.99

The Land area represented by Collin Central Appraisal District are not necessarily accurate. The land market that Collin Central Appraisal District (“Collin CAD”) has determined - \$1,192,016 (\$10,033/AC, \$0.23/SF) – would lead to a tax burden of \$24,010.91 if fully taxed. When the property is redeveloped into residential lots, there may be rollback taxes due to the municipal entities. We have not considered the effect of rollback taxes herein and that is beyond the scope of work of this report.

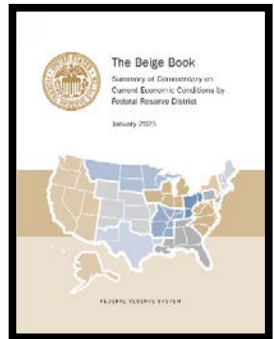
Upon substantial completion of the improved lots, the appraised value is expected to increase significantly; however, based on our company’s experience as licensed property tax consultants working with tax districts and homebuilders, we believe the finished lots will be assessed by the appraisal district at below retail lot value. Finished lots are often assessed by tax districts at approximately 70% of the retail value because the tax district does not have reliable information on updated costs and because developers are eligible for an inventory reduction on their lots.

MARKET OVERVIEW

ECONOMIC INDICATORS: BEIGE BOOK

FEDERAL RESERVE BANK (JANUARY 15, 2025)

Due to the subject's location in North Texas, coupled with integrated business economies, it is relevant to consider the national and regional economic indicators presented by the Federal Reserve Bank of Dallas in the Beige Book. Excerpts from the most recent Beige Book are presented below:



Overall Economic Activity

Economic activity increased slightly to moderately across the twelve Federal Reserve Districts in late November and December. Consumer spending moved up moderately, with most Districts reporting strong holiday sales that exceeded expectations. Vehicle sales grew modestly. Construction activity decreased overall, with several Districts indicating that high costs for materials and financing were weighing on growth. Manufacturing decreased slightly on net, and a number of Districts said manufacturers were stockpiling inventories in anticipation of higher tariffs. Residential real estate activity was unchanged on balance, as high mortgage rates continued to hold back demand. Commercial real estate sales edged up. The nonfinancial services sector grew slightly overall, with Districts highlighting growth in leisure and hospitality and transportation, notably air travel. Truck freight volumes, however, were down. Financial service providers reported modest growth in lending and little change in asset quality overall, though lenders and community organizations voiced concerns about delinquencies among small businesses and lower-income households. Nonprofit social service agencies faced high demand amidst uncertainty about future funding levels. Agricultural conditions remained weak overall, with generally lower farm incomes and weather-related struggles in some areas. The spread of avian flu reduced egg supplies and pushed up prices. Energy activity was mixed. More contacts were optimistic about the outlook for 2025 than were pessimistic about it, though contacts in several Districts expressed concerns that changes in immigration and tariff policy could negatively affect the economy.

Labor Markets

Employment ticked up on balance, with six Districts reporting a slight increase and six reporting no change. Contacts in several service industries, notably healthcare, continued to see job growth. Construction employment increased slightly, while manufacturing employment was flat. Contacts across multiple sectors noted difficulty finding skilled workers, and reports of layoffs remained rare. However, contacts in some Districts expressed greater uncertainty about their future staffing needs. Wage growth picked up to a moderate pace in most Districts, though there were some reports that wage pressures had eased.

Prices

Prices increased modestly overall, with growth rates ranging from flat to moderate. Contacts in most Districts reported modest increases in selling prices, though there were instances of flat or decreasing prices as well, particularly in the retail and manufacturing sectors. Input costs also rose, with contacts highlighting higher insurance prices, particularly for health insurance. However, as with selling prices, there were several mentions of flat or lower input costs, particularly for fuel. Contacts expected prices to continue to rise in 2025, with some noting the potential for higher tariffs to contribute to price increases.

ELEVENTH DISTRICT

FEDERAL RESERVE BANK OF DALLAS – JANUARY 15, 2025

Summary of Economic Activity

The Eleventh District economy continued to expand moderately over the reporting period. Growth resumed in manufacturing output and activity picked up in nonfinancial services and retail. Bank loan volume expanded, and banks reported increased demand for loans despite continued credit tightening. Home sales increased slightly, while energy activity was steady. Overall employment rose slightly in December, although manufacturing employment was flat. Wages and prices grew moderately. Demand for nonprofit services remained high amid uncertainty regarding government funding. Outlooks continued to improve although there was concern regarding potentially adverse effects of future immigration and trade policies.

Labor Markets

Employment rose slightly in December. Services employment increased led by education and health services, while employment fell in trade, transportation, and utilities and information services. Manufacturing employment remained flat as job gains in durable goods were offset by losses in nondurable goods manufacturing. According to a Dallas Fed survey, about a third of firms are looking to hire either for new positions or replacement, while around two percent are laying off workers, both percentages remained steady since August.

Contacts reported an adequate supply of low-skilled labor, but a tight supply of skilled workers. One firm is looking to hire remote workers abroad to meet its need for skilled workers and another firm noted increasing wages to retain talent. A third contact noted that their firm's growth is being held back by the struggle to find high-quality employees. Energy contacts stated that while overall hiring was on pause, exceptions were being made for certain skilled positions. Wage growth remained moderate, but firms anticipate wage growth to be slower in the upcoming year than it was in the past 12 months.

Prices

Prices increased at a moderate pace over the reporting period. Selling and input prices grew moderately in services, while slowing to a modest pace in manufacturing. Contacts broadly noted that potential tariffs would raise input costs, and, in response, several firms anticipate passing through the increased cost to consumers. Firms plan to raise selling prices by more than they did in 2024 although input prices are expected to grow more slowly.

Manufacturing

Manufacturing activity grew modestly in December, led by gains in computer and electronic products and food manufacturing. Manufacturers reported no growth in new orders, though many expect an increase in demand in the first half of 2025. A Dallas Fed survey showed that two-thirds of manufacturers are acting ahead of the anticipated tariffs, by raising prices, finding new suppliers, and in housing production or processes. Outlooks continued to improve in December but were tempered by concern about changes in domestic policy.

Retail Sales

Retail sales grew robustly in December driven by increased revenues for retailers and nondurable goods wholesalers. Meanwhile, durable goods wholesalers saw net declines. Auto dealers reported a modest increase in sales, although a few contacts noted that margins continue to remain under pressure. Overall outlooks remained positive with some contacts citing optimism about the implementation of business-friendly policies by the incoming administration.

Nonfinancial Services

Non-financial services activity continued to grow moderately over the reporting period. Revenue growth was led by trade, transportation, and utilities as well as professional and business services. Revenues fell in information and leisure and hospitality. A transportation services firm reported a small increase in parcel volumes, while another contact noted that despite slow growth, overall parcel volumes in 2024 will match the 2022 record-breaking level. Demand for air travel remained strong driven by leisure travel. Despite this, one airline industry contact reported not planning to increase capacity to keep upward pressure on airfares. Moreover, to further improve margins, the airline plans to implement cost cutting measures such as reducing discretionary spending and improving workforce efficiencies. Non-financial services' outlooks remained positive in December, and most firms expect an increase in revenue over the next six months. However, many contacts expressed concern about the negative impact of some anticipated domestic policy changes.

Construction and Real Estate

Housing contacts noted mixed activity, with some reporting meeting or exceeding sales expectations while others citing sluggish demand. Homebuilders continued to offer incentives to capture sales. Home inventories inched upward, elevated mortgage rates and high home prices continued to challenge affordability. Outlooks were cautiously optimistic.

Commercial real estate activity was stable during the reporting period. Apartment leasing was seasonally slow, and rents were flat to down as apartment operators remained focused on maintaining occupancy. Office leasing demand picked up in some markets but remained subdued overall. Industrial activity was characterized as solid, and rents rose modestly.

Financial Services

Loan volume accelerated sharply in December. Credit tightening continued, but loan pricing declined, both at the same pace as six weeks ago. Loan nonperformance rose but at a slower pace. In addition to swift growth in loan demand, bankers reported a sizeable pickup in general business activity for the first time in over two years. Meanwhile, bankers' outlooks turned even more optimistic. They expect rapid improvement in loan demand and business activity and just a mild deterioration in loan performance six months from now.

Energy

Oilfield activity was largely flat over the reporting period. Contacts noted that oil prices in early 2025 were not expected to support an increase in production. A lower price outlook than a year ago, rising productivity, and ongoing M&A activity are expected to keep a lid on production capex growth, if there is any. Exploration and production contacts noted that M&A activity is expected to remain healthy through 2025 resulting in some further layoffs though most operations are "operating as lean as they can already." Job losses are also expected by oilfield services contacts primarily in natural gas producing regions. Narrowing margins are being driven by consolidation among their customers, and rising insurance costs. Due to this narrowing, investment in equipment is expected to remain at "maintenance levels."

Agriculture

Drought conditions retreated in parts of the district and remained present in others. Conditions improved in the cattle sector with more ample grazing—thanks to recent rainfall—and significantly higher calf prices. Row crop producers faced financial struggles in 2024 with largely unprofitable crop prices, and contacts expressed continued financial concerns heading into the new year. The winter wheat crop is a bright spot looking ahead, with strong production prospects and solid demand. Several contacts noted concern about disruption from potential retaliatory tariffs on agriculture exports.

Community Perspectives

Nonprofit service providers reported a sustained high level of demand for social services. This comes at a time of heightened uncertainty regarding future funding from state and federal governments and possible changes in eligibility for social assistance programs. Nonprofits are looking for alternative sources of funding, as a result. An El Paso contact noted that if changes in eligibility require more work hours, the resulting influx of generally low-skilled workers into a saturated labor market will suppress wages. Another contact reported that close to half of the families they serve lost childcare benefits recently because they could not find a job within the required time. In higher education, 2024 community college enrollment exceeded pre-pandemic levels. In addition, many community colleges have surpassed performance expectations, and thus, will receive additional funding in 2025.

Texas A&M University
Texas Real Estate Research Center
Outlook for the Texas Economy (Excerpts)

Joshua Roberson, Junqing Wu, and Rhutu Kallur (Updated December 4, 2024)



Summary

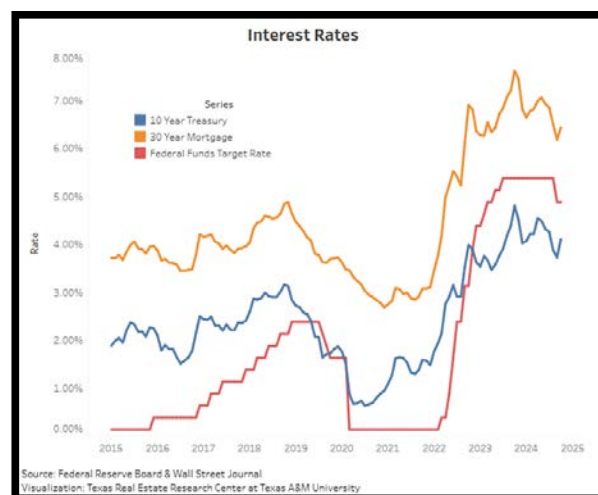
Texas total nonfarm employment dipped in October after two months of growth. Despite the loss of jobs, the unemployment rate held steady at 4.1% and the labor force participation rate climbed to 64.6%. Inflation remained resilient and failed to decrease toward the 2% target rate.

Inflation Progress Stalls Again

Over the past 12 months, the Consumer Price Index (CPI) has grown by 2.6% before seasonal adjustment. Meanwhile, prices for all items excluding food and energy rose by 3.3% (referred to as core inflation), same as in September.

While the inflation rate has slowed since last year, the past few months have shown some reverses. The seasonally adjusted CPI for all items rose by 0.2% in October, maintaining the same monthly increase for four months now. Core inflation increased by 0.3% for the third month in a row.

Food prices increased by 2.1% from October 2023 to October 2024, compared to a 3.3% rise from October 2022 to October 2023 and a 10.9% surge from October 2021 to October 2022. Consumer energy prices dropped 4.9% year over year (YOY) in October.



The trade, transportation, and utilities sector had a minor decline of 1,000 jobs in October, remaining relatively stable overall. The professional and business services sector saw a more significant reduction, losing 19,400 jobs, equivalent to a 0.9% decrease. Similarly, the education and health services sector contracted by 3,400 jobs, reflecting a 0.2% decline.

MSA Employment Growth Map

Map showing MSA Employment Growth by county for Q3 2023. The map displays the percentage change in employment (MoM Percent Change) for various Metropolitan Statistical Areas (MSAs) in Texas. The color scale ranges from -0.2% (orange) to 0.6% (dark blue).

Key MSAs and their MoM Percent Change:

- Amarillo: 0.4%
- Lubbock: 0.3%
- Odessa: -0.2%
- San Angelo: 0.4%
- Abilene: 0.6%
- Wichita Falls: 0.2%
- Dallas: 0.1%
- Tyler: 0.1%
- Shreveport: -0.2%
- Monroe: -0.2%
- Ciudad Juárez: 0.0%
- Austin: 0.1%
- San Antonio: 0.1%
- Houston: -0.1%
- Corpus Christi: 0.2%
- Reynoldsburg: 0.1%
- San Marcos: 0.1%
- San Jose: 0.2%
- San Diego: 0.2%
- San Luis Obispo: 0.2%
- San Bernardino: 0.2%
- San Francisco: 0.2%
- San Jose: 0.2%
- San Diego: 0.2%
- San Bernardino: 0.2%
- San Francisco: 0.2%

Source: Texas Workforce Commission
Visualization: Texas Real Estate Research Center at Texas A&M University

Texas Home Sales Increase

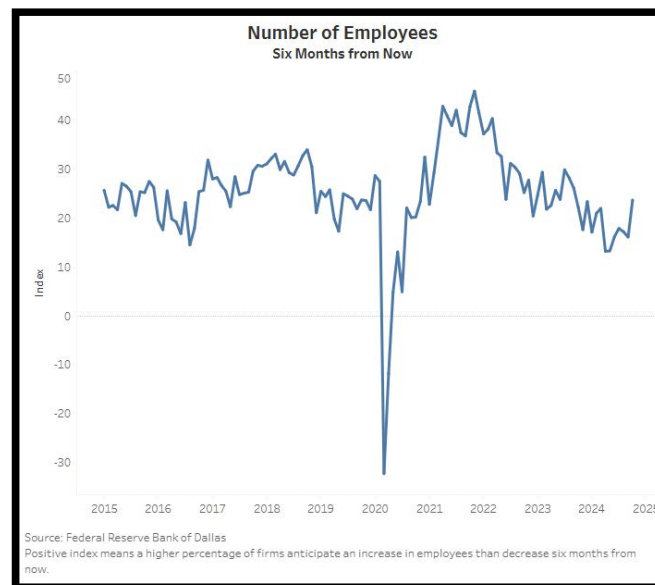
Texas total home sales rose by 8.8% in October, reaching 28,859 transactions, continuing the upward trend observed in September. Among the Big Four metro areas, San Antonio led with a significant 16.8% increase, recording 2,906 transactions. Houston followed with a 12.1% rise to 8,066 transactions. Austin maintained its modest growth from August, posting a 7% increase to 2,488 transactions. In contrast, Dallas experienced a slight decline, with sales decreasing by 1% to 7,432 transactions.

Home Sales Volume			
	Sep	Oct	MOM Change
San Antonio-New Braunfels	2,487	2,906	16.8%
Houston-Pasadena-The Woodlands	7,198	8,066	12.1%
Texas	26,532	28,859	8.8%
Austin-Round Rock-San Marcos	2,326	2,488	7.0%
Dallas-Fort Worth-Arlington	7,508	7,432	-1.0%

Source: Data Relevence Project and Texas Real Estate Research Center at Texas A&M University
Note: Data are seasonally adjusted

Service Sector Employee Dips Again

The state's private service sector shed 12,600 jobs in October, marking the first decline since July. According to the Dallas Fed Texas Service Sector Outlook Survey, the employment index for October registered at -0.2, signaling that most firms had stagnant employment levels for the month. The outlook six months from now is a lot more optimistic, with a jump from 16 to 23.6.



The general business activity index increased by five points to 2.0, marking its first positive reading in over two years and signaling a slight recovery in economic conditions. Similarly, the company outlook index rose three points to 3.8, suggesting growing optimism among businesses about future prospects. However, the outlook uncertainty index jumped nine points to 17.9, reflecting persistent concerns and uncertainty in the broader business environment. This contrast between improving activity and rising uncertainty highlights a cautious approach by businesses as they navigate the current economic landscape.

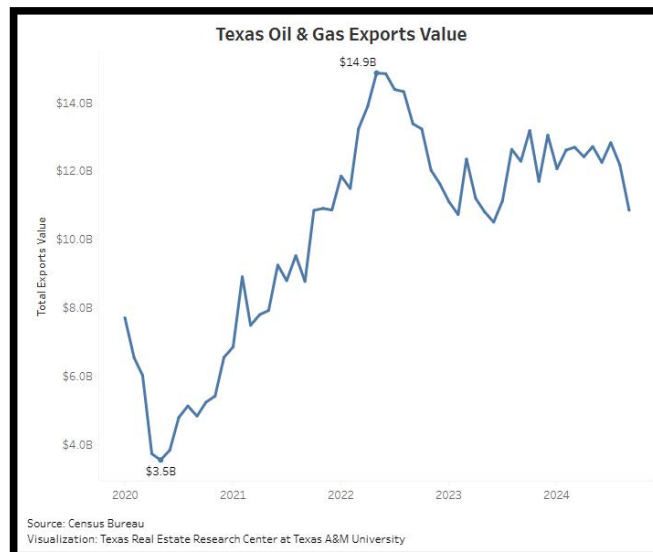
Blue Ridge Crossing Public Improvement District

The sudden uptick in input prices could be contributing to the uncertainty. After bottoming out in May of this year at 20.70, the input price index has gradually increased to 26.10. Expectations six months from now are that this will continue with the future index increasing to 43.90 in October from 32.90 in September.

Decline In Asian Demand Drives Down Texas Oil and Gas Export

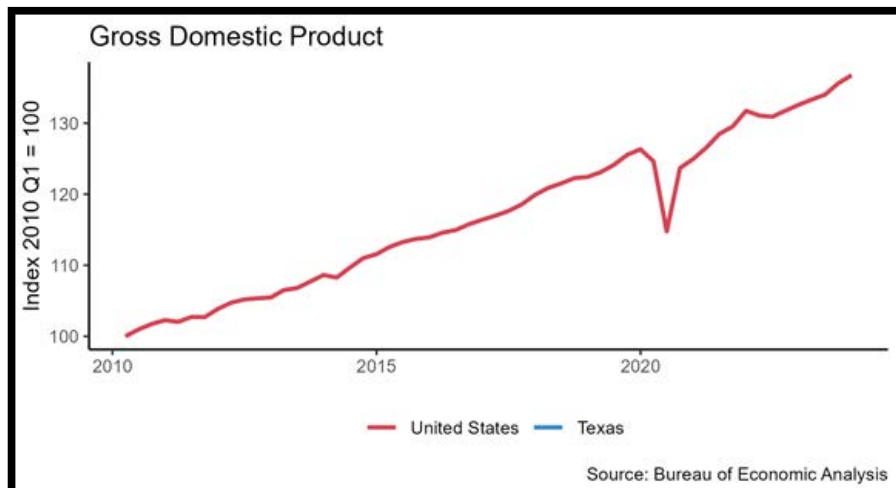
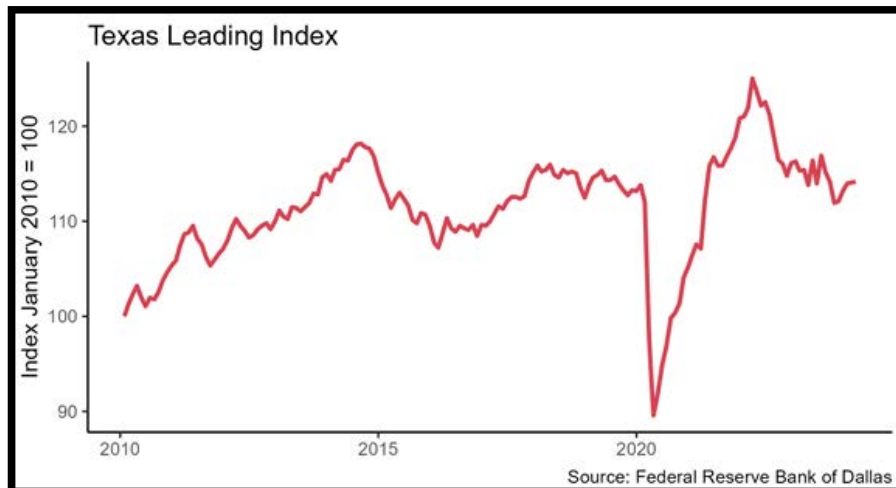
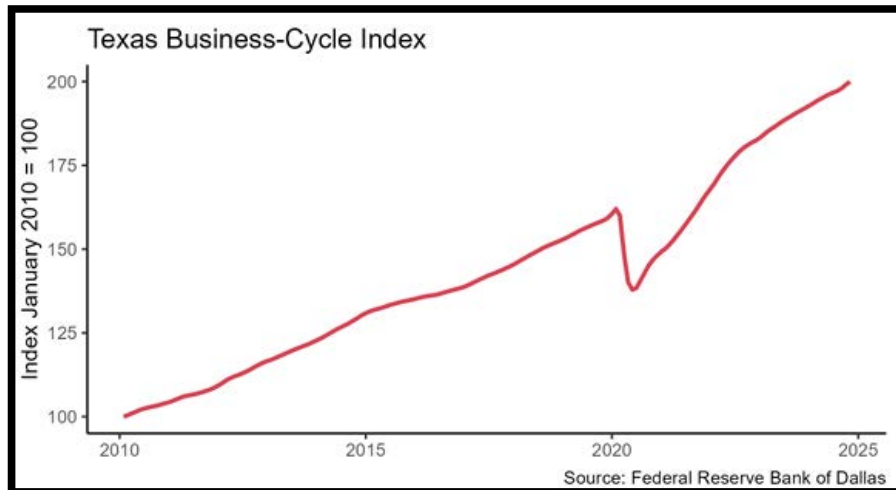
Texas' overall commodity exports declined by 7.9% MOM and 4.1% YOY in September. Demand for Texas' leading export, oil and natural gas, declined sharply, falling by 10.9% MOM and 11.7% YOY. Additionally, petroleum and coal exports recorded drops of 11% MOM and 5.1% YOY.

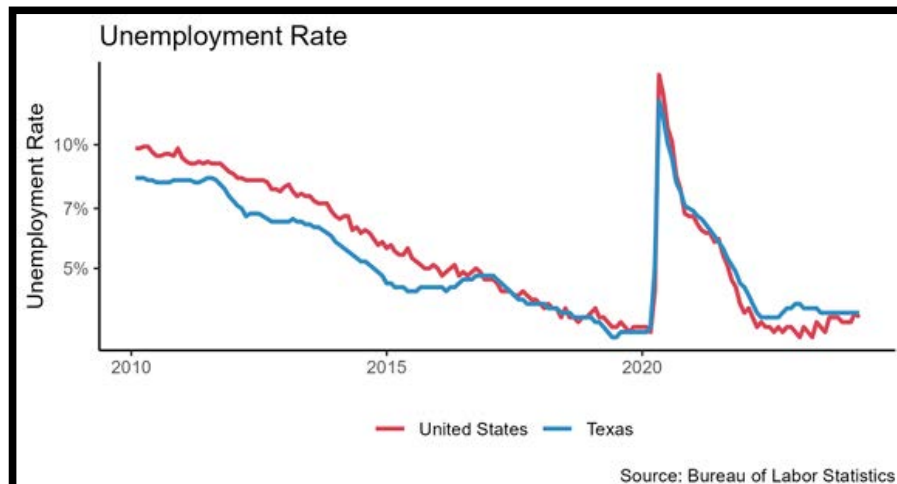
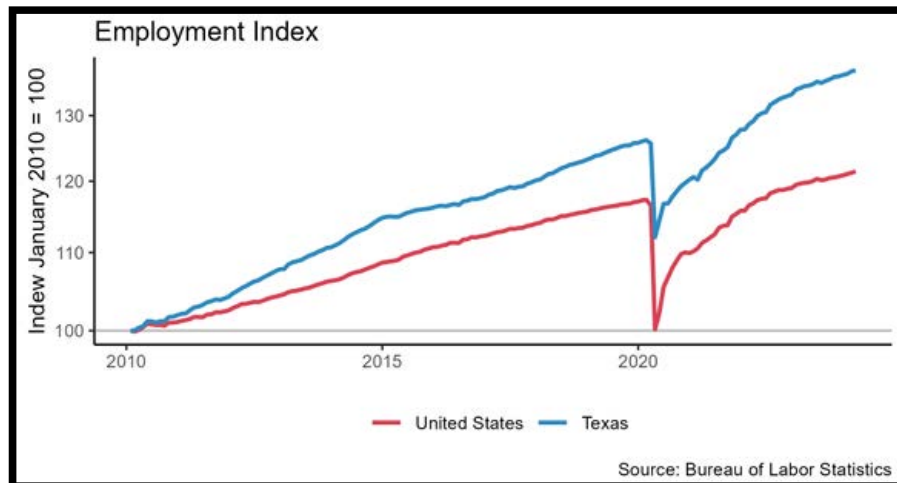
Oil and gas exports to Asia fell from \$5.21 billion in August 2024 to \$4.44 billion in September, a 14.8% decrease, which also led to a drop in Asia's share of Texas' total exports, from 43.8% to 41.8%. Lower demand from the Asian market has directly impacted Texas' oil and gas export performance, significantly contributing to the state's overall export decline. It may also suggest a shift in Asia's energy consumption patterns or changes in its sourcing strategies, placing additional pressure on Texas' export market.

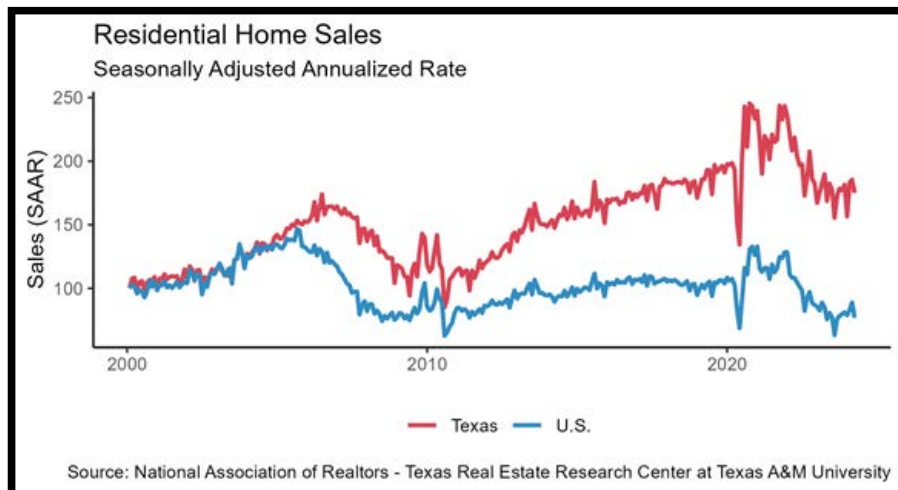
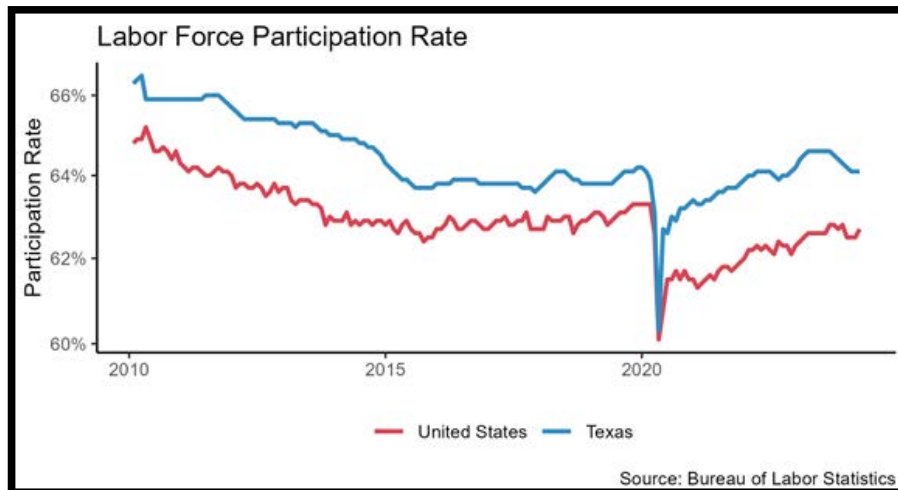
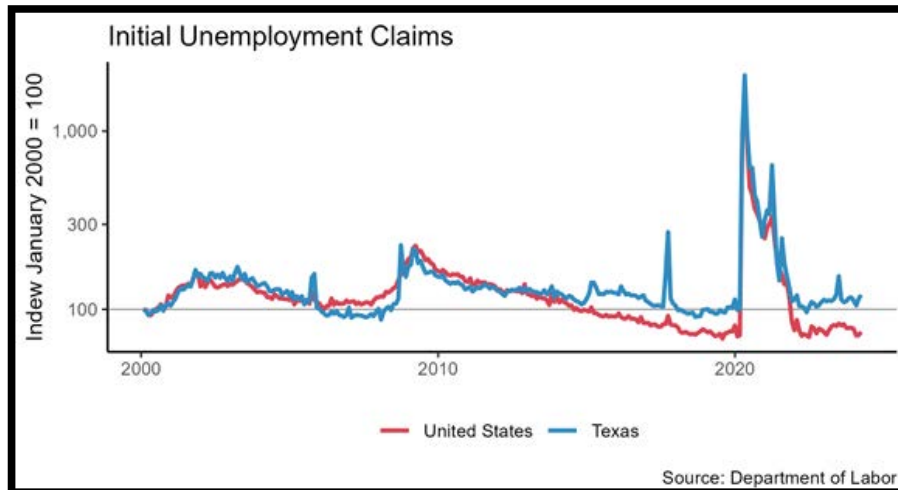


Select Economic Indicators

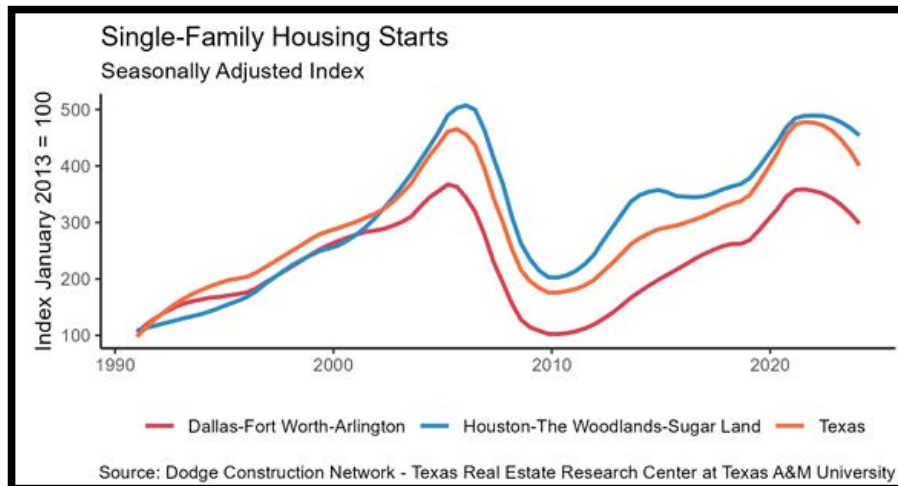
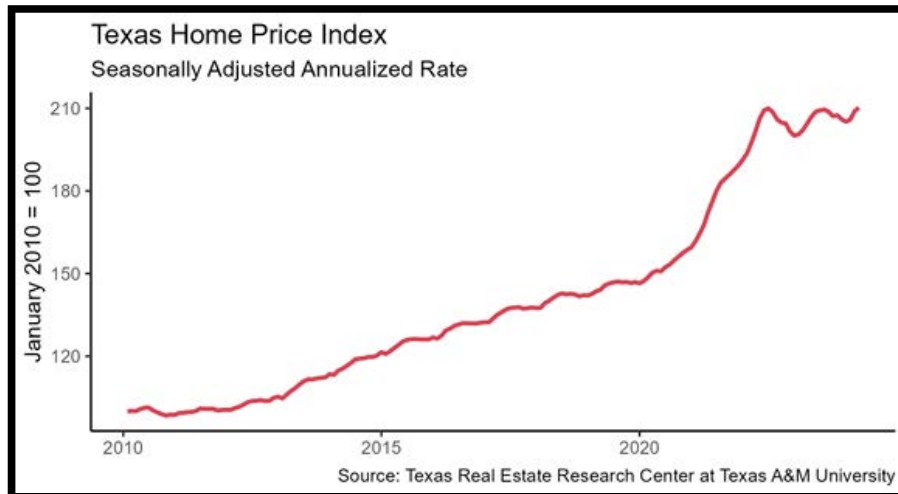
- The Texas Leading Economic Index declined slightly to 116.4 in October, continuing September's downward trend.
- Nominal average hourly earnings decreased to \$33.32 in October, reflecting a 3.8% YOY increase.
- Earnings declined across three of the four major metros, with Austin experiencing a \$0.33 decrease and Houston and San Antonio each seeing an \$0.18 decrease. Meanwhile, Dallas-Fort Worth (DFW) saw a modest increase of \$0.19.
- Texas consumer confidence increased by 6.4% MOM in October, reaching 109.5.
- The ten-year U.S. Treasury bond rose by 38 basis points, standing at 4.1%.
- The Federal Home Loan Mortgage Corporation's 30-year fixed-rate rose 25 basis points to 6.43%.
- The West Texas Intermediate (WTI) crude oil spot price increased by 2.5% MOM to \$71.99. The Henry Hub natural gas spot price decreased by 3.4% MOM from \$2.28 to \$2.20 per million British thermal units (BTU).







Blue Ridge Crossing Public Improvement District



TEXAS HOUSING INSIGHT (EXCERPTS)

Texas A&M University – Texas Real Estate Research Center
Joshua Roberson, Junqing Wu, and Rhutu Kallur (January 13, 2025)



Summary

Home sales typically cool off by October, but this year is a little different with sales in both September and October higher than they were during the summer. The rate of new listings is still on the rise resulting in rising inventory levels. Home prices, on the other hand, have remained the same. Interest rates increased for the first time since spring 2024. Finally, new-home permits were flat this month, but housing starts made a strong month-over-month (MOM) push.

Sales Increase, New Listings Follow

Unlike most years when sales activity is high in July and August and low in the last quarter, 2024 showed the opposite. Sales dipped in August and increased in October by 8.8% (28,859) (Table 1). San Antonio had the highest sales increase, reaching almost 17% (2,906), followed by Houston with 12% (8,066) and Austin at 7% (2,488). Dallas was the only city among the Big Four to see a decline in sales (1%, or 7,432).

Table 1. Home Sales Volume			
	Sep	Oct	MOM Change
San Antonio-New Braunfels	2,487	2,906	16.8%
Houston-Pasadena-The Woodlands	7,198	8,066	12.1%
Texas	26,532	28,859	8.8%
Austin-Round Rock-San Marcos	2,326	2,488	7.0%
Dallas-Fort Worth-Arlington	7,508	7,432	-1.0%

Source: Data Relevance Project and Texas Real Estate Research Center at Texas A&M University
Note: Data are seasonally adjusted

New listings have been increasing since July 2024 and continued to increase in October. Among the Big Four, Houston and San Antonio experienced MOM increases of 10.3% (14,627) and 8.6% (4,447), respectively. San Antonio has been almost at a vertical incline since mid 2024. Dallas and Austin grew by 7.3% (12,063) and 5% (3,774), respectively.

The state's average days on market (DOM) fell to 61 days in October, a two-day drop. Houston had the largest decrease—from 53 to 50 days, a 4.3% decrease. Austin also fell from 73 days to 71 days, a 3.3% decrease,

Blue Ridge Crossing Public Improvement District

followed by San Antonio, which went from 74 days to 73 days, a 2.1% decrease. Dallas was the only Big Four city to see an increase in DOM—from 54 to 56 days, a 4% increase.

Texas' number of active listings increased from 122,192 to 124,663 (2%). There has been no significant activity in October across the Big Four. Houston increased by 2.4% (30,345) followed by Dallas at 1.8% (28,704). Austin had a 0.6% decrease in active listings (28,704), while San Antonio had almost no activity, remaining at 14,000 listings.

Statewide pending listings have decreased from 29,006 to 28,516, a 1.7% overall drop. Dallas saw a 5.4% increase in pending listings, from 7,717 to 8,133, followed by Austin at 2.4% (2,565). Dallas has been consistently increasing since August 2024. Houston rose by 2% (7,577), while San Antonio fell by 0.6% (2,854).

Interest Rates Bounce Back

Treasury and mortgage rates both increased in October with the average ten-year U.S. Treasury Bond yield up by 38 basis points, reaching 4.1%. The Federal Home Loan Mortgage Corporation's 30-year fixed-rate rose by 25 basis points to 6.43%. October was the first month of increase for both rates since spring 2024. Additionally, both rates have increased even as the federal funds rate has continued to drop.

New-Home Starts Rally

Statewide, building permits increased by 0.9% MOM in October. Except for Dallas, the Big Four had an upward trend with Austin at 17.7%, San Antonio at 7.6%, and Houston at 1.6%. Dallas fell by 8.6%.

Seasonally adjusted statewide single-family starts increased 8.7% MOM to 14,332 units. Most of the Big Four had an uptick. San Antonio and Dallas had the highest increases at 30.3% (1,164) and 25.6% (3,813), respectively. Austin was up by 1.5% (1,555), while Houston fell 0.7% (4,393).

The state's total value of single-family starts climbed from \$25.4 billion in October 2023 to \$32.07 billion in October 2024. Houston accounted for 35.3% of the state's total starts value, followed by Dallas with 27.2%.

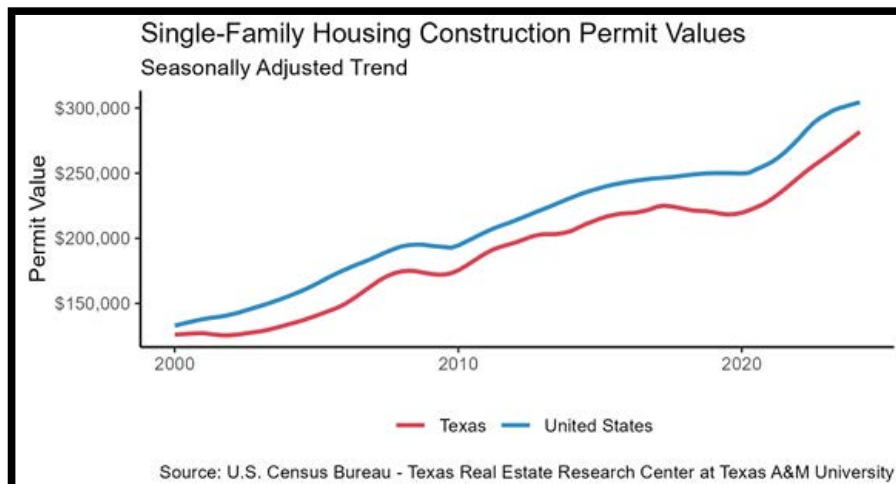
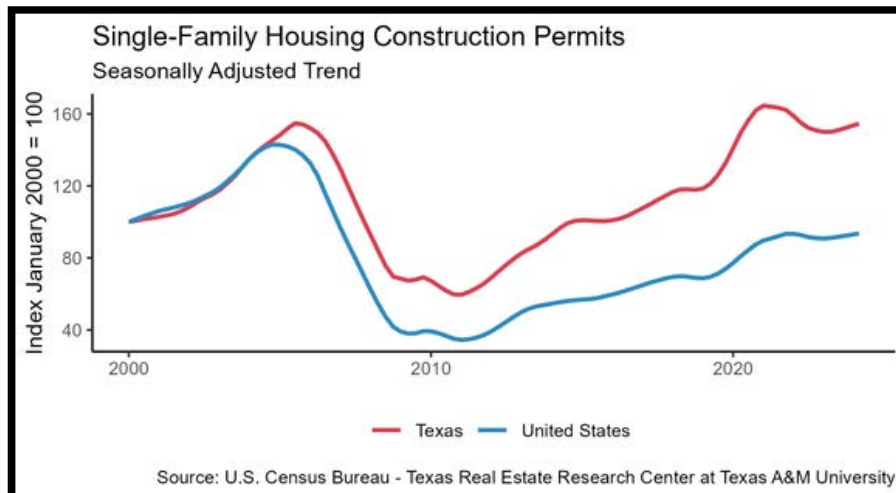
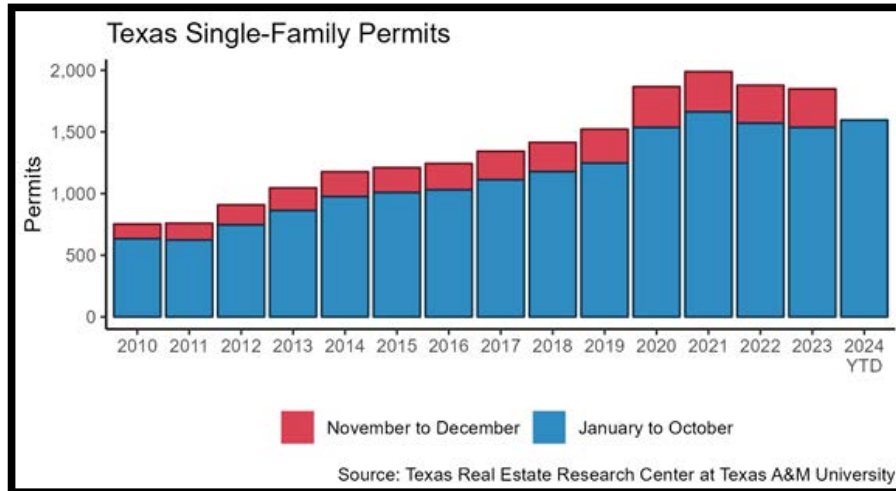
Home Price Remain Steady

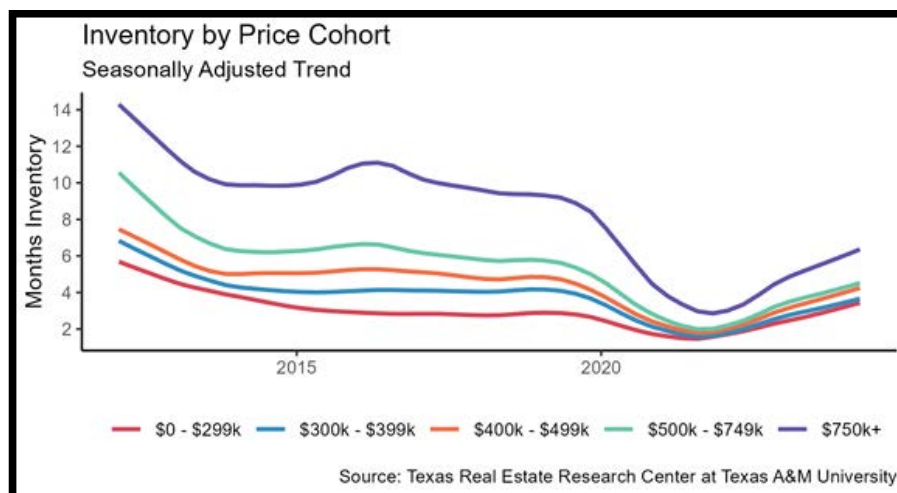
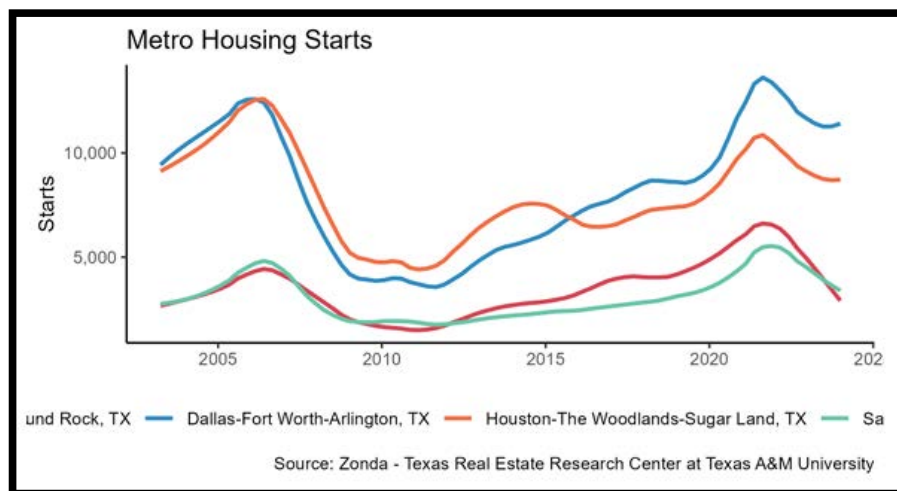
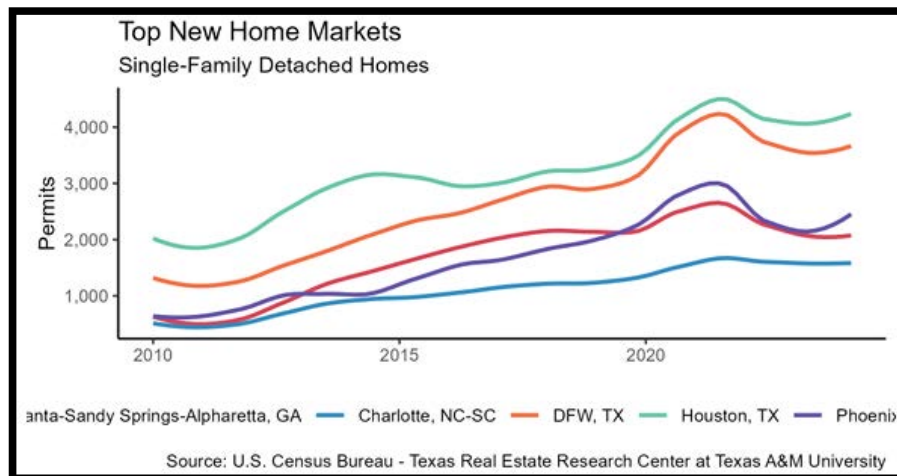
Texas' median home price didn't change in October, remaining at \$335,000 (Table 2). Dallas grew the most—3%, from \$393,340 to \$404,995. Austin followed at 1.8% (\$430,304 to \$437,835). San Antonio rose by 0.3%, an increase slightly above \$1,000, and currently stands at \$306,624. Houston fell 0.1% to \$337,852.

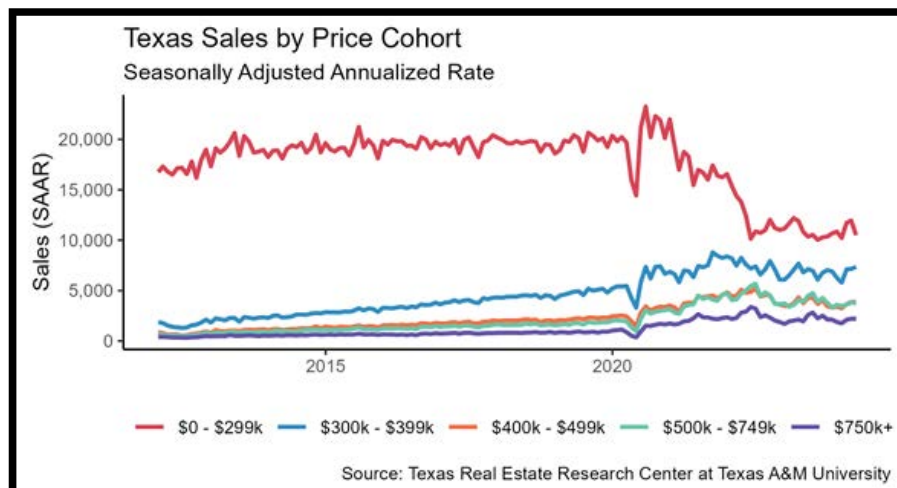
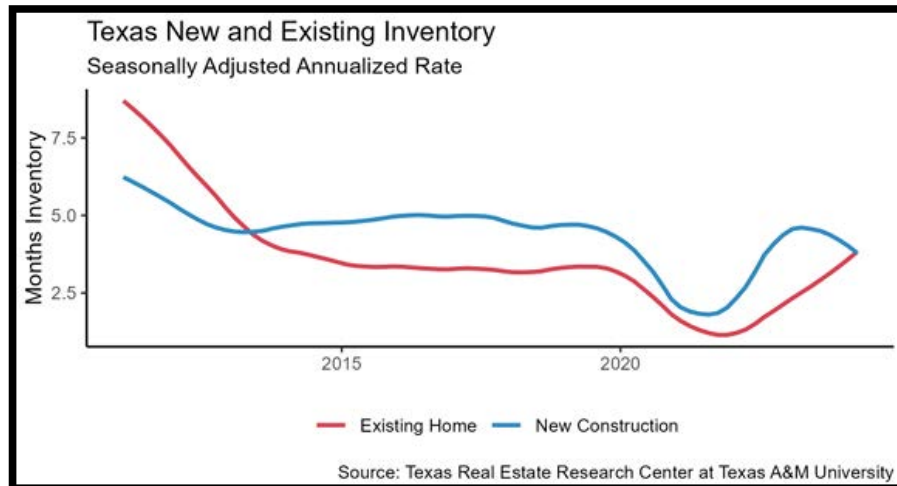
Table 2. Median Housing Prices			
	Sep	Oct	MOM Change
Dallas-Fort Worth-Arlington	\$393,340	\$404,995	3.0%
Austin-Round Rock-San Marcos	\$430,304	\$437,835	1.8%
San Antonio-New Braunfels	\$305,599	\$306,624	0.3%
Texas	\$335,516	\$335,773	0.1%
Houston-Pasadena-The Woodlands	\$338,154	\$337,852	-0.1%
Source: Data Relevance Project and Texas Real Estate Research Center at Texas A&M University Note: Data are seasonally adjusted			

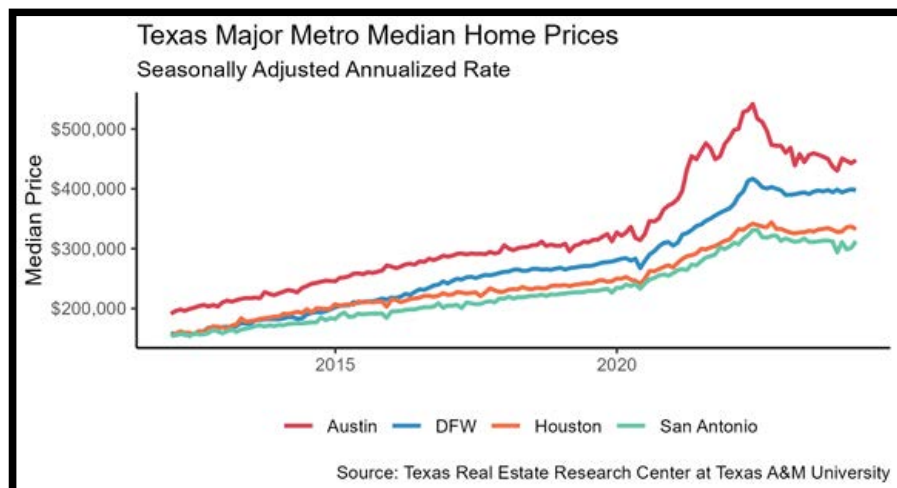
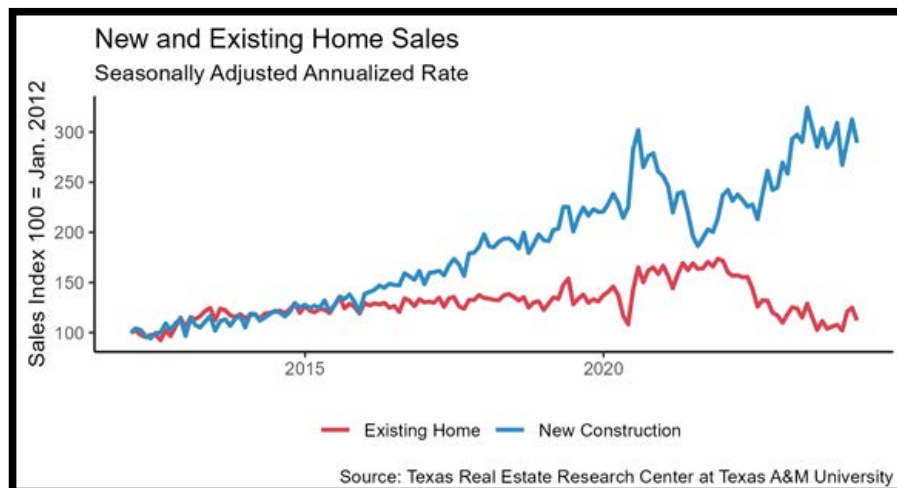
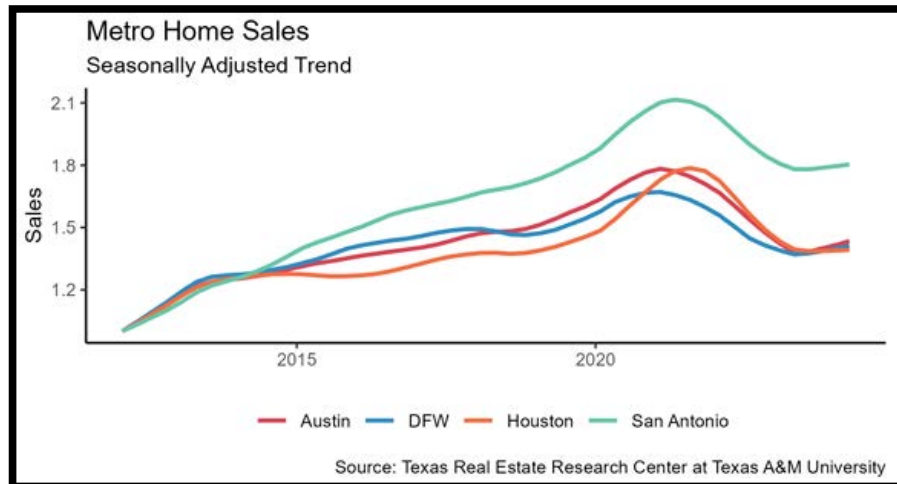
Blue Ridge Crossing Public Improvement District

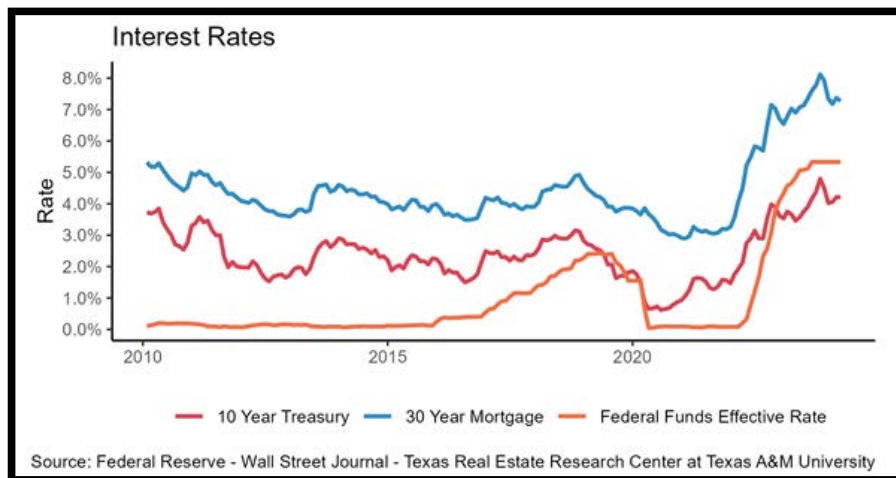
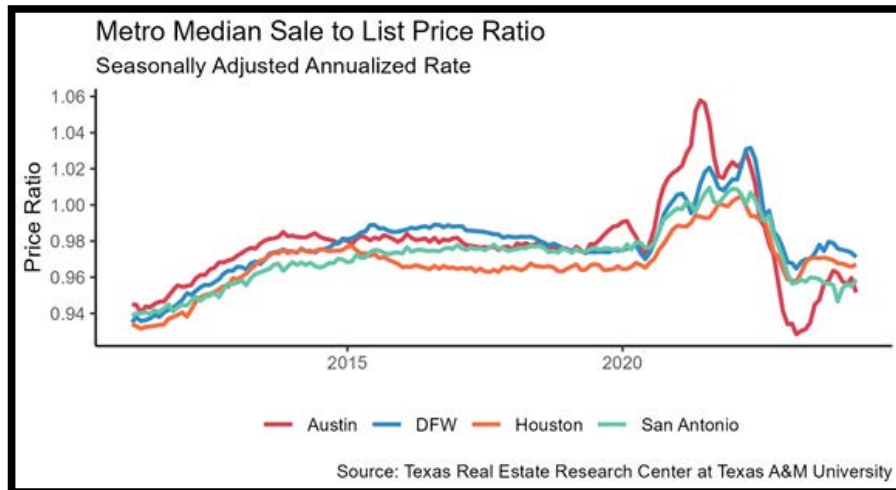
The Texas Repeat Sales Home Price Index (Jan 2005=100), which is a more accurate reflection of home price changes, fell 0.3% MOM in October but increased 1.6% year over year (YOY). Austin's annual appreciation remains below the state's average and fell by 1.5% YOY in October.









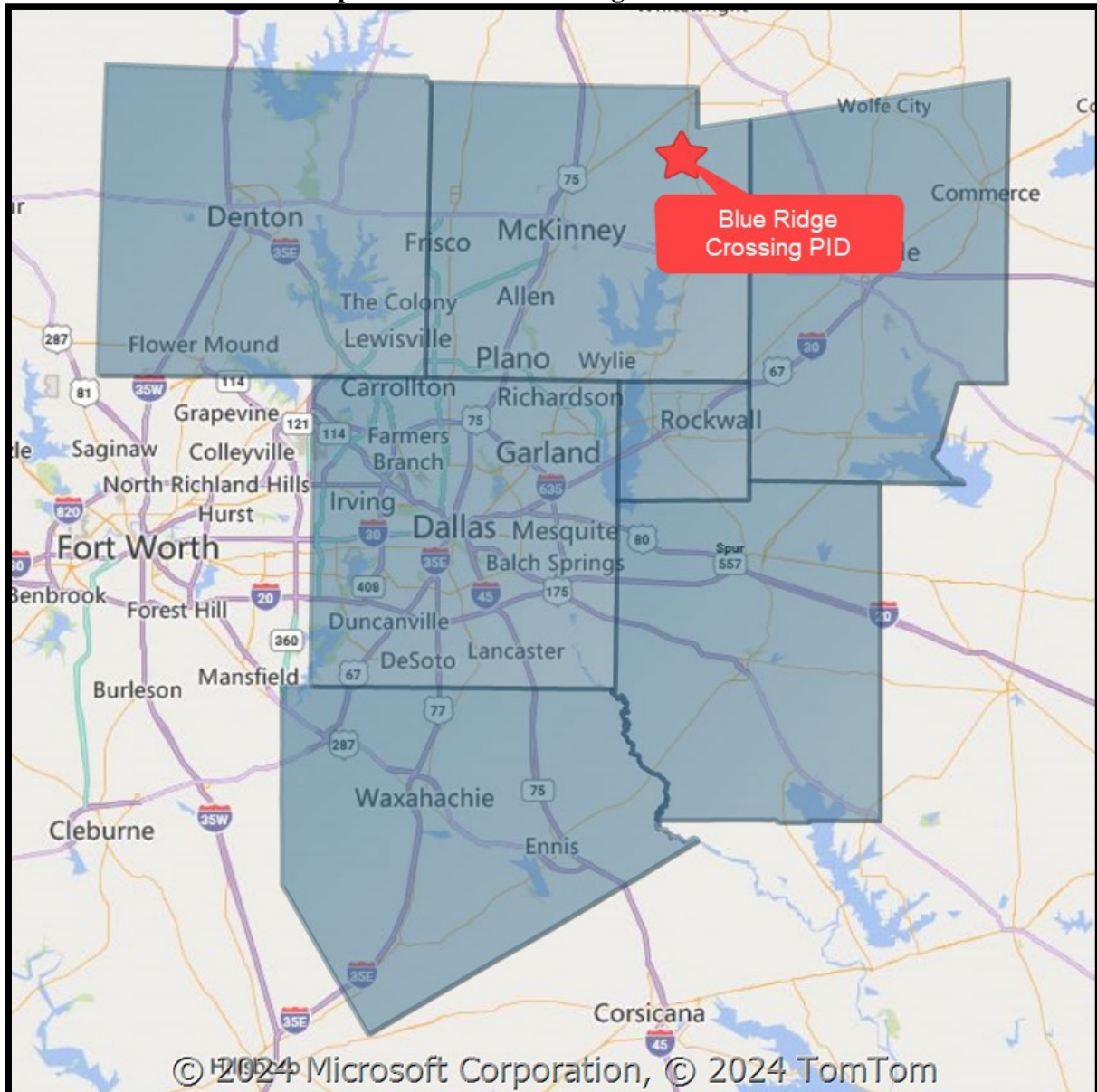


DALLAS-PLANO-IRVING METRO DIVISION QUARTERLY HOUSING REPORT (EXCERPTS)
Texas A&M University – Texas Real Estate Research Center
 (Third Quarter, 2024)

Executive Summary

- Metro area sales volume increased 1.1% to 16,102 transactions. Median price decreased 1.2% year-over-year to \$420,000.
- 2024 Q3 months inventory for all residential properties rose 47% year-over-year to 4.1 months.
- Metro area residential property listings increased 45.6%-year over-year to 20,390 active listings.

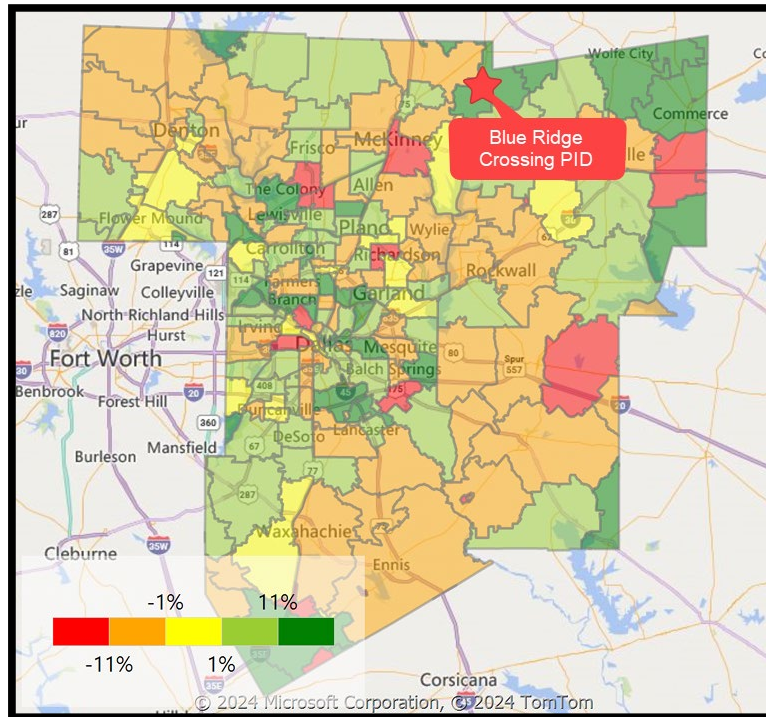
Map of Dallas-Plano-Irving Metro Division



Blue Ridge Crossing Public Improvement District

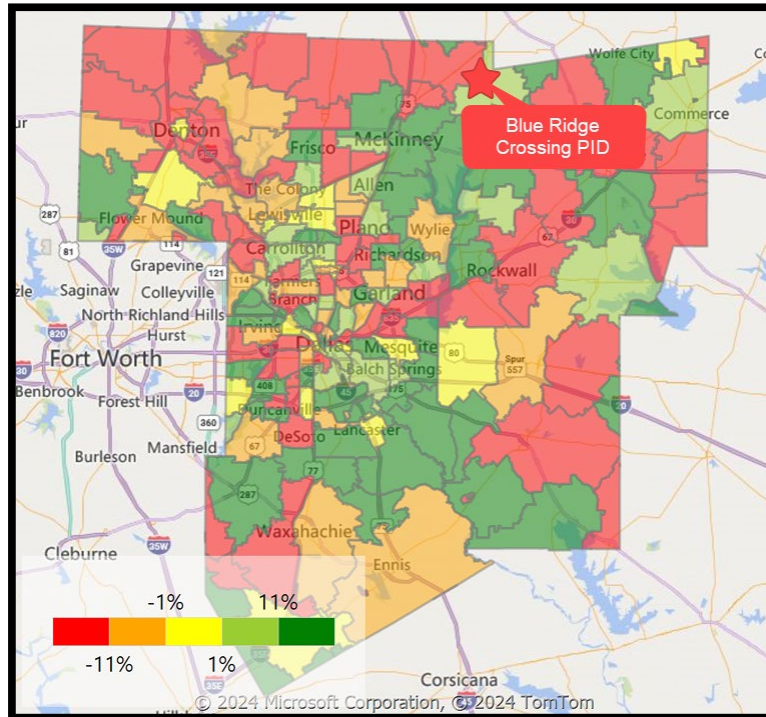
Median Price Change (YoY)

According to TREC, median sale price change year-over-year (YoY) near Blue Ridge Crossing PID increased greater than 11%.



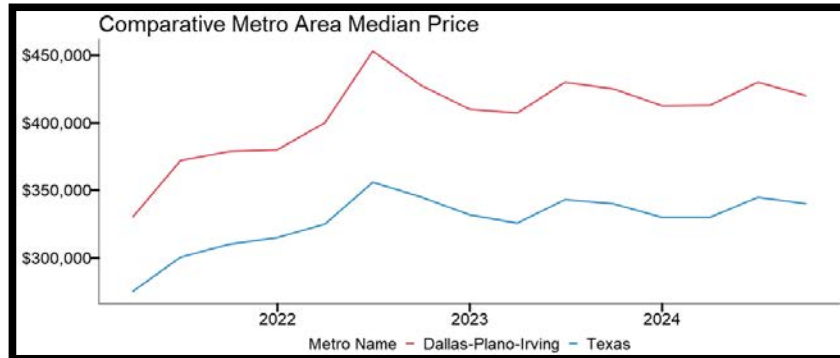
Sales Volume Change (YoY)

According to TREC, sales volume change year-over-year (YoY) in the subject's area near Blue Ridge Crossing PID increased between 1% < 11%.

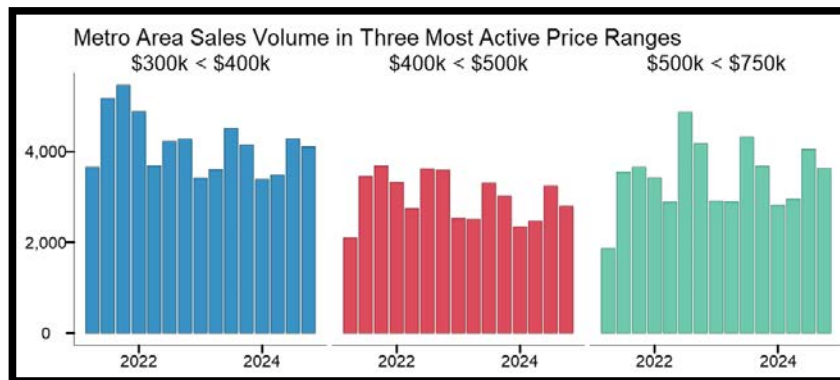


Blue Ridge Crossing Public Improvement District

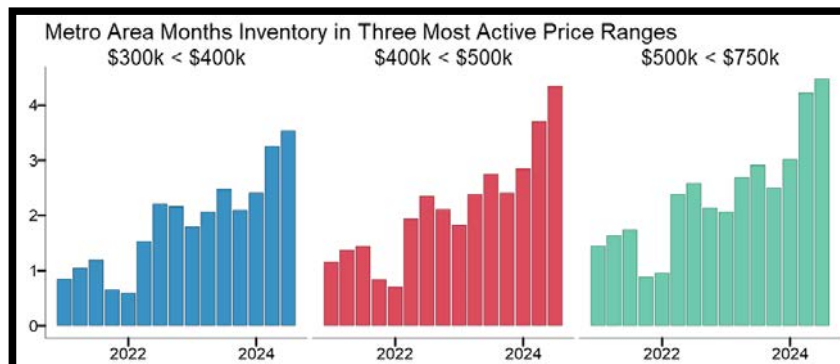
Median price in the Dallas-Plano Irving metro decreased by approximately 1.2% year-over-year, from \$426,000 to \$420,000. Metro area price exceeded the statewide median price of \$340,000 by \$80,000 as shown in the following chart:



2024 Q3 total sales volume increased by approximately 1.1% year-over-year, from 15,932 to 16,102. Sales of homes between \$300k and \$400k dipped from 4,153 to 4,111, while homes between \$500k and \$750k dipped from 3,680 to 3,629, and homes between \$400k and \$500k dipped from 3,020 to 2,792 as shown in the following graph:



Metro area months inventory increased year-over-year from 2.78 to 4.08 months. Homes between \$300k and \$400k rose year-over-year, from 2.47 to 3.54 months, while homes between \$500k and \$750k rose year-over-year, from 2.91 to 4.47 months and homes between \$400k and \$500k rose year-over-year, from 2.75 to 4.34 months as shown in the following graph:



Blue Ridge Crossing Public Improvement District

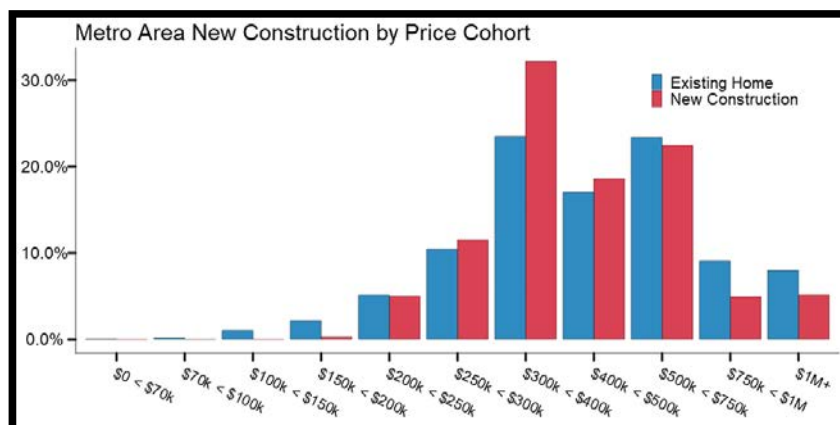
Average days to sell throughout the metro area increased from 73 to 81 days, an increase of 11% year-over-year. Average days to sell for homes between \$300k and \$400k increased from 70 to 79 days, a 12.9% increase year-over-year as shown in the following graph:



Homes in the \$400s and above fell to 51.1% of single-family new construction sales through the MLS. The second most active price range was homes in the \$300s, which grew from 31.2% to 32.1% year-over-year as shown in the following graph:



In the latest quarter, the average price was \$506,243 for new homes sold through the MLS, a decrease over last year's figure of \$533,674. The average price for existing homes was \$556,080, an increase over last year's figure of \$545,116 as shown in the following graph:



Blue Ridge Crossing Public Improvement District

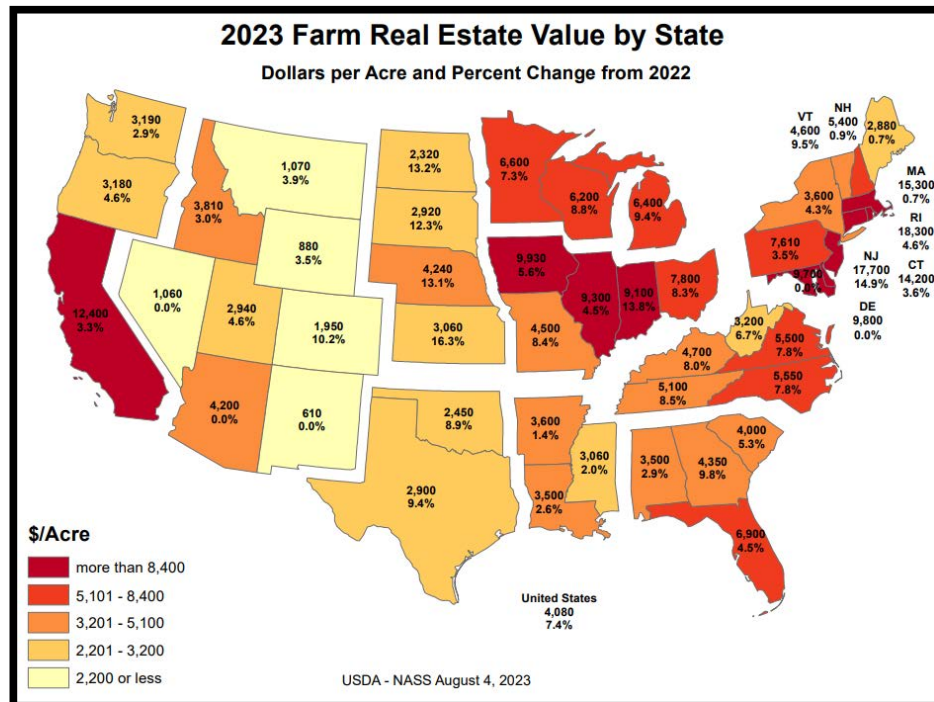
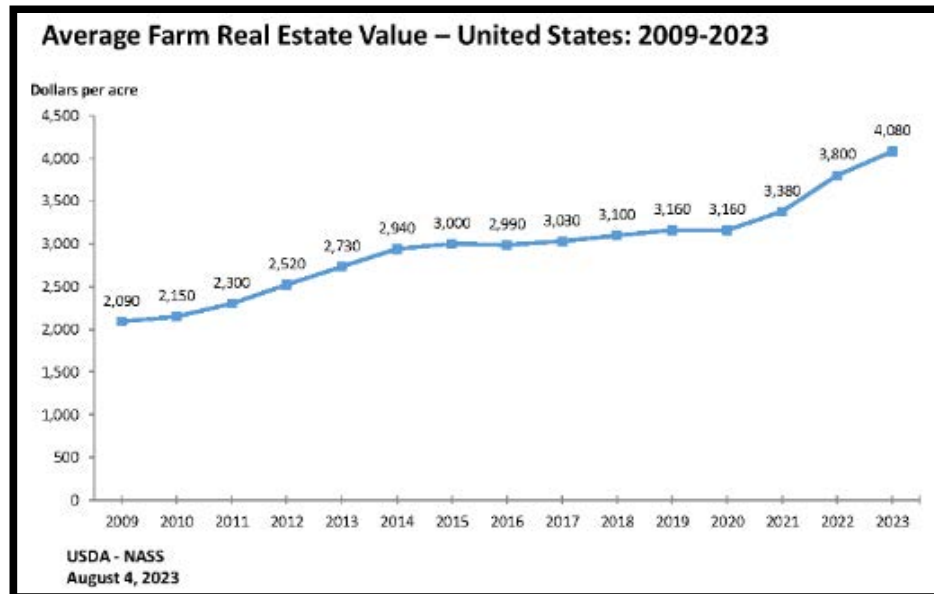
The following chart shows the housing metrics for Collin County:

Collin County											
Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
\$0 < \$70k	2	100%	0%	***	***	***	***	0	0.0	***	***
\$70k < \$100k	0	-100%	0%	-	-	-	-	0	0.0	-	-
\$100k < \$150k	7	17%	0%	\$140,000	16%	\$168.27	4%	7	3.4	828	1970
\$150k < \$200k	26	24%	1%	\$188,500	10%	\$170.65	-8%	18	2.1	1,072	1985
\$200k < \$250k	58	14%	1%	\$233,000	1%	\$189.57	-2%	47	2.4	1,248	1985
\$250k < \$300k	221	45%	5%	\$279,990	0%	\$189.57	-2%	159	2.5	1,459	2023
\$300k < \$400k	941	15%	22%	\$354,601	-1%	\$194.96	-5%	857	3.0	1,791	2020
\$400k < \$500k	892	1%	21%	\$445,000	0%	\$205.78	-3%	1,036	3.6	2,164	2006
\$500k < \$750k	1,352	0%	32%	\$600,000	0%	\$217.75	-1%	1,605	3.9	2,769	2012
\$750k < \$1M	407	-16%	10%	\$839,064	0%	\$232.96	2%	540	3.9	3,586	2011
\$1M+	314	19%	7%	\$1,252,000	-3%	\$290.71	-2%	498	5.9	4,462	2012

*** Not displayed when fewer than five sales

USDA NASS

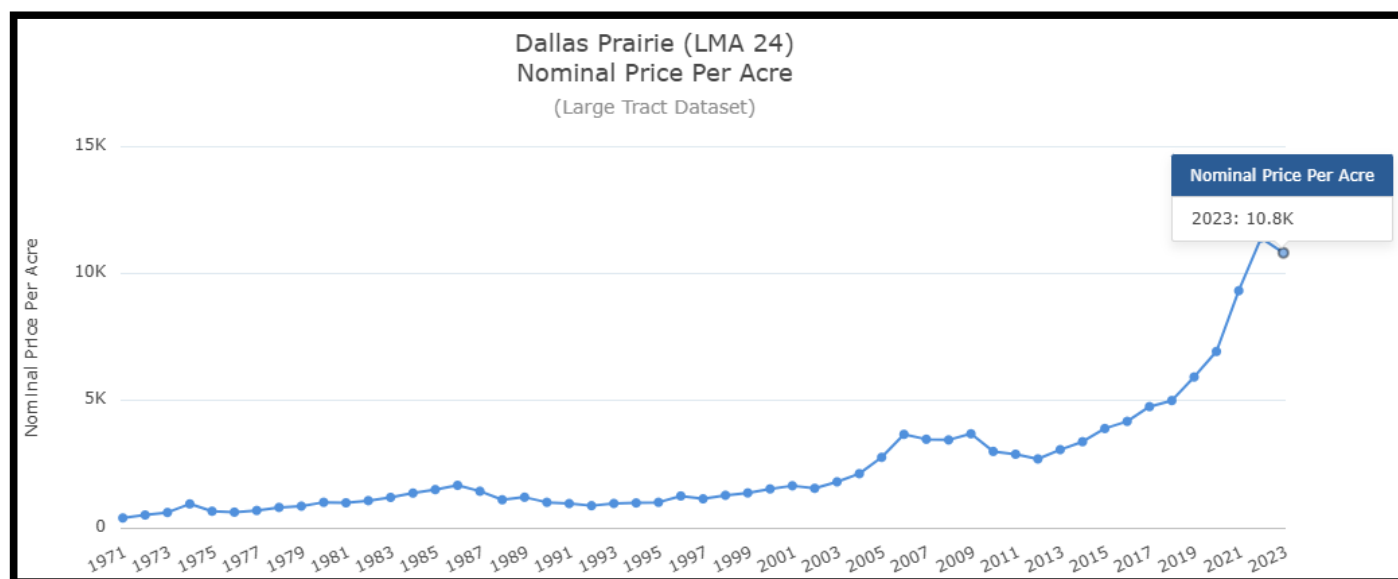
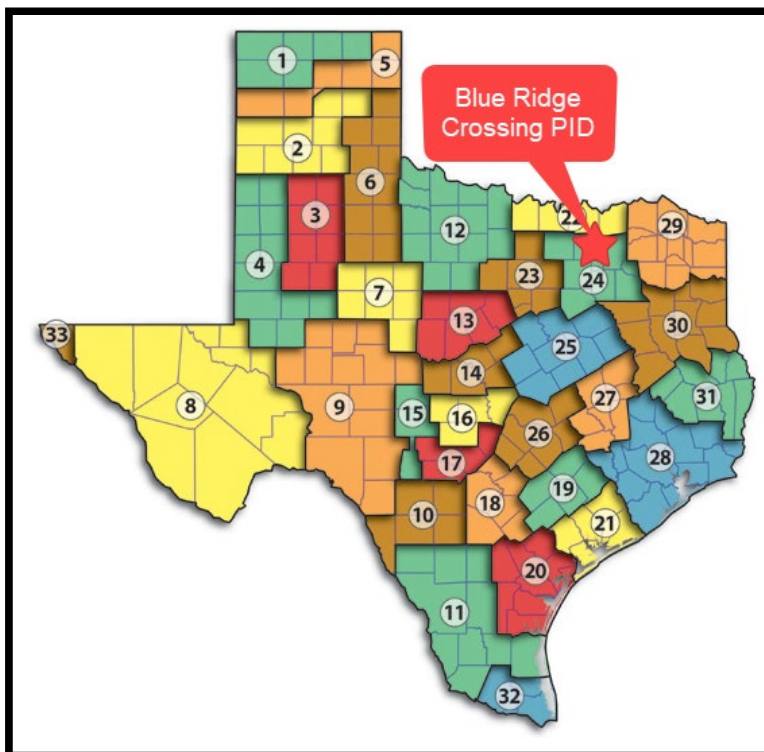
We reviewed research from the Texas A&M Real Estate Center, the United States Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS), and the Texas Chapter of the American Society of Farm Managers & Rural Appraisers to establish the market trends of rural land transactions. According to the USDA NASS, the value of a typical US farm (measuring all land and buildings) averaged \$4,080 per acre for 2023. Below shows the average pasture value national and by state which was \$2900/acre in Texas – up 9.4% annually



Blue Ridge Crossing Public Improvement District

Texas Real Estate Research Center – Texas Rural Land Value Trends

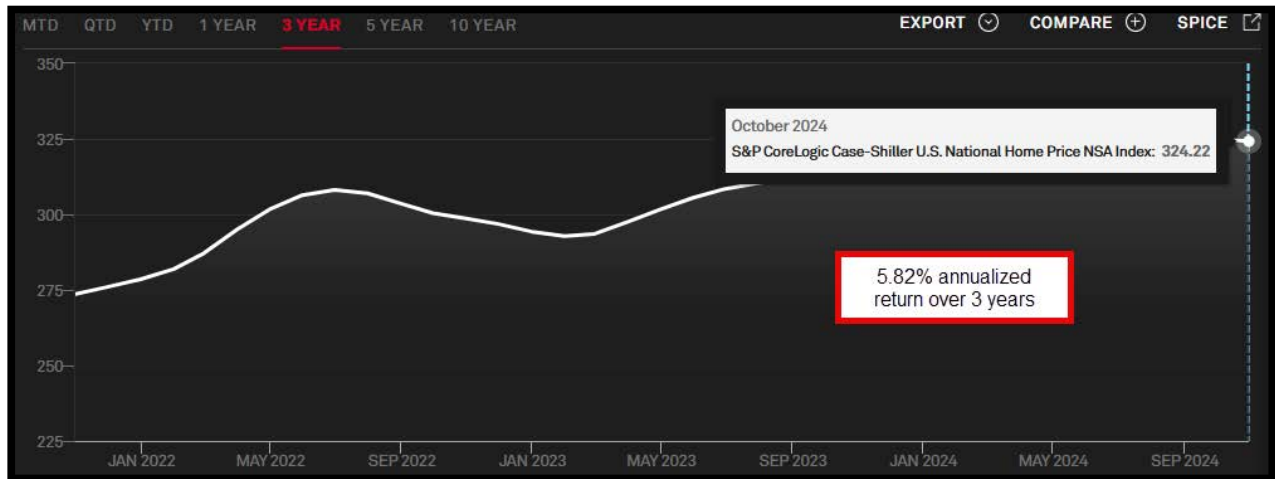
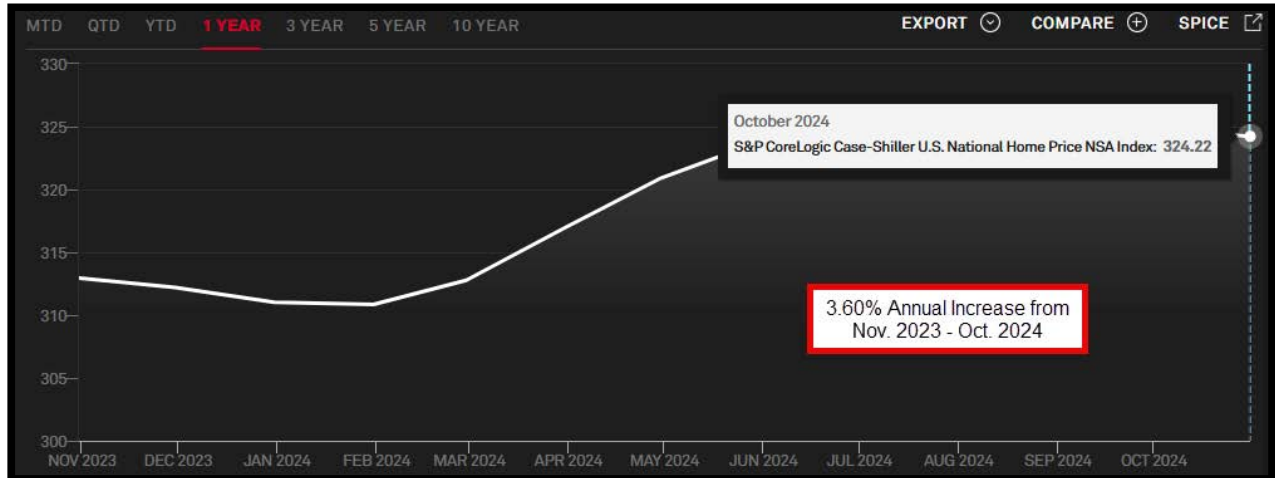
According to the Texas A&M Real Estate Center, the nominal median price per acre in the area around the subject property – Texoma decreased -8.43% in 2023. Prices from 2022 were up 14.09%. This shift in change can be attributed to a slowing real estate market, stagnant interest rates, and a rising inventory of available properties. Our research shows that this slight dip in prices in the subject's market area continues to reflect sales well into the first quarter of 2025.



S&P CORELOGIC CASE-SHILLER INDEX

October 2024

Data reported from the Standard & Poor Dow Jones Indices (1-year and 3-year graphs shown below) from end of October 2024 showed that home prices nationally were up 3.60% YoY while the Dallas Metropolitan area also increased by 0.85%. Prices have increased in mostly the western and northern states; however, the southern region has remained steady.



Metropolitan Area	October 2024 Level	October/September Change (%)	September/August Change (%)	1-Year Change (%)
Dallas	296.78	-0.53%	-0.63%	0.85%
Composite-10	350.35	-0.13%	-0.37%	4.84%
Composite-20	332.94	-0.23%	-0.32%	4.22%
U.S. National	324.22	-0.18%	-0.11%	3.60%

Sources: S&P Dow Jones Indices and CoreLogic
Data through October 2024

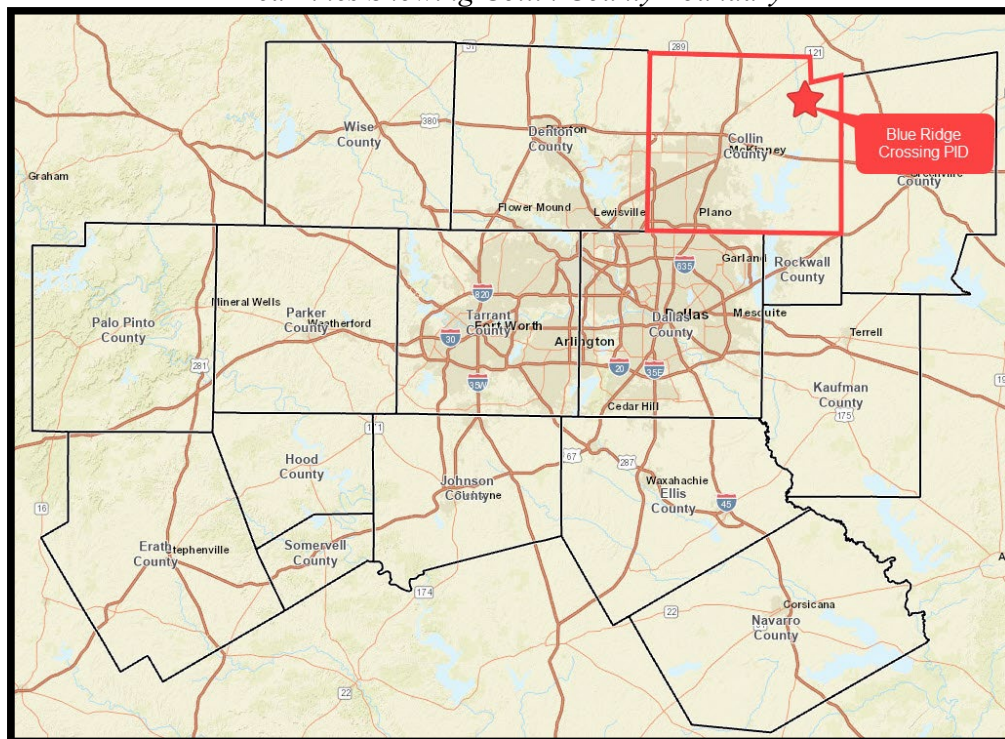
REGIONAL ANALYSIS

The subject is located in Collin County within the Dallas-Plano-Irving Metropolitan Statistical Area (MSA), often combined with the Fort Worth-Arlington-Grapevine MSA, and more commonly referred to as the Metroplex (DFW), which encompasses parts of 16 counties and contains 23 cities with populations over 50,000 in North Central Texas. As reported by the North Central Texas Council of Governments (NCTCOG), the estimated January 1, 2024, population for the NCTCOG region is 8,481,512. Last year the region added just under 200,000 people, nearly 40,000 more residents than were added in 2022. Dallas (30,201) added more population than any other city, followed by Fort Worth with just under 27,000 and surpassing 1 million residents. Celina (10,826), Frisco (6,696), and Princeton (6,374) round out the top 5 growth cities. For the second straight year, Collin County added more than 53,000 new residents while Dallas County added almost 42,000 and Tarrant County added over 35,000 new people. Since 2020, 650,000 new residents now call north Texas home. Contributing about one-third of Texas' GDP, the economy is the most diverse in the state. DFW is home to many business and professional services from major financial institutions to international law firms. It is also home to one of the top ranked container ports in the US and an extensive infrastructure network that serves multiple hotbeds for e-commerce fulfillment.

The region is anchored by two major passenger airports: Dallas-Fort Worth International Airport (DFW), which is the second busiest airport in the world in terms of aircraft movements and the largest hub for American Airlines, and Dallas Love Field Airport (DAL), which is a city-owned airport and the largest hub for Southwest Airlines – the largest carrier in the nation in terms of passengers carried.

MAP OF DALLAS-FORT WORTH METROPLEX

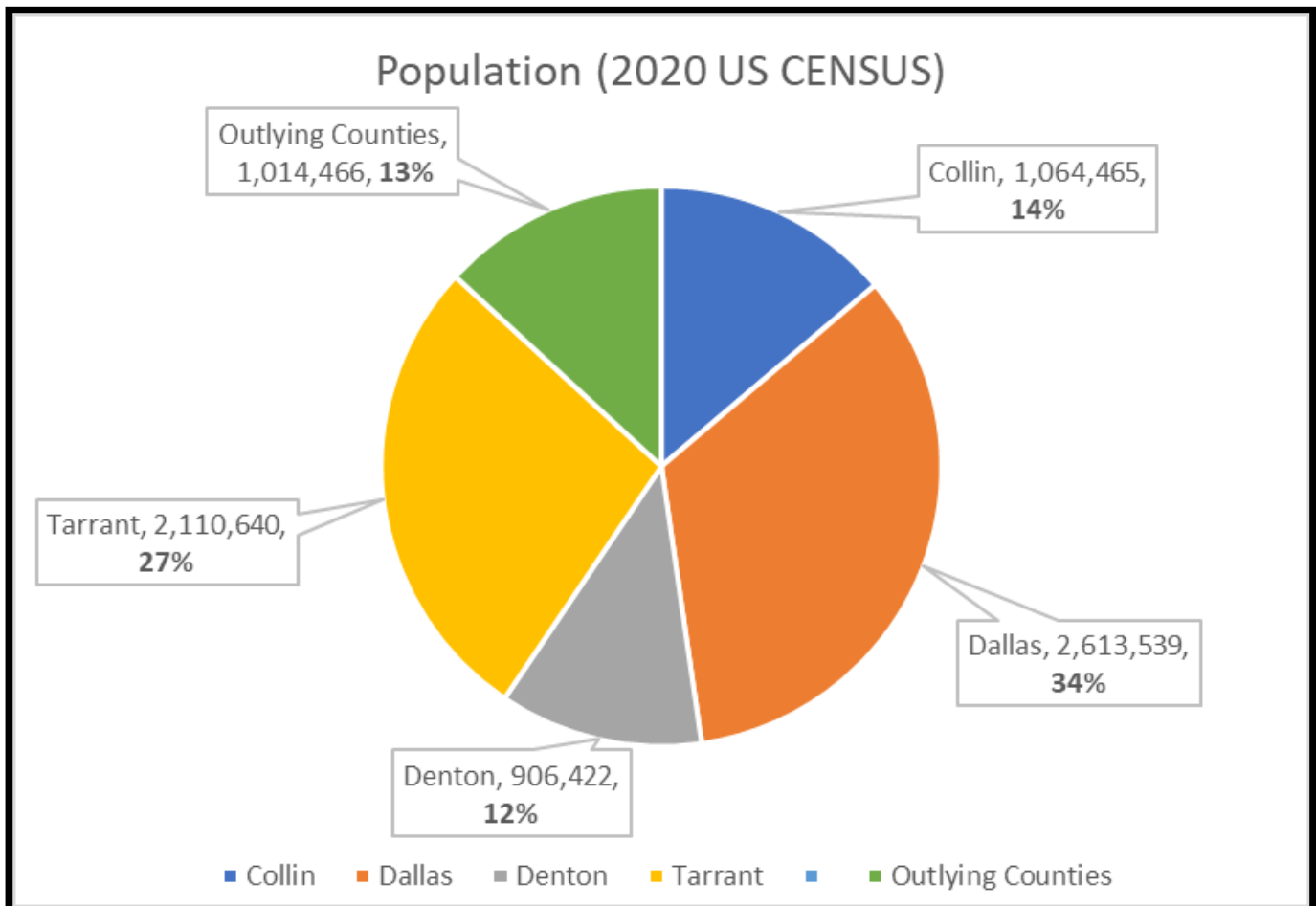
Red Lines Showing Collin County Boundary



When compared to the national economy, the DFW Metroplex is expected to experience expansion arising from growth in a variety of sectors including construction, transportation, manufacturing, finance, healthcare, business services, science and technology, education, and real estate. The expansion is fueled by the region's strategic location in the center of the country and is located at the nexus of major roadways such as Interstates 35, 30, 20, and 45. It is predicted by most analysts that economic activity in the area will exceed the state and national growth averages across most indicators. The region is set for long-term development due in part to its transportation infrastructure, low cost-of-living, business friendly regulatory environment, mild weather, young population, and large work force.

A chart of the four counties in the Metroplex, with the highest populations is shown below. Dallas County is the most populated county in the region with 2,613,539 residents, followed closely by Tarrant County with 2,110,640, Collin County with 1,064,465, and Denton County with 906,422. Other outlying counties such as Ellis, Johnson, Parker, Kaufman, Rockwall, Wise etc. add up to another 1,014,476 residents. The subject property is in the northeast area of Collin County.

PIE CHART OF POPULATION PERCENTAGES IN DFW METROPLEX



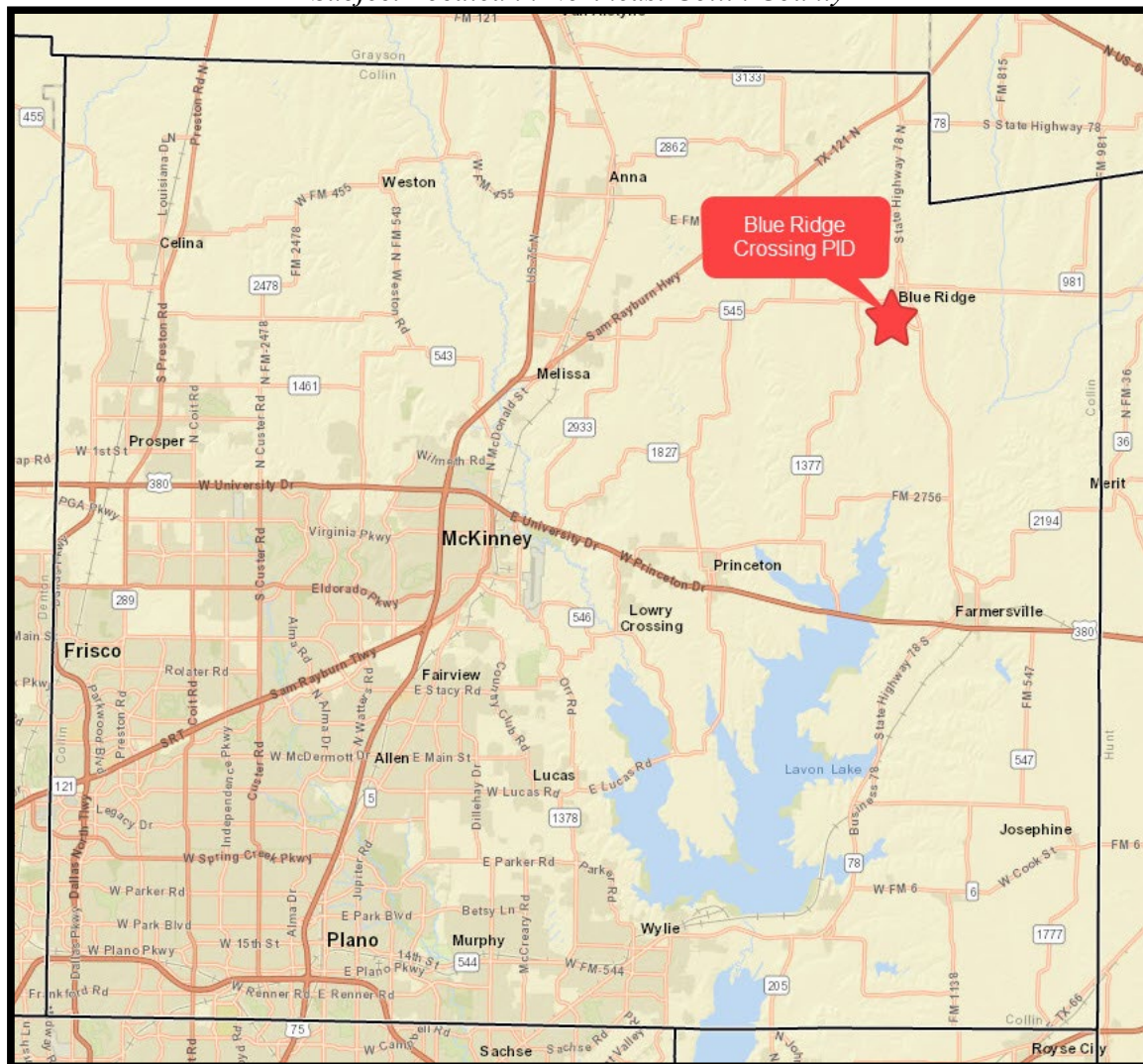
COLLIN COUNTY OVERVIEW

Collin County, located in the north-central region of Texas, is part of the Dallas-Fort Worth metropolitan area. It's one of the fastest-growing counties in the United States, known for its affluent communities, strong educational institutions, and booming economy. The county seat is McKinney, which boasts a historic downtown area, local businesses, and community events. The county also includes cities such as Plano, Frisco, and Allen, each offering a unique blend of suburban amenities and urban conveniences.

Collin County's growth can be attributed to its excellent quality of life, robust job market, and well-planned infrastructure. The county is home to several corporate headquarters, including those of Toyota North America, J.C. Penney, and Frito-Lay, making it a significant business hub. Additionally, the area is known for its top-rated schools, extensive parks, and recreational opportunities, catering to families and individuals alike. With a diverse and dynamic population, Collin County continues to attract new residents and businesses, contributing to its reputation as a desirable place to live and work.

MAP OF COLLIN COUNTY

Subject Located in Northeast Collin County



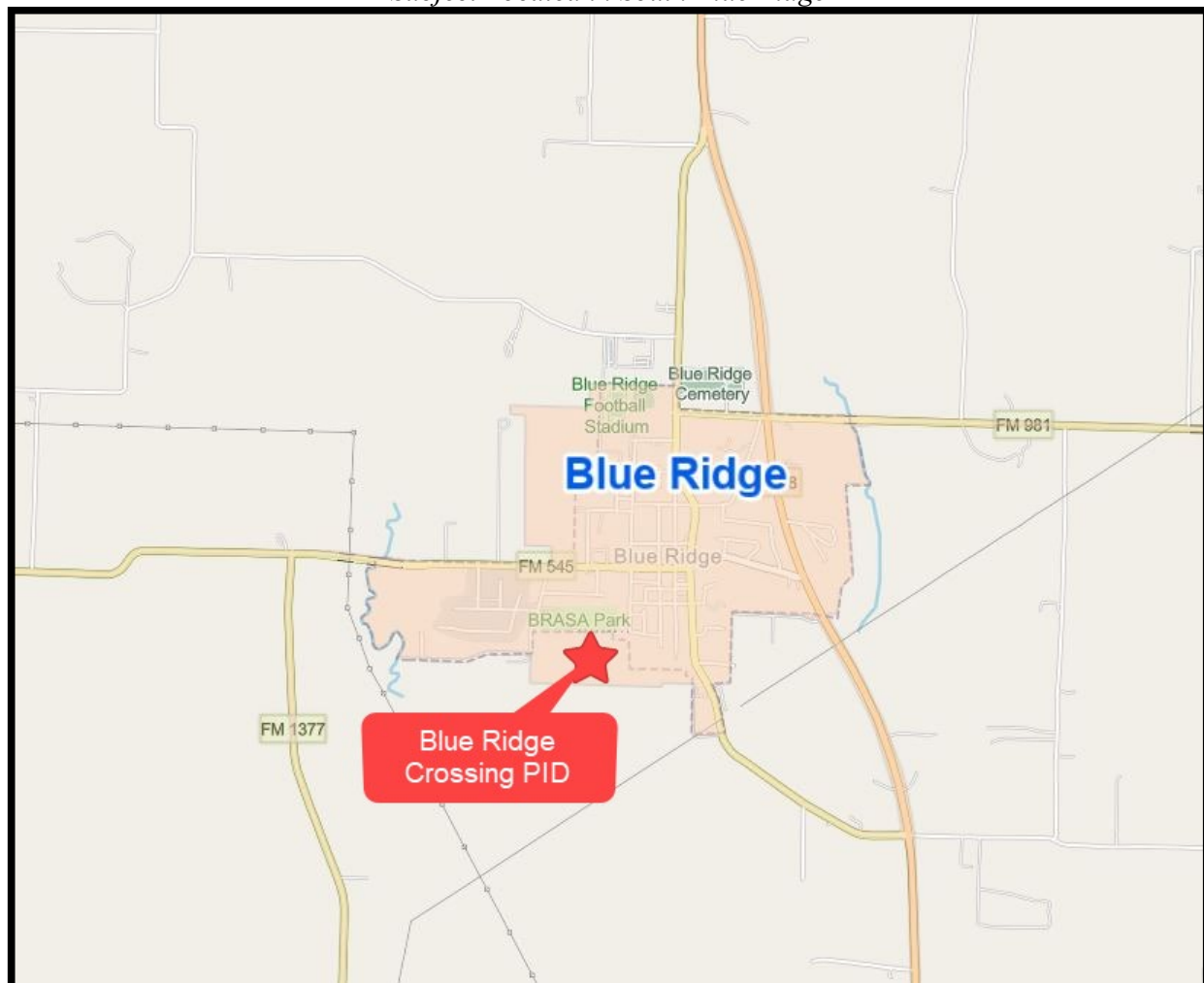
CITY OF BLUE RIDGE OVERVIEW

Blue Ridge is a city located in Collin County, Texas, part of the larger Dallas-Fort Worth metropolitan area. Known for its charming rural atmosphere, Blue Ridge offers a close-knit community feel with a population of around 1,180 residents as of 2020. The city is situated at the intersection of State Highway 78, FM 981, and FM 545. Blue Ridge is often referred to as the "Home of the Last Texas Prairie," highlighting its unique blend of small-town life and Texas rural values.

The city's history is tied to the blue flowers found on the hills by early settlers, which inspired its name. Blue Ridge provides residents with affordable housing, good educational facilities, and nearby job opportunities, making it an attractive place for families. The community is served by the Blue Ridge Independent School District and features amenities such as the Blue Ridge Community Center and Blue Ridge High School. With its warm weather and welcoming atmosphere, Blue Ridge is a place for those seeking a quieter lifestyle while still being close to the amenities of a larger city.

MAP OF THE CITY OF BLUE RIDGE

Subject Located in South Blue Ridge



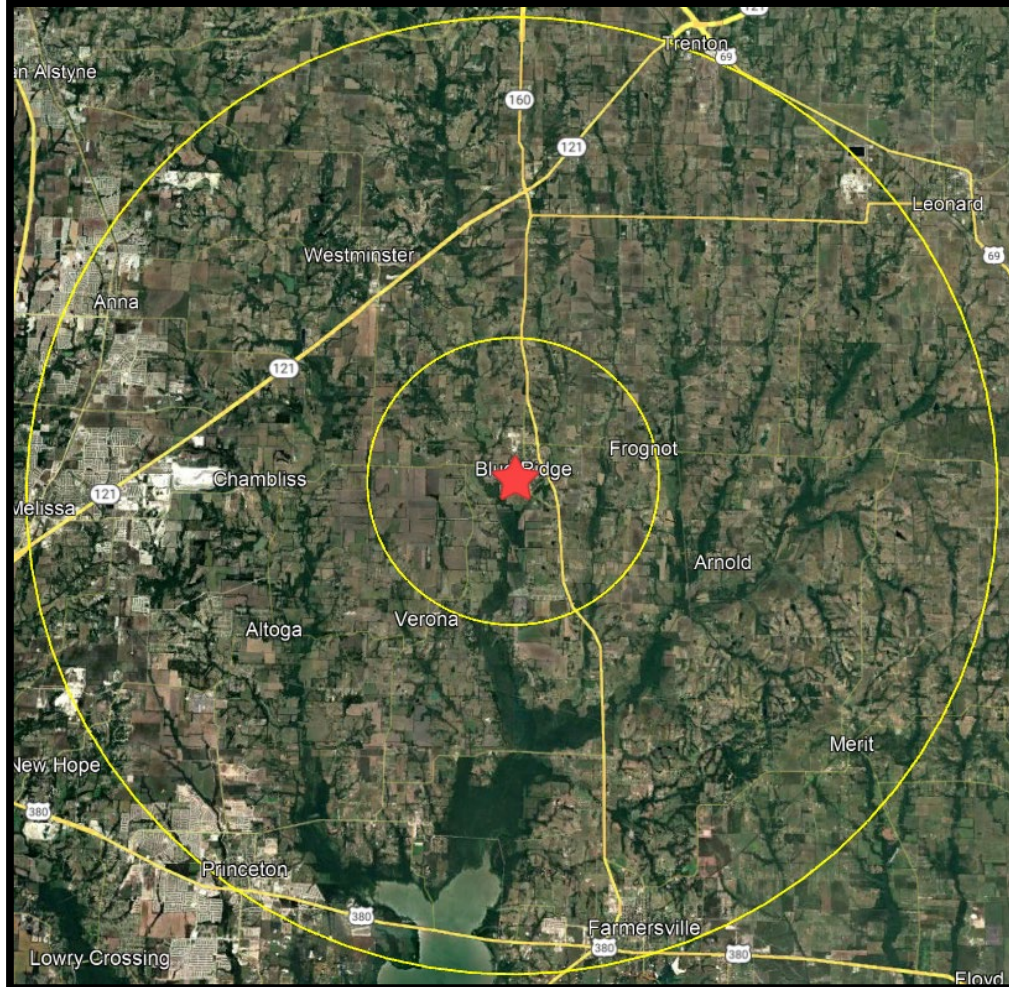
Blue Ridge Crossing Public Improvement District

NEIGHBORHOOD ANALYSIS

A neighborhood may be defined as a section of a community or an entire community. It refers to relatively unified areas with definite boundaries which exhibit a fairly high degree of homogeneous uses – basically a group of complimentary land uses that exhibit a greater degree of commonality than the larger area. The boundaries of a neighborhood define the geographical area which exerts influence on the value of the subject property. Blue Ridge Crossing PID is located within the City of Blue Ridge, Collin County, Texas and is within the Dallas-Plano-Irving MSA.

NEIGHBORHOOD MAP

Geographic radii of 3 and 10 miles indicating the approximate neighborhood boundaries around the Subject

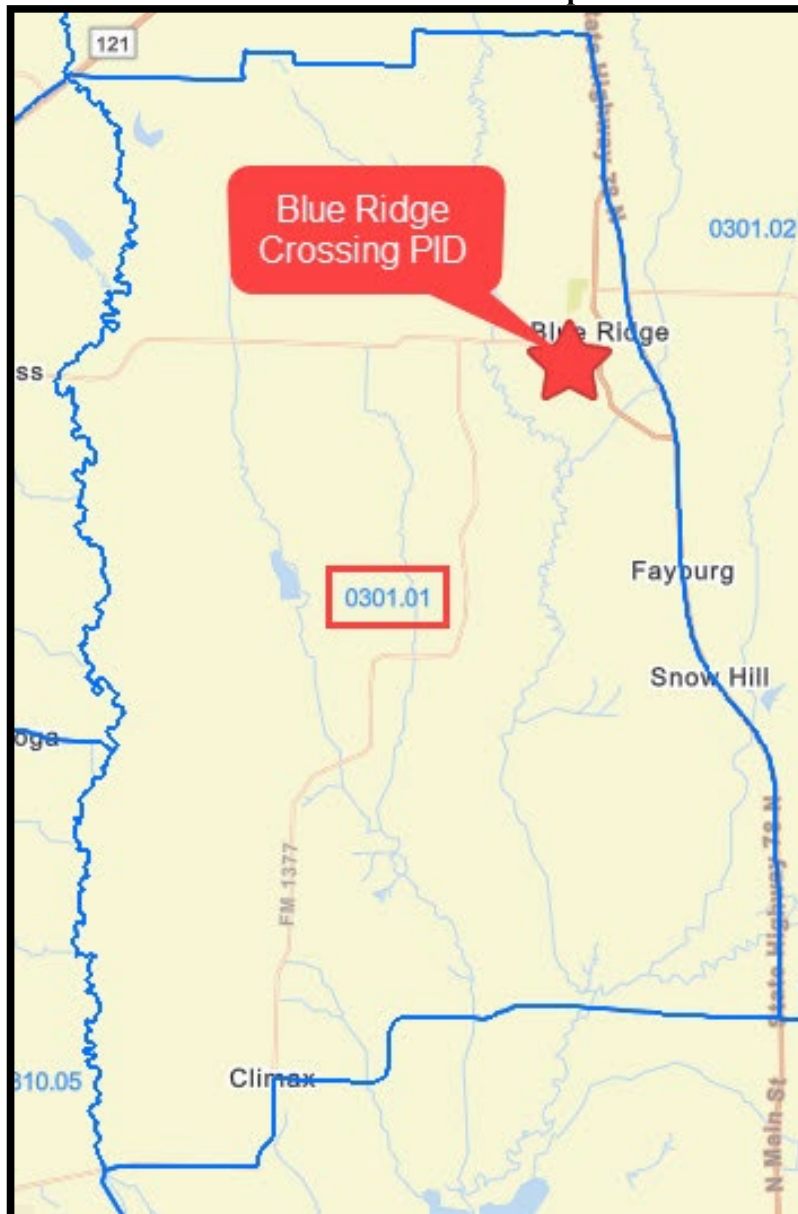


	3 Miles	10 Miles
North	East Lake Avenue	Trenton, Texas
East	Farm-to-Market 578	Celeste, Texas
South	Farm-to-Market 574	Farmersville, Texas
West	Farm-to-Market 475	Melissa, Texas


NEIGHBORHOOD DEMOGRAPHICS

The subject is located in census tract 0301.01 with the FFIEC Geocode Census Report shown on the following page. The census tract report for 0301.01 indicates that 3,595 people reside in the tract and family median income levels are in the middle tier with estimated median family incomes of \$99,016. Within census tract 0301.01, approximately 79% of housing units are owner-occupied with 14% being renter-occupied and 7% being vacant. These housing and demographics statistics indicate middle class residents who tend to live in single-family homes.

Census Tract 0301.01 Map



Tract 0301.01 Census Report



2024 FFIEC Geocode Census Report

Address: Selected Tract
 MSA: 19124 - DALLAS-PLANO-IRVING, TX
 State: 48 -
 County: 085 - COLLIN COUNTY
 Tract Code: 0301.01

Summary Census Demographic Information

Tract Income Level	Middle
Underserved or Distressed Tract	No
2024 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$110,300
2024 Estimated Tract Median Family Income	\$99,016
2020 Tract Median Family Income	\$79,286
Tract Median Family Income %	89.77
Tract Population	3595
Owner-Occupied Units	641
1- to 4- Family Units	807

Census Income Information

Tract Income Level	Middle
2020 MSA/MD/statewide non-MSA/MD Median Family Income	\$88,315
2024 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$110,300
% below Poverty Line	9.19
Tract Median Family Income %	89.77
2020 Tract Median Family Income	\$79,286
2024 Estimated Tract Median Family Income	\$99,016
2020 Tract Median Household Income	\$63,036

Census Population Information

Tract Population	3595
Number of Families	596
Number of Households	750

Census Housing Information

Total Housing Units	807
1- to 4- Family Units	807
Median House Age (Years)	28
Owner-Occupied Units	641
Renter Occupied Units	109
Owner Occupied 1- to 4- Family Units	641
Inside Principal City?	NO
Vacant Units	57

DEMOGRAPHIC SUMMARY

Analytics from CoStar of the area are provided below. Within a 10-mile radius of the subject there are 63,246 people which represents a 8.90% annual increase in population since 2020 and highlights steady growth that has occurred in this portion of Collin County. The population growth is expected to slow slightly in the coming years and grow another 4.8% annually over the next five years. Median household incomes in the 10-mile radius is \$77,238.

Population			
	2 miles	5 miles	10 miles
2020 Population	1,769	4,862	46,666
2024 Population	1,977	5,171	63,246
2029 Population Projection	2,412	6,252	78,419
Annual Growth 2020-2024	2.9%	1.6%	8.9%
Annual Growth 2024-2029	4.4%	4.2%	4.8%
Median Age	36.2	39.5	36.8
Bachelor's Degree or Higher	15%	14%	27%
U.S. Armed Forces	0	0	1

Income			
	2 miles	5 miles	10 miles
Avg Household Income	\$82,969	\$89,506	\$103,204
Median Household Income	\$68,070	\$70,074	\$77,238
< \$25,000	90	212	2,590
\$25,000 - 50,000	133	424	3,399
\$50,000 - 75,000	131	288	4,105
\$75,000 - 100,000	65	171	2,284
\$100,000 - 125,000	59	181	2,401
\$125,000 - 150,000	71	161	1,896
\$150,000 - 200,000	58	204	1,848
\$200,000+	16	75	2,074

Blue Ridge Crossing Public Improvement District

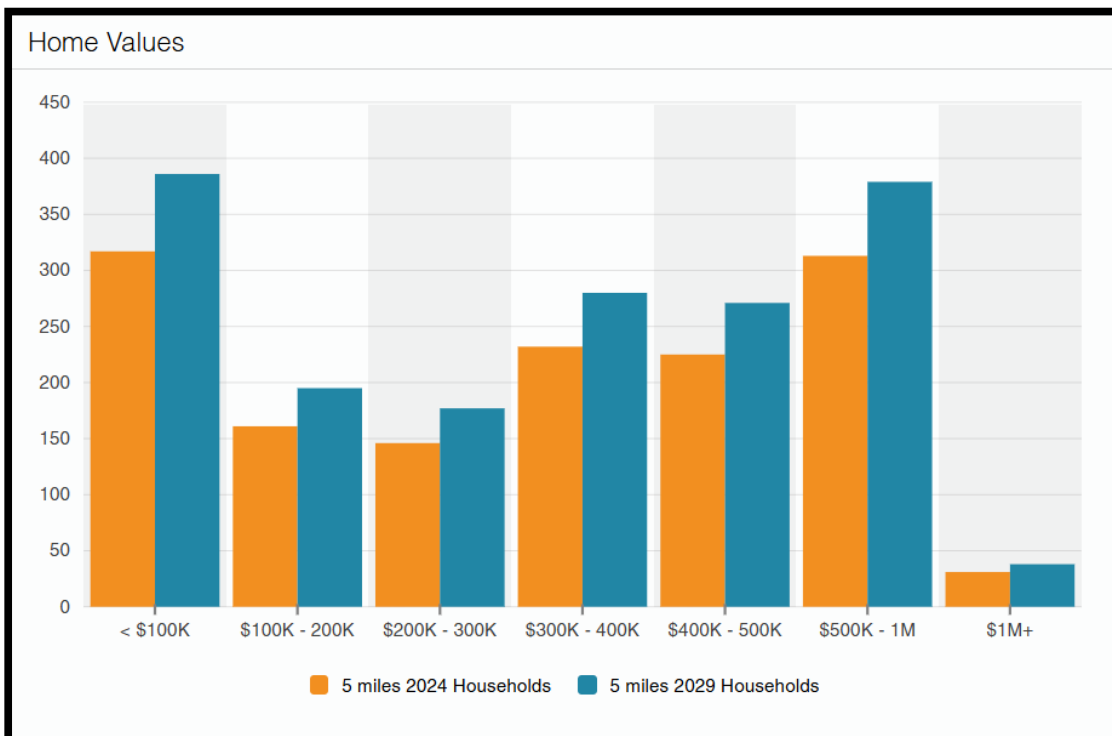
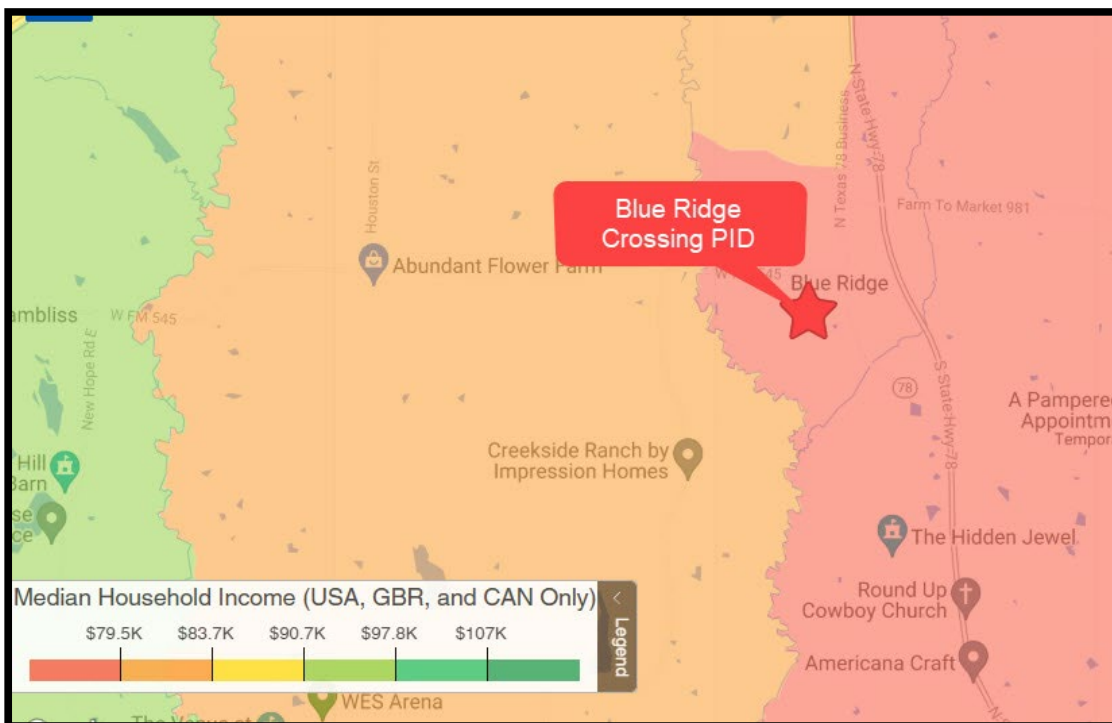
EMPLOYMENT DATA

A table of the 2, 5, and 10-mile radius employment figures are shown below. The numbers highlight the area's economy with most employees in the area surrounding the subject in service-producing industries.

Daytime Employment						
Radius	2 miles		5 miles		10 miles	
	Employees	Businesses	Employees	Businesses	Employees	Businesses
Service-Producing Industries	370	56	454	78	7,255	1,066
Trade Transportation & Utilit...	63	15	91	21	1,113	179
Information	0	0	0	0	101	15
Financial Activities	18	6	23	8	441	131
Professional & Business Se...	47	6	75	12	660	132
Education & Health Services	157	10	158	11	2,319	238
Leisure & Hospitality	19	4	23	6	1,320	124
Other Services	34	11	45	15	760	201
Public Administration	32	4	39	5	541	46
Goods-Producing Industries	25	6	71	20	940	194
Natural Resources & Mining	11	2	22	7	64	24
Construction	7	2	25	7	492	128
Manufacturing	7	2	24	6	384	42
Total	395	62	525	98	8,195	1,260

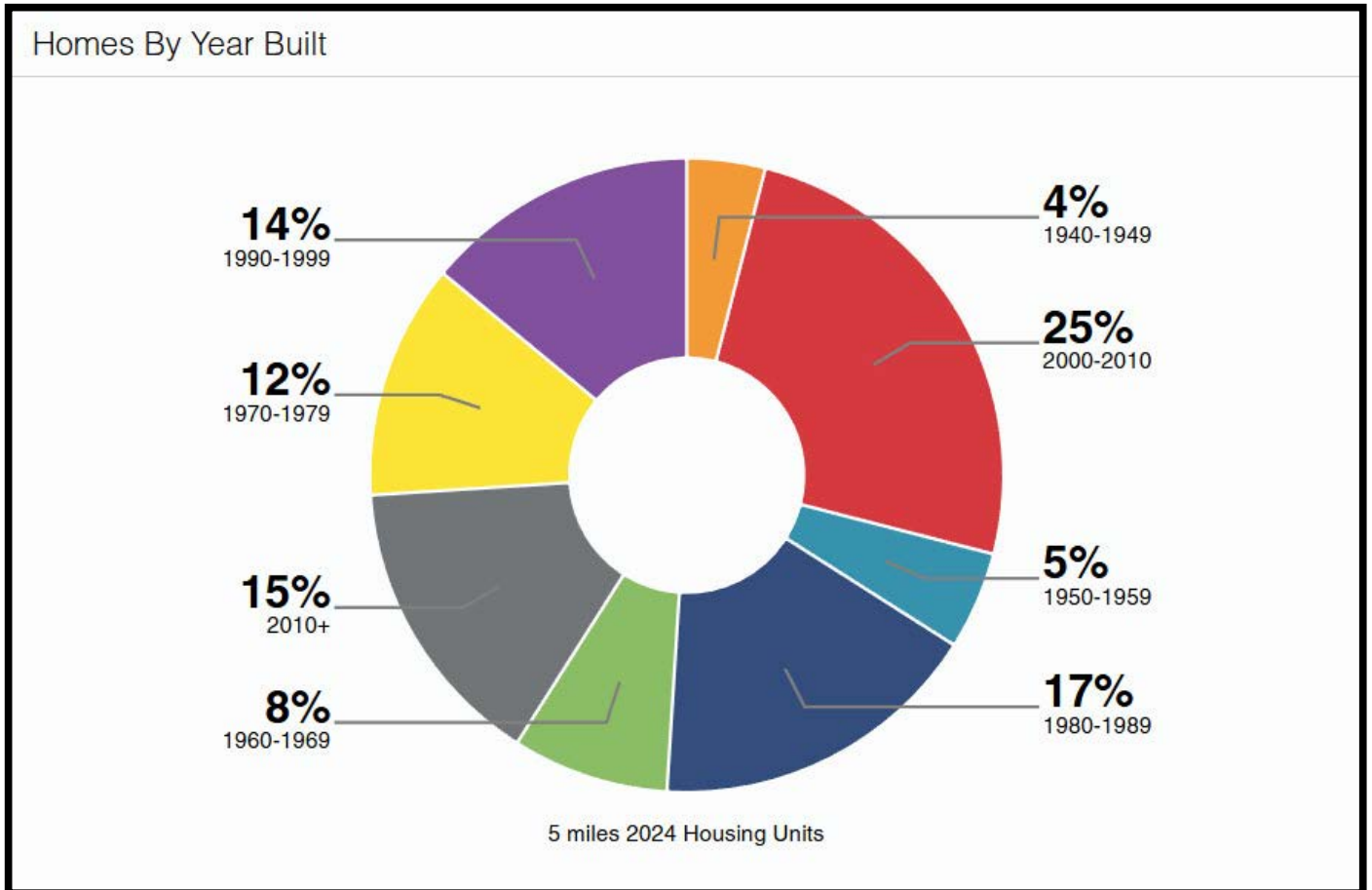
CoStar Analytics – Map of Median Household Income

As indicated by the map below, median incomes in the vicinity of the subject property are below \$79.5K. Median incomes north of the DFW metroplex tend to be higher in suburban areas outside the population centers in Dallas and Fort Worth. This is especially true in areas North of Dallas where affluent communities have concentrated for the past few decades.



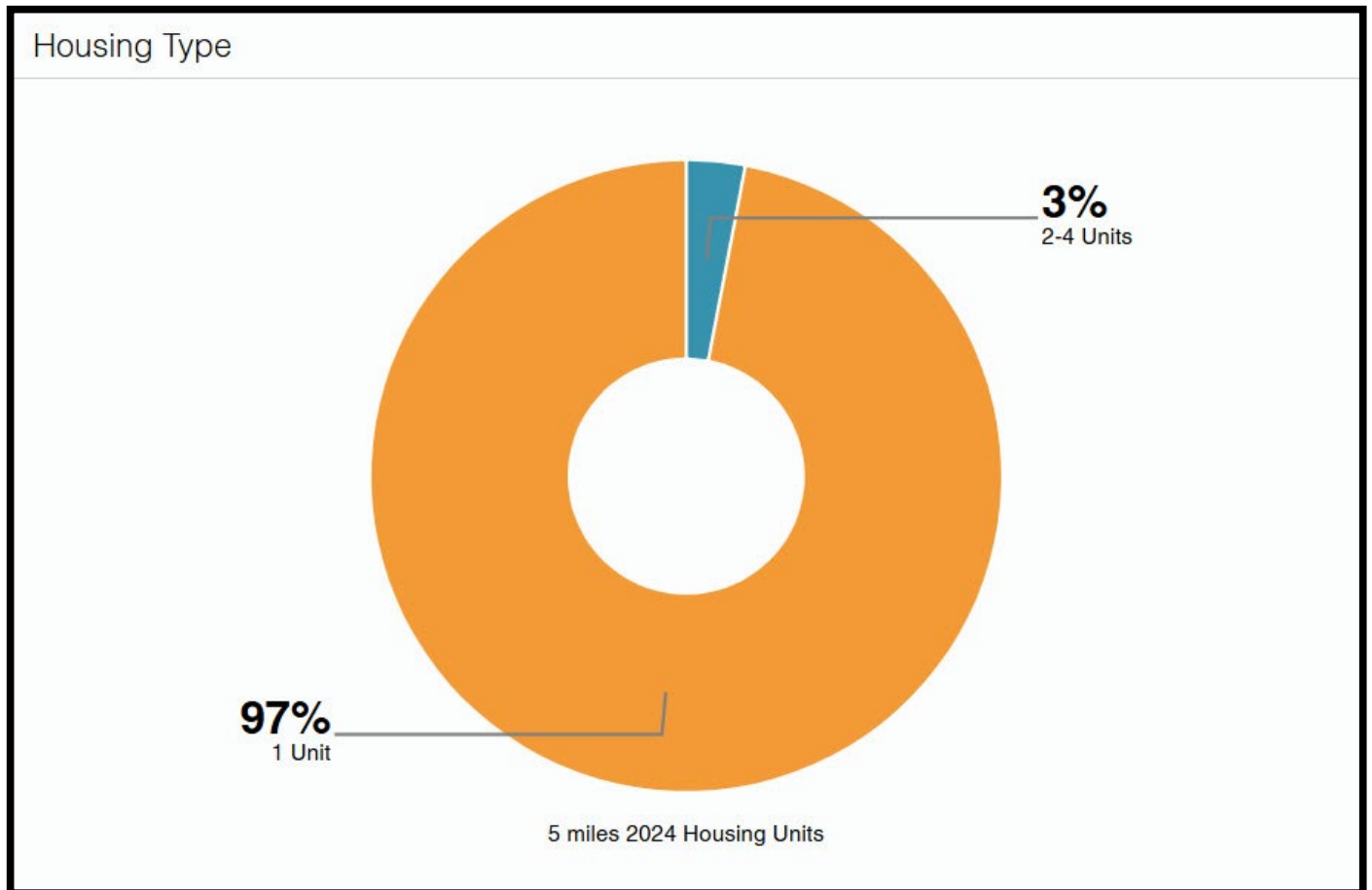
CoStar Analytics – Housing Statistics

Most housing in the area (60%) are homes that were built before 2000. This is subject to change with the growth stage of the surrounding area, which is set to experience numerous residential subdivision developments in the coming years along with the influx of new jobs due to commercial development.



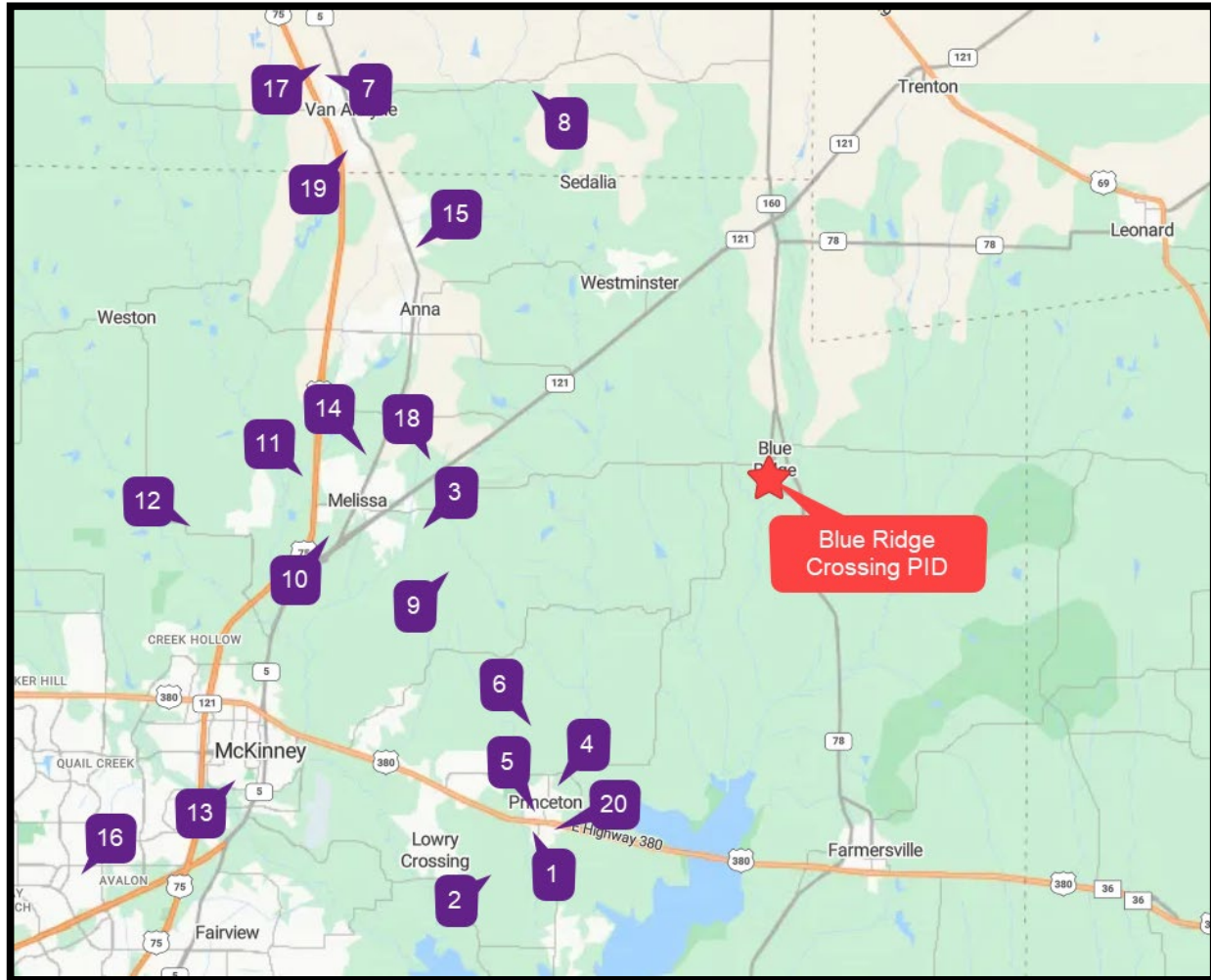
CoStar Analytics – Housing Statistics

In addition, the vast majority (97%) of housing in the 5-mile radius consists of single unit housing stock. The subject property is being developed with detached single-family housing that is consistent with the surrounding area.



Map of Notable Nearby Developing Residential Subdivisions

A map of notable built out, developing, and planning single-family residential subdivisions are shown below which highlights the similar and conforming uses around the subject property.



MAP KEY					
1	Town Park North	8	Blue Hills of Van Alstyne	15	Camden Parc (Anna)
2	Ashford Crossing (Lowry Crossing)	9	Millstone	16	Vintage Place (McKinney)
3	Bryant Farms	10	Willow Grove	17	Rolling Ridge (Van Alstyne)
4	Princeton Heights	11	Stoneridge	18	Sky Ridge Addition
5	Forest Park (Princeton)	12	Shaded Tree	19	Tinsley Meadows
6	Sicily Addition	13	College Street Manor	20	Princeton Estates (Princeton)
7	Greywood Heights	14	Wolf Creek Farms (Melissa)		

ABSORPTION ANALYSIS

RESIDENTIAL ANALYSIS

The subject property is Blue Ridge Crossing PID which consists of approximately 42.539 acres in Collin County being developed into detached single-family lots for residential use. The property is owned by GLA Ventures, LLC. GLA Ventures, LLC appears to be under the corporate umbrella of LGI Homes. According to the developer, LGI Homes will develop the subject property and will be the ultimate seller to the end user when the lots are fully developed with single-family residential developments.

When analyzing the financially feasible and maximally productive use of the site, uses that are both physically possible and legally permissible must be considered. An important factor affecting the development of the subject is the surrounding land usage. For the subject property, the primary potential use is single-family residential development as that conforms to recent land development in the City of Blue Ridge. The neighborhood is best described as the area, west of South Texas Highway 78 Business and east of Pruett Street. The neighborhood is a mix residential development and a park to the north, agricultural land to the east and south, and a single-family residential community to the west. On the east line of the subject property, South Texas Highway 78 Business which runs north/south, and several community commercial uses are located on this arterial traffic carrier.

Since the recession in 2008, the residential real estate market in this area of North Texas has continuously improved, and the City of Blue Ridge has experienced this consistent population growth. Low interest rates persisted nationally in 2020 and 2021, and the markets rose significantly, but 2022, 2023, and 2024 are years of the higher interest rates as the Fed seeks to combat inflation. Still, with large numbers of immigration from outside DFW from higher cost-of-living states and an abundance of steady jobs, demand for residential real estate in growing communities like Blue Ridge is expected to remain strong. Those end-user homebuyers in Blue Ridge Crossing PID are expected to be middle income earners as the average home price for finished single-family homes in the community is expected to average out to \$330,000 for the 40-FF Lots, and \$355,000 for both the 50-FF Lots and 60-FF Lots.

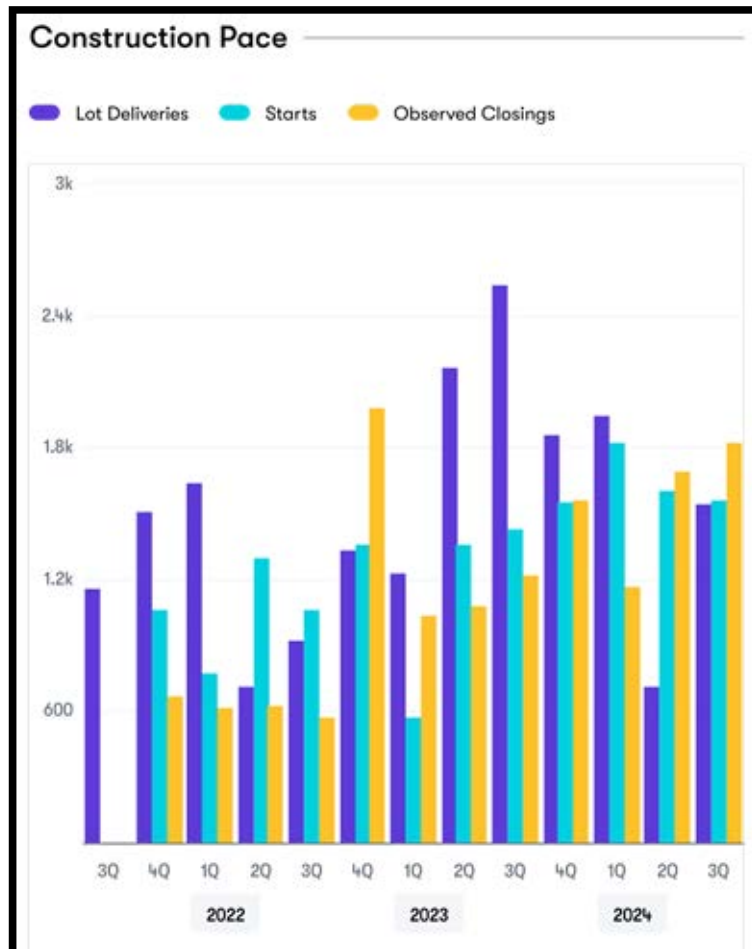
Demand for vacant developed lots (VDLs) for home builders is currently very high; however, material and labor shortages were well-publicized in 2021 and are expected to continue with some easing in late-2022, 2023, and 2024 according to the Texas Real Estate Research Center. Developable residential land in DFW with good access to Fort Worth and Dallas is in high demand with developments moving ever further away from the Dallas CBD and highly developed areas north of Dallas where vacant land is scarce after decades of growth. The subject property –Blue Ridge Crossing PID– is removed from the large Central Business Districts in the Metroplex but relatively near areas of Collin County where many young families have migrated when searching for safe neighborhoods, good schools, relatively affordable new homes, and desirable residential amenities.

Based on the preceding, the proposed absorption of single-family home lots in the subject's neighborhood will be analyzed using historical absorption data provided by Zonda as well as information obtained from area market participants and developers. It is important to note that our absorption data is based on historical trends and current available data. Since the first residential lots are not scheduled to be complete until June 1, 2025, we will analyze the historical trends and attempt to forecast the absorption rates based off data, analytics, and our conversations with developers in the market.

We determined a 15-mile radius around the subject property is suitable for our absorption analysis as the competitive supply of lots is within this area. Further, we examined residential communities with lot widths between 35'- 65'.

Blue Ridge Crossing Public Improvement District

The following charts reflect starts, deliveries, and closings in the market area from 3Q2021. Sales increased from 3Q2021-1Q2022, then decreased in 2Q2022 before consistently increasing from 3Q2022 to 3Q2023 before once again declining from 4Q2023 to 3Q2024. As expected, the rate of annual starts has increased in the past year as homebuilders anticipated increased demand due to rising interest rates. The area has also just begun to see a consistent increase in the rate of closings as reflected in the numbers reported by Zonda.



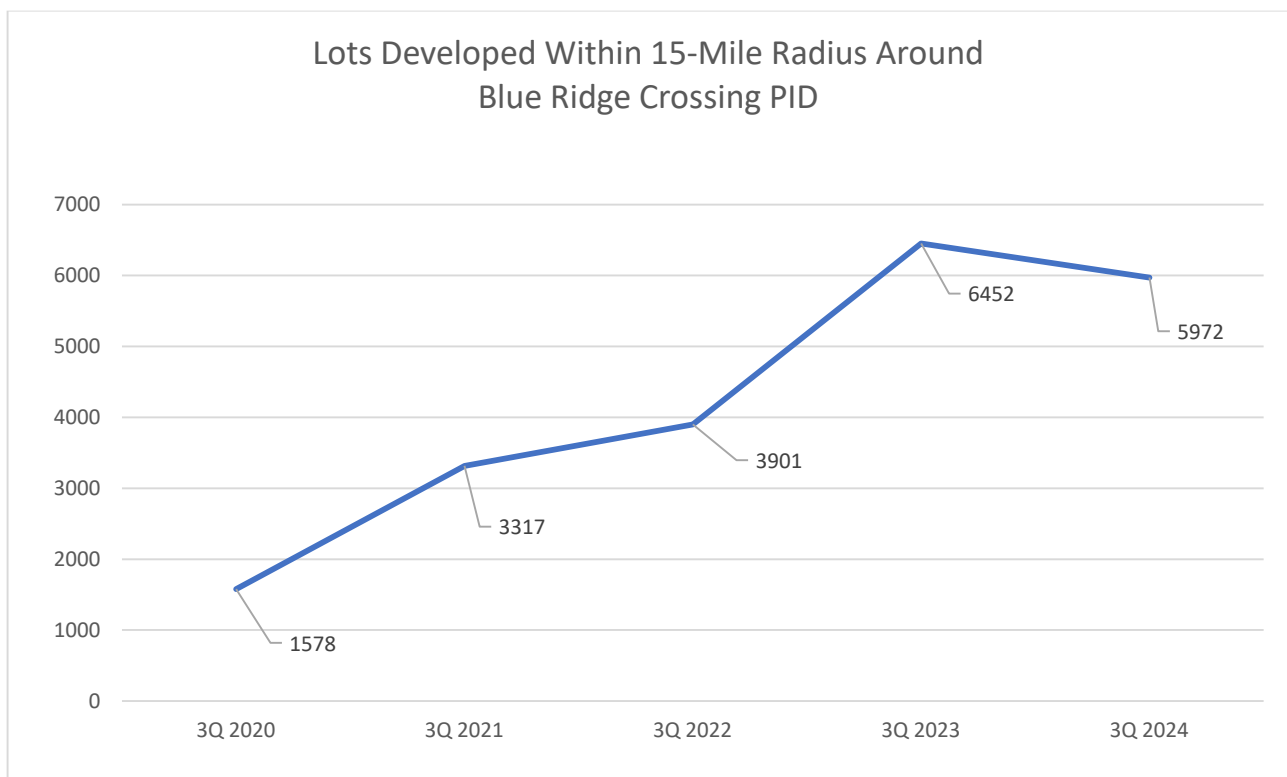
Blue Ridge Crossing Public Improvement District

DEFINED SUBMARKET AREA

As shown in the previous chart, the absorption of lots (determined from home construction starts) within the selected area has increased from 4Q2022 to 3Q2024. According to Zonda, the selected area absorbed the following number of 35'-65' lots year-over-year from 3Q 2020 to 3Q 2024:

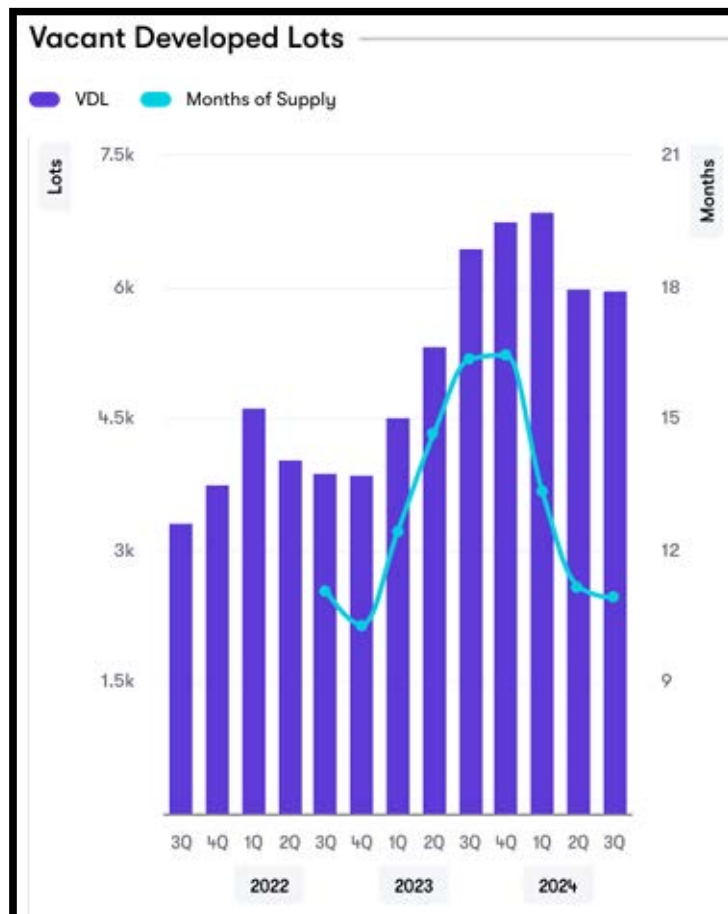
- 1578 – lots absorbed
- 3317 – lots absorbed
- 3901 – lots absorbed
- 6452 – lots absorbed
- 5972 – lots absorbed

From 2020-2024, the *annual average* of lots absorbed was 4244 ($21,220 \div 5$). Utilizing the more recent 24-month absorption of lots (3Q2022 to 3Q2024), the annual average of lots absorbed increases to 5442 ($16,325 \div 3$) lots in the area.



COMPETITIVE SUPPLY (LOT INVENTORY)

According to Zonda, the existing supply of available housing is presently far below balanced levels in our selected submarket as the number of VDLs in the area has increased from 3Q2021 to 1Q2024 from a low of just over 3,000 to a high of near 6,750 with 13 months of supply. ***The present VDL count is near 6,000 with about a 12-month supply.*** It should be noted that this is a large radius – 15 miles – for such a developed single-family residential area but we determined prospective buyers would search subdivisions throughout Collin County and with a preference to be outside of the major infrastructure but close enough to commute for employment.



Thus, the total lot supply is considered to be considerably **below** the ideal supply levels for a significantly developing market. Also, taking into consideration that new developments require a typical 12-to-18-month construction period, *with increasing demand and declining lot supply, it appears that additional lot product in the submarket is feasible and needed at the current time.* This corresponds to discussions we had with DFW homebuilders who state there is a scarcity of vacant developed lots currently on the market which is pushing prices higher..

Having considered the supply of lots in the market, it is now prudent to examine the absorption history of specific competing subdivisions in the subject's market area with similar lot features and amenities relative to the subject to determine the projected absorption of the subject's proposed lots.

ABSORPTION ANALYSIS – 40’, 50’, AND 60’ LOTS

The similarities considered to be most important are lot size, home price range, and amenity features. The tables that follow detail the active subdivisions that are considered to compete with the subject’s lots. All data is per Zonda as of 4Q2024.

40’ Lots

We included data for lots that were 40’-45’ lots within a 15-mile radius. Since data on 40’ lots is relatively plentiful, we selected five comparable absorption schedules we concluded are similar to the subject and considered some of these communities are smaller and some larger than Blue Ridge Crossing PID.

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Town Park North	40'	8	16	12	6.0	1.3
Ashford Crossing (Lowry Crossing)	40'	131	41	12	38.3	3.4
Bryant Farms	40'	32	98	12	3.9	8.2
Princeton Heights	40'	75	91	12	9.9	7.6
Forest Park (Princeton)	45'	76	56	12	16.3	4.7
AVERAGE		64.4	60.4	12.0	14.9	5.0

Our analysis indicates Starts/Month is between 1.3 and 8.2 with an average of 5.0 starts/month and a median of 4.7 starts/month. We similarly weighed and considered **the subject property’s 40’ lots would likely absorb 5 lots/month, or approximately 15 lots per quarter.**

50’ Lots

We included data for lots that were 45’-55’ lots within a 15-mile radius. Since data on 50’ lots is plentiful, we selected eleven comparable absorption schedules at nearby communities we concluded are similar to the subject and considered some of these communities are smaller and some larger than Blue Ridge Crossing PID.

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Forest Park (Princeton)	45'	76	56	12	16.3	4.7
Sicily Addition	48'	98	199	12	5.9	16.6
Greywood Heights	50'	0	7	12	0.0	0.6
Blue Hills of Van Alstyne	50'	14	8	12	21.0	0.7
Millstone	50'	11	183	12	0.7	15.3
Willow Grove	50'	76	51	12	17.9	4.3
Stoneridge	50'	39	105	12	4.5	8.8
Shaded Tree	50'	147	102	12	17.3	8.5
Princeton Estates (Princeton)	50'-55'	127	63	12	24.2	5.3
College Street Manor	50'	0	13	12	0.0	1.1
Wolf Creek Farms (Melissa)	50'	0	75	12	0.0	6.3
AVERAGE		53.5	78.4	12.0	9.8	6.5

Blue Ridge Crossing Public Improvement District

Our analysis indicates Starts/Month is between 0.6 and 16.6 with an average of 6.5 starts/month and a median of 5.3 starts/month. We similarly weighed and considered **the subject property's 50' lots would likely absorb higher than historical numbers due to the expected influx of demand with 7 lots/month, or approximately 21 lots per quarter.**

60' Lots

Again, for the 60' lots, we included data for lots within a 15-mile radius and included 60'-65' lots in our analysis. Data on 60' lots is still relatively plentiful, so we selected five comparable absorption schedules at nearby communities which are shown as follows:

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Camden Parc (Anna)	60'	11	4	12	33.0	0.3
Vintage Place (McKinney)	60'	0	3	12	0.0	0.3
Rolling Ridge (Van Alstyne)	60'-62'	14	88	12	1.9	7.3
Sky Ridge Addition	65'	19	2	12	114.0	0.2
Tinsley Meadows	65'	31	40	12	9.3	3.3
AVERAGE		15.0	27.4	12.0	31.6	2.3

Our analysis indicates Starts/Month is between 0.2 and 7.3 with an average of 2.3 starts/month with a median of 0.3 starts/month. We similarly weighed and considered **the subject property's 60' lots would likely absorb 2 lots/month, or approximately 6 lots per quarter.**

Absorption Summary Projection: 40', 50', and 60' Lots

Based on the preceding, we estimate that lots in the subject property's development will sell 15 lots/quarter for 40' lots, 21 lots/quarter for 50' lots and 6 lots/quarter for 60' lots with absorption beginning June 2025. An Absorption Summary Projection for all lot sizes is shown in the table below for the 212 lots in Blue Ridge Crossing PID.

Projected Quarterly Absorption Summary - Blue Ridge Crossing PID									
Lot Type	June-2025	July-2025	Oct-2025	Jan-2026	Apr-2026	July-2026	Oct-2026	Jan-2027	TOTAL
40-FF	5	15	15	8	-	-	-	-	43
50-FF	7	21	21	21	21	21	13	-	125
60-FF	2	6	6	6	6	6	6	6	44
Total	14	42	42	35	27	27	19	6	212

The total absorption period for the 40' lots is expected to be ~9 months ($43 \div 5$ lots/month) and expected to sell out in February 2026. The total absorption period of the 50' lots is expected to be ~18 months ($125 \div 7$ lots/month), and lots are expected to sell out in November 2026. The total absorption period for the 60' lots is expected to be ~22 months ($44 \div 2$ lots/month), and lots are expected to be sold out in March 2027.

SUBJECT PROPERTY ANALYSIS

The entire development of Blue Ridge Crossing PID represents a total of approximately 42.539 acres (1,852,999-SF) is currently being developed into one distinct area as follows:

- Blue Ridge Crossing PID will consist of 43 40-FF lots, 125 50-FF lots, and 44 60-FF lots with a total of 212 improved residential lots on approximately 42.539 acres.

The following chart shows the lot breakdown of Blue Ridge Crossing PID:

Blue Ridge Crossing PID					
Area Type	Size (Acres)	40' Lot Type	50' Lot Type	60' Lot Type	Total Lots Appraised
<i>Residential Lots</i>	<i>42.539-AC</i>	<i>43</i>	<i>125</i>	<i>44</i>	<i>212</i>

Blue Ridge Crossing PID is owned by GLA Ventures, LLC. GLA Ventures, LLC appears to be under the corporate umbrella of LGI Homes. According to the developer, LGI Homes will develop the subject property and will be the ultimate seller to the end user when the lots are fully developed with single-family residential developments. LGI Homes is a nationally recognized homebuilder and is also well-known within the subject's market area for building affordable housing for first- and second-time homebuyers. Blue Ridge Crossing PID is located in the southern portion of the City of Blue Ridge. This location is in the northeast portion of Collin County and approximately 54 miles north of Dallas. The neighborhood is a mix residential development and a park to the north, agricultural land to the east and south, and a single-family residential community to the west which is common in cities that are generally suitable for middle income households.

Access to the subject property is considered average as it is located along Texas State Highway 78 Business which is where the main retail and commercial options near the subject site are found, which has been rapidly developing the past decade.

The subject property will have a mandatory homeowner's association (HOA) over residential portions of the subject property in order to maintain open spaces, common areas, detention areas, and other related improvements or appurtenances that are not dedicated or maintained by the City of Blue Ridge.

Based on research and discussion with the development team, the price point of homes in the subject's community will be around \$330,000 for the 40-FF lots, and \$355,000 for the 50-FF lots and 60-FF lots, which should be a desirable price point for young families and first- and second-time homebuyers looking for a quiet community near the outskirts of the Dallas-Fort Worth Metroplex but with the amenities of a planned residential community.

Blue Ridge Crossing Public Improvement District

The chart below shows a breakdown of the costs associated with each area of Blue Ridge Crossing PID provided by Pape-Dawson Engineers, the Professional Engineers.

BLUE RIDGE CROSSING PID				
Cost Summary 12/4/2024				
Prepared By: Pape-Dawson Engineers 6105 Tennyson Pkwy, Suite 210 Plano, Texas 75024 214-420-8494				
SUMMARY				
DIVISION	PID	PRIVATE	CITY	TOTAL
A. ONSITE EARTHWORK	\$ 1,647,199	\$ 58,300	\$ -	\$ 1,705,499
B. ONSITE SWPPP	\$ 130,831	\$ -	\$ -	\$ 130,831
C. ONSITE PAVING	\$ 2,094,122	\$ -	\$ -	\$ 2,094,122
D. ONSITE WATER	\$ 1,134,550	\$ -	\$ -	\$ 1,134,550
E. ONSITE SANITARY SEWER	\$ 917,105	\$ -	\$ -	\$ 917,105
F. ONSITE DRAINAGE	\$ 718,263	\$ -	\$ -	\$ 718,263
G. RETAINING WALLS	\$ 718,263	\$ -	\$ -	\$ 718,263
H. PRUETT STREET ITEMS	\$ 588,281	\$ -	\$ -	\$ 588,281
I. OFF-SITE SANITARY SEWER ITEMS	\$ -	\$ 610,316	\$ -	\$ 610,316
SUB-TOTAL	\$ 7,948,615	\$ 668,616	\$ -	\$ 8,617,231
CONTINGENCY (10%)	\$ 794,861	\$ 66,862	\$ -	\$ 861,723
ENGINEERING AND SURVEY (10%)	\$ 794,861	\$ 66,862	\$ -	\$ 861,723
INSPECTION AND TESTING (2%)	\$ 158,972	\$ 13,372	\$ -	\$ 172,345
TOTAL	\$ 9,697,310	\$ 815,712	\$ -	\$ 10,513,022
COST PER LOT	\$ 45,742	\$ 3,848	\$ -	\$ 49,590
COST PER ACRE	\$ 227,963	\$ 19,176	\$ -	\$ 247,138

The preceding general descriptions of the subject's characteristics are based on review of available maps and data sources, as well as our physical on-site observations. Please refer to copies of the maps, photographs, and renderings for a visual perspective of the subject's physical characteristics.

ACCESSIBILITY, FRONTAGE, AND STREETS

The subject property is primarily accessed by South Texas Highway 78 Business which is a north/south bound, primary throughfare that runs through the City of Blue Ridge and transverses to the eastern portion of the subject property. The subject site is approximately 0.7 miles west of North State Highway 78, which is a state highway that transverses through Blue Ridge and extends south into the Dallas-Fort Worth CBD.

A map from TXDOT and a table from CoStar are shown on the following pages which highlight traffic counts in the vicinity shown on the following map. Notably, South Texas Highway 78 Business runs to the east of the property and has over 3,500 average daily vehicles while the North State Highway 78, which is 0.7 miles east of the property, carries approximately 5,900 vehicles per day.

TXDOT Traffic Web Viewer



Blue Ridge Crossing Public Improvement District

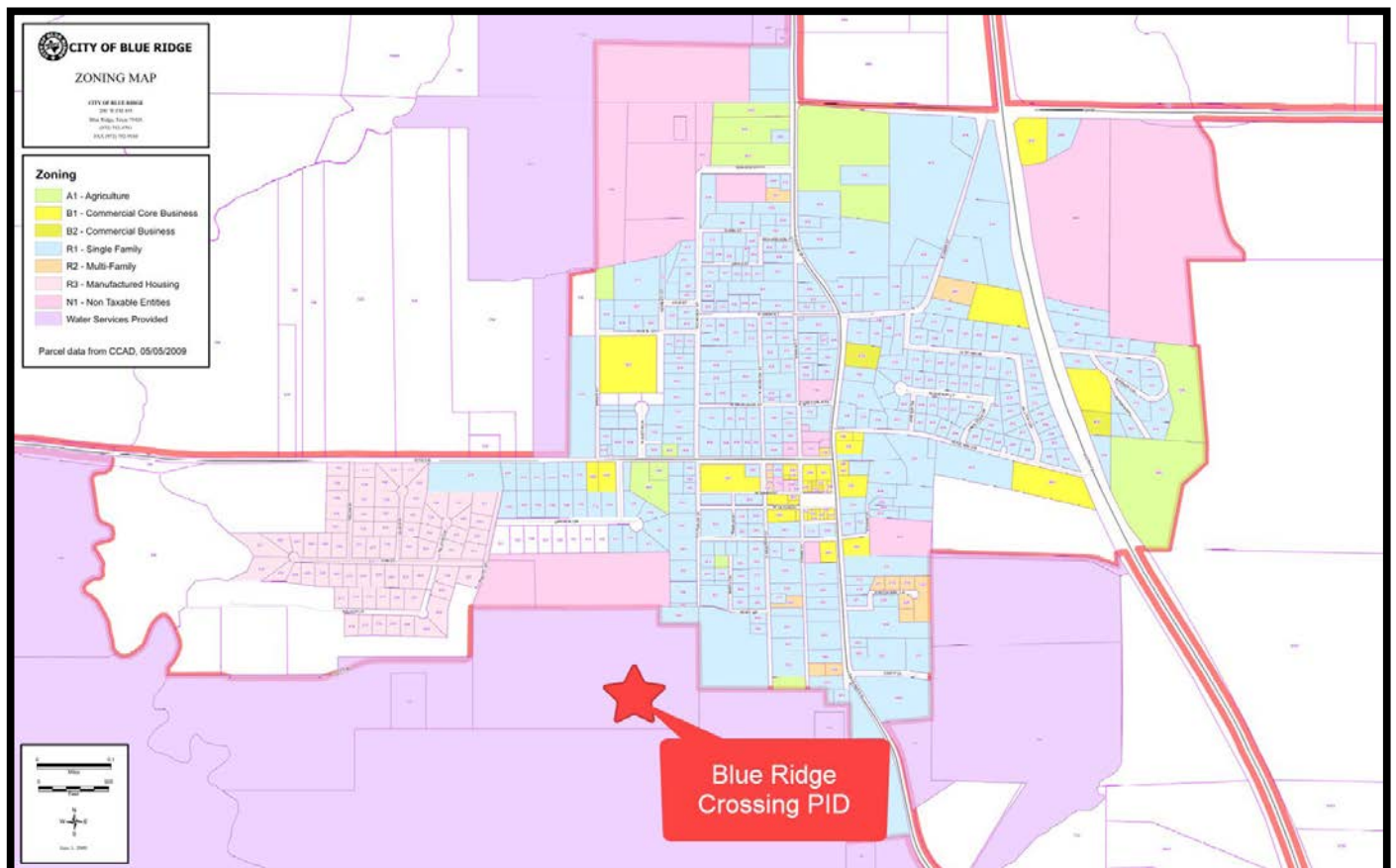
ZONING AND RESTRICTIONS

The City of Blue Ridge has passed a resolution (Resolution No. 2022-0322-002), signed March 22, 2022, to create Blue Ridge Crossing Public Improvement District, which covers the 42.539 contiguous acres. Development of the subject property is governed by a Development Agreement between the developer and the City of Blue Ridge. The Development Agreement for the subject property we are evaluating (212 residential lots), allows for detached single-family residential uses and sets forth requirements and standards for residential development for the subject property.

The subject property is zoned Planned Development (PD) by the City of Blue Ridge. The Planned Development zoning in the City of Blue Ridge is intended to provide for combining and mixing of uses to permit flexibility in the use and design of land and buildings.

The subject must adhere to the Development Agreement between the City of Blue Ridge and GLA Ventures, LLC. The proposed lot construction appears to be a conforming land use. The City of Blue Ridge Zoning Map which has not been updated to show current zoning is shown below.

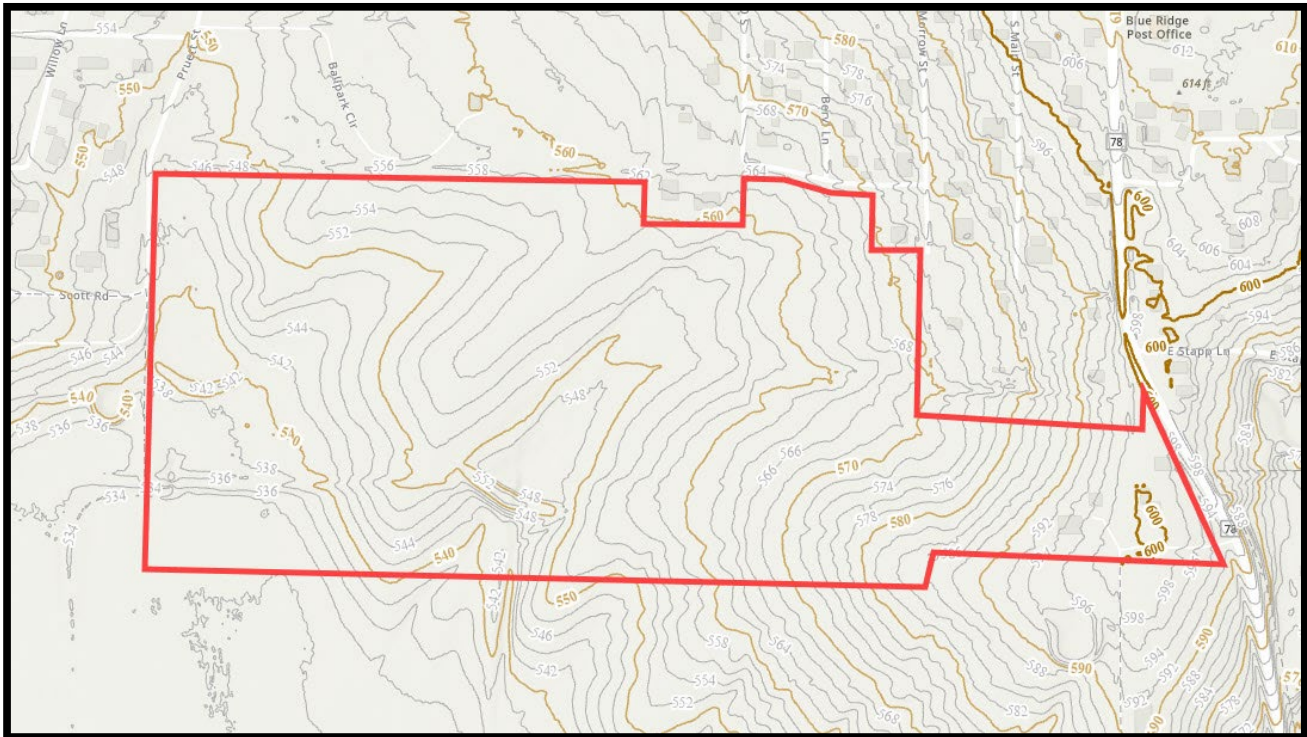
CITY OF BLUE RIDGE ZONING MAP



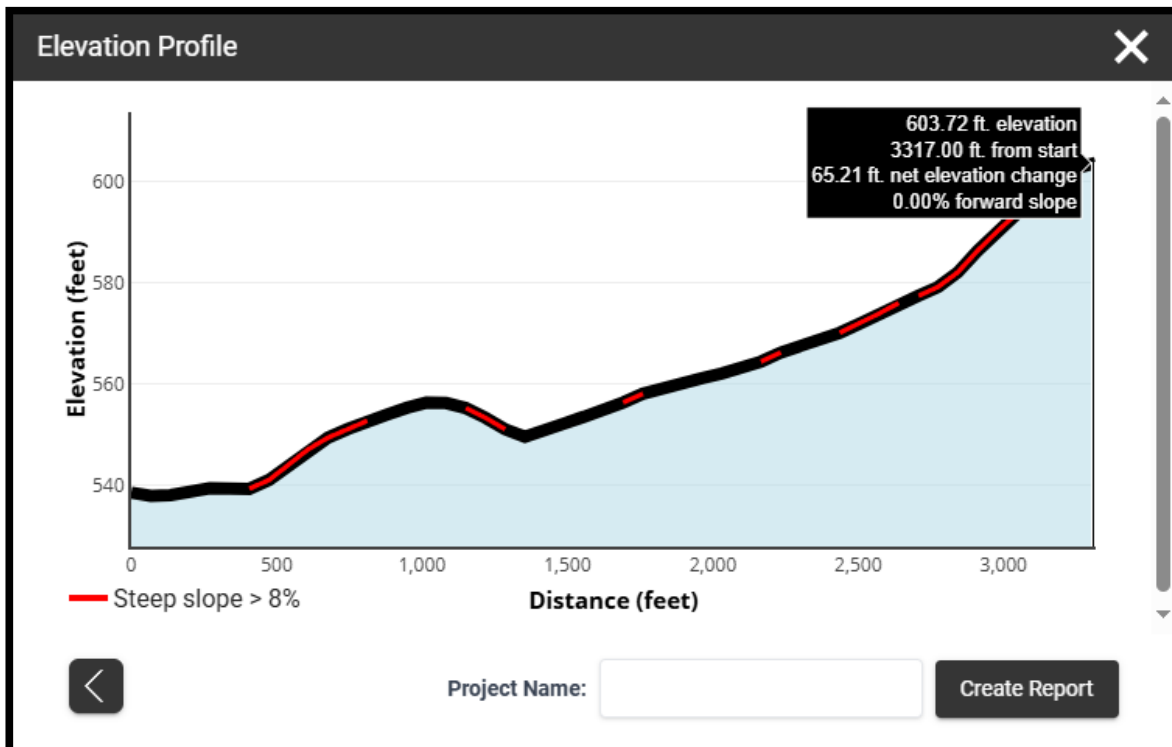
TOPOGRAPHY

The topography of the subject property is described as gently sloping and was partially cleared as of the date of inspection. As of the inspection date, January 8, 2025, these topographic maps showing the contours are slightly out-of-date as the site is in the process of being improved for single-family lots with streets, storm sewer, and utilities in place. Topographic information is provided by the North Central Texas Council of Governments and Texas A&M Forest Service.

TOPOGRAPHIC MAP *Contours At 10'; Bold at 100'*



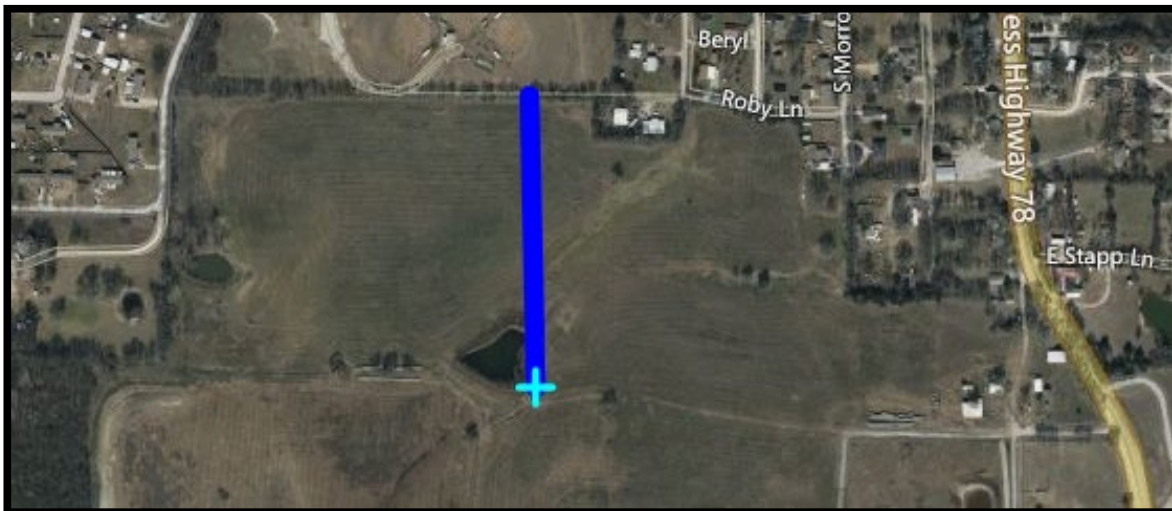
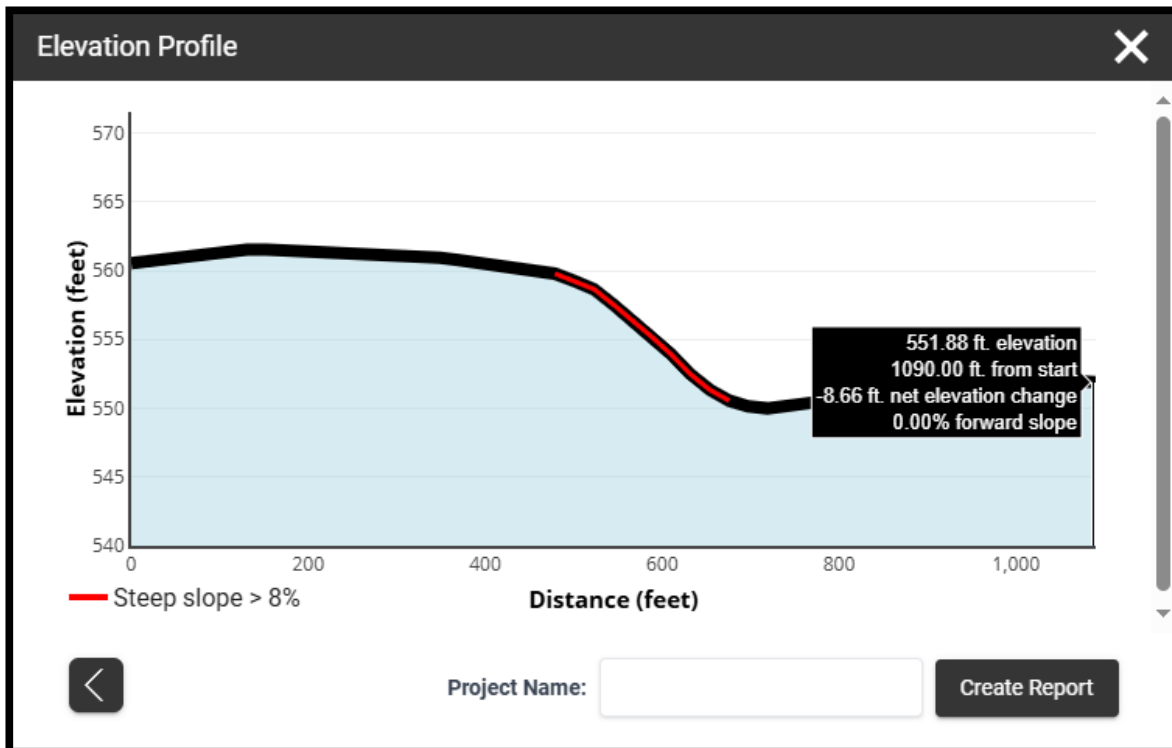
TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY



General Slope of the Property Moving from East to West

- *Note that measurements are in feet*
- *Elevation profile is represented along illustrated axis*
- *Property slopes east to west with approximately 65.21 feet of variation over approximately 3,317 feet of run*

TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY



General Slope of the Property Moving from North to South

- Note that measurements are in feet
- Elevation profile is represented along illustrated axis
- Property slopes north to south with approximately 8.66 feet of variation over approximately 1,090 feet of run

SOIL AND SUB-SOIL CONDITIONS

No soil engineer's report was available to the appraisers and no recent soil tests are known to have been performed. We have assumed a stable soil condition that would ensure the structural integrity of any improvement to be constructed. As of the report date, the developer has not yet begun excavation and earthwork. Our value conclusions are subject to revision should assumptions that land is stable prove incorrect. We caution and advise the user of this report to obtain engineering studies which may be required to ascertain any structural integrity.

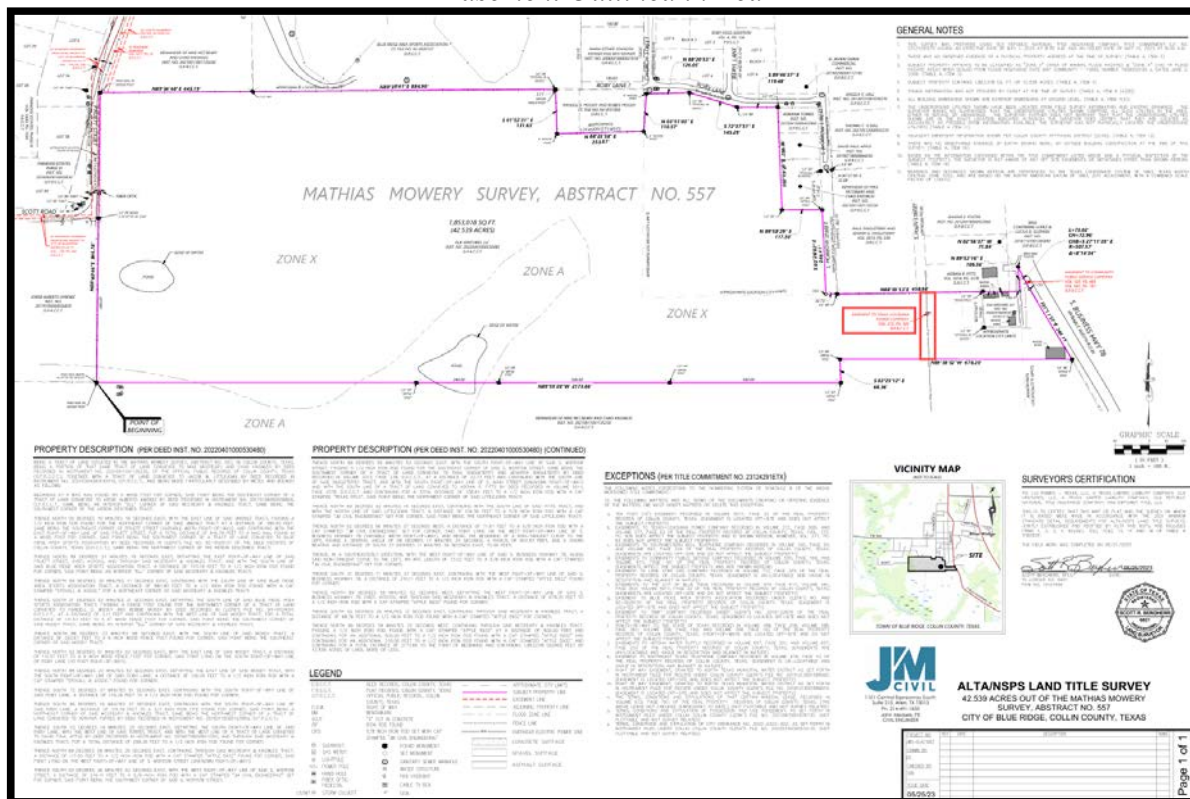
UTILITIES

Electricity to the property will be maintained by Oncor and natural gas will be maintained by Atmos. Water and sanitary sewer services are provided by the City of Blue Ridge. The subject property is served by the Blue Ridge Police Department and the Blue Ridge Fire Department for fire and emergency medical services. Telephone, fiber-optic, and internet are available through AT&T, Spectrum, T-Mobile, Optimum, and Nextlink.

EASEMENTS/ENCROACHMENTS

A survey by JM Civil Engineering, Professional Surveyor, dated May 25, 2023, was provided to the appraisers by the client. Based on a review of GIS online maps, our physical site visit, warranty deeds, and review of available maps there is a Powerline Easement running north/south through the eastern portion of the property which prevents development below the powerline, however, this will have minimal impact on the overall development of the PID. The appraisers assume the property is free from any detrimental easements or encroachments and specifically reserves the right to alter the conclusion of this analysis should a survey be provided that indicates detrimental easements or encroachments.

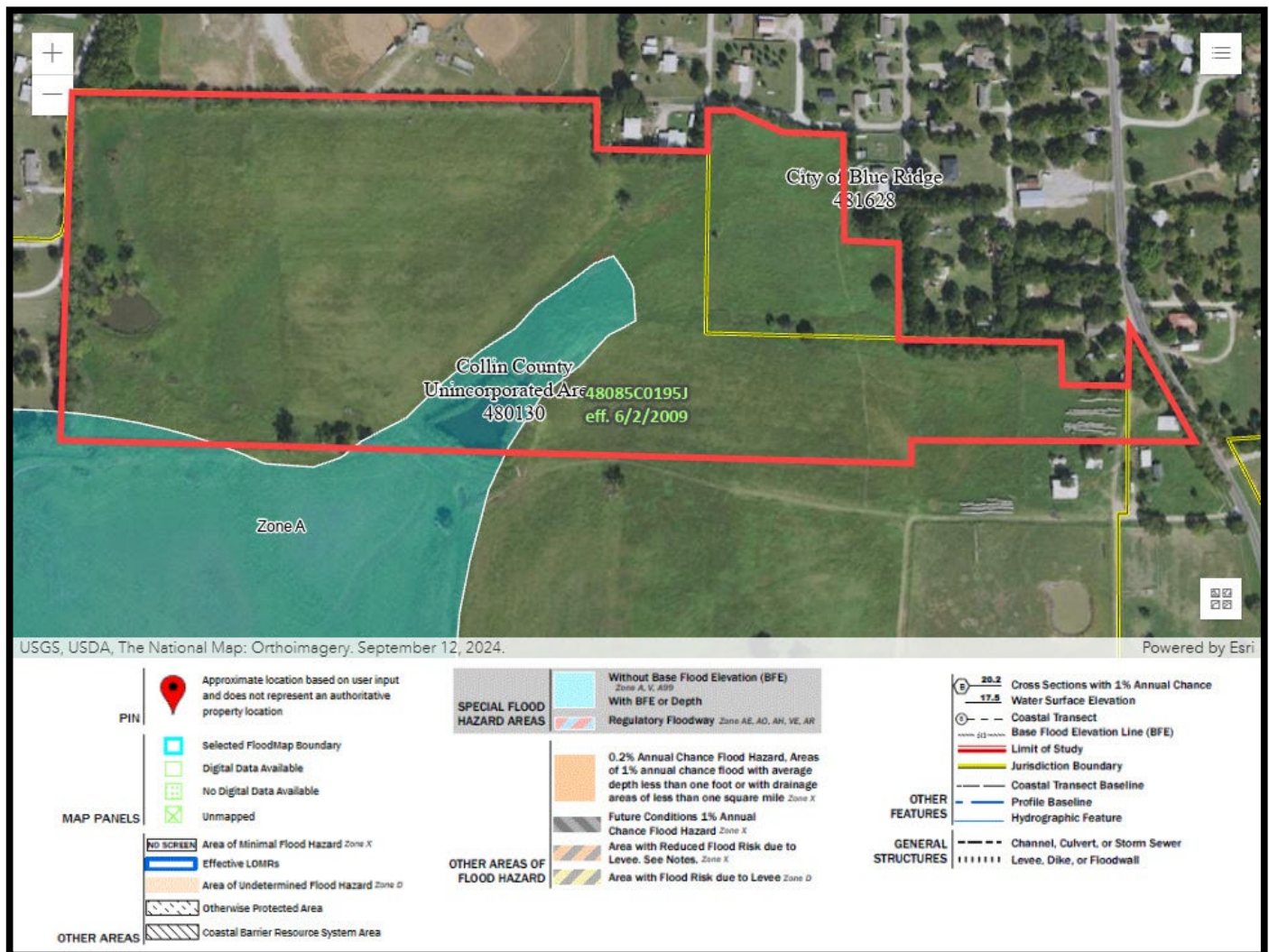
Subject Survey to Show Easements
By JM Civil Engineering, Professional Surveyor Dated May 25, 2023
Easement Outlined in Red



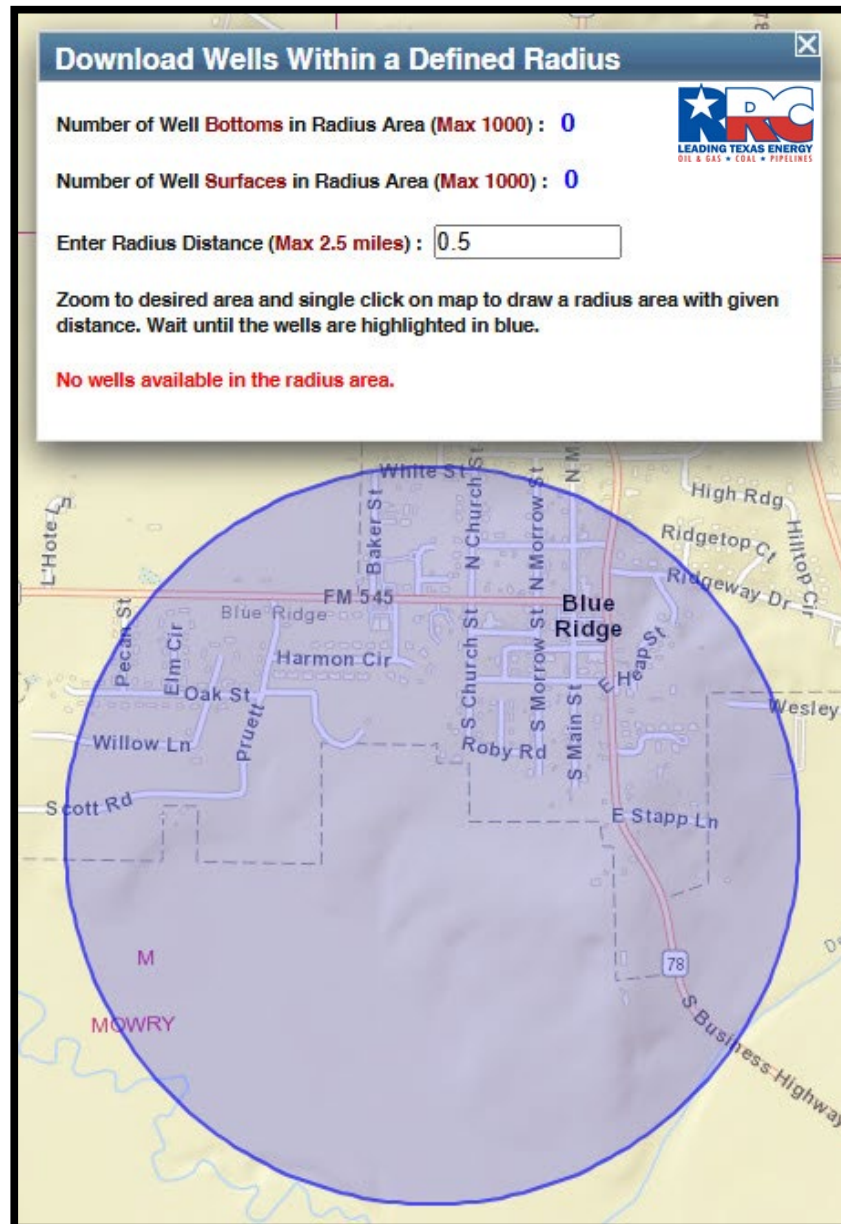
FEMA FLOOD ZONE

Blue Ridge Crossing PID is based on map panel 48085C0195J, dated June 2, 2009, the subject site appears to be located within unshaded Zone X, an area determined to be outside the 100-year and 500-year flood plains and is partially within Zone A, an area determined to be within the 100-year flood zone (1% annual chance of flood). This determination is made by graphic plotting only and is not guaranteed. We recommend that a surveyor be utilized to determine the precise floodplain status. Development within Unshaded Zone X does not appear to be detrimental to the development of the subject property. The areas within Zone A are undevelopable, however, those areas may provide areas of waterflow streams and ponds that may be aesthetically appealing in developed communities.

FLOODPLAIN MAP

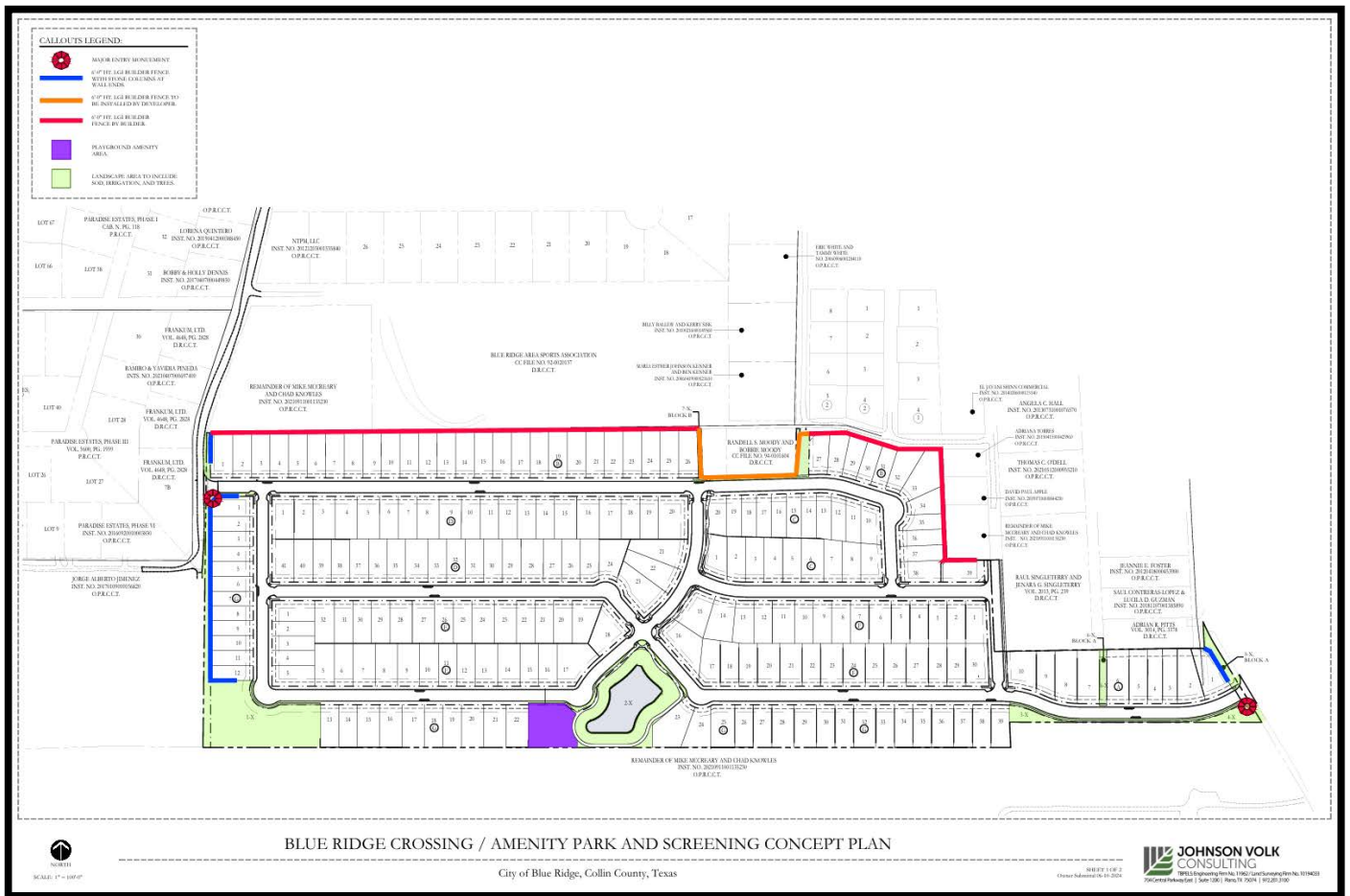


OIL AND GAS WELLS
Texas Railroad Commission

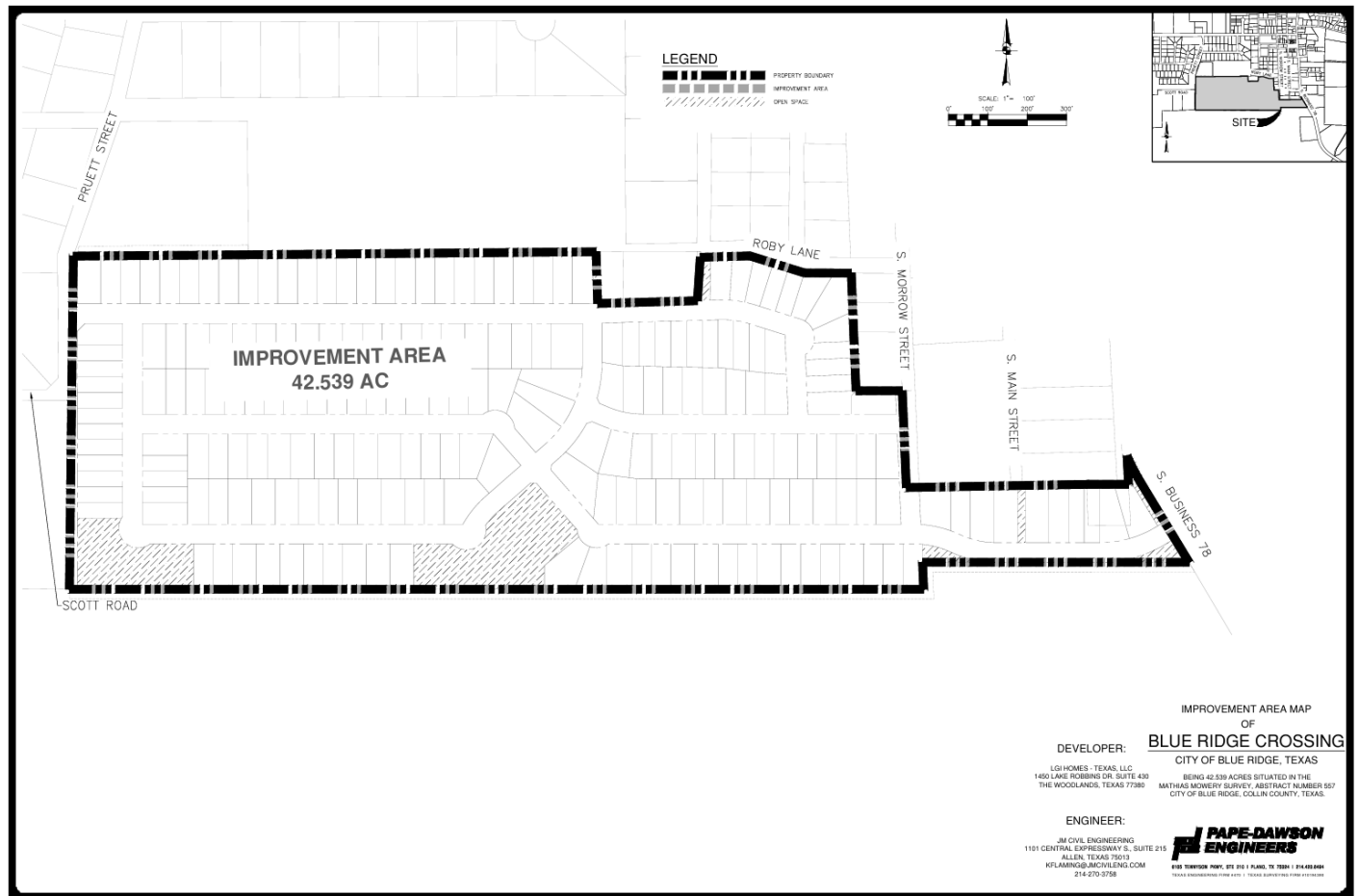


There are 0 well bottom sites and 0 well surface sites within 0.5 mile from the subject property according to the above referenced map from the Texas Railroad Commission. The subject site does not appear to be encumbered by any detrimental restrictions due to the proximity to surface or subsurface well locations because this area is minimally active in mineral extraction.

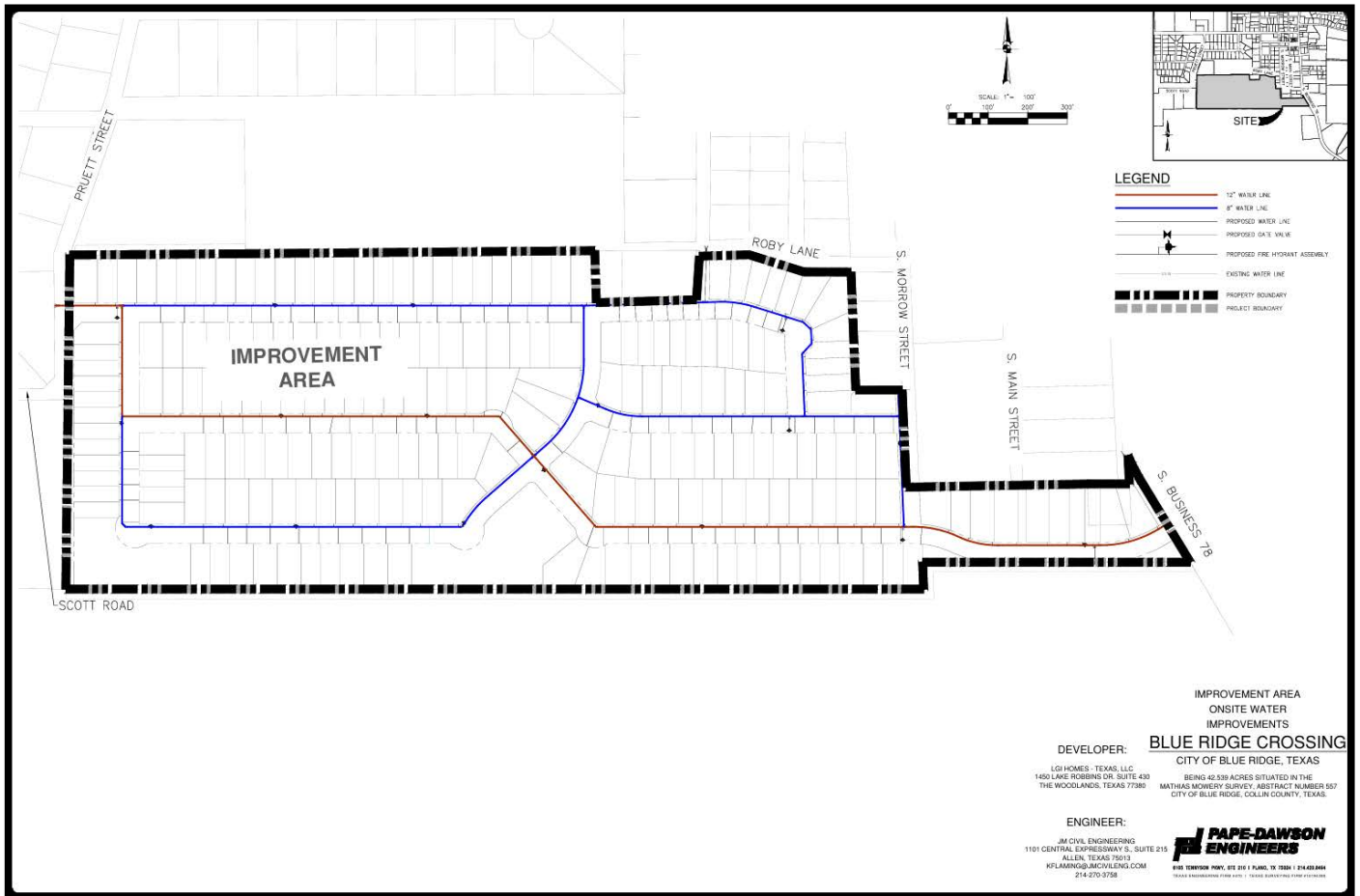
BLUE RIDGE CROSSING PID CONCEPT PLAN JOHNSON VOLK CONSULTING – JUNE 10, 2024



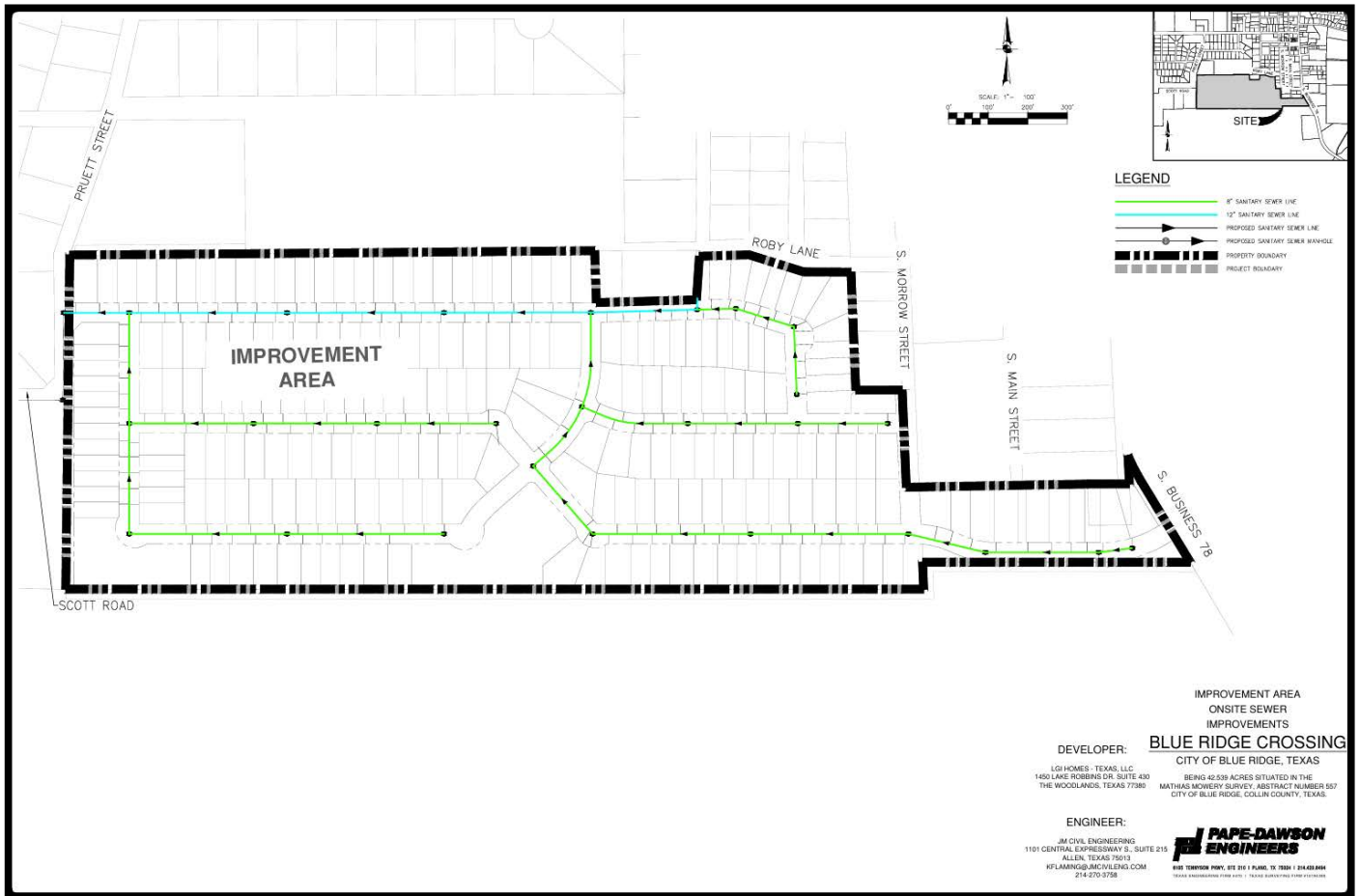
IMPROVEMENT AREA MAP
PAPE-DAWSON ENGINEERS, PROFESSIONAL ENGINEERS



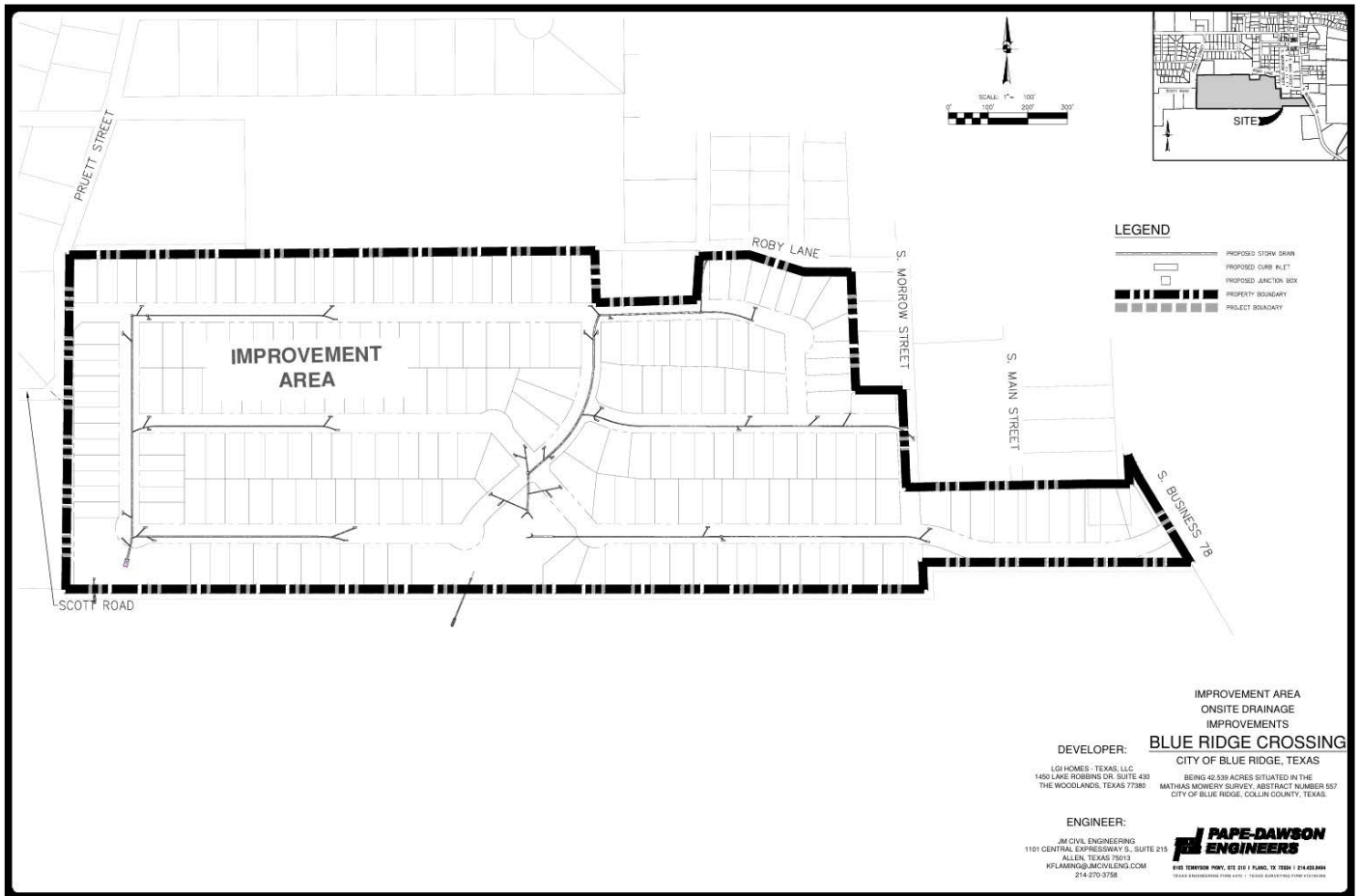
**IMPROVEMENT AREA ONSITE WATER IMPROVEMENTS
PAPE-DAWSON ENGINEERS, PROFESSIONAL ENGINEERS**



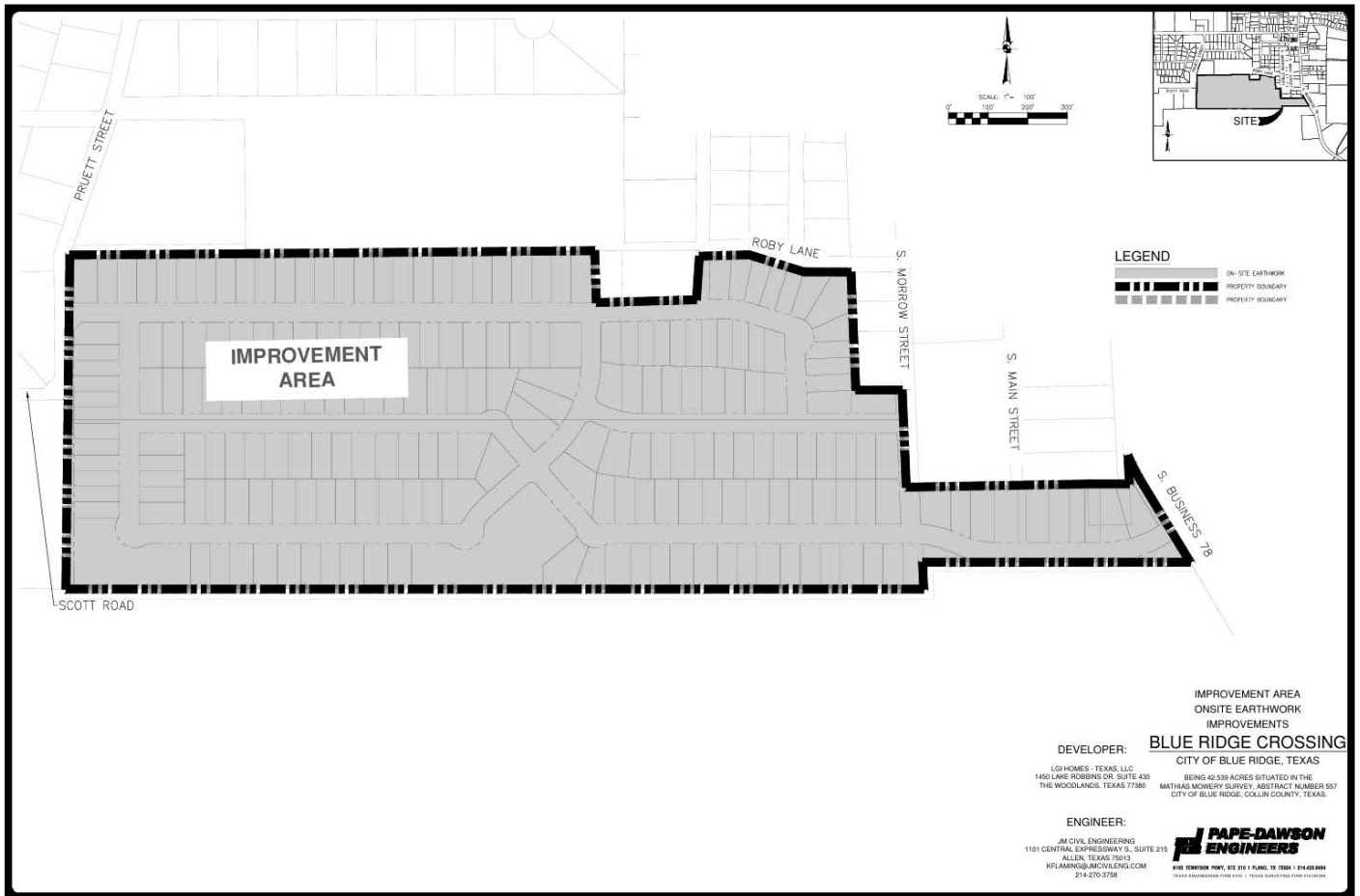
IMPROVEMENT AREA ONSITE SEWER IMPROVEMENTS
PAPE-DAWSON ENGINEERS, PROFESSIONAL ENGINEERS



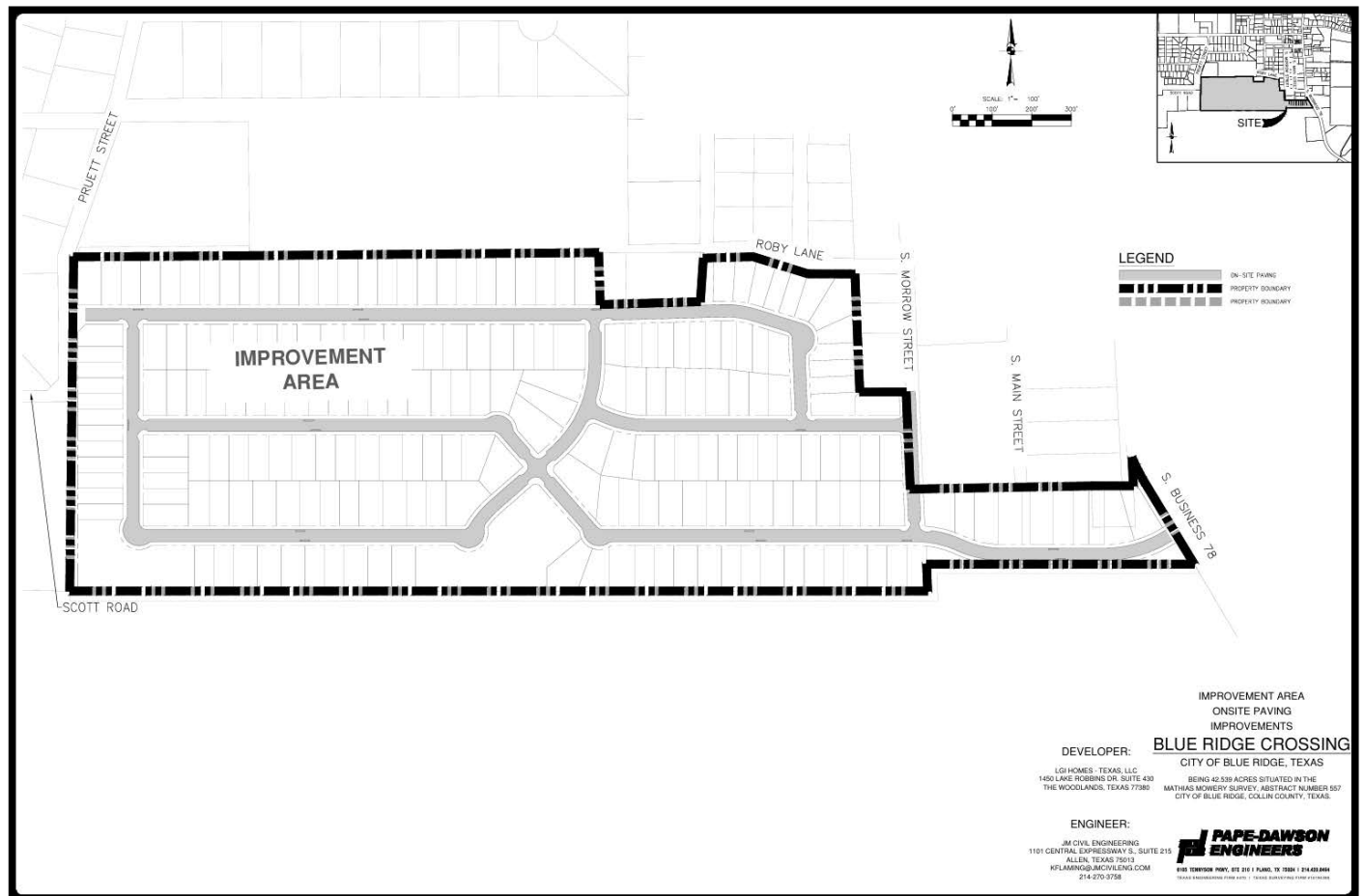
**IMPROVEMENT AREA ONSITE DRAINAGE IMPROVEMENTS
PAPE-DAWSON ENGINEERS, PROFESSIONAL ENGINEERS**



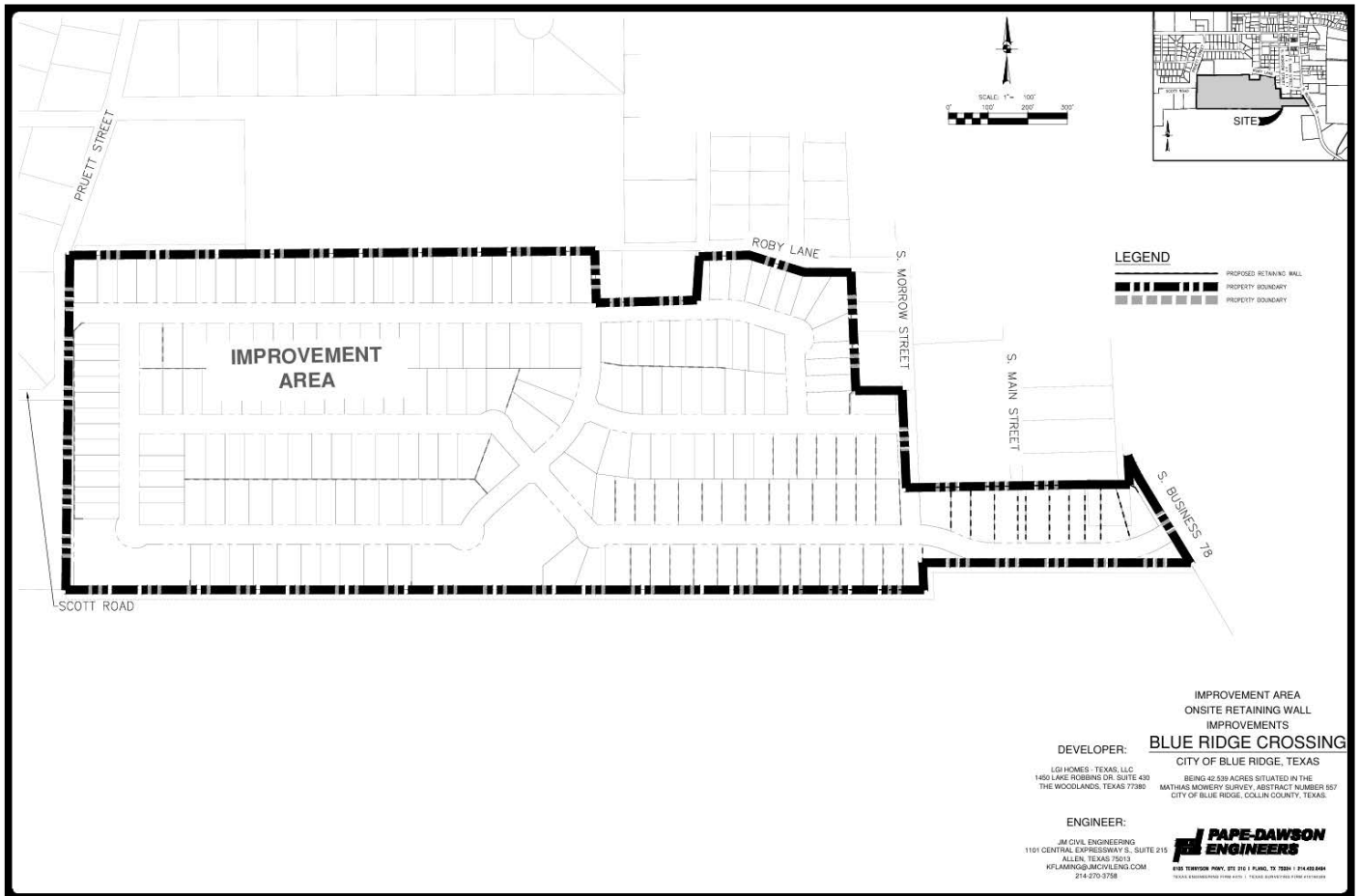
**IMPROVEMENT AREA ONSITE EARTHWORK IMPROVEMENTS
PAPE-DAWSON ENGINEERS, PROFESSIONAL ENGINEERS**



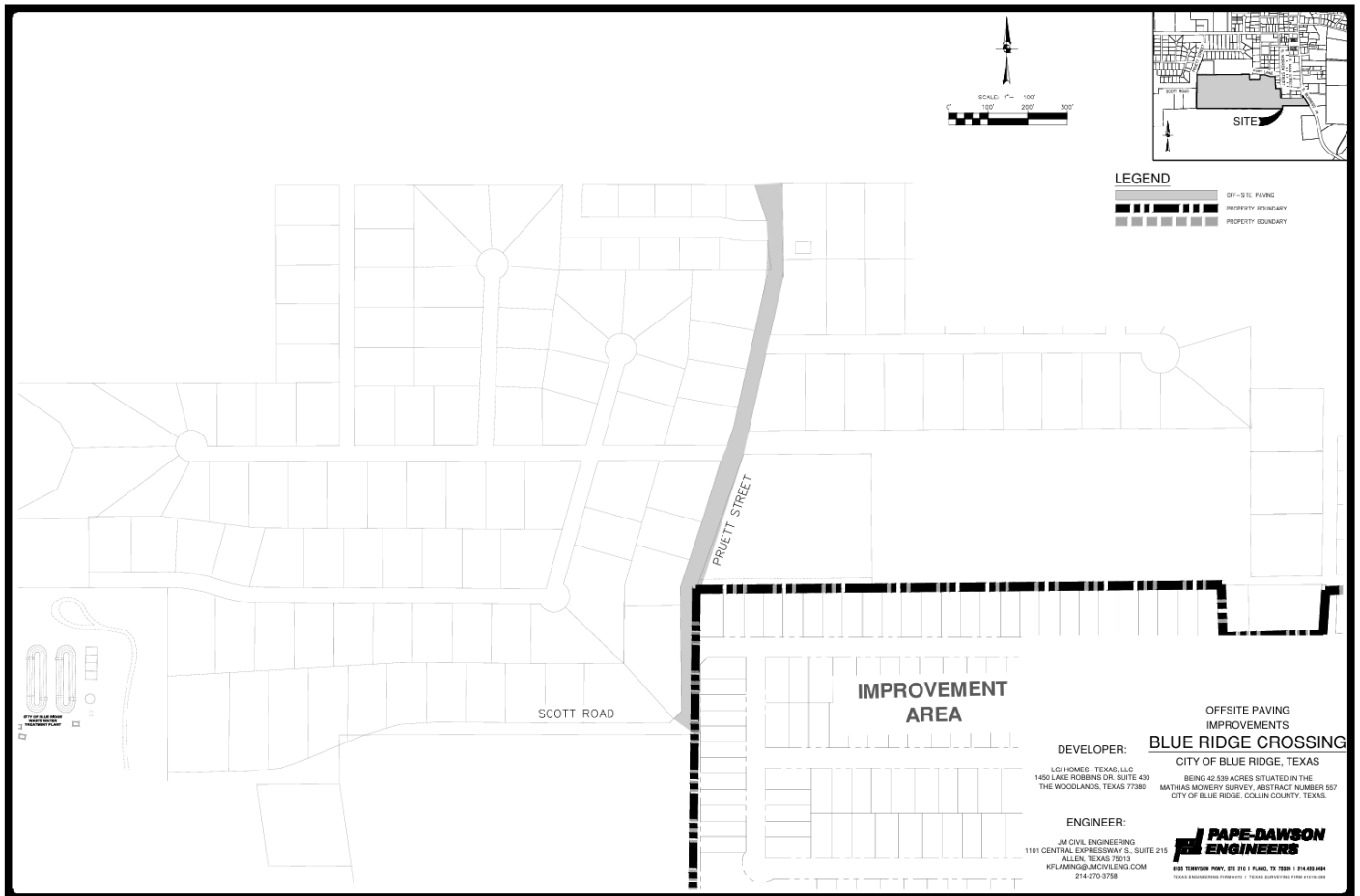
**IMPROVEMENT AREA ONSITE PAVING IMPROVEMENTS
PAPE-DAWSON ENGINEERS, PROFESSIONAL ENGINEERS**



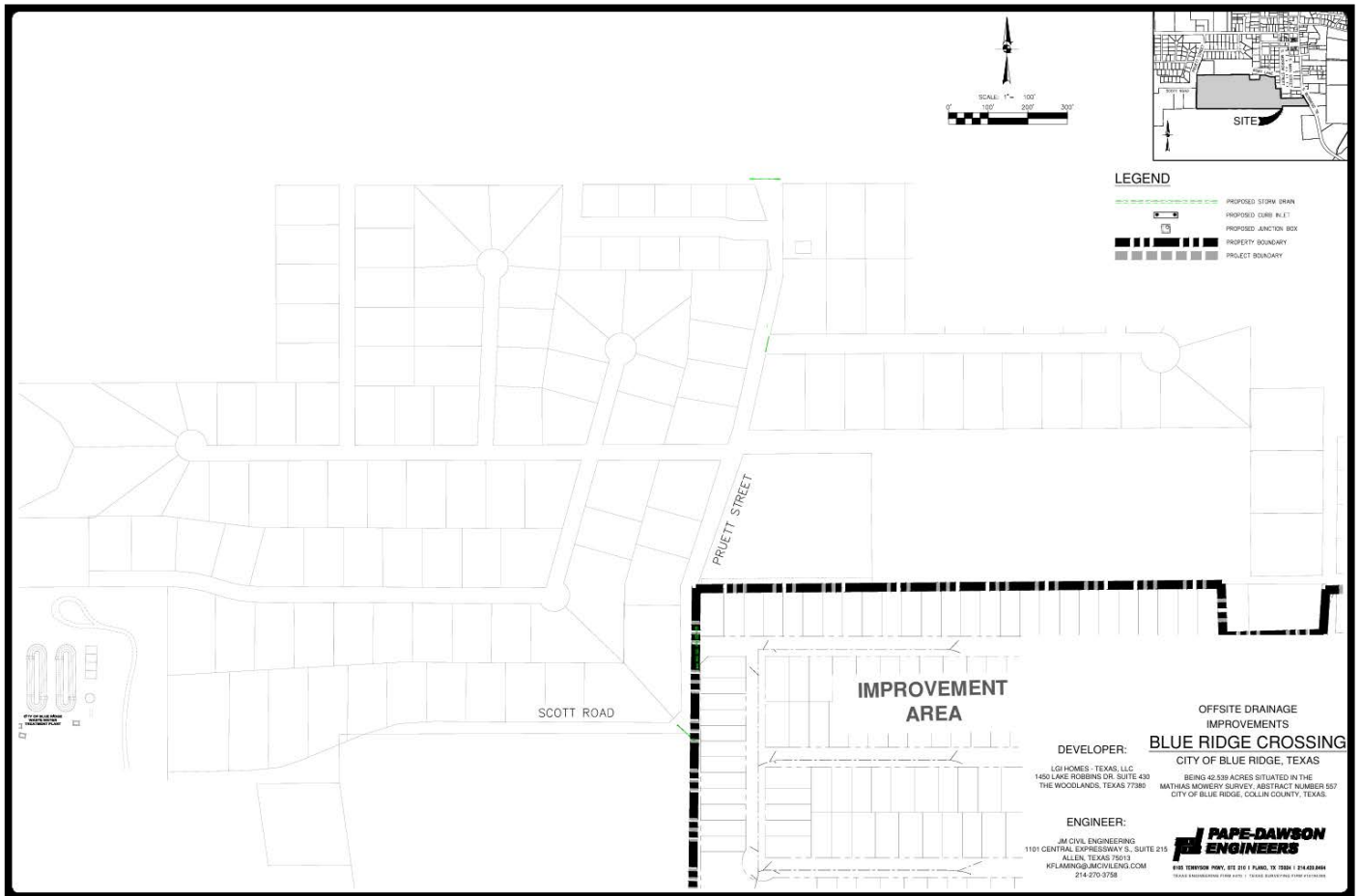
**IMPROVEMENT AREA ONSITE RETAINING WALL IMPROVEMENTS
PAPE-DAWSON ENGINEERS, PROFESSIONAL ENGINEERS**



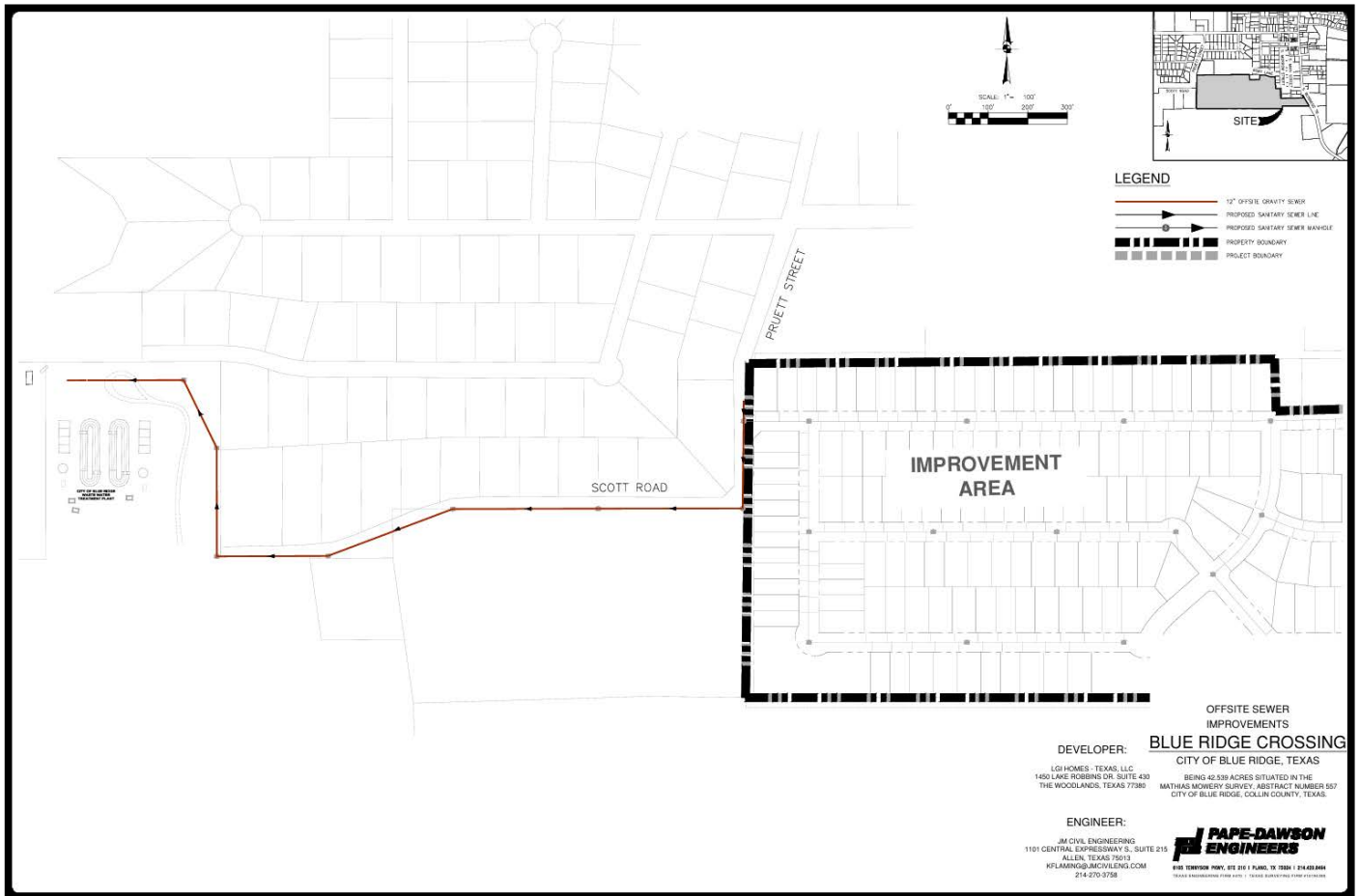
**IMPROVEMENT AREA OFFSITE PAVING IMPROVEMENTS
PAPE-DAWSON ENGINEERS, PROFESSIONAL ENGINEERS**



**IMPROVEMENT AREA OFFSITE DRAINAGE IMPROVEMENTS
PAPE-DAWSON ENGINEERS, PROFESSIONAL ENGINEERS**



IMPROVEMENT AREA OFFSITE SEWER IMPROVEMENTS
PAPE-DAWSON ENGINEERS, PROFESSIONAL ENGINEERS



PROPERTY PHOTOGRAPHS



S. Texas 78 Business Facing North



S. Texas 78 Business Facing South



Main Entrance to Subject Property



Eastern Corner of Subject Facing East



Northwest Corner of Subject Facing East



Northwest Corner of Subject Facing West

SUBJECT PHOTOGRAPHS



Pond at Northern Part of Subject



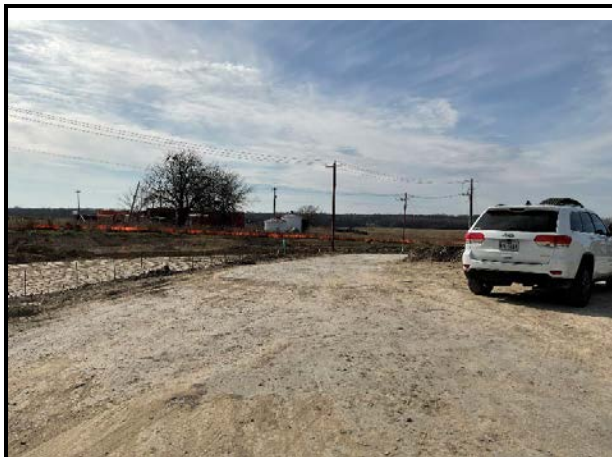
Northern Part Subject Facing South



Pruett Street Facing North



Retaining Wall



Powerlines at Eastern Section of Subject



Baseball Fields North of Subject

HIGHEST AND BEST USE

The highest and best use may be defined as the most profitable or likely profitable legal use for which a property may be utilized. The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand in the reasonably near future. Also, that reasonable and probable use that will support the highest present value, as defined, as of the Prospective Effective Date of the appraisal.

Alternatively, that use, from among reasonably probable and legal alternative uses, is found to be:

- | | |
|------------------------|-------------------------|
| a. Legally Permissible | c. Financially Feasible |
| b. Physically Possible | d. Maximally Productive |

The definition, immediately above, applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

There are two distinct types of highest and best use, that being the highest and best use as if the site were vacant, and the highest and best use as improved. Both use determinations require consideration of the physical, legal, financial feasibility and maximal productivity for the site and improvements.

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use “As-Vacant”

Legally Permissible

The subject property is within the City of Blue Ridge and is governed by a Development Agreement which covers the 42.539 contiguous acres. The Development Agreement for the subject property we are evaluating (212 residential lots), allows for detached single-family residential uses and sets forth requirements and standards for residential development for the subject property.

The subject is zoned Planned Development (PD) which is residential-use PD that, at the subject property, allows for detached single-family residential use.

No private deed restrictions were uncovered during a normal investigation, which would further limit the potential uses of the subject site. No other legal restrictions or covenants were found to be imposed on the subject property at the time of the appraisal which would further restrict development.

Given surrounding land use patterns in the area, only detached single-family residential use is given further consideration in determining the highest and best use of the site as vacant.

Physically Possible

Considering the subject’s physical characteristics including jurisdiction, location, size, shape, and availability of utilities, the site is capable of numerous uses which are physically possible without being constrained by the property itself.

Financially Feasible

In order to be economically feasible, the improvements should conform to the surrounding land uses. To meet the test of being financially feasible, the project must provide a net return over a reasonable period of time. The area surrounding the subject property is a mix of single-family residential homes and agricultural land and development of the surrounding area has accelerated considerably over the past decade as development north and east of Dallas and Fort Worth has shown almost endless demand. Developers and home builders have moved further away from the center of the Metroplex and into areas of Collin County and are being developed with middle class housing stock. Based on review of homes on the market, we would expect home prices in the \$300,000s would be in demand in Blue Ridge Crossing PID.

Based on our analysis of the market, it is reasonable to expect a rise in demand for vacant developed lots (VDLs) in 2025 as homebuilders sell more homes when mortgage rates begin to fall precipitously as they did in 2024; Along with this, due to the lack of supply for VDLs and the long-term prospects of the subject's area, we expect ample demand for single-family lots in the next 2-5 years. When looking at the longer time horizon, it appears that a newly developed single-family residential use on the site would have a value commensurate with its cost. Therefore, single-family residential use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the subject property that would generate a higher residual land value than single-family residential use. Accordingly, it is our opinion that single-family residential use, developed to the normal market density allowed by the Planned Development is the maximally productive use of the property.

The resilient business climate in North Texas, the addition of new jobs to the area, and the continual development of neighborhoods similar to Blue Ridge and Collin County has created increased demand for homes in the area. Coupled with increasing movement into DFW, and northeast of the Metroplex in particular, it is our opinion that the highest and best use of the property "As-Vacant" would be for the development of single-family residential community. Thus, the highest and best use of the property "As-Vacant" is for development of single-family residential use.

Highest and Best Use "As-Improved"

Development of the subject property, as proposed utilizing our extraordinary assumptions, is the only use that meets the four tests of highest and best use. Therefore, we conclude that the highest and best use of the property "As-Improved" is similar to our conclusion "As-Vacant" which is for single-family residential use.

We believe that the **most probable buyers** would be a developer of large single-family communities or a large homebuilder who is active in the DFW Metroplex market. Also, given that the builder and developer of the subject property (LGI Homes) is a nationally recognized homebuilder, an additional most probably buyer would be the end-user seeking affordable housing in an area such as Blue Ridge.

VALUATION – IMPROVED RESIDENTIAL LOTS

Three approaches to value are typically considered when developing a market value opinion for real property. These are the Cost Approach, the Sales Comparison Approach, and the Income (Subdivision Development) Approach. Use of the approaches in this assignment is summarized as follows:

<i>Approach</i>	<i>Applicability to Subject</i>	<i>Use in Assignment</i>
Cost Approach	<i>Appropriate Since the Subject Property is Developed in One Phase</i>	<i>Utilized</i>
Income (Subdivision Development) Approach	<i>Appropriate in Determining Residential Subdivision Value</i>	<i>Utilized</i>
Sales Comparison Approach	<i>Aspects Used in Subdivision Valuation to Determine Retail Market Value of the Vacant Developed Lots</i>	<i>Partially Utilized</i>

Residential Subdivision 212 (Improved Lots)

Cost Approach

The Cost Approach provides information that contrasts with information from the Income and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project. The subject property is being developed in one phase and there are no major improvements in place, therefore, *the Cost Approach is appropriate and thus was utilized.*

Income (Subdivision Development) Approach

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since one of the problems to be solved in this assignment is to determine the bulk sale value of 212 improved lots, as of the Prospective Effective Date of June 1, 2025, which is based on the Substantial Completion Date, *the Income (Subdivision Development) Approach is appropriate and was fully developed.*

Sales Comparison Approach

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify, *the Sales Comparison Approach was not fully developed by the appraisers.* Aspects of the Sales Comparison Approach were utilized to determine the retail value of the improved lots for analysis within the Income (Subdivision Development) Approach.

COST APPROACH: RESIDENTIAL LOTS IN BLUE RIDGE CROSSING PID

The Cost Approach is based on the principle of substitution, which states that a prudent buyer would not pay more for a property than the cost to acquire a similar site and construct the equivalent improvements without undue delay. This approach is most beneficial when appraising a proposed or recently developed project. The methodology provides information that contrasts with information from the Income Capitalization and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction.

The Cost Approach include three basic elements:

1. Land Value – Raw Land Sales
2. Reproduction Cost – Engineering, Platting, Zoning, Major Improvements/Development Costs
3. Accrued Depreciation

Blue Ridge Crossing PID has a total of 42.539-AC in size.

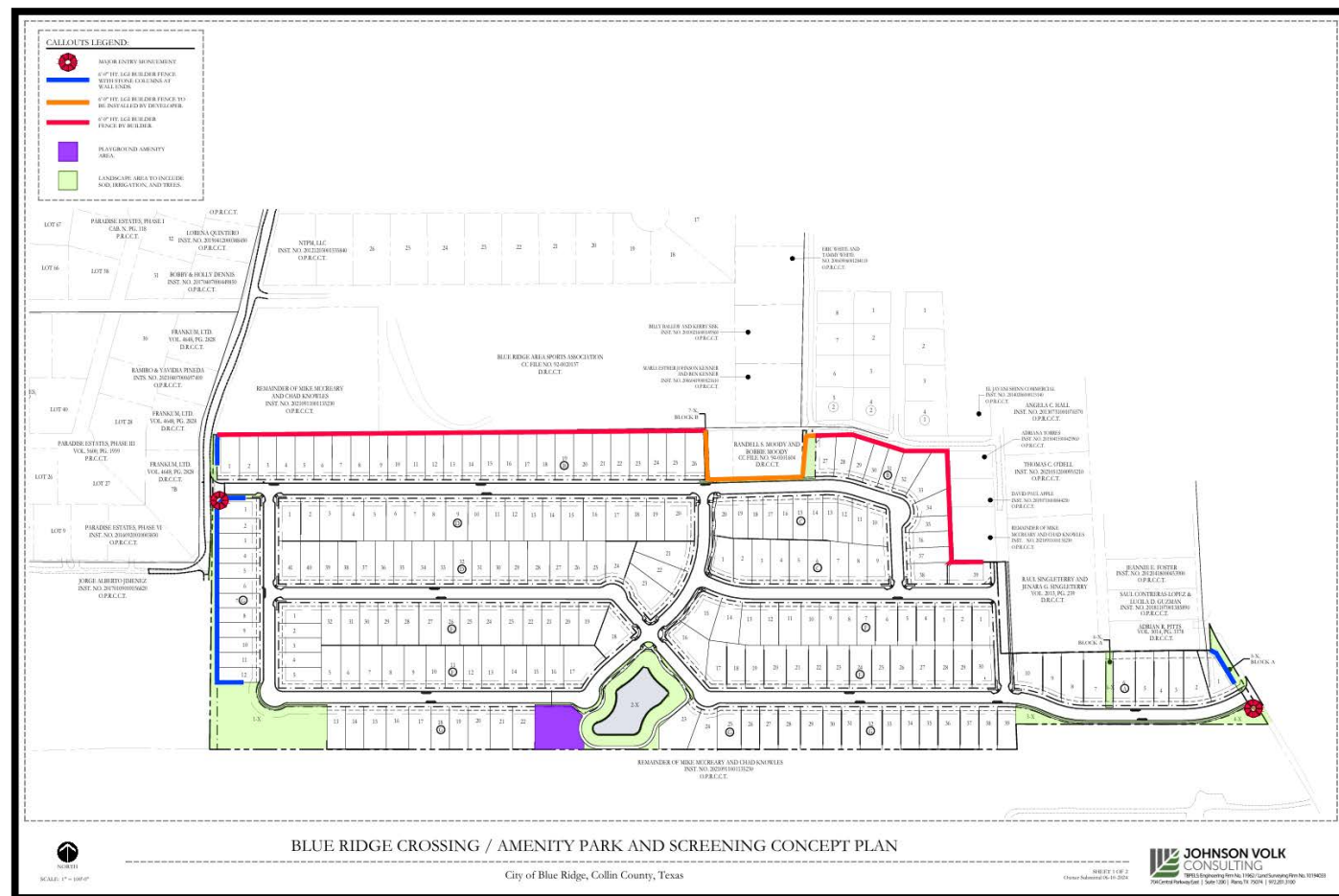
The first step in the Cost Approach is to develop a value opinion of the underlying land involved. The land valuation is really a separate appraisal of the land of the subject property, under the assumption that no improvement has been performed. Therefore, we have elected to treat the site valuation as a separate component of the appraisal process. After we reach an opinion of value for the subject site, that value will be transferred to the calculation of the Cost Approach in the following section of this report.

We have utilized the Sales Comparison Approach to determine the market value of the land. Based on research, buyers in the market typically rely heavily on the following unit of comparison for land valuation of over 15 acres:

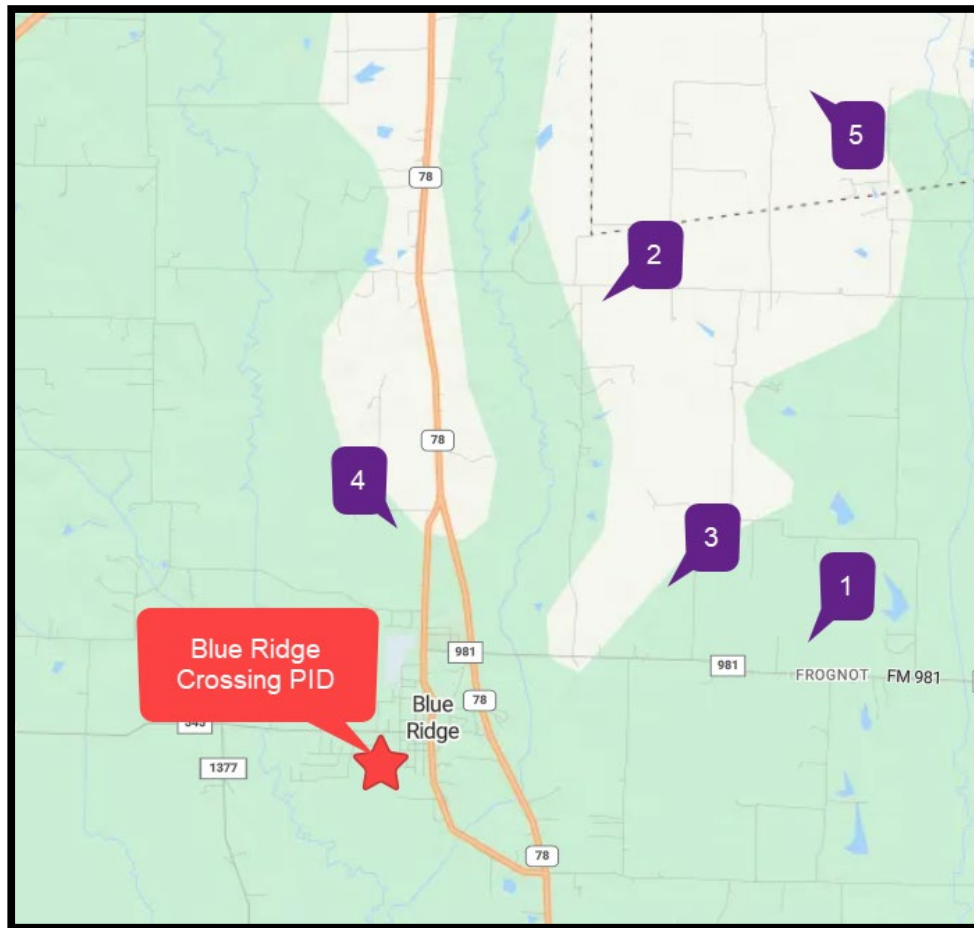
Sales Price Per Acre - This number is obtained by dividing the sale price by the overall acreage of the land

An exhibit of the Residential Lots is shown on the following page followed by a map of the subject property with similar, nearby, recent comparable sales is shown below, in addition to a summary of the land sales. Following the map and table there is an adjustment grid as well as an analysis explaining how we adjusted the comparable sales to arrive at a value indication for the subject site's land. Comparable sale data sheets follow the comparable sale map.

BLUE RIDGE CROSSING PID CONCEPT PLAN
JOHNSON VOLK CONSULTING – JUNE 10, 2024



COMPARABLE LAND SALES MAP; RESIDENTIAL LAND



Subject: Blue Ridge Crossing PID, Blue Ridge, TX 75424

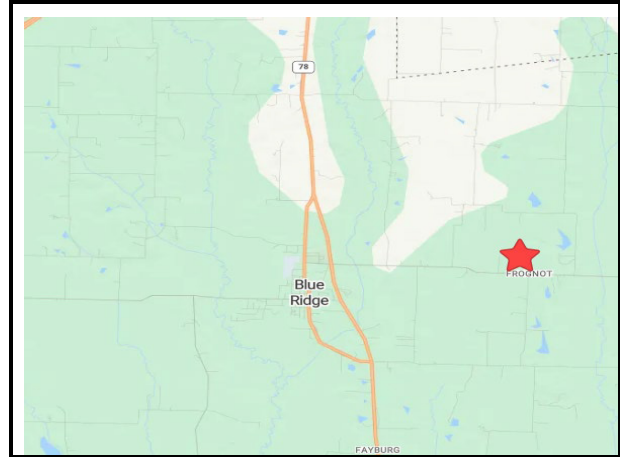
The land sales incorporated in this analysis occurred since 5/9/2022. A sufficient number of recent sales of comparable tracts were available within the subject's market area. Data on each of the sales, including sales price, was confirmed with sources considered to be reliable. Our five comparable sales are shown below:

SUMMARY OF VACANT LAND SALES - BLUE RIDGE CROSSING PID LAND							
Sale	Location	City	Sale Date	Zoning	Sale Price	Size (AC)	\$/AC
1	20.000-AC at 13285 FM 981	Unincorporated Collin County	1/4/2024	None	\$560,000	20.000	\$28,000
2	30.490-AC on County Road 630	Unincorporated Collin County	10/30/2023	None	\$715,000	30.490	\$23,450
3	46.870-AC on County Road 632	Unincorporated Collin County	8/28/2023	None	\$1,100,000	46.870	\$23,469
4	16.357-AC on Business 78 South	Unincorporated Collin County	5/9/2022	None	\$374,000	16.357	\$22,865
5	18.865-AC at 1951 County Road 5010	Unincorporated Fannin County	7/27/2022	None	\$403,500	18.865	\$21,389
Subject	Blue Ridge Crossing PID	Blue Ridge	N/A	PD	N/A	42.539	N/A

LAND SALE COMPARABLE 1



Comparable 1 Aerial



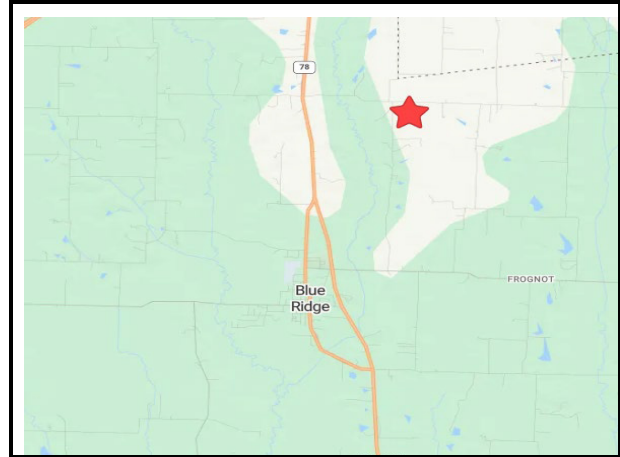
Comparable 1 Map

Land Sale Comparable 1				
Property Information				
Property Name	20.000-AC at 13285 FM 981			
Property Class	Land			
County	Collin			
Property Type	Undeveloped Acreage			
Site Information				
Site Size	3,875,969	SF	20.00	Acres
Zoning Code	No City Zoning			
Shape	Irregular			
Topography	Gently Sloping; Floodplain X			
Available Utilities	Electric and Water			
Transaction Information				
Sale Status	Closed			
Sale Date	1/4/2024			
Seller	Derek Franklin McBeth			
Buyer	Uddin Muhammad & Rahima Afroza			
Sale Price	\$560,000			
Price per SF Land	\$0.14			
Price per Acre	\$28,000			

LAND SALE COMPARABLE 2



Comparable 2 Aerial



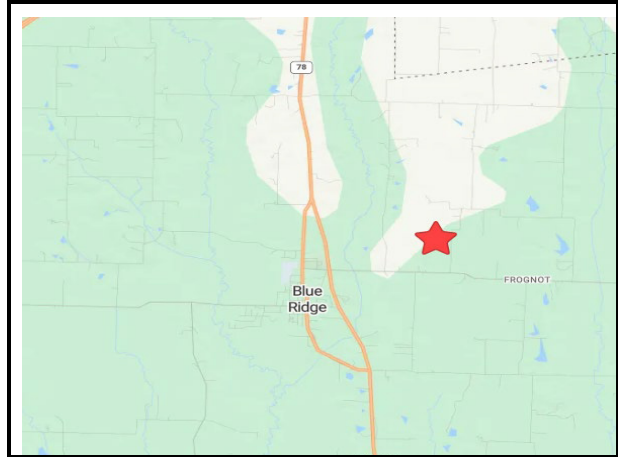
Comparable 2 Map

Land Sale Comparable 2				
Property Information				
Property Name	30.490-AC on County Road 630			
Property Class	Land			
County	Collin			
Property Type	Undeveloped Acreage			
Site Information				
Site Size	1,328,144	SF	30.49	Acres
Zoning Code	No City Zoning			
Shape	Mostly Rectangular			
Topography	Gently Sloping; Floodplain X			
Available Utilities	Electric and Water			
Transaction Information				
Sale Status	Closed			
Sale Date	10/30/2023			
Seller	Prapanna, LLC			
Buyer	Francisco Chacon			
Sale Price	\$715,000			
Price per SF Land	\$0.54			
Price per Acre	\$23,450			

LAND SALE COMPARABLE 3



Comparable 3 Aerial



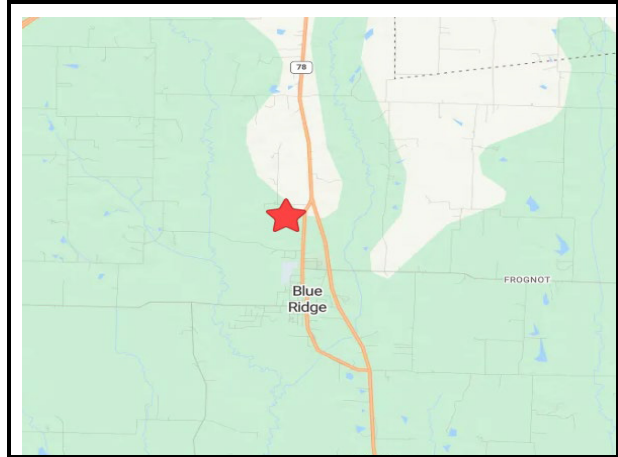
Comparable 3 Map

Land Sale Comparable 3				
Property Information				
Property Name	46.870-AC on County Road 632			
Property Class	Land			
County	Collin			
Property Type	Undeveloped Acreage			
Site Information				
Site Size	2,041,657	SF	46.87	Acres
Zoning Code	No City Zoning			
Shape	Mostly Rectangular			
Topography	Gently Sloping			
Available Utilities	Electric Available; No Other City Services			
Transaction Information				
Sale Status	Closed			
Sale Date	8/28/2023			
Seller	Katie Fisher			
Buyer	410 Land Co., LLC			
Sale Price	\$1,100,000			
Price per SF Land	\$0.54			
Price per Acre	\$23,469			
Comment	Pipeline Easement			

LAND SALE COMPARABLE 4



Comparable 4 Aerial



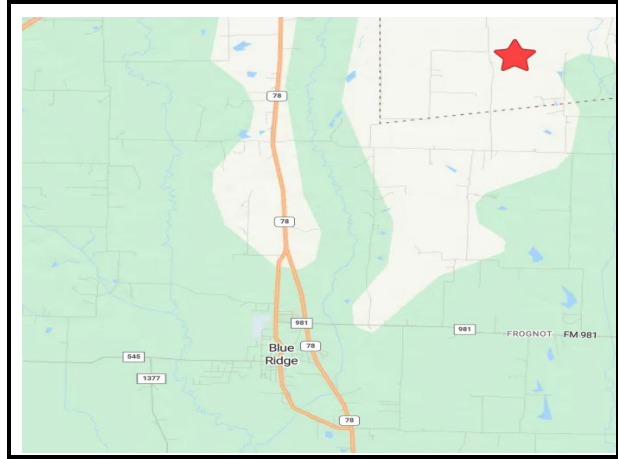
Comparable 4 Map

Land Sale Comparable 4				
Property Information				
Property Name	16.357-AC on Business 78 South			
Property Class	Land			
County	Collin			
Property Type	Undeveloped Acreage			
Site Information				
Site Size	712,511	SF	16.36	Acres
Zoning Code	No City Zoning			
Shape	Irregular			
Topography	Gently Sloping; Floodplain X			
Available Utilities	No Utilities			
Transaction Information				
Sale Status	Closed			
Sale Date	5/9/2022			
Seller	Frank Richard Hillman			
Buyer	Chambord Blue Ridge, LLC			
Sale Price	\$374,000			
Price per SF Land	\$0.52			
Price per Acre	\$22,865			

LAND SALE COMPARABLE 5



Comparable 5 Aerial



Comparable 5 Map

Land Sale Comparable 5				
Property Information				
Property Name	18.865-AC at 1951 County Road 5010			
Property Class	Land			
County	Fannin			
Property Type	Undeveloped Acreage			
Site Information				
Site Size	821,759	SF	18.87	Acres
Zoning Code	No City Zoning			
Shape	Rectangular			
Topography	Gently Sloping; Floodplain X			
Available Utilities	Electric, No Other Utilites			
Transaction Information				
Sale Status	Closed			
Sale Date	7/27/2022			
Seller	Clardy Hamilton			
Buyer	Jin Zhao & Wang Xinran			
Sale Price	\$403,500			
Price per SF Land	\$0.49			
Price per Acre	\$21,389			

LAND SALES ADJUSTMENT COMPARISON GRID

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	<u>Blue Ridge Crossing PID</u>	20.000-AC at 13285 FM 981	30.490-AC on County Road 630	46.870-AC on County Road 632	16.357-AC on Business 78 South	18.865-AC at 1951 County Road 5010
	<u>Blue Ridge</u>	Unincorporated Collin County	Unincorporated Collin County	Unincorporated Collin County	Unincorporated Collin County	Unincorporated Fannin County
<i>Transactional Adjustments</i>						
Sales Price/AC		\$28,000	\$23,450	\$23,469	\$22,865	\$21,389
Property Rights		0%	0%	0%	0%	0%
Sales Price/AC		\$28,000	\$23,450	\$23,469	\$22,865	\$21,389
Financing Terms		0%	0%	0%	0%	0%
Sales Price/AC		\$28,000	\$23,450	\$23,469	\$22,865	\$21,389
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/AC		\$28,000	\$23,450	\$23,469	\$22,865	\$21,389
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/AC		\$28,000	\$23,450	\$23,469	\$22,865	\$21,389
Market Conditions		+3%	+3%	+4%	+6%	+6%
ADJUSTED Price/AC:		\$28,840	\$24,154	\$24,408	\$24,237	\$22,672
<i>Physical Adjustments</i>						
Location/Access	Southwest Blue Ridge; West of S. Texas Highway 78 Business	+2%	+2%	+2%	+2%	+2%
Size	42.539-AC	-3%	0%	0%	-4%	-4%
Topography/Floodplain	Gently Sloping; Flood Zone X & A	-2%	-2%	-2%	-2%	-2%
Utilities	All in Vicinity	+3%	+3%	+4%	+6%	+4%
Easements/Encumbrances	Powerline Easement	0%	+5%	+5%	0%	0%
Land Use/Zoning	Planned Development	+10%	+10%	+10%	+10%	+10%
Total Net Physical Adj. After Financial Adj.		+10%	+18%	+19%	+12%	+10%
ADJUSTED Price/AC:		\$31,724	\$28,502	\$29,045	\$27,145	\$24,939
SUMMARY OF COMPARABLE VALUES						
Value Range/AC		\$24,939	to	\$31,724		
Mean			\$28,271/AC			
Median			\$28,502/AC			
Unit Value/SF		\$0.65/SF				
Value Indication/AC		\$28,300/AC				
Conclusion (Rounded)		1,204,000 (\$28,300/AC, \$0.65/SF)				

ANALYSIS OF THE SALES – RESIDENTIAL LAND

Our research of sales comparables leads us to the determination that there are ample comparable sales within the last three years involving similar land sales within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property's land that are utilized had unadjusted sales prices ranging from \$21,389 to \$28,000 per acre, and sizes ranging from approximately 16.357-AC to 46.870-AC.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Financial Adjustments

Property Rights Conveyed

This adjustment considers the difference in sales price of properties sold in Fee Simple estate or in Leased Fee estate and the effect of any existing leases on the sales price of the property. All the sales involved Fee Simple interests being transferred. Thus, no adjustments were applicable for this factor.

Cash Equivalency

All sales were cash or equivalent, thus an adjustment for this item was not necessary.

Conditions of Sale

This adjustment reflects the motivations of the buyer and seller, i.e., assemblage, distress sale, reduced prices from family purchase, or purchase by adjacent landowners. All the sales were considered arms-length transactions, with no conditions perceived which would indicate a sale without profit motive, and no adjustments for Conditions of Sale were considered necessary.

Changing Market Conditions

This adjustment accounts for changing market conditions over a period. These adjustments are necessary to correct for changes in value over time due to market factors such as supply and demand, and economic factors such as inflation. We have applied an adjustment of +2% year-over-year (YoY), which is a 0.17% month-over-month (MoM) positive adjustment for Market Conditions to Sales 1-5, which resulted in adjustments ranging from +3% to +6%.

Physical Adjustments

Location

The type and density of surrounding development were analyzed for each sale. Additionally, proximity to business and retail centers was considered. Properties near densely developed areas tend to sell for higher prices compared to those in less developed locations. Blue Ridge Crossing PID is situated in the southern area of Blue Ridge, located in northeast Collin County, approximately 50 miles north of Dallas within the DFW Metroplex. Recently, many areas in Collin County have seen the development of large master-planned communities, typically suitable for middle-income households. The neighborhood around the subject is predominantly rural to the east and south, with single-family residences to the north and west. Most commercial activities are concentrated on South Business Highway 78, which is favorable for residential subdivision development. However, the subject is somewhat removed from the Dallas CBD. We have made the following adjustments for Location:

Blue Ridge Crossing Public Improvement District

- Sale 1: Inferior; located in Unincorporated Collin County with inferior access to the City of Blue Ridge and commercial uses; Adjusted +2%
- Sale 2: Inferior; located in Unincorporated Collin County with inferior access to the City of Blue Ridge and commercial uses; Adjusted +2%
- Sale 3: Inferior; located in Unincorporated Collin County with inferior access to the City of Blue Ridge and commercial uses; Adjusted +2%
- Sale 4: Inferior; located in Unincorporated Collin County with inferior access to the City of Blue Ridge and commercial uses; Adjusted +2%
- Sale 5: Inferior; located in Unincorporated Fannin County, with inferior access to the City of Blue Ridge and commercial uses; Adjusted +2%

Size

Typically, the larger the tract the lower the unit price. The converse also tends to be true. Land sales analyzed on an area-wide basis tend to indicate a $\pm 2\%$ to $\pm 10\%$ price premium for each halving/doubling of size, for tracts within the size range of those compared herein. A +3% doubling factor would appear reasonable for the size range of the sales utilized in this analysis. We have made the following adjustments for Size:

- Sale 1: Smaller; 20.000 acres; Adjusted -3%
- Sale 2: Similar; 30.490 acres; Adjusted 0%
- Sale 3: Similar; 46.870 acres; Adjusted 0%
- Sale 4: Smaller; 16.357 acres; Adjusted -4%
- Sale 5: Smaller; 18.865 acres; Adjusted -4%

Topography/Floodplain

Topography conditions included are land contours, grades, drainage adequacies, and general physical usability. Land that is heavily wooded would likely be more costly to develop than a site that was cleared and ready for development. Blue Ridge Crossing PID has gently sloping topography and is within Unshaded Zone X and Shaded Zone A according to Map 48085C0195J, effective June 2, 2009. The subject property has ample space in Unshaded Zone X that would not be detrimental to the development of the subject property. We have made the following adjustments for Topography/Floodplain:

- Sale 1: Superior; has gently sloping topography, cleared, and entirely within Unshaded Zone X; Adjusted -2%
- Sale 2: Superior; has gently sloping topography, cleared, and entirely within Unshaded Zone X; Adjusted -2%
- Sale 3: Superior; has gently sloping topography, cleared, and entirely within Unshaded Zone X; Adjusted -2%
- Sale 4: Superior; has gently sloping topography, has some trees, and entirely within Unshaded Zone X; Adjusted -2%
- Sale 5: Superior; has gently sloping topography, cleared, and entirely within Unshaded Zone X; Adjusted -2%

Blue Ridge Crossing Public Improvement District

Utilities

The availability of utilities is a major factor in the development of any property. If a site has no utility service or cannot acquire access, it is virtually impossible to develop. All utilities are available for the subject. We have made the following adjustments for Utilities:

- Sale 1: Inferior; has access to electricity and water, but no sewer or gas; Adjusted +3%
- Sale 2: Inferior; has access to electricity and water, but no sewer or gas; Adjusted +3%
- Sale 3: Inferior; access to electric, but no water, sewer, or gas; Adjusted +4%
- Sale 4: Inferior; no access to electric, water, sewer, or gas; Adjusted +6%
- Sale 5: Inferior; access to electric, but no water, sewer, or gas; Adjusted +4%

Easements/Encumbrances

Properties with easements and encumbrances, such as overhead powerlines or gas pipelines, restrict parcels from development. The subject does contain a powerline easement at the eastern section of the property; however, this easement has a minimal impact on development. Sales 1, 4, and 5 do not contain any easements, therefore, no adjustment has been made. Sales 2 and 3 contains a pipeline easements, therefore, an adjustment of +5% has been made for easements/encumbrances to Sales 2 and 3.

Land Use/Zoning

According to our due diligence, the subject property is zoned Planned Development (PD) by the City of Blue Ridge along with being subject to a Development Agreement. This classification permits the creation of single-family residential lots. At this stage, the land will possess entitlement rights for development, increasing its value compared to vacant agricultural land not within the city with no zoning. The entitlements provided by the Development Agreement classification elevate the property's value beyond that of unzoned raw land; thus, an adjustment of +10% is merited for sales 1, 2, 3, 4, and 5.

LAND VALUE CONCLUSION FOR 42.539-AC

After adjustment, the land sales indicate a range of values for the subject site from \$24,939 to \$31,724 per acre, with an average of \$28,271/AC and a median of \$28,502/AC. Similar emphasis was given to all sales. Thus, the value of the subject is correlated in the middle portion of the ranges. **The subject site is valued at \$28,300/AC, totaling \$1,203,854, rounded to \$1,204,000 total value** for the land as shown in the following chart:

LAND VALUE SUMMARY BLUE RIDGE CROSSING PID		
Land Area (Acres)	Land Value/Acre	Land Value
42.539	\$28,300	\$1,203,854
Rounded:		\$1,204,000 (\$28,300/AC, \$0.65/SF)

Next, we will continue the Cost Approach to analyze the Development Costs associated within the residential development.

COST APPROACH – RESIDENTIAL LOTS IN BLUE RIDGE CROSSING PID (CONTINUED)

Replacement cost is the current cost of replacing the improvement with one having equal utility or able to perform the same economic function:

1. It could be the cost of acquiring an equally desirable substitute, or
2. The cost to replace, with a property having an equivalent utility, which may or may not be a replica, or
3. The replacing or remodeling of parts of a structure to maintain it in its highest and best use and operating condition.

This term generally is used to indicate: The present cost of replacing the improvements with improvements of equivalent utility, considering modern materials and construction methods.

NOTE: The appraisers have been provided with detailed construction development costs provided by Pape-Dawson Engineers (Professional Engineer) who have worked with the developer on development costs necessary for the Water System, Wastewater System, Storm Drain System, Earthwork, Erosion Control, and Roadway & Street Paving. We have confirmed the utilized cost through discussions with the client and concluded they are reasonable and credible for developing Blue Ridge Crossing PID based on our experience reviewing costs from other PIDs. Further, we have utilized an extraordinary assumption that the development costs are accurate as of the effective date of the report. Use of this extraordinary assumption has affected assignment results.

Detailed costs for each area were provided by Pape-Dawson Engineers for Blue Ridge Crossing PID. The portion concerning the Residential Lots totals **\$10,513,020** as shown on the chart on the following page:

BLUE RIDGE CROSSING PID				
Cost Summary 12/4/2024				
Prepared By: Pape-Dawson Engineers 6105 Tennyson Pkwy, Suite 210 Plano, Texas 75024 214-420-8494				
SUMMARY				
DIVISION	PID	PRIVATE	CITY	TOTAL
A. ONSITE EARTHWORK	\$ 1,647,199	\$ 58,300	\$ -	\$ 1,705,499
B. ONSITE SWPPP	\$ 130,831	\$ -	\$ -	\$ 130,831
C. ONSITE PAVING	\$ 2,094,122	\$ -	\$ -	\$ 2,094,122
D. ONSITE WATER	\$ 1,134,550	\$ -	\$ -	\$ 1,134,550
E. ONSITE SANITARY SEWER	\$ 917,105	\$ -	\$ -	\$ 917,105
F. ONSITE DRAINAGE	\$ 718,263	\$ -	\$ -	\$ 718,263
G. RETAINING WALLS	\$ 718,263	\$ -	\$ -	\$ 718,263
H. PRUETT STREET ITEMS	\$ 588,281	\$ -	\$ -	\$ 588,281
I. OFF-SITE SANITARY SEWER ITEMS	\$ -	\$ 610,316	\$ -	\$ 610,316
SUB-TOTAL	\$ 7,948,615	\$ 668,616	\$ -	\$ 8,617,231
CONTINGENCY (10%)	\$ 794,861	\$ 66,862	\$ -	\$ 861,723
ENGINEERING AND SURVEY (10%)	\$ 794,861	\$ 66,862	\$ -	\$ 861,723
INSPECTION AND TESTING (2%)	\$ 158,972	\$ 13,372	\$ -	\$ 172,345
TOTAL	\$ 9,697,310	\$ 815,712	\$ -	\$ 10,513,022
COST PER LOT	\$ 45,742	\$ 3,848	\$ -	\$ 49,590
COST PER ACRE	\$ 227,963	\$ 19,176	\$ -	\$ 247,138

Depreciation is defined as loss in capital value from any cause. It is employed in this report in estimating the difference in the present-day value of the improvements and the cost of new replacement. The three major types of accrued depreciation are:

Physical Deterioration

Physical deterioration is loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or, is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition is generally the measure of deferred maintenance.

Note: As the subject property is a newly proposed development, there is no physical deterioration to consider.

Functional Obsolescence

Functional obsolescence is loss in value from conditions existing within the property which make the property inadequate or less desirable to the typical prudent purchaser. It, too, may be curable or incurable. Incurable obsolescence is normally measured by the loss in income which may accrue to the property by reason thereof.

Note: The proposed development is considered to be of desirable size and functional design for demand from typical users in this market. There is no indication of functional obsolescence for this property.

External Obsolescence

According to the Dictionary of Real Estate Appraisal, Fifth Edition, external obsolescence is “an element of depreciation; a diminution of value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant.”

External obsolescence is considered to be the loss in value of a property resulting from the influence of negative forces not inherent with the property. It can be caused by the exertion of detrimental external forces upon the neighborhood or property itself. Other examples are noise from nearby expressways or airports, excessive taxes, special assessments or certain other governmental actions, or the infiltration of inharmonious groups or land uses.

This form of obsolescence is rarely, if ever, curable. The measure of this form of obsolescence is the capitalized value of the rental loss due to the condition. Care must be exercised to charge against the improvements only the pro-rata amount of the indicated loss represented by the improvements to total property value ratio. In other words, if the land value already reflects the condition, the rent loss attributable only to the improvements should be capitalized.

Note: As the proposed subdivision is in an area in the growth cycle with demand for residential development spurred by high demand, there is no depreciation for external obsolescence.

As indicated earlier, the proposed improvements represent the current Highest and Best Use of the site "as proposed." As such, the following is a discussion of cost and depreciation components used in arriving at a value for the subject via the Cost Approach.

Development Cost Estimate

Base costs for the major building improvements are estimated from the owner's cost estimate and compared to the Marshal Valuation Service (MVS) Cost Guide.

Base Building Cost

The client provided the appraisers with the contractor's construction cost estimate. The base building cost is broken down into three categories, hard cost, soft cost, and impact fees. Hard cost refers to the direct expenses related to the physical construction of a building or infrastructure. These costs typically include materials (such as concrete, steel, lumber, and roofing), labor (wages for construction workers, subcontractors, and site supervisors), and the use of equipment and machinery. The estimated hard cost amount is \$8,617,230. Soft costs in construction refer to the expenses that are not directly tied to the physical building process but are essential for the overall project. These costs include fees and services associated with design, planning, and administration. Examples of soft costs are architectural and engineering fees, permit and inspection fees, legal fees, and the costs for project management. Additionally, they can encompass expenses like financing charges, insurance, marketing,

and utility setup. The estimated soft cost amount is \$1,895,790. The total estimated building costs is **\$10,513,020** which includes total cost with contingencies and fees (hard cost and soft cost).

Entrepreneurial Incentive

According to The Dictionary of Real Estate Appraisal, Fifth Edition, entrepreneurial incentive is defined as “*the amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement.*” Typically, the range of 10-20% of cost is used for this category with higher percentages are typical when a development involves more risk. In general, subdivision developers are categorized as higher risk than other real estate endeavors due to the high degree coordination that takes place over several years. Within the span of those years numerous market changes are likely to occur. We are using 15% for the purpose of this analysis as residential development tends to be riskier and thus a higher profit is expected from participants totaling **\$1,576,953**.

Depreciation: defined as loss in capital value from any cause. It is employed in this report in estimating the difference in the present-day value of the improvements and the cost of new replacement. The three major types of accrued depreciation are as follows:

Physical Deterioration

This is a loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition is generally the measure of deferred maintenance.

Short-Life Physical Deterioration

The depreciation estimate for short-life items can be divided into two categories; "Curable" and "Incurable." *Curable physical deterioration*, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition is generally the measure of deferred maintenance. The subject property has no deferred maintenance. Therefore, no charge will be considered in our analyses. *Incurable Short-Life deterioration* is also attributable to normal wear and tear but is generally unfeasible or uneconomical to repair. Typically, this charge is estimated on an age/life method and is based on observed condition. The subject buildings are proposed and are considered to be in new condition with no physical deterioration.

Physical Deterioration: Incurable Long-Life

Prior to calculating incurable long-life depreciation, the replacement cost new of short-life items is subtracted. The subject buildings are proposed and are considered to be in new condition with no physical deterioration.

External Obsolescence

According to the Dictionary of Real Estate Appraisal, Fifth Edition, external obsolescence is “*an element of depreciation; a diminution of value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant.*”

External obsolescence is considered to be the loss in value of a property resulting from the influence of negative forces not inherent with the property. It can be caused by the exertion of detrimental external forces upon the

Blue Ridge Crossing Public Improvement District

neighborhood or property itself. Other examples are noise from nearby expressways or airports, excessive taxes, special assessments or certain other governmental actions, or the infiltration of inharmonious groups or land uses.

This form of obsolescence is rarely, if ever, curable. The measure of this form of obsolescence is the capitalized value of the rental loss due to the condition. Care must be exercised to charge against the improvements only the pro-rata amount of the indicated loss represented by the improvements to total property value ratio. In other words, if the land value already reflects the condition, the rent loss attributable only to the improvements should be capitalized. There is not considered to be any measurable external obsolescence present.

Cost Approach Assumptions

The following assumptions will affect our Cost Approach value conclusions:

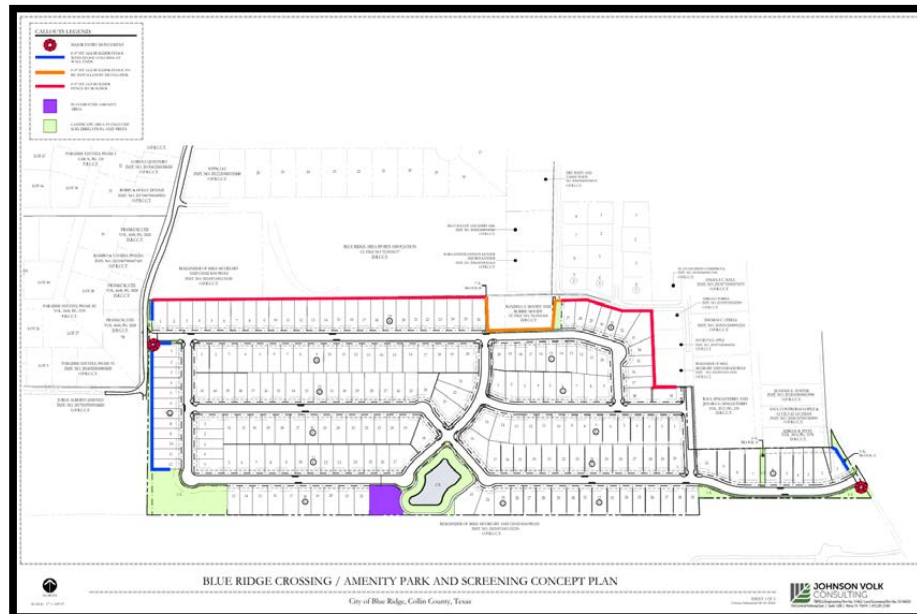
1. Developer construction cost estimates provided by Pape-Dawson Engineers are accurate and reflect all associated costs (as of the effective date) to construct the development – Utilizing Extraordinary Assumption
2. Entrepreneurial incentive is considered to be 15% which is the market rate entrepreneurial incentive a developer would expect to undertake the risk associated with a subdivision development such as the subject property. Typically, developer budget 30-40% for entrepreneurial incentive; however, after unexpected contingencies entrepreneurial incentive are often 15-25%.
3. The value of the underlying land as of the report date is \$1,204,000. We are not factoring in any increases prior to the Effective Date of June 1, 2025, for the Blue Ridge Crossing PID.

Based on the forgoing analysis, the following chart recaps and illustrates the calculations used in forming an opinion of value via the Cost Approach. **Thus, the value conclusion utilizing the Cost Approach for Blue Ridge Crossing PID is \$13,293,973, rounded to \$13,294,000 (\$62,700/Lot Rounded).**

Cost Approach - Blue Ridge Crossing PID (212 Improved Lots)	
Total Build Cost	
Development Costs	\$ 10,513,020
Plus: Entrepreneurial Incentive (15%)	\$ 1,576,953
Less Depreciation	
Physical Curable/Incurable	\$ -
Functional Obsolescence	\$ -
External Obsolescence	\$ -
Total Accrued Depreciation	\$ -
Plus: Land (42.539 Acres)	\$ 1,204,000
Indicated Total Value	\$ 13,293,973
Total Value Rounded	\$ 13,294,000

Next, we will analyze the retail market value of the 40-FF, 50-FF, and 60-FF improved lots in Blue Ridge Crossing PID utilizing the Income (Subdivision Development) Approach.

INCOME (SUBDIVISION DEVELOPMENT) APPROACH - IMPROVED RESIDENTIAL LOTS



NOTE: Blue Ridge Crossing PID comprises 212 improved residential lots completed as vacant developed lots (VDLs) with a Prospective Effective Date of June 1, 2025.

Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. The income methodology applied in subdivision analysis has been adapted to simulate what occurs in a bulk sale where one buyer purchases a group of lots at a discount. It provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

In order to complete the analysis, the appraisers:

- Determined the value of the lots through aspects of the Sales Comparison Approach based on the concept plan provided by the developers
- Calculated the absorption period (earlier in the report) for the finished lots after construction is complete
- Analyzed the effect of appreciation, taxes, and sales costs over the absorption period
- Estimated the appropriate discount rate necessary to undertake the risks associate with the project
- Utilized discount cash flow (DCF) analysis to determine the present value of future cash flows realized by selling the lots at market prices over time

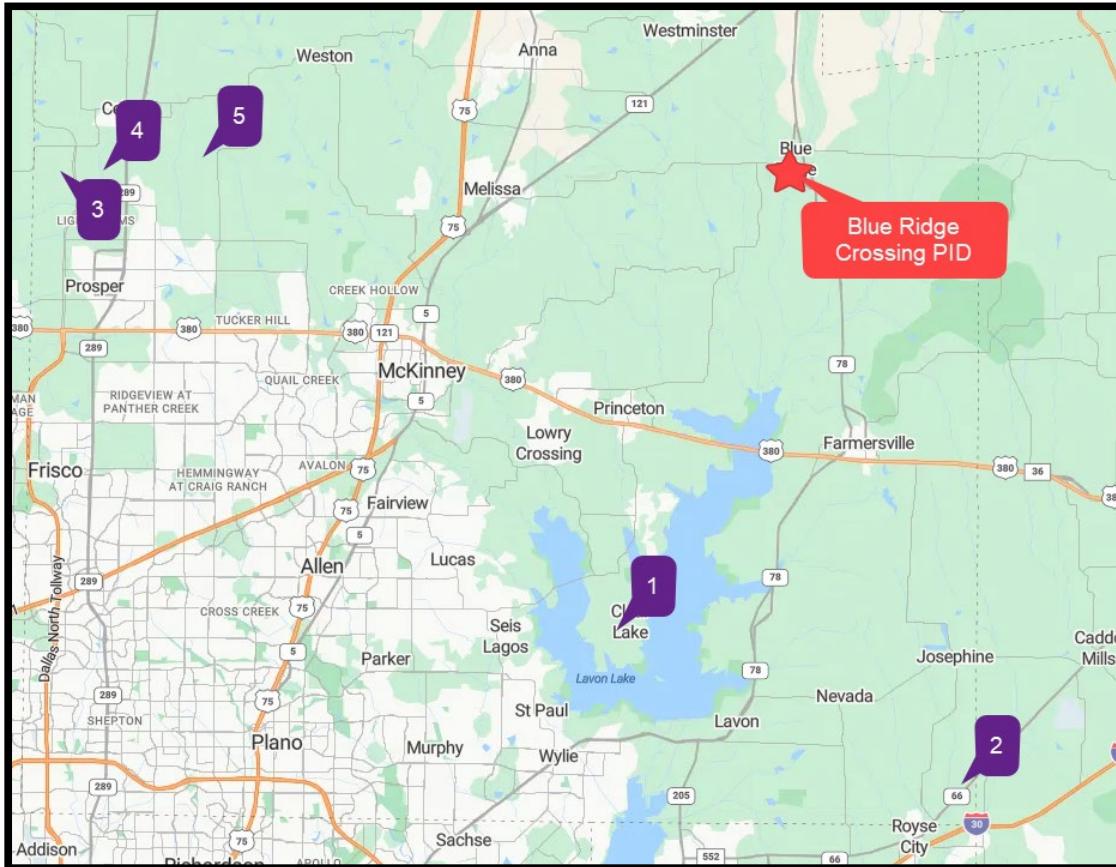
We utilized the following unit of comparison which is the measure most commonly found in the market:

Sales Price Per Front Foot – Obtained by dividing sale price by the front footage of the lot

Following is our analysis of the 40-FF, 50-FF, and 60-FF lots in Blue Ridge Crossing PID.

First, we will analyze the retail market value of the 40-FF improved lots in Blue Ridge Crossing PID.

MAP OF COMPARABLE LOT SALES –40’ LOTS



Subject: Blue Ridge Crossing PID, Blue Ridge, TX 75424

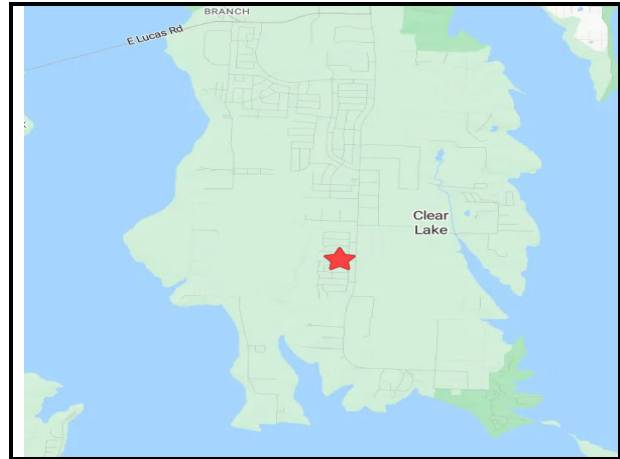
We selected the best and most recent comparable lot sales for our analysis of the 40-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 40' LOTS								
Sale	Subdivision/Address	City	ISD	Contract Date	Sale Date	Base Lot Price	Front Feet (FF)	\$/FF
1	Tillage Farms (Proposed)	Princeton	Princeton	Feb-2024	In-Contract	\$70,656	40	\$ 1,766
2	Creekside	Royse City	Royse City	Apr-2024	In-Contract	\$70,000	40	\$ 1,750
3	Cambridge Crossing	Celina	Celina	Sept-2022	Closed	\$65,000	40	\$ 1,625
4	Legacy Hills	Celina	Celina	Sept-2023	In-Contract	\$54,000	40	\$ 1,350
5	Parks at Wilson Creek	Celina	Celina	Dec-2022	In-Contract	\$56,000	40	\$ 1,400
Subject	Blue Ridge Crossing PID	Blue Ridge	Blue Ridge	-	-	-	40	-

SALE COMPARABLE 1 – 40' LOTS

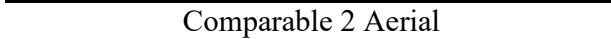


Comparable 1 Aerial



Comparable 1 Map

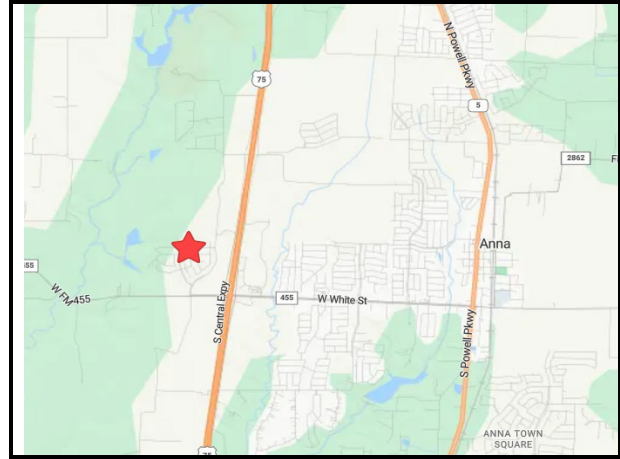
40-FF Sale Comparable 1				
Property Information				
Address	Tillage Farms (Proposed)			
Property Class	Residential Lot			
Address	Northwest corner of County Road 437 and Farm to Market Road 982, Princeton			
County	Collin			
Property Type	Residential / Single Family			
Site Information				
Site Size	4,600	SF	0.11	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	February - 2024			
Seller	TCL Land Bk (2022) LP			
Buyer	Lennar Homes of Texas Land and Construction Ltd.			
Sale Price	\$70,656			
Price per SF Land	\$15.36			
Price per Front Foot	\$1,766			



SALE COMPARABLE 3 – 40' LOTS



Comparable 3 Aerial



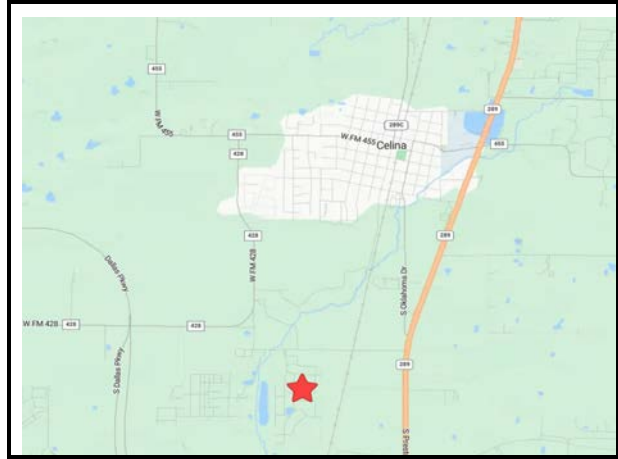
Comparable 3 Map

40-FF Sale Comparable 3				
Property Information				
Subdivision	Cambridge Crossing			
Property Class	Residential Lot			
Address	Northwest quadrant of Legacy Drive and Punk Carter Parkway, Celina			
County	Collin			
Property Type	Residential / Single Family			
Site Information				
Site Size	4,600	SF	0.11	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	September - 2022			
Seller	Tollway/Outer Loop, LP			
Buyer	Highland Homes - Dallas, LLC			
Sale Price	\$65,000			
Price per SF Land	\$14.13			
Price per Front Foot	\$1,625			

SALE COMPARABLE 4 – 40' LOTS



Comparable 4 Aerial



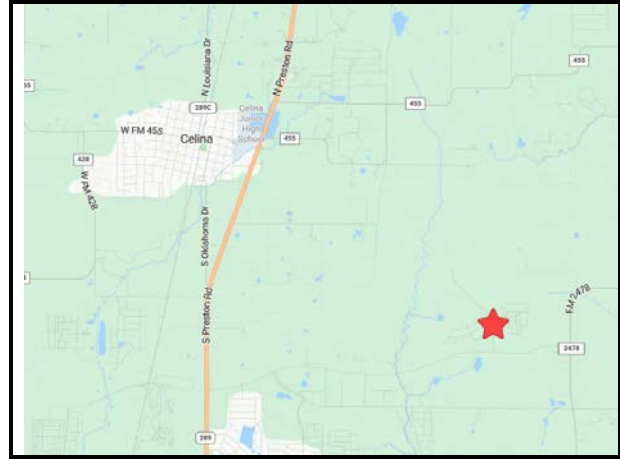
Comparable 4 Map

40-FF Sale Comparable 4				
Property Information				
Subdivision	Legacy Hills			
Property Class	Residential Lot			
Address	East side of Dallas North Tollway and north of proposed G. A. Moore Parkway, Celina			
County	Collin			
Property Type	Residential / Single Family			
Site Information				
Site Size	4,800	SF	0.11	Acres
Zoning Code	Development Agreement			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	September - 2023			
Seller	MM Celina 294, LLC			
Buyer	D.R. Horton Homes			
Sale Price	\$54,000			
Price per SF Land	\$11.25			
Price per Front Foot	\$1,350			

SALE COMPARABLE 5 – 40' LOTS



Comparable 5 Aerial



Comparable 5 Map

40-FF Sale Comparable 5				
Property Information				
Subdivision Name	Parks at Wilson Creek			
Property Class	Residential Lot			
Address	East/west sides of Roseland Parkway and north of Collin County Outer Loop, Celina			
County	Collin			
Property Type	Residential / Single Family			
Site Information				
Site Size	5,000	SF	0.11	Acres
Zoning Code	Development Agreement			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	December - 2022			
Seller	The Parks at Wilson Creek, LP			
Buyer	Highland Homes - Dallas, LLC			
Sale Price	\$56,000			
Price per SF Land	\$11.20			
Price per Front Foot	\$1,400			

SALES ADJUSTMENT COMPARISON GRID –40' LOTS

Subdivision	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Blue Ridge Crossing PID	Tillage Farms (Proposed)	Creekside	Cambridge Crossing	Legacy Hills	Parks at Wilson Creek
	Blue Ridge	Princeton	Royse City	Celina	Celina	Celina
<i>Transactional Adjustments</i>						
Sales Price/FF		\$1,766	\$1,750	\$1,625	\$1,350	\$1,400
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$1,766	\$1,750	\$1,625	\$1,350	\$1,400
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$1,766	\$1,750	\$1,625	\$1,350	\$1,400
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		\$1,766	\$1,750	\$1,625	\$1,350	\$1,400
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$1,766	\$1,750	\$1,625	\$1,350	\$1,400
Time/Market Conditions		+7%	+6%	+14%	+9%	+13%
ADJUSTED Price/FF:		\$1,890	\$1,855	\$1,853	\$1,472	\$1,582
<i>Physical Adjustments</i>						
Location/Access	Southwest Blue Ridge; West of S. Texas Highway 78 Business	-4%	-6%	-8%	-8%	-8%
Amenities	Playground, Trails, Green Space	-2%	-2%	-8%	0%	-8%
Size	40-FF	0%	0%	0%	0%	0%
Topography/View	Gently Sloping; Unshaded Zone X & Zone A	0%	0%	0%	0%	0%
Zoning	Planned Development	0%	0%	0%	0%	0%
<i>Total Net Physical Adj. After Transactional Adj.</i>		-6%	-8%	-16%	-8%	-16%
ADJUSTED Price/FF:		\$1,777	\$1,707	\$1,556	\$1,354	\$1,329
SUMMARY OF COMPARABLE VALUES						
Value Range/FF		\$1,329	to	\$1,777		
Average Value/FF		\$1,544				
Median Value/FF		\$1,556				
Size		40-FF				
Unit Value Indication		\$1550/FF				
Overall Value Indication		\$62,000				
Rounded		\$62,000				

ANALYSIS OF ADJUSTMENTS –40' LOTS

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from \$1,350 per front foot to \$1,766 per front foot (FF) with all Sales being 40-FF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale

Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase

Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions

The residential real estate market increased significantly in 2020 through 2022, but it began to cool in 2023 and early 2024. In late 2024, the Federal Reserve lowered mortgage rates by *25 basis points* in December 2024. During the period from 2020 to 2022, price increases were observed in both improved residential homes and vacant developed lots due to strong demand. Homebuilders absorbed lots at rates well above the historical norm. Additionally, data from Zonda indicates a significant shortage of 40-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically along the State Highway 78 Corridor which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +5% year-over year (YoY) increase throughout 2022, 2023, and 2024 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +6% and +14% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is located in the southern part of the City of Blue Ridge, an area experiencing moderate development. Meanwhile, along the North Central Expressway 75 corridor to the west (including areas such as Anna, Dorchester, Gunter, and Van Alstyne), growth has been rapid and consistent over the decades, pushing the DFW region further into northern Texas. The property is approximately 12 miles east of North Central Expressway 75, situated on the west side of South Texas Highway 78 Business. The surrounding area comprises a blend of single-family residential communities to the north and west, and agricultural land to the east and south.

Approximately 1.2 miles north of the subject property is Blue Ridge High School, the only high school in Blue Ridge ISD. Blue Ridge ISD is an average district with a "B" rating from the Texas Education Agency (TEA). Many prospective residents seeking a quasi-rural residential neighborhood might prefer a smaller and more appealing school district compared to the larger districts found closer to DFW. The area's accessibility is considered average. We have made the following adjustments for Location/Access:

- Sale 1: Superior; Located in Princeton, which feeds into the Princeton ISD which has an "A" rating and considered to be a superior ISD, while also being closer to the DFW metroplex and having superior access to commercial development; Adjusted -4%
- Sale 2: Superior; Located in Royse City, which has superior access to commercial uses and is much closer to the DFW metroplex and is located in Royse City ISD which has an "A" rating and considered to be a superior ISD; Adjusted -6%
- Sale 3: Superior; Located in Celina which feeds into Celina ISD which has an "A" rating and considered to be a superior ISD while also being closer to the DFW metroplex and having superior access to commercial development; Adjusted -8%
- Sale 4: Superior; Located in Celina, which has superior access to commercial uses and is much closer to the DFW metroplex and is located in Celina ISD which has an "A" rating and considered to be a superior ISD; Adjusted -8%
- Sale 5: Superior; Located in Celina, which has superior access to commercial uses, and is located much closer to the DFW metroplex while also being in Celina ISD which has an "A" rating and considered to be a superior ISD; Adjusted -8%

Amenities

The subject property's amenities will consist of a playground, trails, and greenspace. According to the site visit, earthwork on the site is underway. The subject's amenities are average for a master planned community the size of Blue Ridge Crossing PID with development being built-out with 212 homes. We have made the following adjustments for Amenities:

- Sale 1: Superior; Tillage Farms (Proposed) Subdivision, which has superior amenities such as a swimming pool, community center, park, and a basketball court; Adjusted -2%
- Sale 2: Superior; Creekside Subdivision which has superior amenities such as a swimming pool w/ splash pad, playground, trails, and greenspace; Adjusted -2%
- Sale 3: Superior; Cambridge Crossing Subdivision, which has superior amenities such as seven lakes, a private amenity center, a fitness center, pickleball courts, a basketball half-court, jogging trails, fishing pond, playground, lap pool, resort pool/cabanas, and event Lawn; Adjusted -8%
- Sale 4: Similar; Legacy Hills Subdivision, which has similar amenities such as a playground, a park, trails, and greenspace; Adjusted 0%
- Sale 5: Superior; Parks at Wilson Creek Subdivision, which has superior amenities such as a future amenity center, a resort style pool, a kiddie pool, a city park, a basketball court, a pickleball court, a sand volleyball court, pocket parks, fishing, and greenspace, Trails; Adjusted -8%

Blue Ridge Crossing Public Improvement District

Size

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). The converse also tends to be true. All Sales are also 40' lots that can accommodate the same building pad, so no adjustment is made for Size.

Topography/View

The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that is generally lacking remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

Zoning

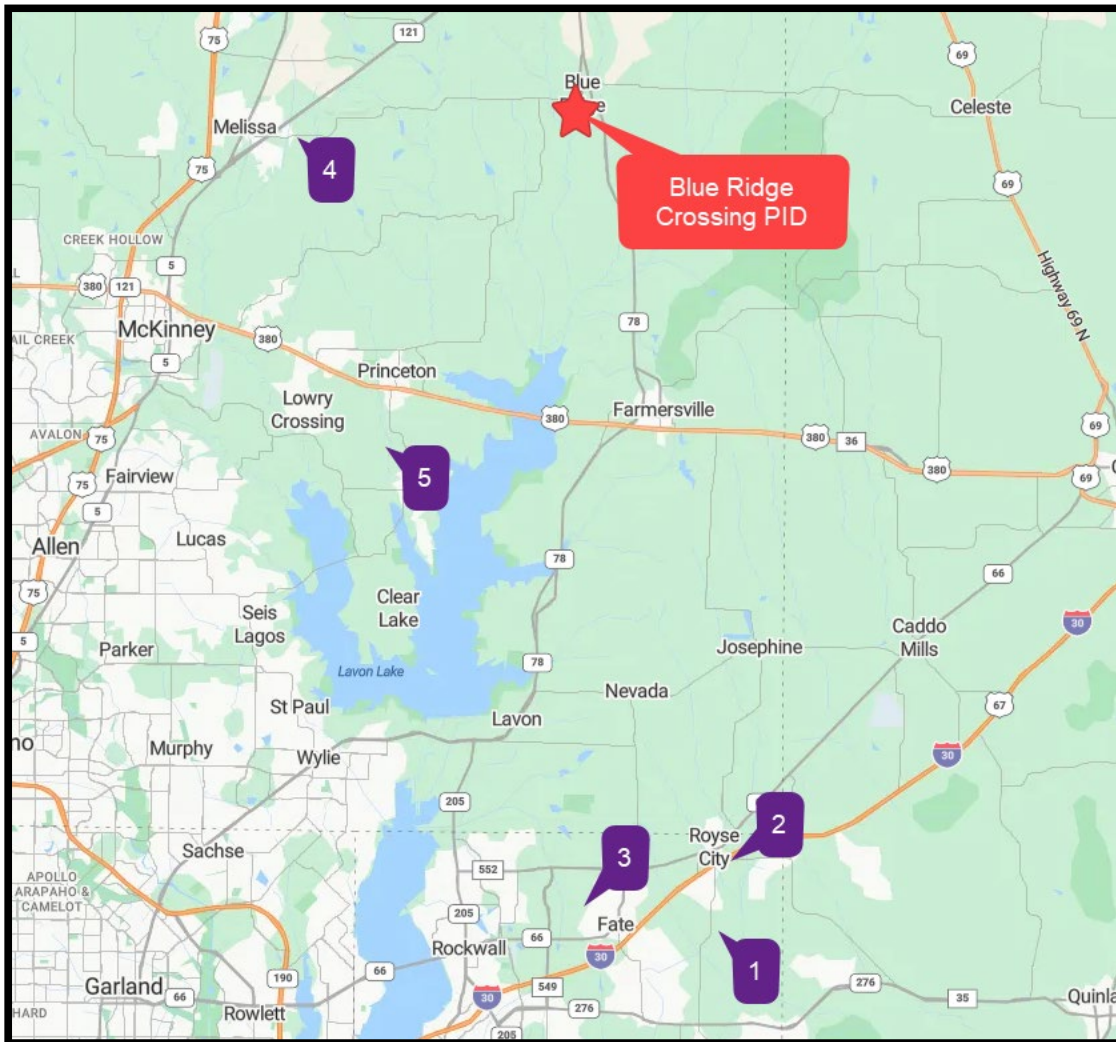
According to our due diligence, the subject property is zoned Planned Development (PD) by the City of Blue Ridge along with being subject to a Development Agreement. This classification permits the creation of single-family residential lots. At this stage, the land will possess entitlement rights for development, increasing its value compared to vacant agricultural land not within the city with no zoning. The entitlements provided by the Development Agreement classification elevate the property's value beyond that of unzoned raw land. Sales 1-5 are also zoned PD for residential development, thus, no adjustment is made for Zoning.

Conclusion for 40' Lots – The 40' Lot Sales have an adjusted range of \$1,329/FF to \$1,777/FF with an average of \$1,544/FF and a median of \$1,556/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 40' lots is \$1550/FF, or \$62,000/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
40' Detached Lots	43	June 1, 2025	\$62,000

Next, we will analyze the retail market value of the 50' improved residential lots within Blue Ridge Crossing PID.

MAP OF COMPARABLE LOT SALES –50’ LOTS



Subject: Blue Ridge Crossing PID, Blue Ridge, TX 75424.

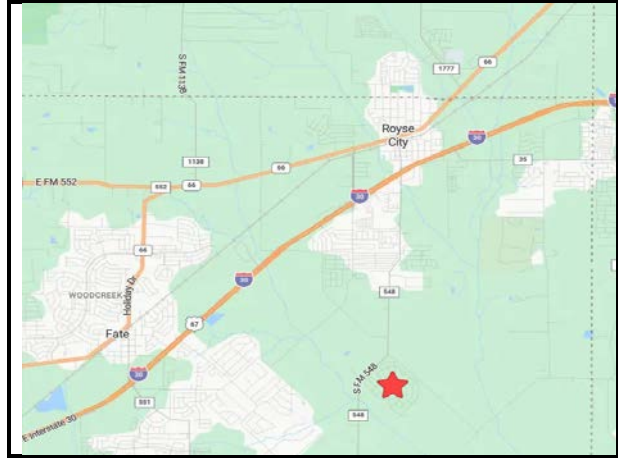
We selected the best and most recent comparable lot sales for our analysis of the 50-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 50' LOTS								
Sale	Subdivision/Address	City	ISD	Sale Date	Contract Date	Base Lot Price	Front Feet (FF)	\$/FF
1	Waterscape	Royse City	Royse City	May - 2024	In-Contract	\$80,000	50	\$ 1,600
2	Liberty Crossing	Royse City	Royse City	Nov-2023	Nov-2023	\$75,000	50	\$ 1,500
3	Monterra	Fate	Royse City	Sept-2023	Sept-2023	\$72,500	50	\$ 1,450
4	Meadow Run	Melissa	Melissa	Sept-2022	Sept-2022	\$53,659	50	\$ 1,073
5	Morning Ridge	Princeton	Princeton	Aug-2022	Aug-2022	\$67,000	55	\$ 1,218
Subject	Blue Ridge Crossing PID	Blue Ridge	Blue Ridge	-	-	-	50	-

SALE COMPARABLE 1 – 50' LOTS



Comparable 1 Aerial



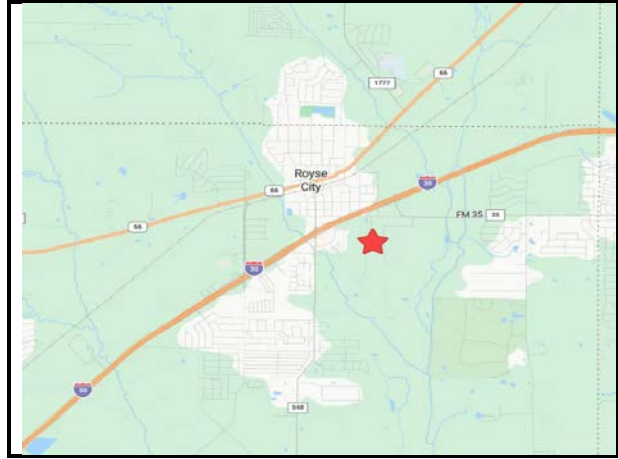
Comparable 1 Map

50-FF Sale Comparable 1				
Property Information				
Subdivision Name	Waterscape			
Property Class	Residential Lot			
Address	Southwest side of Crenshaw Road, southeast of FM-548, Royse City			
County	Rockwall			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	May - 2024			
Seller	HC Royse 548, LLC			
Buyer	HMH Lifestyle, LP			
Sale Price	\$80,000			
Price per SF Land	\$13.33			
Price per Front Foot	\$1,600			

SALE COMPARABLE 2 – 50’ LOTS



Comparable 2 Aerial



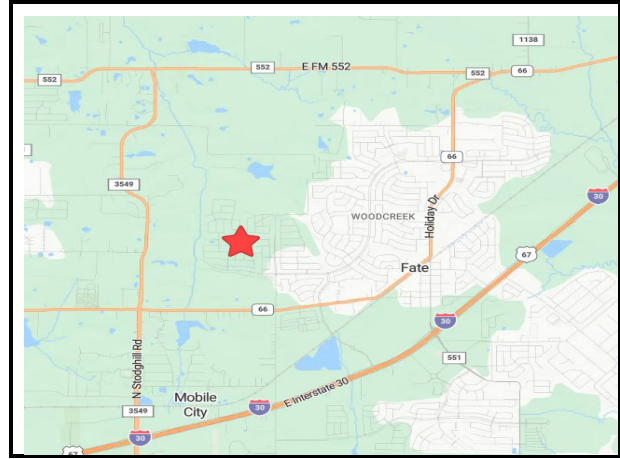
Comparable 2 Map

50-FF Sale Comparable 2				
Property Information				
Subdivision Name	Liberty Crossing			
Property Class	Residential Lot			
Address	Southwest corner of E. Old Greenville Road and Cemetery Road, Royse City			
County	Rockwall			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	November - 2023			
Seller	Liberty Crossing Land, LLC			
Buyer	DR Horton Texas, LTD			
Sale Price	\$75,000			
Price per SF Land	\$12.50			
Price per Front Foot	\$1,500			

SALE COMPARABLE 3 – 50' LOTS



Comparable 3 Aerial



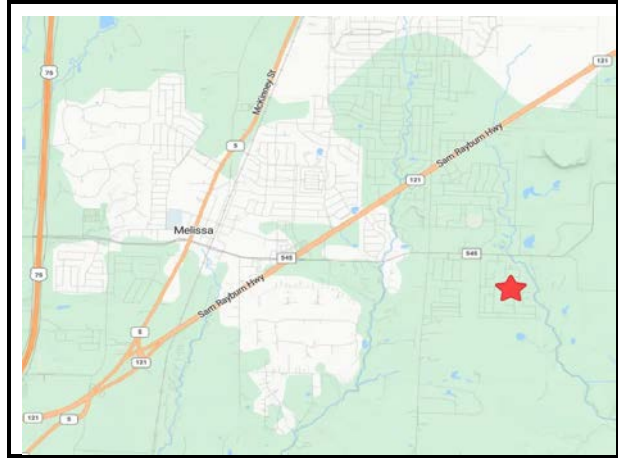
Comparable 3 Map

50-FF Sale Comparable 3				
Property Information				
Subdivision Name	Monterra			
Property Class	Residential Lot			
Address	West side of Ben Payne Road and north of W. Holiday Road, Fate			
County	Rockwall			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	September - 2023			
Seller	WJ Monterra, LP			
Buyer	Weekly Homes, LLC			
Sale Price	\$72,500			
Price per SF Land	\$12.08			
Price per Front Foot	\$1,450			

SALE COMPARABLE 4 – 50' LOTS



Comparable 4 Aerial



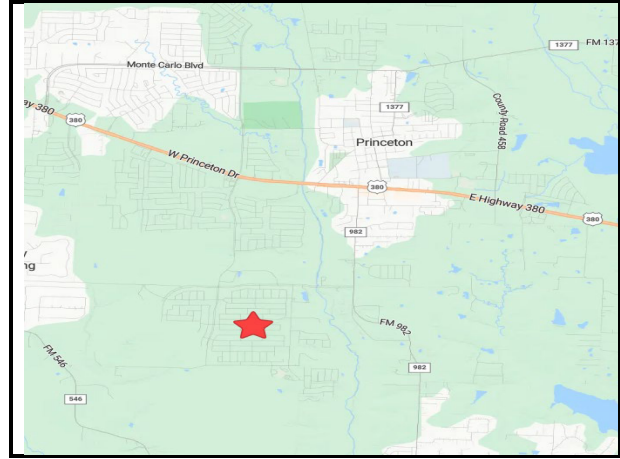
Comparable 4 Map

50-FF Sale Comparable 4				
Property Information				
Subdivision Name	Meadow Run			
Property Class	Residential Lot			
Address	Southeast corner of FM-545 and FM-2933, Melissa			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	September - 2022			
Seller	Pacesetter Homes, LLC			
Buyer	Ashton Dallas Residential, LLC			
Sale Price	\$53,659			
Price per SF Land	\$8.94			
Price per Front Foot	\$1,073			

SALE COMPARABLE 5 – 50' LOTS



Comparable 5 Aerial



Comparable 5 Map

50-FF Sale Comparable 5				
Property Information				
Subdivision Name	Morning Ridge			
Property Class	Residential Lot			
Address	East side of Lewis Drive and south of Michael Drive, Princeton			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,050	SF	0.14	Acres
Zoning Code	Single-Family 2			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	August - 2022			
Seller	Harper Springs Homes, LLC			
Buyer	LGD Properties, Inc.			
Sale Price	\$67,000			
Price per SF Land	\$11.07			
Price per Front Foot	\$1,218			

SALES ADJUSTMENT COMPARISON GRID –50' LOTS

<i>Subdivision</i>	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Blue Ridge Crossing PID	Waterscape	Liberty Crossing	Monterra	Meadow Run	Morning Ridge
	Blue Ridge	Royse City	Royse City	Fate	Melissa	Princeton
<i>Transactional Adjustments</i>						
Sales Price/FF		\$1,600	\$1,500	\$1,450	\$1,073	\$1,218
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$1,600	\$1,500	\$1,450	\$1,073	\$1,218
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$1,600	\$1,500	\$1,450	\$1,073	\$1,218
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		\$1,600	\$1,500	\$1,450	\$1,073	\$1,218
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$1,600	\$1,500	\$1,450	\$1,073	\$1,218
Time/Market Conditions		+5%	+8%	+9%	+14%	+14%
ADJUSTED Price/FF:		\$1,680	\$1,620	\$1,581	\$1,223	\$1,389
<i>Physical Adjustments</i>						
Location/Access	Southwest Blue Ridge; West of S. Texas Highway 78 Business	-6%	-6%	-6%	-6%	-4%
Amenities	Playground, Trails, Green Space	-2%	0%	-4%	-4%	-2%
Size	50-FF	0%	0%	0%	0%	+2%
Topography/View	Gently Sloping; Unshaded Zone X & Zone A	0%	0%	0%	0%	0%
Zoning	Planned Development	0%	0%	0%	0%	0%
<i>Total Net Physical Adj. After Transactional Adj.</i>		-8%	-6%	-10%	-10%	-4%
ADJUSTED Price/FF:		\$1,546	\$1,523	\$1,422	\$1,101	\$1,333
SUMMARY OF COMPARABLE VALUES						
Value Range/FF		\$1,101	to	\$1,546		
Average Value/FF		\$1,385				
Median Value/FF		\$1,422				
Size		50-FF				
Unit Value Indication		\$1390/FF				
Overall Value Indication		\$69,500				
Rounded		\$69,500				

ANALYSIS OF ADJUSTMENTS –50’ LOTS

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject’s general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from \$1,073 per front foot to \$1,600 per front foot (FF) with Sales 1-4 being 50-FF lot types and sale 5 being a 55-FF lot type.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale

Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase

Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions

The residential real estate market increased significantly in 2020 through 2022, but it began to cool in 2023 and early 2024. In late 2024, the Federal Reserve lowered mortgage rates by *25 basis points* in December 2024. During the period from 2020 to 2022, price increases were observed in both improved residential homes and vacant developed lots due to strong demand. Homebuilders absorbed lots at rates well above the historical norm. Additionally, data from Zonda indicates a significant shortage of 50-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically along the State Highway 78 Corridor which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +5% year-over year (YoY) increase throughout 2022, 2023, and 2024 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +5% and +14% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is located in the southern part of the City of Blue Ridge, an area experiencing moderate development. Meanwhile, along the North Central Expressway 75 corridor to the west (including areas such as Anna, Dorchester, Gunter, and Van Alstyne), growth has been rapid and consistent over the decades, pushing the DFW region further into northern Texas. The property is approximately 12 miles east of North Central Expressway 75, situated on the west side of South Texas Highway 78 Business. The surrounding area comprises a blend of single-family residential communities to the north and west, and agricultural land to the east and south.

Approximately 1.2 miles north of the subject property is Blue Ridge High School, the only high school in Blue Ridge ISD. Blue Ridge ISD is an average district with a "B" rating from the Texas Education Agency (TEA). Many prospective residents seeking a quasi-rural residential neighborhood might prefer a smaller and more appealing school district compared to the larger districts found closer to DFW. The area's accessibility is considered average. We have made the following adjustments for Location/Access:

- Sale 1: Superior; Located in Royse City, which has superior access to commercial uses, and is located much closer to the DFW metroplex while also being in Royse City ISD which has an "A" rating and considered to be a superior ISD; Adjusted -6%
- Sale 2: Superior; Located in Royse City, which has superior access to commercial uses and is much closer to the DFW metroplex and is located in Royse City ISD which has an "A" rating district and considered to be a superior ISD; Adjusted -6%
- Sale 3: Superior; Located in Fate, which is located in an area that feeds into the Royse City ISD which has an "A" rating and considered to be a superior ISD while also having better access to commercial uses, and is located much closer to the DFW metroplex; Adjusted -6%
- Sale 4: Superior; Located in Melissa, which feeds into the Melissa ISD which has an "A" rating and considered to be a superior ISD while also having better access to commercial uses, and is located much closer to the DFW metroplex; Adjusted -6%
- Sale 5: Superior; Located in Princeton, which is in an area that feeds into the Princeton ISD which has an "A" rating and considered to be a superior ISD while also having better access to commercial uses, and is located closer to the DFW metroplex; Adjusted -4%

Amenities

The subject property's amenities will consist of a playground, trails, and greenspace. According to the site visit, earthwork on the site is underway. The subject's amenities are average for a master planned community the size of Blue Ridge Crossing PID with development being built-out with 212 homes. We have made the following adjustments for Amenities:

- Sale 1: Superior; Waterscape Subdivision, which has superior amenities such as an amenity center, a pool, a park, trails, and green spaces; Adjusted -2%
- Sale 2: Similar; Liberty Crossing Subdivision which has similar amenities such as a pavilion, a playground, and fishing; Adjusted 0%
- Sale 3: Superior; Monterra Subdivision which has superior amenities such as an amenity center, a pool, a pickleball court, a playground, trails, and greenspace; Adjusted -4%
- Sale 4: Superior; Meadow Run Subdivision, which has superior amenities such as an amenity center, pool, parks, a playground, a basketball court, trails, and greenspace; Adjusted -4%
- Sale 5: Superior; Morning Ridge Subdivision, which has superior amenities such as a pool, a park, a playground, trails, and greenspace; Adjusted -2%

Blue Ridge Crossing Public Improvement District

Size

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). The converse also tends to be true. Sale 5 is slightly larger at 55-FF. An adjustment of +2% was applied to Sales 5 for Size. Sales 1, 2, 3, and 4 are also 50' lots that can accommodate the same building pad, so no adjustment is made for Size to those comparable sales.

Topography/View

The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that is generally lacking remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

Zoning

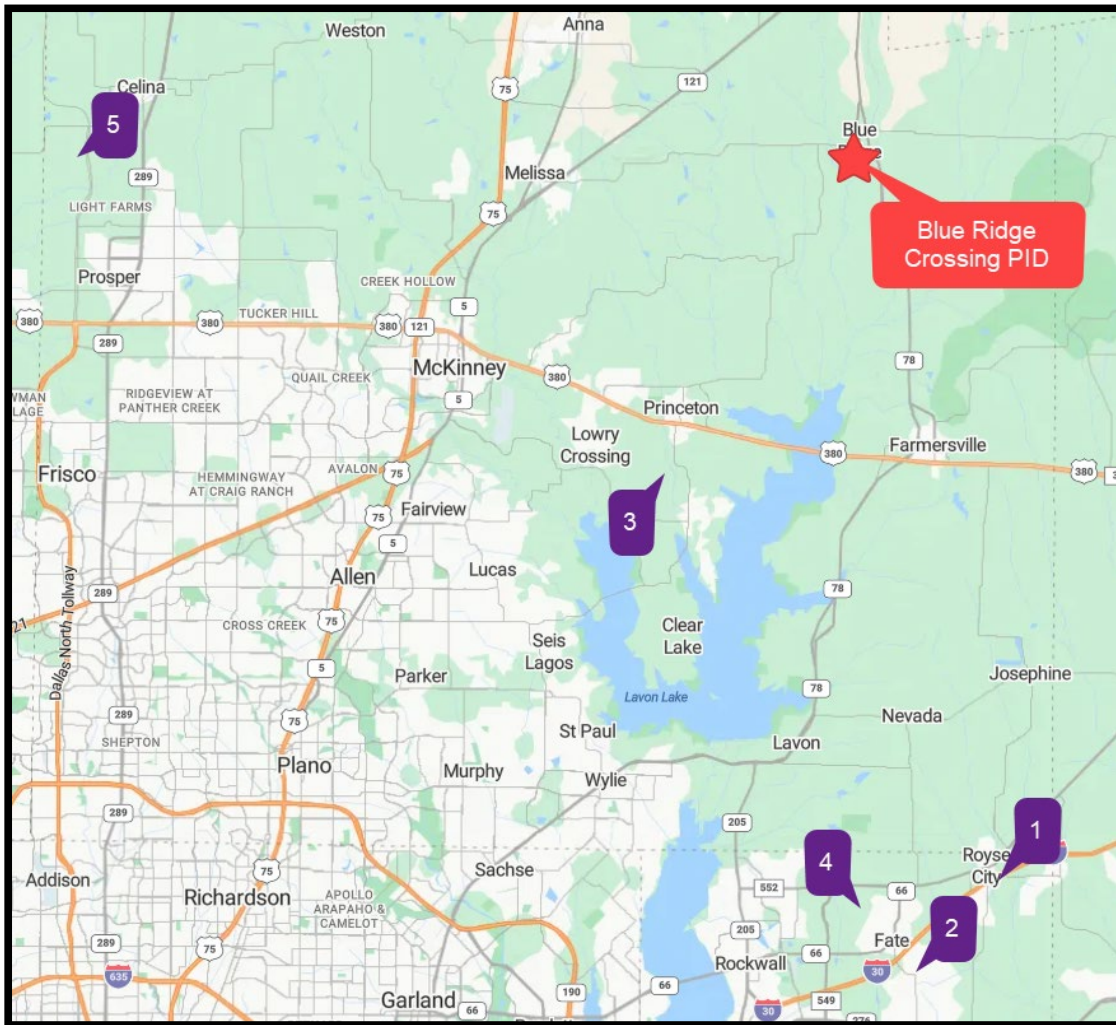
According to our due diligence, the subject property is zoned Planned Development (PD) by the City of Blue Ridge along with being subject to a Development Agreement. This classification permits the creation of single-family residential lots. At this stage, the land will possess entitlement rights for development, increasing its value compared to vacant agricultural land not within the city with no zoning. The entitlements provided by the Development Agreement classification elevate the property's value beyond that of unzoned raw land. Sales 1-5 are also zoned PD for residential development, thus, no adjustment is made for Zoning.

Conclusion for 50' Lots – The 50' Lot Sales have an adjusted range of \$1,101/FF to \$1,546/FF with an average of \$1,385/FF and a median of \$1,422/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 50' lots is \$1390/FF, or \$69,500/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
50' Detached Lots	125	June 1, 2025	\$69,500

Next, we will analyze the retail market value of the 60' improved residential lots within Blue Ridge Crossing PID.

MAP OF COMPARABLE LOT SALES –60' LOTS



Subject: Blue Ridge Crossing PID, Blue Ridge, TX 75424

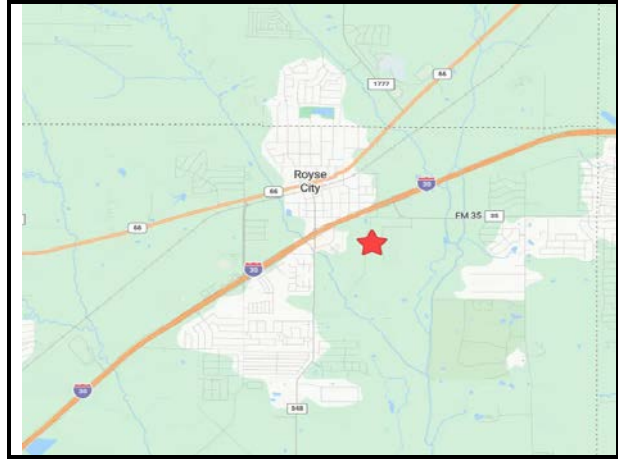
We selected the best and most recent comparable lot sales for our analysis of the 60-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 60' LOTS								
Sale	Subdivision/Address	City	ISD	Contract Date	Sale Date	Base Lot Price	Front Feet (FF)	\$/FF
1	Liberty Crossing	Royse City	Royse City	Nov-2023	Nov-2023	\$85,500	60	\$ 1,425
2	Edgewater	Fate	Royse City	May-2022	May-2022	\$81,000	60	\$ 1,350
3	Morning Ridge	Princeton	Princeton	Aug-2022	Aug-2022	\$67,000	55	\$ 1,218
4	Monterra	Fate	Royse City	May-2023	In-Contract	\$87,000	60	\$ 1,450
5	Cambridge Crossing	Celina	Celina	Mar-2022	Mar-2022	\$84,000	60	\$ 1,400
Subject	Blue Ridge Crossing PID	Blue Ridge	Blue Ridge	-	-	-	60	-

SALE COMPARABLE 1 – 60' LOTS



Comparable 1 Aerial



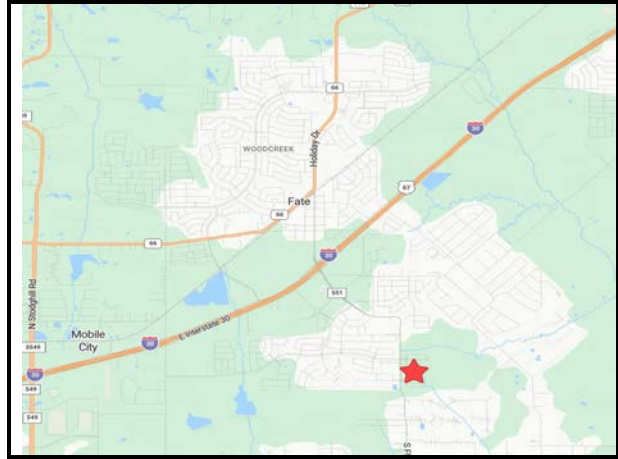
Comparable 1 Map

60-FF Sale Comparable 1				
Property Information				
Subdivision Name	Liberty Crossing			
Property Class	Residential Lot			
Address	Southwest corner of E. Old Greenville Road and Cemetery Road ,Royse City			
County	Rockwall			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,475	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	November - 2023			
Seller	Liberty Crossing Land, LLC			
Buyer	HMHY Lifestyles, LP			
Sale Price	\$85,500			
Price per SF Land	\$11.44			
Price per Front Foot	\$1,425			

SALE COMPARABLE 2 – 60' LOTS



Comparable 2 Aerial



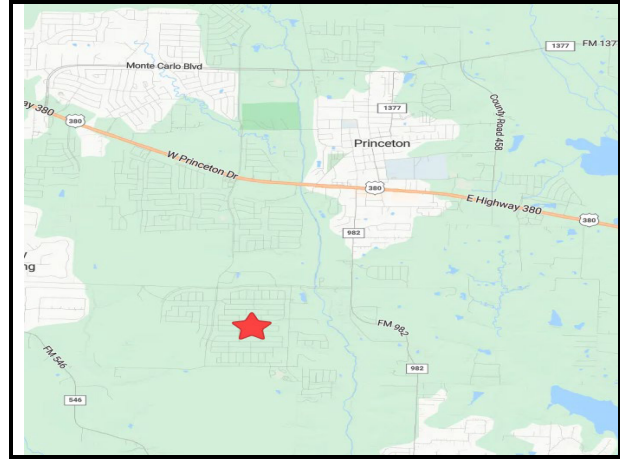
Comparable 2 Map

60-FF Sale Comparable 2				
Property Information				
Subdivision Name	Edgewater			
Property Class	Residential Lot			
Address	East side of FM-551 at Gettysburg Boulevard, Fate			
County	Rockwall			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,200	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All Availiable			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	May - 2022			
Seller	New Sheridan Dev Co Phase 1, LLC			
Buyer	UnionMain Homes, LLC			
Sale Price	\$81,000			
Price per SF Land	\$11.25			
Price per Front Foot	\$1,350			

SALE COMPARABLE 3 – 60' LOTS



Comparable 3 Aerial



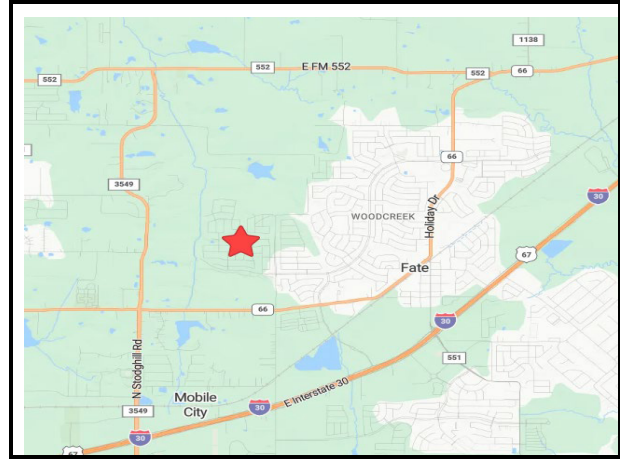
Comparable 3 Map

60-FF Sale Comparable 3				
Property Information				
Subdivision Name	Morning Ridge			
Property Class	Residential Lot			
Address	East side of Lewis Drive and south of Michael Drive, Princeton			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,050	SF	0.14	Acres
Zoning Code	Single-Family 2			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	August - 2022			
Seller	Harper Springs Homes, LLC			
Buyer	LGD Properties, Inc.			
Sale Price	\$67,000			
Price per SF Land	\$11.07			
Price per Front Foot	\$1,218			

SALE COMPARABLE 4 – 60' LOTS



Comparable 4 Aerial



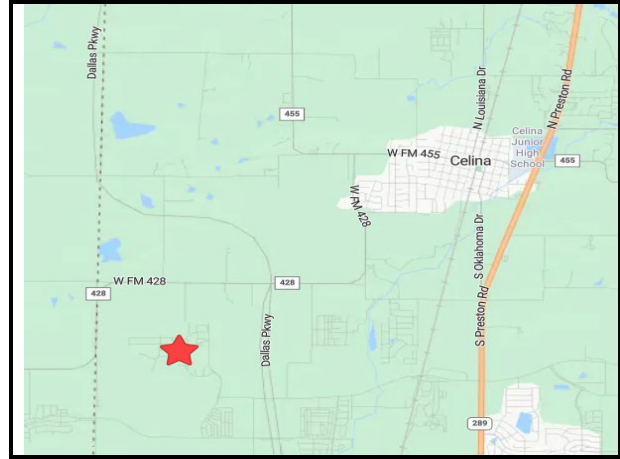
Comparable 4 Map

60-FF Sale Comparable 4				
Property Information				
Subdivision Name	Monterra			
Property Class	Residential Lot			
Address	West side of Ben Payne Road and north of W. Holiday Road, Fate			
County	Rockwall			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,200	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	May - 2023			
Seller	WJ Monterra, LP			
Buyer	Grand Acquisition, Inc.			
Sale Price	\$87,000			
Price per SF Land	\$12.08			
Price per Front Foot	\$1,450			

SALE COMPARABLE 5 – 60' LOTS



Comparable 5 Aerial



Comparable 5 Map

60-FF Sale Comparable 5				
Property Information				
Subdivision Name	Cambridge Crossing			
Property Class	Residential Lot			
Address	Northwest quadrant of Legacy Drive and Punk Carter Parkway, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,800	SF	0.18	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	March - 2022			
Seller	Tollway/Outer Loop, LP			
Buyer	Highland Homes - Dallas, LLC			
Sale Price	\$84,000			
Price per SF Land	\$10.77			
Price per Front Foot	\$1,400			

SALES ADJUSTMENT COMPARISON GRID –60' LOTS

<i>Subdivision</i>	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Blue Ridge Crossing PID	Liberty Crossing	Edgewater	Morning Ridge	Monterra	Cambridge Crossing
	Blue Ridge	Royse City	Fate	Princeton	Fate	Celina
<i>Transactional Adjustments</i>						
Sales Price/FF		\$1,425	\$1,350	\$1,218	\$1,450	\$1,400
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$1,425	\$1,350	\$1,218	\$1,450	\$1,400
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$1,425	\$1,350	\$1,218	\$1,450	\$1,400
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		\$1,425	\$1,350	\$1,218	\$1,450	\$1,400
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$1,425	\$1,350	\$1,218	\$1,450	\$1,400
Time/Market Conditions		+8%	+15%	+14%	+10%	+16%
ADJUSTED Price/FF:		\$1,539	\$1,553	\$1,389	\$1,595	\$1,624
<i>Physical Adjustments</i>						
Location/Access	Southwest Blue Ridge; West of S. Texas Highway 78 Business	-6%	-6%	-4%	-6%	-8%
Amenities	Playground, Trails, Green Space	0%	-4%	-2%	-4%	-8%
Size	60-FF	0%	0%	-2%	0%	0%
Topography/View	Gently Sloping; Unshaded Zone X & Zone A	0%	0%	0%	0%	0%
Zoning	Planned Development	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		-6%	-10%	-8%	-10%	-16%
ADJUSTED Price/FF:		\$1,447	\$1,397	\$1,278	\$1,436	\$1,364
SUMMARY OF COMPARABLE VALUES						
Value Range/FF		\$1,278	to	\$1,447		
Average Value/FF		\$1,384				
Median Value/FF		\$1,397				
Size		60-FF				
Unit Value Indication		\$1380/FF				
Overall Value Indication		\$82,800				
Rounded		\$82,800				

ANALYSIS OF ADJUSTMENTS –60’ LOTS

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject’s general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from \$1,218 per front foot to \$1,450 per front foot with Sales being between 55-FF to 60-FF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale

Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase

Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions

The residential real estate market increased significantly in 2020 through 2022, but it began to cool in 2023 and early 2024. In late 2024, the Federal Reserve lowered mortgage rates by *25 basis points* in December 2024. During the period from 2020 to 2022, price increases were observed in both improved residential homes and vacant developed lots due to strong demand. Homebuilders absorbed lots at rates well above the historical norm. Additionally, data from Zonda indicates a significant shortage of 60-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically along the State Highway 78 Corridor which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +5% year-over year (YoY) increase throughout 2022, 2023, and 2024 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +8% and +16% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is located in the southern part of the City of Blue Ridge, an area experiencing moderate development. Meanwhile, along the North Central Expressway 75 corridor to the west (including areas such as Anna, Dorchester, Gunter, and Van Alstyne), growth has been rapid and consistent over the decades, pushing the DFW region further into northern Texas. The property is approximately 12 miles east of North Central Expressway 75, situated on the west side of South Texas Highway 78 Business. The surrounding area comprises a blend of single-family residential communities to the north and west, and agricultural land to the east and south.

Approximately 1.2 miles north of the subject property is Blue Ridge High School, the only high school in Blue Ridge ISD. Blue Ridge ISD is an average district with a "B" rating from the Texas Education Agency (TEA). Many prospective residents seeking a quasi-rural residential neighborhood might prefer a smaller and more appealing school district compared to the larger districts found closer to DFW. The area's accessibility is considered average. We have made the following adjustments for Location/Access:

- Sale 1: Superior; Located in Royse City, which has superior access to commercial uses and is much closer to the DFW metroplex and is located in Royse City ISD which has an "A" rating and considered to be a vastly superior ISD; Adjusted -6%
- Sale 2: Superior; Located in Fate, which feeds into Royse City ISD which has an "A" rating and considered to be a vastly superior ISD while also having better access to commercial uses and is much closer to the DFW metroplex; Adjusted -6%
- Sale 3: Superior; Located in Princeton, which has better access to commercial uses and is much closer to the DFW metroplex and is located in Princeton ISD which has an "A" rating and considered to be a vastly superior ISD; Adjusted -4%
- Sale 4: Superior; Located in Fate, which has better access to commercial uses, and is located much closer to the DFW metroplex while also being in Royse City ISD which has an "A" rating and considered to be a vastly superior ISD; Adjusted -6%
- Sale 5: Superior; Located in Celina, which feeds into the Celina ISD which has an "A" rating and considered to be a vastly superior ISD while also having better access to commercial uses and is much closer to the DFW metroplex; Adjusted -8%

Amenities

The subject property's amenities will consist of a playground, trails, and greenspace. According to the site visit, earthwork on the site is underway. The subject's amenities are average for a master planned community the size of Blue Ridge Crossing PID with development being built-out with 212 homes. We have made the following adjustments for Amenities:

- Sale 1: Similar; Liberty Crossing Subdivision, Subdivision which has similar amenities such as a pavilion, a playground, and fishing; Adjusted 0%
- Sale 2: Superior; Edgewater Subdivision, which has superior amenities such as an amenity center, pool, cabanas, parks, a playground, ponds, trails, and greenspace, and parks; Adjusted -4%
- Sale 3: Superior; Morning Ridge Subdivision, which has superior amenities such as a pool, a park, a playground, trails, and greenspace; Adjusted -2%
- Sale 4: Superior; Monterra Subdivision which has superior amenities such as an amenity center, a pool, a pickleball court, a playground, trails, and greenspace; Adjusted -4%
- Sale 5: Superior; Cambridge Crossing Subdivision, which has superior amenities such as seven lakes, a private amenity center, a fitness center, pickleball courts, a basketball half-court, jogging trails, fishing pond, playground, lap pool, resort pool/cabanas, and event Lawn; adjusted -8%

Size

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). The converse also tends to be true. Sale 3 is slightly smaller at 55-FF. An adjustment of -2% was applied to Sales 3 for Size. Sales 1, 2, 4, and 5 are also 60' lots that can accommodate the same building pad, so no adjustment is made for Size to those comparable sales.

Topography/View

The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that is generally lacking remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

Zoning

According to our due diligence, the subject property is zoned Planned Development (PD) by the City of Blue Ridge along with being subject to a Development Agreement. This classification permits the creation of single-family residential lots. At this stage, the land will possess entitlement rights for development, increasing its value compared to vacant agricultural land not within the city with no zoning. The entitlements provided by the Development Agreement classification elevate the property's value beyond that of unzoned raw land. Sales 1-5 are also zoned PD for residential development, thus, no adjustment is made for Zoning.

Conclusion for 60' Lots – The 60' Lot Sales have an adjusted range of \$1,278/FF to \$1,447/FF with an average of \$1,384/FF and a median of \$1,397/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 60' lots is \$1380/FF, or \$82,800/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
60' Detached Lots	44	June 1, 2025	\$82,800

Cumulative Retail Lot Value

We believe a current lot market value of \$1550/FF for 40' improved Lots, \$1390/FF for 50' improved Lots, and \$1380/FF for 60' improved Lots with an Effective Date of June 1, 2025 is accurate and well-supported. Not only do our compiled recent comparable lot sales indicate those prices, but numerous conversations with market participants – land developers and homebuilders – regarding current prices of lots within the subject's market indicate that our concluded values per front foot is supported by the current retail price for 40-FF, 50-FF, and 60-FF lots similar to the subject property. Market participants noted that prices for lots rose significantly in late 2020 and throughout 2024 which followed a spike in the residential housing market in DFW that contributed to a scarcity of vacant developed lots for homebuilders.

As of the Prospective Effective Date of June 1, 2025, the retail market value of the 40-FF, 50-FF, and 60-FF lot prices for Blue Ridge Crossing PID are shown below:

BLUE RIDGE CROSSING PID, BLUE RIDGE					
Total Lots	Feet Frontage (FF)	Retail Price/Lot	Effective Date	Price/FF (\$/FF)	Total Retail Value (\$)
43	40 FF	\$62,000	June 1, 2025	\$1550/FF	\$2,666,000
125	50 FF	\$69,500	June 1, 2025	\$1390/FF	\$8,687,500
44	60 FF	\$82,800	June 1, 2025	\$1380/FF	\$3,643,200
212					\$14,996,700

Next, we will develop an opinion of value for the 212 residential lots using the Discount Cash Flow analysis.

DISCOUNT CASH FLOW ANALYSIS

Having completed the retail lot value conclusions using aspects of the Sales Comparison Approach, we will develop an opinion of the market value of the property to a single purchaser, as of the substantial completion date. This value will include a provision for compensating the developer, i.e., profit for risk and expenditure of time. This value contemplates that the developer of the subject property would sell the subject to another developer who would in turn sell the developed lots on a retail basis. This value represents the concept of market value to a single purchaser as of the substantial completion date, wherein a portion of the overall real property rights or physical asset would typically be sold to its ultimate users over some future period. Valuations involving such properties must fully reflect all appropriate deductions and discounts as well as the anticipated cash flows to be derived from the disposition of the asset over time. Appropriate deductions and discounts are those which reflect all expenses associated with the disposition of the property as well as the cost of capital and entrepreneurial profit. **This latter item of entrepreneurial profit is accounted for herein as part of the discount rate.**

The various assumptions necessary to complete our Discounted Cash Flow (DCF) analysis for the developed subject subdivision are discussed in detail in the following paragraphs.

Absorption

As discussed in detail in the “Absorption Analysis” section of the report, our quarterly absorption projections are summarized as follows for the subject property:

MARKET ABSORPTION FOR BLUE RIDGE CROSSING PID

Projected Quarterly Absorption Summary - Blue Ridge Crossing PID									
Lot Type	June-2025	July-2025	Oct-2025	Jan-2026	Apr-2026	July-2026	Oct-2026	Jan-2027	TOTAL
40-FF	5	15	15	8	-	-	-	-	43
50-FF	7	21	21	21	21	21	13	-	125
60-FF	2	6	6	6	6	6	6	6	44
Total	14	42	42	35	27	27	19	6	212

Note: Typically, quarters start in January, April, October, and December so we have used those baselines in our analysis. Since the Effective Date is June 1, 2025, our analysis starts on the 2nd quarter of 2025.

Value Increases During Takedown Period

Historically, in the sales contracts of volume lot sales in the marketplace, the lot prices are typically adjusted upward. The Wall Street Journal Prime Rate (7.50% as of late December 2024), plus 1% (annually) up to 8.5%. Contracts between land developers and homebuilders typically have a 6% escalation which is consistent with recent improved lot appreciations over many years. Thus, for valuation purposes moving forward, we have estimated an annual appreciation on the subject’s lots at 6% per year which is also consistent with residential real estate appreciation over the past decade. This is also considered reasonable given the lack of available lot and housing supply in the area and the historical realization of interest carry/appreciation by developers within DFW and surrounding market areas.

EXPENSES

Taxes are paid by the developer annually. The estimation of taxes paid per period is based upon the principle that taxes are prorated at closing and are paid in arrears. Therefore, we have deducted taxes based upon the estimated retail market value of the unsold lots. The taxes are prorated in each calendar year based upon the projected sales in each period. The current tax rate for the bulk of the property is **0.02014311 per \$100 assessed – 2.014311%** for the purpose of our analysis – with taxes due to Blue Ridge City, Collin County, Collin College, and Blue Ridge ISD.

Based upon our experience as property tax consultants and information gathered from builders/developers, we do not believe the vacant lots will be assessed for their full market value once Substantial Completion is achieved. We believe the builder will have their lots assessed at approximately 70% of the market value, i.e., if a lot has a retail value of \$100,000 then the assessed value will be \$70,000. We believe this 30% discount is justified as taxing districts do not typically have access to cost data and assessments typically lag the market. In addition, many taxing districts allow for a 20% builder's inventory reduction.

Cost of Sales has been estimated at 1.5% of gross sales proceeds for various closing costs, surveys, commissions, and title policies.

Marketing expenses are not included as there is a shortage of vacant developed lots on the market and we would expect these lots to be absorbed by volume builders. This is confirmed by the contracts the developer has where the lots are presold to homebuilders.

Discount Rate

The discount rate utilized herein is essentially an anticipated Internal Rate of Return (IRR) for the subject property, as estimated from investment performance realized by market participants. The discount rate used for the subject should be less than the typical land development project because the value we are determining is for a fully entitled project in a soon to be city-approved Planned Development which has less risk exposure than that of a raw land development. Therefore, it is appropriate to utilize a discount rate adjusted for this risk. The appraisers have included a recent discount rate survey published by Realty Rates that considers the market conditions, risk, entrepreneurial profit, and liquidity inherent in a project such as the subject that developers of similar properties would consider.

RealtyRates.com DEVELOPER SURVEY - 4th Quarter 2024*						
Texas - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	15.17%	33.42%	22.54%	14.56%	32.08%	21.64%
-100 Units	15.17%	28.81%	21.55%	14.56%	27.66%	20.69%
100-500 Units	15.55%	31.69%	22.67%	14.92%	30.42%	21.77%
500+ Units	15.93%	33.13%	23.06%	15.29%	31.80%	22.13%
Mixed Use	16.30%	33.42%	22.87%	15.65%	32.08%	21.96%
Manufactured Housing	15.63%	36.51%	24.18%	15.01%	35.05%	23.21%
-100 Units	15.63%	31.75%	23.22%	15.01%	30.48%	22.29%
100-500 Units	16.03%	34.92%	24.45%	15.38%	33.52%	23.48%
500+ Units	16.42%	36.51%	24.87%	15.76%	35.05%	23.88%
Business Parks	15.62%	34.87%	23.44%	14.99%	33.48%	22.50%
-100 Acres	15.62%	30.33%	22.51%	14.99%	29.11%	21.61%
100-500 Acres	16.01%	33.36%	23.70%	15.37%	32.02%	22.75%
500+ Acres	16.40%	34.87%	24.10%	15.74%	33.48%	23.13%
Industrial Parks	15.71%	29.43%	21.02%	15.08%	28.25%	20.18%
-100 Acres	15.71%	25.59%	20.23%	15.08%	24.56%	19.43%
100-500 Acres	16.10%	28.15%	21.24%	15.46%	27.02%	20.39%
500+ Acres	16.49%	29.43%	21.58%	15.83%	28.25%	20.72%
*3rd Quarter 2024 Data				Copyright 2024 RealtyRates.com™		

As shown, the minimum actual rates in Texas range from 15.17% for less than 100 units; 15.55% for 100 to 500 units; and 15.93% for 500+ units with minimum pro-forma rates ranging from 14.56% to 15.29%.

The 7th Edition of the Dictionary of Real Estate Appraisal defines this term as “a discount rate that is adjusted to offset one or more risk factors, i.e., when a future downswing in the business cycle is likely, the risk associated with a project may increase near the end of its term, necessitating a special adjustment to the discount rate. Such discount rates include all of the elements of risk associated with an income stream for a specified period adjusted to offset additional term risk”. Thus, it is our opinion that a potential purchaser would expect to receive a much lower return on his investment for a completed project similar to the subject, which has numerous purchasers of the end product relative to that of a vacant tract of land awaiting eventual development (higher risk of escalating costs to site development and of the eventual timing of completion).

Based upon the preceding, an internal rate of return (IRR) that is similar to the minimum actual rate provided by the Realty Rates “Developer Survey” for Texas of 15.55% for 100-500 units; and 14.92% for likewise minimum pro-forma rates is considered reasonable for the subject. Hence, taking into consideration the supply and demand levels within the subject’s submarket area, we have selected a discount rate of **15%** for the subject which takes into consideration the degree of risk, developer profit, and the liquidity inherent in a project such as the subject (assisted by involvement of the Blue Ridge Crossing PID), as well as the current market conditions. To be consistent with the timing of the cash flows, the annual income stream is discounted quarterly with an annual DCF also included. With each of the required elements now identified, we will analyze the subject in DCF analyses as shown on the following pages.

DISCOUNT CASH FLOW (DCF) ANALYSIS - BLUE RIDGE CROSSING PID

The following assumptions are made in our analysis which are supported by other research and analysis found earlier in this report:

- Construction Complete June 1, 2025
- Retail lot values: \$62,000 for 40-FF lots
- Retail lot values: \$69,500 for 50-FF lots
- Retail lot values: \$82,800 for 60-FF lots
- 6% Appreciation/Year (1.5%/Quarter)
- 40-FF Lots sell at 15/Quarter for 2Q2025
- 50-FF Lots sell at 21/Quarter for 2Q2025
- 60-FF Lots sell at 6/Quarter in 2Q2025
- Discount Rate 15% (3.75%/Quarter)
- Tax Expense on Inventory is 2.014311%/Year, 0.50357775%/Quarter, but is discounted 30%
- Sales and Marketing Expense (1.5% of Revenue)

As Substantial Completion on the improved lots is expected to be completed as of June 1, 2025, we believe lot prices will continue to appreciate closer to their historical average which is closer to 6% per year. Thus, we have concluded that current retail improved lot values will be similar when takedowns begin. **Therefore, as of the expected Substantial Completion Date (June 1, 2025) the retail lot value for 43 40-FF lots is \$2,666,000, the retail lot value for 125 50-FF lots is \$8,687,500, and the retail lot value for the 44 60-FF lots is \$3,643,200 with a total cumulative value of \$14,996,700 as shown in the following table:**

BLUE RIDGE CROSSING PID, BLUE RIDGE					
Total Lots	Feet Frontage (FF)	Retail Price/Lot	Effective Date	Price/FF (\$/FF)	Total Retail Value (\$)
43	40 FF	\$62,000	June 1, 2025	\$1550/FF	\$2,666,000
125	50 FF	\$69,500	June 1, 2025	\$1390/FF	\$8,687,500
44	60 FF	\$82,800	June 1, 2025	\$1380/FF	\$3,643,200
212					\$14,996,700

Discount cash flow analysis was completed on a quarterly and annual basis as a check for reasonableness. The annual DCF is a more rudimentary calculation, and we consider the quarterly analysis to be more accurate. When applying the DCF on a quarterly basis, the discount rate is divided by 4 and a discount rate of 3.75% is applied to each period. Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the Substantial Completion Date was June 1, 2025, we will analyze on a quarterly basis starting June 2025, then proceeds to the beginning of each subsequent quarter.

DISCOUNT CASH FLOW DATA – BLUE RIDGE CROSSING PID (QUARTERLY)

	June 2025			July 2025			Oct. 2025		
Lot Type	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lots	43	\$ 62,000	5	38	\$ 62,000	15	23	\$ 62,930	15
50-FF Lots	125	\$ 69,500	7	118	\$ 69,500	21	97	\$ 70,543	21
60-FF Lots	44	\$ 82,800	2	42	\$ 84,042	6	36	\$ 85,303	6
Revenue		\$ 962,100			\$2,893,752			\$2,937,158	
<i>Tax Expense</i>		<i>\$ (17,621)</i>			<i>\$ (49,656)</i>			<i>\$ (40,048)</i>	
<i>Sales Expense</i>		<i>\$ (14,432)</i>			<i>\$ (43,406)</i>			<i>\$ (44,057)</i>	
Net Income		\$ 930,047			\$2,800,689			\$2,853,053	
Factor		0.994194			0.971303			0.937951	
Income Net Present Value (NPV)		\$ 924,647			\$2,720,317			\$2,676,024	



	Jan. 2026			Apr. 2026			July 2026		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lots	8	\$ 63,874	8	-	\$ -	-	-	\$ -	-
50-FF Lots	76	\$ 71,601	21	55	\$ 72,675	21	34	\$ 73,765	21
60-FF Lots	30	\$ 86,582	6	24	\$ 87,881	6	18	\$ 89,199	6
Revenue		\$2,534,098			\$2,053,453			\$2,084,255	
<i>Tax Expense</i>		<i>\$ (30,139)</i>			<i>\$ (21,525)</i>			<i>\$ (14,501)</i>	
<i>Sales Expense</i>		<i>\$ (38,011)</i>			<i>\$ (30,802)</i>			<i>\$ (31,264)</i>	
Net Income		\$2,465,947			\$2,001,126			\$2,038,490	
Factor		0.905744			0.874644			0.844611	
Income Net Present Value (NPV)		\$2,233,518			\$1,750,273			\$1,721,732	



	Oct. 2026			Jan. 2027		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lots	-	\$ -	-	-	\$ -	-
50-FF Lots	13	\$ 74,871	13	-	\$ -	-
60-FF Lots	12	\$ 90,537	6	6	\$ 91,895	6
Revenue		\$1,516,549			\$ 551,371	
<i>Tax Expense</i>		<i>\$ (7,261)</i>			<i>\$ (1,944)</i>	
<i>Sales Expense</i>		<i>\$ (22,748)</i>			<i>\$ (8,271)</i>	
Net Income		\$1,486,540			\$ 541,157	
Factor		0.815610			0.787604	
Income Net Present Value (NPV)		\$1,212,436			\$ 426,217	



Total Net Revenue Over ~8 Quarters	\$15,117,050
Net Present Value (As-Is) at 15% Discount Rate	\$13,665,164
<u>Rounded</u>	\$13,665,000

Note: Quarterly discount and appreciation calculations are averaged to the middle of the period.

DISCOUNT CASH FLOW DATA – BLUE RIDGE CROSSING PID (ANNUAL)

	2025			2026			2027		
Lot Type	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lots	43	\$ 62,310	35	8	\$ 63,868	8	-	-	-
50-FF Lots	125	\$ 69,848	49	76	\$ 73,228	76	-	-	-
60-FF Lots	44	\$ 84,042	14	30	\$ 88,547	24	6	\$ 92,584	6
Revenue		\$ 6,779,966			\$ 8,201,399			\$ 555,506	
Tax Expense		\$ (124,266)			\$ (123,132)			\$ (2,611)	
Sales Expense		\$ (101,699)			\$ (123,021)			\$ (8,333)	
Net Income		\$ 6,554,000			\$ 7,955,245			\$ 544,563	
Factor		0.960056			0.859496			0.783031	
Income Net Present Value (NPV)		\$ 6,292,206			\$ 6,837,504			\$ 426,409	



Total Net Revenue Over ~3 Years	\$15,053,808
Net Present Value (As-Is) at 15% Discount Rate	\$13,556,119
Rounded	\$13,556,000

Note: Annual discount and appreciation calculations are averaged to the middle of the period

Blue Ridge Crossing Public Improvement District

DCF Conclusion (212 Improved 40', 50' and 60' Lots)

Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for the 212 improved lots in Blue Ridge Crossing PID in a bulk sale transaction would be between \$13,556,119 and , which is approximately \$109,045 (0.80%) different. Both annual and quarterly DCF analyses have relevance and are a check of reasonableness on each other, but we consider the quarterly analysis to be the more accurate and precise calculation. Thus, we have determined that the **market value for Blue Ridge Crossing PID “Upon Completion” with a Prospective Effective Date of June 1, 2025, for 212 improved lots is (\$64,500 per lot rounded).**

INCOME (SUBDIVISION DEVELOPMENT) APPROACH CONCLUSION

Using the Discount Cash Flow Analysis to determine the net present value as of the substantial completion date (June 1, 2025), we have determined the following value for Blue Ridge Crossing PID as shown in the table below:

INCOME APPROACH VALUE INDICATION	
<i>Fee Simple Interest, Complete June 1, 2025</i>	
Blue Ridge Crossing PID <i>212 Improved Residential Lots</i>	<i>\$13,665,000 (\$64,500/Lot)</i>

RECONCILIATION AND FINAL VALUE CONCLUSION

The Appraisal of Real Estate, Fourteenth Edition, copyright 2013, pages 641-642, published by the Appraisal Institute states,

“Resolving the differences among various value indications is called reconciliation.... The final value opinion is not the average of the different value indications derived. No mechanical formula is used to select one indication over the others...Final reconciliation relies on proper application of appraisal techniques and the appraiser’s judgment.”

Three approaches to value are recognized in the appraisal profession (Sales Comparison Approach, Cost Approach, and Income Approach). All three approaches were analyzed and developed as part of the scope of work of this assignment. A summary of each approach follows:

Cost Approach

The Cost Approach provides information that contrasts with information from the Income and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project.

Since the improved single-family residential lots in Blue Ridge Crossing PID will be constructed in one phase, the Cost Approach is appropriate and thus was utilized to value the improved lots in the Blue Ridge Crossing PID. **Through the Cost Approach, we determined the market value of the 212 improved lots “Upon Completion” in Blue Ridge Crossing PID as of June 1, 2025, is \$13,294,000 (\$62,700/Lot Rounded).**

Income (Subdivision Development) Approach

For the improved residential lots, the Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases the bulk of the lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

Since the problem to be solved is to determine the bulk sale value of 212 improved residential lots in Blue Ridge Crossing PID, as of the substantial completion date, the Income Approach is appropriate and was developed. **Through Discounted Cash Flow Analysis, we determined the market value of the 212 improved lots “Upon Completion” in Blue Ridge Crossing PID as of June 1, 2025, is \$13,665,000 (\$64,500 per lot rounded).**

Sales Comparison Approach

For the improved lots, the Sales Comparison Approach was not fully developed because finding highly similar and recent sales of improved groups of lots or subdivisions is not available in the market. Aspects of the Sales Comparison Approach were utilized in concluding the retail lot market values for use in the Income Approach for the improved lots within the Blue Ridge Crossing PID.

Final Value Conclusion Summary

As a result of our investigations, studies and analysis of the sale, cost, income, and expense data, interpreted within the context of all the factors in the marketplace which effect value, our reconciliation of the indicated values between the utilized approaches to value are listed in the table below. We utilized the Cost Approach and the Income (Subdivision Development) Approach to value the 212 improved lots. Our final value conclusion for the retail lot value and the cumulative value of the lots are shown below:

BLUE RIDGE CROSSING PID, BLUE RIDGE					
Total Lots	Feet Frontage (FF)	Retail Price/Lot	Effective Date	Price/FF (\$/FF)	Total Retail Value (\$)
43	40 FF	\$62,000	June 1, 2025	\$1550/FF	\$2,666,000
125	50 FF	\$69,500	June 1, 2025	\$1390/FF	\$8,687,500
44	60 FF	\$82,800	June 1, 2025	\$1380/FF	\$3,643,200
212					\$14,996,700

After considering discount cash flows, our final value conclusion “Upon Completion” is shown below:

INCOME APPROACH VALUE INDICATION	
<i>Fee Simple Interest, Complete June 1, 2025</i>	
Blue Ridge Crossing PID 212 Improved Residential Lots	\$13,665,000 (\$64,500/Lot)

Exposure Time

Assuming adequate exposure and normal marketing efforts, the estimated exposure time (i.e. the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded to in this analysis as of the date of this valuation) would have been at least 6-12 months; the estimated marketing time (i.e. the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be between 6-12 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the Effective Date of value. Market conditions are presently strong, and we expect no significant changes in the near term. It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject’s marketing period at 6-12 months.

ADDENDA

ENGAGEMENT LETTER



Real Estate Brokerage * Development * Appraisals * Property Tax Consulting
1703 N. Peyco Dr. Arlington, Texas 76001
Metro 817-467-6803 * Fax 817-465-7464 * www.peycosouthwest.com

December 18, 2024

Mr. R.R. "Tripp" Davenport, III
Director
FMSbonds, Inc.
5 Cowboys Way, Ste. 300-25
Frisco, Texas 75034
tdavenport@fmsbonds.com

SUBJECT: Proposal/Authorization for Valuation and Consulting Services of a residential master planned development known as the "Blue Ridge Crossing Public Improvement District" located in Blue Ridge, Collin County, Texas

Dear Mr. Davenport:

Upon your acceptance of this contract engagement, Peyco Southwest Realty, Inc. ("Peyco"), will prepare an appraisal of the Subject Property:

Purpose of the Assignment The purpose of the appraisal is to provide an opinion of the "As-Complete" and "As-If Improved" market value of the fee simple interest in the Subject Property outlined herein. We will assume that the City of Blue Ridge will approve or has approved the proposed development and that all development entitlements are in place for the "Project" to proceed. Further, our valuation will also be based upon, and assume that:

- a)** Only limited specific offsite general infrastructure indicated is fully funded with cash or cash-equivalent (lines of credit, completion agreements, etc.) with special assessments levied on property within the Blue Ridge Crossing Public Improvement District ("PID"), and
- b)** Improvement relating to the "Project" will be completed based on engineering plans provided to the appraisers

It is our understanding that the Appraisal Report will be included in the Preliminary and Final Official Statements for the sale of one or more series of Public Improvement District (PID) bonds for the Project, and we will provide our written consent to the inclusion of the Appraisal Report in the Preliminary and Final Official Statements. The appraisal will be prepared in conformance with and subject to, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice* (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation. The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three-year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We represent that we have not performed any services that require disclosure under this rule.

Page 1 of 7

In accordance with our correspondence, the scope of this assignment will require Peyco to consider all relevant and applicable approaches to value as determined during the course of our research, Subject Property analysis, and preparation of the report. **The report will include an opinion of the fee simple market value of the following:**

- **Phase 1 with approximately 214 improved residential lots to be sold in bulk in the Blue Ridge Crossing PID. We will report the estimated retail value of the lots during the sellout period consisting of:**
 - **43 lots of 40-FF sizes, and**
 - **126 lots of 50-FF sizes, and**
 - **45 lots of 60-FF sizes**

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, this appraisal may not be accepted by a federally regulated financial institution.

The appraisal will be communicated in an Appraisal Report-Standard Format Report. All work will be performed under the direct supervision of the undersigned, together with other staff members. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions, a copy of which is attached as Attachment 1.

The total fee for this assignment will be \$17,000 which will be paid for by the Developer, but payment may be reimbursed to the developer as a qualified creation and issuance cost of the "Public Improvement District". Please note that the full fee must be received in our office before the commencement of this appraisal. The delivery date will be within 30 business days from your signed acceptance of this letter agreement, receipt of the fee and receipt of requested documents from the developer, but subject to extension based upon late delivery of the requested data and scheduled access for inspection. **We will require the full fee of \$17,000 prior to the commencement of this appraisal assignment.** If the assignment is cancelled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the percentage of work completed.

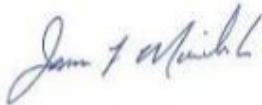
Two hard copies of the appraisal report will be provided upon request. Digital copies, in PDF format, will be delivered upon completion via email or other file transfer as client requests. Additionally, we confirm our permission to use the final appraisal report in the offer and sale of public securities secured by the special assessments levied on property within the PID for the "Project"; and we confirm that we will execute, subject to our approval of the same, a certificate related to the use of the appraisal for such purpose. The 30 business day delivery date is contingent upon the absence of events outside our control, timely access for inspection of the Subject Property, as well as our receipt of all requested information necessary to complete the assignment. Should, upon review of the draft Appraisal Report, the client requests material changes, or additions beyond the agreed to Scope of Work that materially affect the appraisal report and/or resulting values; the Client agrees to additional scope of work changes at our current hourly rates (\$300/hour).

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance, or wetlands. Therefore, unless we have been provided with appropriate third-party expert reports, the appraisals will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment, and actions.

In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our current hourly rates (\$300/hour) for such preparation and presentation of testimony. You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, Peyco and its partner companies may utilize, sell, and include such data (either in the aggregate or individually), in the Peyco database and for use in derivative products. You agree that all data already in the public domain may be utilized on an unrestricted basis. Finally, you agree that we may use commercially available, as well as proprietary software programs, to perform your assignment (web based and others).

If you are in agreement with the terms set forth in this letter and wish us to proceed with the contract engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

Sincerely,



James L. Maibach, C.P.M.
TX-1323658
State Certified General Real Estate Appraiser

AGREED TO AND ACCEPTED THIS ____ DAY OF _____, 2024.

BY:

FMS Bonds, Inc.


Authorized Signature

Name (printed)

ATTACHMENT 1: STANDARD ASSUMPTIONS & LIMITING CONDITIONS

The appraisal report and any work product related to the engagement will be limited by the following standard assumptions:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements, and restrictions. The Subject Property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the Subject Property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the Subject Property more or less valuable. Furthermore, there is no asbestos or environmental contamination at the Subject Property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The Subject Property is in compliance with all applicable building, environmental, zoning, and other federal, state, and local laws, regulations, and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

The appraisal report and any work product related to the engagement will be subject to the following limiting conditions, except as otherwise noted in the report:

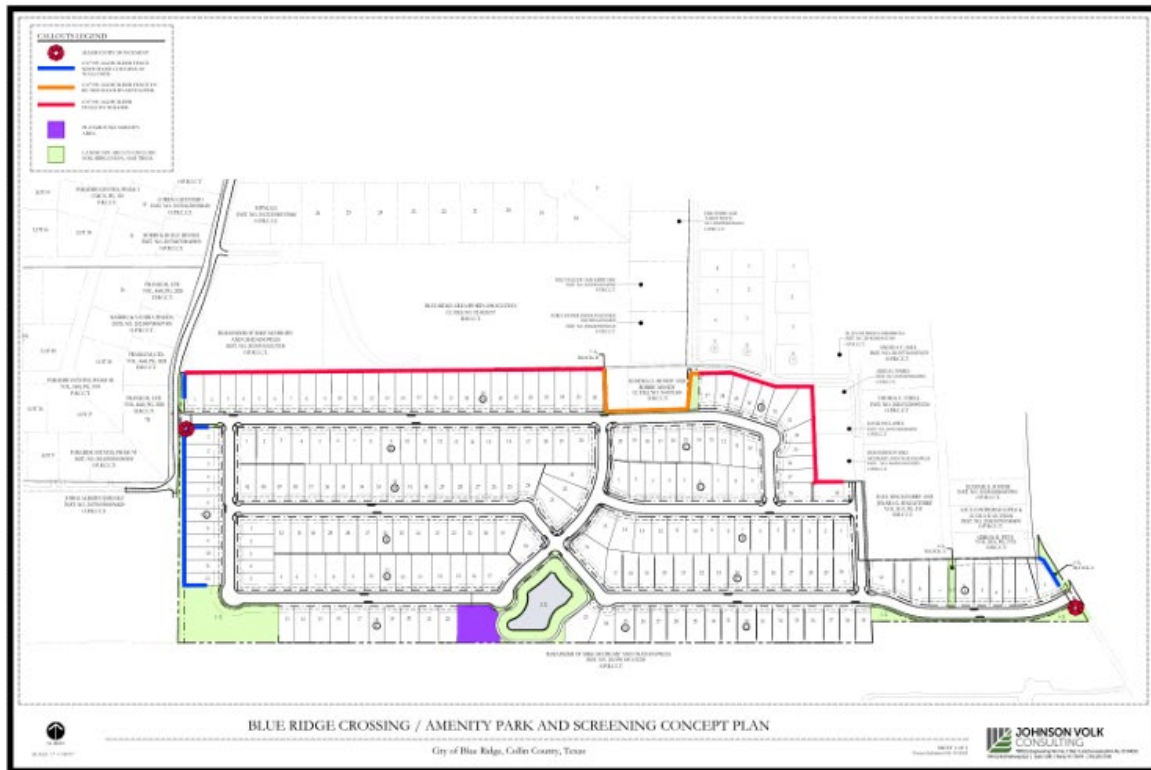
1. An appraisal is inherently subjective and represents our opinion as to the value of the Subject Property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state, or local laws, regulations, or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena, or attend any court, governmental or other hearing with reference to the Subject Property without compensation relative to such additional employment.
6. We have made no survey of the Subject Property and assume no responsibility in connection with such matters. Any sketch or survey of the Subject Property included in the appraisal report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the Subject Property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, if any, and we have assumed that the Subject Property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural, and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the Subject Property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates, and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

13. If the Subject Property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the Subject Property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the Subject Property or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the Subject Property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues and render no opinion regarding compliance of the Subject Property with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the Subject Property or in the improvements, and our valuation is predicated upon the assumption that the Subject Property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances, and mold. No representations or warranties are made regarding the environmental condition of the Subject Property. Peyco and/or any of its officers, owners, managers, directors, agents, subcontractors, or employees (the "Peyco Parties") shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the Subject Property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the Subject Property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the Subject Property, and the value conclusion is predicated on the assumption that wetlands are nonexistent or minimal.
22. We are not a building or environmental inspector. Peyco does not guarantee that the Subject Property is free of defects or environmental problems. Mold may be present in the Subject Property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assumes the satisfactory completion of construction, repairs, or alterations in a workmanlike manner.
24. Peyco is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
25. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Peyco is not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we

assume competent and effective management and marketing for the duration of the projected holding period of the Subject Property.

26. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.
27. As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.

Blue Ridge Crossing PID Concept Plan



LEGAL DESCRIPTION

EXHIBIT A
METES AND BOUNDS DESCRIPTION OF THE PROPERTY

BEING A TRACT OF LAND SITUATED IN THE MATHIAS MOWERY SURVEY, ABSTRACT NO. 557, IN COLLIN COUNTY, TEXAS, BEING A PORTION OF THAT SAME TRACT OF LAND CONVEYED TO MIKE MCCREARY AND CHAD KNOWLES BY DEED RECORDED IN INSTRUMENT NO. 20210911001135230, OF THE OFFICIAL PUBLIC RECORDS OF COLLIN COUNTY, TEXAS (O.P.R.C.C.T.), TOGETHER WITH A TRACT OF LAND CONVEYED TO JACOB W. LITTLEJOHN BY DEED RECORDED IN INSTRUMENT NO. 20210304000430470, O.P.R.C.C.T., AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A MAG NAIL FOUND ON A WOOD POST FOR CORNER, SAID POINT BEING THE SOUTHEAST CORNER OF A TRACT OF LAND CONVEYED TO JORGE ALBERTO JIMENEZ BY DEED RECORDED IN INSTRUMENT NO. 20170109000036820, O.P.R.C.C.T., SAME BEING AN INTERIOR "ELL" CORNER OF SAID MCCREARY & KNOWLES TRACT, SAME BEING THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 00 DEGREES 40 MINUTES 46 SECONDS EAST, WITH THE EAST LINE OF SAID JIMENEZ TRACT, PASSING A 1/2 INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID JIMENEZ TRACT AT A DISTANCE OF 480.00 FEET, SAME BEING THE SOUTHEAST CORNER OF PRUETT STREET (VARIABLE WIDTH RIGHT-OF-WAY), AND CONTINUING WITH THE EAST RIGHT-OF-WAY LINE OF SAID PRUETT STREET, FOR A TOTAL DISTANCE OF 846.78 FEET TO A MAG NAIL FOUND IN A WOOD POST FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED TO BLUE RIDGE AREA SPORTS ASSOCIATION BY DEED RECORDED IN CLERK'S FILE NO. 92-0020137 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS (D.R.C.C.T.), SAME BEING THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 89 DEGREES 34 MINUTES 48 SECONDS EAST, DEPARTING THE EAST RIGHT-OF-WAY LINE OF SAID PRUETT STREET, OVER, ACROSS, AND THROUGH SAID MCCREARY & KNOWLES TRACT, AND WITH THE SOUTH LINE OF SAID BLUE RIDGE AREA SPORTS ASSOCIATION TRACT, A DISTANCE OF 445.19 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER, SAID POINT BEING AN INTERIOR "ELL" CORNER OF SAID MCCREARY & KNOWLES TRACT;

THENCE NORTH 89 DEGREES 30 MINUTES 41 SECONDS EAST, CONTINUING WITH THE SOUTH LINE OF SAID BLUE RIDGE AREA SPORTS ASSOCIATION TRACT, A DISTANCE OF 884.90 FEET TO A 1/2 INCH IRON ROD FOUND WITH A CAP STAMPED "STOVALL & ASSOC." FOR A NORTHEAST CORNER OF SAID MCCREARY & KNOWLES TRACT;

THENCE SOUTH 01 DEGREES 52 MINUTES 31 SECONDS EAST, DEPARTING THE SOUTH LINE OF SAID BLUE RIDGE AREA SPORTS ASSOCIATION TRACT, PASSING A FENCE POST FOUND FOR THE NORTHWEST CORNER OF A TRACT OF LAND

CONVEYED TO RANDELL S. MOODY AND BOBBIE MOODY BY DEED RECORDED IN CLERK'S FILE NO. 94-0101604, D.R.C.C.T., AT A DISTANCE OF 3.11 FEET AND CONTINUING WITH THE WEST LINE OF SAID MOODY TRACT, FOR A TOTAL DISTANCE OF 131.63 FEET TO A 6" WOOD FENCE POST FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF SAID MOODY TRACT, SAME BEING AN INTERIOR "ELL" CORNER OF SAID MCCREARY & KNOWLES TRACT;

THENCE NORTH 88 DEGREES 23 MINUTES 58 SECONDS EAST, WITH THE SOUTH LINE OF SAID MOODY TRACT, A DISTANCE OF 253.67 FEET TO A 6 INCH WOOD FENCE POST FOUND FOR CORNER, SAID POINT BEING THE SOUTHEAST CORNER OF SAID MOODY TRACT;

THENCE NORTH 03 DEGREES 51 MINUTES 03 SECONDS EAST, WITH THE EAST LINE OF SAID MOODY TRACT, A DISTANCE OF 110.57 FEET TO A 6 INCH WOOD FENCE POST FOR CORNER, SAID POINT LYING ON THE SOUTH RIGHT-OF-WAY LINE OF ROBY LANE (40 FOOT RIGHT-OF-WAY);

THENCE NORTH 88 DEGREES 20 MINUTES 53 SECONDS EAST, DEPARTING THE EAST LINE OF SAID MOODY TRACT, WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID ROBY LANE, A DISTANCE OF 126.05 FEET TO A 1/2 INCH IRON ROD WITH A CAP STAMPED "STOVALL & ASSOC." FOUND FOR CORNER;

THENCE SOUTH 72 DEGREES 37 MINUTES 51 SECONDS EAST, CONTINUING WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID ROBY LANE, A DISTANCE OF 145.29 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

THENCE SOUTH 89 DEGREES 46 MINUTES 37 SECONDS EAST, CONTINUING WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID ROBY LANE, A DISTANCE OF 119.48 FEET TO A 3/4 INCH IRON PIPE FOUND FOR CORNER, SAID POINT BEING A NORTHEAST CORNER OF SAID MCCREARY & KNOWLES TRACT, SAME BEING THE NORTHWEST CORNER OF A TRACT OF LAND CONVEYED TO ADRIANA TORRES BY DEED RECORDED IN INSTRUMENT NO. 20150415000423960, O.P.R.C.C.T.;

THENCE SOUTH 02 DEGREES 19 MINUTES 20 SECONDS EAST, DEPARTING THE SOUTH RIGHT-OF-WAY LINE OF SAID ROBY LANE, WITH THE WEST LINE OF SAID TORRES TRACT, AND WITH THE WEST LINE OF A TRACT OF LAND CONVEYED TO DAVID PAUL APPLE BY DEED RECORDED IN INSTRUMENT NO. 20190718000844250, AND THROUGH SAID MCCREARY & KNOWLES TRACT, FOR A TOTAL DISTANCE OF 299.36 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

THENCE NORTH 89 DEGREES 58 MINUTES 29 SECONDS EAST, CONTINUING THROUGH SAID MCCREARY & KNOWLES TRACT, A DISTANCE OF 117.50 FEET TO A 1/2 INCH IRON ROD WITH A CAP STAMPED "APPLE 5932" FOUND FOR CORNER, SAID POINT LYING ON THE WEST RIGHT-OF-WAY LINE OF S. MORROW STREET (UNKNOWN RIGHT-OF-WAY);

THENCE SOUTH 02 DEGREES 26 MINUTES 02 SECONDS EAST, WITH THE WEST RIGHT-OF-WAY LINE OF SAID S. MORROW STREET, A DISTANCE OF 246.41 FEET TO A 5/8 INCH IRON ROD WITH A CAP STAMPED "JM CIVIL ENGINEERING" SET FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF SAID S. MORROW STREET;

THENCE NORTH 88 DEGREES 59 MINUTES 53 SECONDS EAST, WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID S. MORROW STREET, PASSING A 1/2 INCH IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID S. MORROW STREET, SAME BEING THE SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED TO RAUL SINGLETERRY AND JENARRA SINGLETERRY BY DEED RECORDED IN VOLUME 2013, PAGE 239, D.R.C.C.T., AT A DISTANCE OF 32.73 FEET AND CONTINUING WITH THE SOUTH LINE OF SAID SINGLETERRY TRACT, AND WITH THE SOUTH RIGHT-OF-WAY LINE OF S. MAIN STREET (UNKNOWN RIGHT-OF-WAY) AND WITH THE SOUTH LINE OF A TRACT OF LAND CONVEYED TO ADRIAN R. PITTS BY DEED RECORDED IN VOLUME 5014, PAGE 3378, D.R.C.C.T. AND CONTINUING FOR A TOTAL DISTANCE OF 458.84 FEET TO A 1/2 INCH IRON ROD WITH A CAP STAMPED "TEXAS RPLS", SAID POINT BEING THE NORTHWEST CORNER OF SAID LITTLEJOHN TRACT;

THENCE NORTH 89 DEGREES 52 MINUTES 16 SECONDS EAST, CONTINUING WITH THE SOUTH LINE OF SAID PITTS TRACT, AND WITH THE NORTH LINE OF SAID LITTLEJOHN TRACT, A DISTANCE OF 106.56 FEET TO A 5/8 INCH IRON ROD WITH A CAP STAMPED "JM CIVIL ENGINEERING" SET FOR CORNER, SAID POINT BEING THE NORTHEAST CORNER OF SAID LITTLEJOHN TRACT;

THENCE NORTH 02 DEGREES 56 MINUTES 37 SECONDS WEST, A DISTANCE OF 71.84 FEET TO A 5/8 INCH IRON ROD WITH A CAP STAMPED "JM CIVIL ENGINEERING" SET FOR CORNER, SAID POINT LYING ON THE WEST RIGHT-OF-WAY LINE OF S. BUSINESS HIGHWAY 78 (VARIABLE WIDTH RIGHT-OF-WAY), AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 08 DEGREES 14 MINUTES 34 SECONDS, A RADIUS OF 507.57 FEET, AND A CHORD BEARING AND DISTANCE OF SOUTH 27 DEGREES 11 MINUTES 39 SECONDS EAST, 72.96 FEET;

THENCE, IN A SOUTHEASTERLY DIRECTION, WITH THE WEST RIGHT-OF-WAY LINE OF SAID S. BUSINESS HIGHWAY 78, ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC LENGTH OF 73.02 FEET TO A 5/8 INCH IRON ROD WITH A CAP STAMPED "JM CIVIL ENGINEERING" SET FOR CORNER;

THENCE SOUTH 31 DEGREES 11 MINUTES 37 SECONDS EAST, CONTINUING WITH THE WEST RIGHT-OF-WAY LINE OF SAID S. BUSINESS HIGHWAY 78, A DISTANCE OF 240.11 FEET TO A 1/2 INCH IRON ROD WITH A CAP STAMPED "APPLE 5932" FOUND FOR CORNER;

THENCE NORTH 89 DEGREES 58 MINUTES 52 SECONDS WEST, DEPARTING THE WEST RIGHT-OF-WAY LINE OF SAID S. BUSINESS HIGHWAY 78, OVER, ACROSS,

AND THROUGH SAID MCCREARY & KNOWLES TRACT, A DISTANCE OF 678.20 FEET TO A 1/2 INCH IRON ROD WITH A CAP STAMPED "APPLE 5932" FOUND FOR CORNER;

THENCE SOUTH 02 DEGREES 25 MINUTES 12 SECONDS EAST, CONTINUING THROUGH SAID MCCREARY & KNOWLES TRACT, A DISTANCE OF 68.36 FEET TO A 1/2 INCH IRON ROD FOUND WITH A CAP STAMPED "APPLE 5932" FOR CORNER;

THENCE NORTH 89 DEGREES 59 MINUTES 20 SECONDS WEST, CONTINUING THROUGH SAID MCCREARY & KNOWLES TRACT, PASSING A 1/2 INCH IRON ROD FOUND WITH A CAP STAMPED "APPLE 5932" AT A DISTANCE OF 500.00 FEET AND CONTINUING FOR AN ADDITIONAL 500.00 FEET TO A 1/2 INCH IRON ROD FOUND WITH A CAP STAMPED "APPLE 5932" AND CONTINUING FOR AN ADDITIONAL 240.00 FEET TO A 1/2 INCH IRON ROD FOUND WITH A CAP STAMPED "APPLE 5932" AND CONTINUING FOR A TOTAL DISTANCE OF 2173.66 TO THE POINT OF BEGINNING AND CONTAINING 1,853,018 SQUARE FEET OR 42.539 ACRES OF LAND, MORE OR LESS.

DEVELOPMENT REGULATIONS

EXHIBIT C DEVELOPMENT REGULATIONS

- I. **DEVELOPMENT STANDARDS:** The Property shall generally develop in accordance with the Concept Plan and comply with the standards for property located in the R-1 base zoning district, as set forth in the Zoning Ordinance, except as modified on this **Exhibit C**; however, the Developer reserves the right to relocate lots shown on the Concept Plan provided the changes otherwise comply with these Development Regulations and the minimum and maximum number of each lot type stated on the Concept Plan. The development standards in the following table and the notes following the table shall be the exclusive lot size, building size, setback, building height, and landscaping requirements applicable to the Property. The maximum number of residential lots is 214.

Single Family (Base Zoning: R-1)	
Lot Size (Unless stated otherwise, the minimum)	
Lot Width (feet)	40' – Up to 43 of the Lots 50' – All remaining Total Project Lots 60' – No less than 42 of the Lots
Lot Area (sq. ft.)	40' Width Lots – 4,000 50' Width Lots – 5,000 60' Width Lots – 6,000
Lot Depth (feet)	100
Dwelling Regulations (Minimum)	
Minimum air conditioned floor area for single family residences	40' Width Lots – 1,300 SF 50' Width Lots – 1,400 SF 60' Width Lots – 1,400 SF
Yard Requirements (Minimum building setback requirements)	
Front Yard (feet)	20
Garage Set Back (feet)	23
Side Yard (feet)	5
Side Yard of Corner Lots (feet)	10
Side Yard of Corner Lots (feet) on Key Lots	20
Rear Yard (feet)*	15

Height of Structures

(Maximum)

Main Structure (feet)	35
Accessory Structure (feet)	15

Landscaping

(Minimum)

Minimum 3" Caliper Tree and minimum 1.5" caliper ornamental tree	2 Trees in Front Yard
Shrubs – minimum 3 gallon to 5 gallon shrubs along the front elevation of the home (excluding garage and front entry	10 shrubs
Sod	Front and Side Yards

Fences

Board-on-board, stained, cedar and weather treated with a face cap and steel posts	Minimum six foot (6') in height
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*Cul-de-sac and elbow lots may have a minimum rear yard building setback of 10 feet.

II. ADDITIONAL CONDITIONS:

- A. Maximum number of residential lots within the Property shall not exceed 214 lots ("Total Project Lots"). The Developer reserves the right to relocate lots as stated in the first paragraph of this exhibit.
- B. "Key Lots" are defined as a corner lot which is backing up to an abutting side yard.
- C. All homes may be front entry (i.e., may have front entry garages).
- D. The Property shall be used for single family purposes, parks, and open spaces only.
- E. No mobile or manufactured homes shall be built within the project.

III. MAINTENANCE OF THE COMMON AREAS:

- A. Maintenance of the common areas, including, but not limited to, ponds, trails, and entrance features will be the responsibility of the homeowners' association (HOA).
- B. The Developer will be the contact entity with the City for all concerns regarding maintenance of park and open space until 100% of HOA control is turned over to the homeowners.
- C. HOA maintenance and responsibilities for common areas include, but are not limited to:

1. Clean up and litter removal.
 2. Landscaping installation, care, maintenance, and replacement.
 3. Mowing, trimming, clearing, and removal of unwanted vegetation and dead trees, including parkway areas and areas outside of fences extending to the right-of-way.
 4. Maintain irrigation system, pay for the water used in the system.
 5. Maintain entry features and any other installed improvements, as shown on the Concept Plan.
 6. Pay for the electricity used for the lighting for the entry features.
- D.** It is the Developer's responsibility to install irrigation systems, entry features, and any other improvements (excluding buildings) within the Property.

IV. HOME DESIGN

All structures shall abide by the following architectural standards:

1. Exterior Façade Building Materials: All homes shall have at least 65% brick, stone, granite, marble, concrete block, cement siding, or any other reasonably comparable masonry material per elevation. Such masonry requirement shall exclude any doors, windows and awnings.
2. Roof and Roof Material: All homes constructed within the project shall have a minimum of a 6:12 roof pitch. Roof materials shall be composition 25-year architectural shingles, standing seam metal or copper, natural or imitation slate shingles, natural or imitation clay shingles, or 3-tab shingles. Wooden shingles are prohibited.
3. Garages: All dwellings may have garages that face the street. The minimum garage size is eighteen (18) feet in width by twenty (20) feet in depth.

V. STREET AND SIDEWALK STANDARDS:

1. **Street Treatments – Entry Features and Signage at Entries**
Entry features shall include a stone capped monument with landscaping incorporated into open space area and illuminated by means other than streetlights, which shall include decorative iron accent panels of 2 or more different type/color of stone (can be synthetic or cultured).



Additionally, Developer will install a small, commercially suitable entrance sign or monument at the entrance of Pruett Street. Upon the request of the applicant, the City Council may approve increases to the maximum height and size of any entrance sign or monument.

2. Street Treatments

Block numbers shall be incorporated with street lighting that is coordinated throughout the subdivision.

3. Pedestrian Sidewalks and Bike Trail

A four-foot wide concrete pedestrian sidewalk shall be located on both sides of every internal street within the right-of-way. The Developer shall install and either, at the City's election, dedicate to the City or grant a non-exclusive easement for the benefit of the City for an eight-foot wide minimum concrete hike and bike trail at the location generally depicted on the Concept Plan (or such other location acceptable to the City).

ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the following assumptions and limiting conditions:

- 1) The value assumes of responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise described herein. No responsibility is assumed by the appraiser for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.
- 2) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser assumes no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches, and other exhibits that have been furnished and have been used in this report are not guaranteed.
- 3) The value rendered herein is based on preliminary analyses of the subject and market area. The market value is expressed in terms of the current purchasing power of the dollar.
- 4) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.
- 5) Appraisers assume no responsibility for any hidden agreements known as "side reports", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.
- 6) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other valuation and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser, and in any event, only in its entirety.
- 7) The appraiser, by reason of this report, is not required to give testimony in court with reference to the property unless notice and proper arrangements have been previously made, therefore.
- 8) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.
- 9) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for engineering, which might be required to discover such factors.
- 10) Any construction and physical condition of the improvements described herein are based on the building construction plans and specifications and construction budgets if provided. No liability is assumed by the appraiser for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No responsibility is assumed for engineering, which might be required to discover such factors. We urge the user of this report to retain an expert in this field as this is any considered "to-be-built" improvements.

- 11) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser site visit. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the value is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.
- 12) We have made no survey of the property and assume no responsibility in connected with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
- 13) We accept no responsibility for issues requiring expertise in other fields. Such factors include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic items such as soils and seismic stability; civil, mechanical, electrical, structural, and other engineering and environmental matters. Such issues may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
- 14) The projections of income, expenses, terminal values, or future sales prices are not predictions of the future; rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.
- 15) The client or user of this report agrees to notify the appraiser of any error, omission or inaccurate data contained in the report within 15 days of receipt and return the report and all copies thereof to the appraiser for correction prior to any use.
- 16) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, and specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.
- 17) We have assumed no extreme fluctuations in the economic cycles will occur over the dates analyzed herein.
- 18) The appraisal report and value conclusions assume the satisfactory development proceeds in a workmanlike manner.

- 19) The conclusions in this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, existing trends, interviews with parties knowledgeable and experienced in the market, data obtained from public records, and research conducted by third parties. Such data is not always completely reliable. The appraisers are not responsible for these and other future occurrences that could not have reasonably been foreseen on the Effective Date of this assignment. In addition, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we hold the opinion that our finding is reasonable based on current market conditions, we do not represent that these estimates will be achieved, as they are forecasts and subject to risk and uncertainty. Additionally, we assume competent and effective management and market for the duration of the projected holding period of this property.
- 20) Prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to risk and uncertainty. Many events could occur that may substantially alter the outcome of our estimates such as changes in the economy, interest rates, capitalization rates, the behavior of consumers, investors, and lenders, and changes in title or conveyances of easements and deed restrictions. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.
- 21) This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan. However, it is based on a hypothetical assumption that access to the south tract is achievable in accordance with all applicable regulations, and any building is to be constructed according to the approved plans and specifications provided by a licensed general contractor.
- 22) The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since we have no direct evidence relating to the issue of compliance, we did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.
- 23) In addition to the preceding assumptions and limiting conditions, this appraisal is subject to the following extraordinary assumptions and/or hypothetical conditions:

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **Extraordinary Assumptions** that may affect the assignment results. An Extraordinary Assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Effective Date of the appraisal, we reserve the right to modify our value conclusions. Extraordinary Assumptions are used in this assignment because the improved residential lots to be delivered by the date utilized in this report are currently incomplete as of the report date.

- Our opinions of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications by Pape-Dawson Engineers, the Professional Engineers, dated December 4, 2024 for 212 improved residential lots in Blue Ridge Crossing PID.
- All information relative to the property located within Blue Ridge Crossing PID including land areas, lot totals, lot sizes, and other pertinent data that was provided by GLA Ventures, LLC (Owner), Pape-Dawson Engineers (Professional Engineers), JM Civil Engineering (Professional Surveyors), the City of Blue Ridge, Collin County, and the Collin Central Appraisal District is assumed to be correct.
- The subject is proposed residential lots construction with an expected prospective completion date of June 1, 2025; therefore, this report contains a prospective opinion of value. Considering this, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable global events that alter market conditions prior to the prospective Effective Date.

The use of these extraordinary assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **Hypothetical Conditions** that may affect the assignment results. A Hypothetical Condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

No Hypothetical Conditions are used in this report.

ENVIRONMENTAL ASSUMPTIONS

This report is subject to the following environmental assumptions:

- 1) There is a safe, lead-free, adequate supply of drinking water.
- 2) The subject property is free of soil contamination.
- 3) There is no uncontained friable asbestos or other hazardous asbestos material on the property. The appraiser is not qualified to detect such substances.
- 4) There are no uncontained PCB's on or near the property.
- 5) The radon level is at or below EPA recommended levels.
- 6) Any functioning underground storage tanks (UST's) are not leaking and are properly registered; any abandoned UST's are free from contamination and were properly drained, filled, and sealed.
- 7) There are no hazardous waste sites on or near the subject property that negatively affect the value and/or safety of the property.
- 8) There is no significant urea formaldehyde (UFFI) insulation or other urea formaldehyde material on the property.
- 9) There is no flaking or peeling of lead-based paint on the property.
- 10) The property is free of air pollution.
- 11) There are no wetlands/flood plains on the subject property (unless otherwise stated in the report).
- 12) There are no other miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site (excess noise, radiation, light pollution, magnetic radiation, acid mine drainage, agricultural pollution, waste heat, miscellaneous chemical, infectious medical wastes, pesticides, herbicides, and the like).

DEFINITIONS

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

Leased Fee Interest

The ownership interest held by the lessor includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Market Value

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The value conclusions expressed within this report are in terms of cash (\$US).

Extraordinary assumptions are assignment-specific assumptions as of the Effective Date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Hypothetical condition a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the Effective Date of the assignment results but is used for the purpose of analysis.

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a valued opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Prospective Market Value “As Completed” and “As Stabilized”

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an Effective Date that is subsequent to the date of the Appraisal Report. Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data. Two prospective value opinions may be required to reflect the time frame during which development, construction, and occupancy will occur. The prospective market value—as completed - reflects the property’s market value as of the time that development is expected to be completed. The prospective market value - as stabilized - reflects the property’s market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (See USPAP Statement 4* and Advisory Opinion 17.) (Interagency Appraisal and Evaluation Guidelines)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a valuable opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.”

Neighborhood

- (1) A group of complementary land users; a congruous grouping of inhabitants, buildings, or business enterprises.
- (2) A developed residential super pad within a master-planned community usually has a distinguishing name and entrance.

Depreciation

1. In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the Effective Date of the appraisal and the market value of the improvement on the same date.
2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset’s life; calculated using a variety of standard techniques.

The three major types of accrued depreciation are:

Physical Deterioration

Physical deterioration is loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition is generally the measure of deferred maintenance.

Blue Ridge Crossing Public Improvement District

Functional Obsolescence

Functional obsolescence is loss in value from conditions existing within the property which make the property inadequate or less desirable to the typical prudent purchaser. It, too, may be curable or incurable. Incurable obsolescence is normally measured by the loss in income which may accrue to the property by reason thereof.

External Obsolescence

According to the Dictionary of Real Estate Appraisal, Sixth Edition, external obsolescence is “*A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent.*”

Paper Lot

Consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.

Definition Sources:

- Office of the Comptroller of the Currency (12 CFR Part 34)
- Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Sixth Edition, copyright 2015.
- The Appraisal Foundation: USPAP (Uniform Standards of Professional Appraisal Practice) 2018-2019 edition

JAMES L. MAIBACH, CPM - STATE CERTIFIED GENERAL REAL ESTATE APPRAISER

EDUCATION:

Graduate North Quincy High School, Quincy, Massachusetts, 1976
Bachelor of Science in Business Administration (with Honors)
Northeastern University, Boston Massachusetts, 1981
Major: Accounting Minor: Marketing

TECHNICAL TRAINING:

Institute of Real Estate Management Courses:
#303 - Leasing and Management of Shopping Center and Retail Space
#400 - Managing Real Estate as an Investment
#500 - Problem-Solving & Decision-Making for the Property Manager
#800 - Ethics in Real Estate Management
University of Texas at Arlington: Real Estate Courses:
RE 001 Real Estate Finance; RE 004 Real Estate Mathematics;
RE 101 Principles of Real Estate; RE 301 Texas Real Estate Law: Contracts;
RE 501 Texas Real Estate Law; RE 701 Property Management
East Texas Baptist University:
Uniform Standards of Professional Appraisers and Code of Ethics. The Appraisal Foundation:
USPAP Update
Texas Association of Property Tax Professionals, Inc.:
Principles of Property Tax Consulting; A Survey of Texas Property Tax Law
Other: USPAP-97 Instructor's Workshop, USPAP Instructor 1997
TREC Licensed Instructor – Commercial Investment Course, CEI 1998
Continuing Education Institute:
Deceptive Trade Practices Act; Let's Talk-Not Fight; Property Taxes: Rights, Remedies and Responsibilities; USPAP Update
Institute for Real Estate Professionals, Inc.
Preparing & Presenting an Ethical Ad Valorem Property Tax Valuation; Texas Property Tax Law 2007
Texas Association of Realtors:
Tarrant County Appraisal Review Board Member (1991-1992)

PROFESSIONAL AFFILIATIONS:

Texas Appraiser Licensing and Certification Board - State Certified General Real Estate Appraiser No. TX-1323658-G since 1992
Institute of Real Estate Management (IREM)- Certified Property Manager, CPM Designation No. 14942 since 1993
Texas Real Estate Broker's License, No. 375882 since 1989
Texas Dept. of Licensing & Regulations - Licensed Property Tax Consultant, License #1360 since inception
Texas Property Tax Arbitrator #32020394139 since 2006
Tarrant Appraisal Review Board Member 1991-1992 Appointment
City of Arlington - Planning and Zoning – Commissioner 1997-2003 (Appointed by Mayor and City Council)
American Planning Association – Member 1997 to 2003
Greater Arlington Chamber of Commerce - Board of Directors 1995 to 2001 – Reappointed 2003 to 2006 – Reappointed 2008 to 2014
– Chairman of the Board 2022, now servicing as Chairman of the Chamber Foundation Board
City of Arlington Parks & Recreation – Board of Directors, Appointed 2003 to 2007
Levitt Pavilion – Board of Directors since 2014

EXPERIENCE:

Active field appraiser, property manager, developer, broker, and tax consultant of all types of real property since June, 1986. Appeared in Texas State Court as an expert witness on real estate values on numerous occasions (1990s, 2000s, 2020s). A property manager and developer for nineteen years at Peyco Properties, Inc. and twenty-one years through Peyco Southwest Realty, Inc. (formerly Southwest Real Estate Services, Inc.), involved in real estate development, leasing, management, rent analysis and consulting services through the DFW metroplex and Colorado. President and founder of Peyco Southwest Realty, Inc. (Southwest Real Estate Services, Inc.), a full-service brokerage company, real estate appraisal, and ad valorem property tax representation firm.



Certified General Real Estate Appraiser

Appraiser: James Lawrence Maibach

License #: TX 1323658 G

License Expires: 09/30/2026

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

**Chelsea Buchholtz
Executive Director**

LESLIE TOLLIVER - STATE CERTIFIED GENERAL REAL ESTATE APPRAISER

EDUCATION:

MBA – Masters in Business Administration – *University of Phoenix* (3.95 GPA)

Bachelor of Science in Business Administration - *University of Phoenix*

Graduate *Owings Mills High School*, Owings Mills, Maryland, 1988

TECHNICAL TRAINING:

Appraisal Institute, Associate Member – 300+ hours of qualifying and continuing education

University of Texas in Arlington – 180 hours of qualifying education for the Texas Real Estate License

Southern Methodist University – qualifying education for the Texas Comptroller Arbitrator registry

PROFESSIONAL AFFILIATIONS:

Texas Appraiser Licensing and Certification Board – State Certified General Appraiser No. TX-1381494

Texas Appraiser Licensing and Certification Board – State Certified Residential Appraiser No. TX-1361274

Texas Real Estate Commission – Real Estate Broker License, No. 0468343

EXPERIENCE:

- 8 Years' experience as a fee appraiser for residential and commercial properties for *Peyco Southwest Realty*, *Aloft Appraisals*, and *G.S. Zachary Company*
 - Residential appraisals – area of expertise is in north Texas region; FHA certified
 - Commercial appraisals - throughout the states of Texas and Oklahoma
- 25 Years' experience as a residential and commercial real estate broker for multiple firms
 - *Savage Realty Investments* – Founding President
 - Negotiated contracts for clients in over \$50 million dollars of real estate transactions
 - Managed and trained over 25 Real Estate Agents
 - *Fathom Realty* – Broker Team Leader
 - Trained and mentored Real Estate Agents and assisted them with contracts and client transactions
- 25 Years' experience as a Property Tax Consultant
 - Valued properties, prepared cases, and appeared before Appraisal Review Boards to dispute the tax valuations of residential, commercial, and business personal property throughout the nation. Major clientele base included national accounts such as: Sonic restaurants, Church's Chicken restaurants, and Chuck-E-Cheese restaurants
- 9 Years' experience as a Real Estate Arbitrator on the *Texas Comptroller* registry
 - Act as an Arbitrator for real estate cases involving property tax disputes on residential, commercial, and business personal property taxes throughout Texas
 - Made binding valuation determinations for the disputed properties
- 16 Years' experience as a Real Estate Instructor at the *University of Texas in Arlington*
 - Adjunct instructor, teaching real estate classes to students pursuing a Real Estate Agent license in Texas
- 6 Years' experience as a Real Estate Arbitrator Instructor at the *University of Texas in Arlington*
 - Adjunct instructor, teaching continuing education classes to existing Arbitrators on the Texas Comptroller's registry
 - Trained and mentored many Arbitrators
- 3 Year's expectancy as a Real Estate Acquisition and Valuation Analyst for multiple firms
 - *KeyGlee* – Provided valuation of residential real estate for wholesaling to real estate investors
 - *Hyperion Homes* – Provided valuation of residential real estate for rent-to-own clients



Certified General Real Estate Appraiser

Appraiser: Leslie Elizabeth Tolliver

License #: TX 1381494 G

License Expires: 09/30/2026

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.


Chelsea Buchholtz
Executive Director

BROOKE CLOCK – LICENSED RESIDENTIAL APPRAISER

TECHNICAL TRAINING:

McKissock Learning Appraisal Courses:

- Advanced Residential Applications and Case Studies
- Residential Report Writing and Case Studies
- Statistics, Modeling and Finance
- Appraisal Subject Matter Electives
- Residential Appraiser Site Valuation and Cost Approach
- Residential Market Analysis and Highest and Best Use
- Residential Sales Comparison and Income Approaches
- Basic Appraisal Procedures
- 2020-2021 National USPAP Course
- Short Sales and Foreclosures
- Fair Housing
- Characteristics of Real Estate Title Insurance

APPRAISAL EXPERIENCE:

April 2024 – Present

Licensed Residential Appraiser with Peyco Southwest Realty, Arlington, TX

- Written Reports on Commercial Industrial, Commercial Office, Vacant Land
- Property Tax Consultant (#13083)
- Business Personal Property
- April 2023-April 2024

Licensed Residential Appraiser with RSDS Appraisal Diversity, Irving, TX

- Residential Real Estate Appraisals – area of expertise in the North Texas Region

March 2022-February 2023

Real Estate Appraiser Trainee with Aloft Appraisal

- Residential Real Estate Appraisals – area of expertise in the North Texas Region

April 2021-February 2022

Real Estate Appraiser Trainee with ASI, Inc.

- Residential Real Estate Appraisals – area of expertise in the North Texas Region

January 2009 – August 2021

Licensed Real Estate Agent with Elite Real Estate

- Real Estate Agent with a focus on lead generation, appointment setting, and follow-up. Concentrating on client's needs and providing solutions to assist in closing transactions. Proficient at negotiating deals, listing properties, and finding buyers
- Develop Broker Price Opinions for lenders in real estate transactions



Licensed Residential Real Estate Appraiser


Appraiser: Brooke Marie Clock

License #: TX 1350743 L

License Expires: 03/31/2027

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Licensed Residential Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.


Chelsea Buchholtz
Executive Director

BRANDON LAWSON – APPRAISER TRAINEE

EDUCATION:

Bachelor of Arts - Communication, 2021 - University of Arkansas (3.97 GPA)

Master of Arts - Communication, 2023 - University of Arkansas (4.0 GPA)

Graduate *Arlington Martin High School*, Arlington, Texas, 2017

TECHNICAL TRAINING:

- *McKissock* – 79 hours of qualifying education for the Appraiser Trainee license
- 2024-2025 15 Hour National USPAP Course (QE) – 15 hours
- General Appraiser Sales Comparison Approach – 30 hours
- Business Practices and Ethics – 6 hours
- The Discounted Cash Flow Model: Concepts, Issues, and Apps. – 5 hours
- Artificial Intelligence, Blockchain, and the Metaverse: Implications for Valuation – 7 hours
- Subdivision Valuation – 7 hours
- *Champions School of Real Estate* - 180 hours of qualifying education for the Texas Real Estate License
- Real Estate Brokerage – 30 hours

PROFESIONAL AFFILIATIONS:

Texas Appraiser Licensing and Certification Board – Appraisal Trainee No. TX-1343865

Texas Real Estate Commission – Real Estate Sales Agent License, No. 818543

Associate Member, Appraisal Institute – since 2023

APPRAISER EXPERIENCE

July 2023-Present

Appraiser Trainee with *Peyco Southwest Realty*, Arlington TX

- Commercial Appraisals – throughout that state of Texas



Appraiser Trainee

Trainee: **Brandon L Lawson**

Authorization #: **TX 1343865 Trainee**

Expires: **11/30/2025**

Review the list of the above Trainee's Supervisors on the License Holder Search at www.talcb.texas.gov.

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Appraiser Trainee

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Commissioner

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APPENDIX H

FORM OF CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

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BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT PROJECT
CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

This **BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT PROJECT CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT** (this “Agreement”), dated as of May 13, 2025 is by and between the **CITY OF BLUE RIDGE, TEXAS**, a type A general law municipality (the “City”), and **LGI HOMES - TEXAS, LLC**, a Texas limited liability company, (the “Developer”). The Developer and the City are sometimes individually referred to as a “Party” and collectively as the “Parties.”

ARTICLE I
DEFINITIONS

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

“**Act**” means the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended.

“**Actual Costs**” mean, with respect to the Authorized Improvements, the actual costs paid or incurred by or on behalf of the Developer, either directly or through affiliates, including: (1) the costs for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvements; (3) the costs for external professional services, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) the costs for all labor, bonds, and materials, including equipment and fixtures, owing to contractors, builders, and materialmen engaged in connection with the acquisition, construction, or implementation of the Authorized Improvements; (5) all related permitting and public approval expenses, and architectural, engineering, consulting, and other 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.

“**Administrator**” means, initially, P3Works, LLC, or any other individual or entity designated by the City to administer the District.

“**Annual Service Plan Update**” means the annual update to the Service and Assessment Plan conducted by the Administrator pursuant to the Service and Assessment Plan.

“Authorized Improvements” means those public improvements described in Section III of the Service and Assessment Plan and authorized by Section 372.003 of the PID Act.

“Authorized Improvements Account” means the account of such name established pursuant to Section 6.1 of the Indenture.

“Bond Ordinance” means the ordinance adopted by the City Council on May 13, 2025 authorizing the issuance of the Bonds pursuant to the Indenture.

“Bonds” means the City’s bonds designated “City of Blue Ridge, Texas, Special Assessment Revenue Bonds, Series 2025 (Blue Ridge Crossing Public Improvement District Project)”.

“Budgeted Costs” means the anticipated, agreed upon costs of the Authorized Improvements as shown in the Service and Assessment Plan.

“Certificate for Payment” means a certificate, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the Developer, the Administrator and the City Representative, executed by the Developer or its representative and approved by the City Representative, provided each month to the City Representative and the Trustee, specifying the amount of work performed and the amount charged for that work, including materials and labor costs, presented to the Trustee to request payment from the Authorized Improvements Account of the Project Fund for Actual Costs of Authorized Improvements under the Indenture.

“City Inspector” means an individual employed by or an agent of the City whose job is, in part or in whole, to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

“City Representative” means that official or agent of the City authorized by the City Council to undertake the action referenced herein. As of the date hereof, the Mayor, City Secretary, Interim City Secretary, City Inspector, and/or its designees are the authorized City Representatives.

“Closing Disbursement Request” means the certificate, substantially in the form of **Exhibit A** hereto or otherwise mutually agreed to by the Developer, Administrator and City Representative, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative, specifying the amounts to be disbursed for the costs related to the creation of the District and the costs of issuance of the Bonds.

“Construction Contracts” means the contracts for the construction of an Authorized Improvement. **“Construction Contract”** means any one of the Construction Contracts.

“Cost” means the Budgeted Costs or the cost of an Authorized Improvement as reflected in a Construction Contract, if greater than the Budgeted Costs.

“Cost Overrun” means, with respect to each Authorized Improvement, the Actual Cost of such Authorized Improvement in excess of the Budgeted Cost.

“Costs of Issuance Account” means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

“Development Agreement” means that certain Development Agreement (Blue Ridge Crossing in Blue Ridge, Texas), dated March 22, 2022 executed by and between the City, Fieldside Development, LLC, a Texas limited liability company, Michael McCreary, and Chad Knowles, as amended.

“District” shall mean Blue Ridge Crossing Public Improvement District.

“Final Completion” means completion of an Authorized Improvement in compliance with existing City standards for dedication under the City’s ordinances and the Development Agreement.

“Force Majeure” means any act that (i) materially and adversely affects the affected Party’s ability to perform the relevant obligations under this Agreement or delays such affected Party’s ability to do so, (ii) is beyond the reasonable control of the affected Party, (iii) is not due to the affected Party’s fault or negligence and (iv) could not be avoided, by the Party who suffers it, by the exercise of commercially reasonable efforts. “Force Majeure” shall include: (a) natural phenomena, such as storms, floods, lightning and earthquakes; (b) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (c) transportation disasters, whether by ocean, rail, land or air; (d) strikes or other labor disputes that are not due to the breach of any labor agreement by the affected Party; (e) fires; (f) epidemic or pandemic; and (g) actions or omissions of a governmental authority (including the actions of the City in its capacity as a governmental authority) that were not voluntarily induced or promoted by the affected Party, or brought about by the breach of its obligations under this Agreement or any applicable law; provided, however, that under no circumstances shall Force Majeure include any of the following events: (h) economic hardship; (i) changes in market condition; (j) any strike or labor dispute involving the employees of the Developer or any Developer affiliate, other than industry or nationwide strikes or labor disputes; (k) weather conditions which could reasonably be anticipated by experienced contractors operating the relevant location; (l) the occurrence of any manpower, material or equipment shortages; or (m) any delay, default or failure (financial or otherwise) of the general contractor or any subcontractor, vendor or supplier of the Developer, or any construction contracts for the Authorized Improvements.

“Indenture” means that certain Indenture of Trust between the City and UMB Bank, N.A., as trustee, dated as of June 1, 2025 relating to the Bonds.

“Plans” means the plans, specifications, schedules and related Construction Contracts for the Authorized Improvements, respectively, approved pursuant to the applicable standards,

ordinances, procedures, policies and directives of the City, the Development Agreement, and any other applicable governmental entity.

“Project Fund” means the fund, including the accounts created and established under such fund, where monies from the proceeds of the sale of the Bonds, excluding those deposited in other funds in accordance with the Indenture, shall be deposited, and the fund by such name created under the Indenture.

“Release Certificate” means as defined in the Indenture.

“Release Restriction” means as defined in the Indenture.

“Service and Assessment Plan” means the Blue Ridge Crossing Public Improvement District Service and Assessment Plan adopted on May 13, 2025 by the City Council, prepared pursuant to the Act, as amended and updated from time to time.

“Unrestricted Amount” means \$[_____].

ARTICLE II RECITALS

Section 2.01. The District and the Authorized Improvements.

(a) The City has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Authorized Improvements.

(b) The City has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Ordinance and the Indenture, a portion of the proceeds of which shall be used, in part, to finance all or a portion of the Authorized Improvements in accordance with the terms and limitations of the Development Agreement and the Service and Assessment Plan.

(c) All Authorized Improvements are eligible to be financed with proceeds of the Bonds to the extent specified in the Indenture and the Service and Assessment Plan.

(d) The proceeds from the issuance and sale of the Bonds concurrently with the closing of the Bonds shall be deposited in accordance with the Indenture.

(e) The Developer will undertake, oversee, or ensure the construction and development of the Authorized Improvements for acquisition and acceptance by the City, in accordance with the terms and conditions contained in the Development Agreement and this Agreement.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

ARTICLE III

FUNDING

Section 3.01. Bonds.

(a) The City, in connection with this Agreement, is proceeding with the issuance and delivery of the Bonds.

(b) Subject to the Cost Overrun provisions set forth in Section 4.04 of this Agreement, proceeds of the Bonds will be used to finance all or a portion of the Actual Costs of the Authorized Improvements as provided for in the Service and Assessment Plan, as may be updated or amended. The payment of costs from the proceeds of the Bonds for such Authorized Improvements shall be made from the Authorized Improvements Account of the Project Fund established under and as provided in the Indenture.

(c) The City's obligation with respect to the payment of the Authorized Improvements shall be limited to the lesser of the Actual Costs of the Authorized Improvements and the Budgeted Costs and shall be payable solely from amounts on deposit for the payment of such costs as provided herein and in the Indenture. The Developer agrees and acknowledges that it is responsible for all Cost Overruns, Actual Costs and all expenses related to the Authorized Improvements, qualified, however, by the distribution of Cost Underrun (as defined in Section 4.04 hereof) monies, as detailed in Section 4.04.

(d) The City shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment.

(e) The Developer acknowledges that any lack of availability of amounts in the funds or accounts established in the Indenture to pay the Costs of the Authorized Improvements shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Authorized Improvements required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

(f) The Developer acknowledges that some funds may not be immediately available for reimbursement for Actual Costs of the Authorized Improvements submitted and approved with an approved Certificate for Payment. Both Parties acknowledge that the availability of funds in the Project Fund does not relieve the Developer from its responsibility to construct or ensure the construction of the Authorized Improvements in accordance with the Development Agreement, the Service and Assessment Plan, and this Agreement.

Section 3.02. Disbursements and Transfers at Bond Closing. The City and the Developer agree that from the proceeds of the Bonds and upon the presentation of evidence satisfactory to the Administrator, the City will cause the Trustee to pay at closing of the Bonds from the Costs of

Issuance Account of the Project Fund and/or the Authorized Improvements Account of the Project Fund, an amount not to exceed the amount set forth in the Indenture to the persons entitled to the payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the District as of the delivery of the Bonds, as described in the Service and Assessment Plan, as may be updated and amended.

Section 3.03 Accounts. All disbursements from the Authorized Improvements Account of the Project Fund shall be made by the City in accordance with provisions of the Development Agreement, the Service and Assessment Plan, this Agreement, and the Indenture.

ARTICLE IV

DEDICATION OF LAND AND CONSTRUCTION OF AUTHORIZED IMPROVEMENTS

Section 4.01. Duty of Developer to Construct.

(a) All Authorized Improvements shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Authorized Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Authorized Improvements, to be acquired and accepted by the City from the Developer as provided in this Agreement and the Development Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Authorized Improvement and, upon completion, inspection, and acceptance, convey each such Authorized Improvement to the City in accordance with the terms hereof, even if there are insufficient funds in the Project Fund to pay the Actual Costs thereof.

Section 4.02. No Competitive Bidding. The Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended, based upon current cost estimates.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City with respect to the Authorized Improvements.

Section 4.04. Remaining Funds After Completion of an Authorized Improvement. Upon the Final Completion of an Authorized Improvement (or its completed segment or phase thereof) and payment of all outstanding invoices for such Authorized Improvement (or its completed segment or phase thereof), if the Actual Cost of such Authorized Improvement is less than the Budgeted Cost (a “Cost Underrun”), any remaining Budgeted Cost allocated to such Authorized Improvement may be made available to pay Cost Overruns on any other Authorized Improvement (or its completed segment or phase thereof) with the approval of the City Representative and provided that all Authorized Improvements as set forth in the Service and Assessment Plan are undertaken at least in part. The elimination of a category of Authorized Improvements in the Service and Assessment Plan will require an amendment to the Service and Assessment Plan. Prior to completion of all of the Authorized Improvements within an improvement category, as listed in the Service and Assessment Plan, ten percent (10%) of funds allocated to an improvement category may be used as Cost Underruns and applied to another improvement category, as approved by the City. Upon completion of the Authorized Improvements, if there are funds remaining allocated to any improvement categories, those funds can then be used to reimburse the Developer for qualifying costs of the Authorized Improvements that have not been previously paid, as approved by the City and in accordance with the provisions of the Indenture. Such adjustments of improvement category costs due to Cost Underruns and Cost Overruns shall be reallocated on an annual basis when the City approves its Annual Service Plan Update.

Section 4.05. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as “Change Orders”) required for the construction of the Authorized Improvements. Developer or its contractors may approve and implement any Change Orders, even if such Change Order would increase the Actual Cost of an Authorized Improvement, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such Change Orders except to the extent amounts are available pursuant to Section 4.04. If any Change Order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under Section 4.01, then such revisions made by an engineer must be submitted to the City for approval by the City’s engineer prior to execution of the Change Order.

ARTICLE V

ACQUISITION, CONSTRUCTION, AND PAYMENT

Section 5.01. Closing Disbursement Request. In order to receive the disbursement from the Costs of Issuance Account of the Project Fund or the Authorized Improvements Account of the Project Fund at closing of the Bonds related to costs of issuance of the Bonds or costs incurred in the creation of the District, the Developer shall execute a Closing Disbursement Request, substantially in the form of **Exhibit A** hereto or otherwise acceptable and agreed to by the City, to be delivered to the City no less than five (5) business days prior to the scheduled closing date for the Bonds for payment in accordance with the provisions of the Indenture. Upon approval by the

City, the City shall submit a Closing Disbursement Request to the Trustee for disbursement to be made from the Costs of Issuance Account of the Project Fund or the Authorized Improvements Account of the Project Fund, as applicable

Section 5.02. Certificate for Payment for an Authorized Improvement.

(a) No payment hereunder shall be made from the Project Fund to the Developer for work on an Authorized Improvement until a monthly Certificate for Payment is received from the Developer for work with respect to an Authorized Improvement (or its completed segment or phase thereof). Upon receipt of a Certificate for Payment substantially in the form of **Exhibit B** hereto (and all accompanying documentation executed by the City) from the Developer, the City Inspector shall conduct a review in order to confirm that such request is complete, that the work with respect to such Authorized Improvement identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement and the Development Agreement, and to verify and approve the Actual Cost of such work specified in such Certificate for Payment (collectively, the “Developer Compliance Requirements”), and shall promptly forward the request to the City Representative. The approval of the Certificate for Payment by the City Inspector shall constitute a representation by the City Inspector to the City and the Trustee that the Developer Compliance Requirements have been satisfied with respect to the Authorized Improvements identified therein; provided, however, that the approval of the Certificate for Payment shall not have the effect of estopping or preventing the City from asserting claims under this Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in an Authorized Improvement. The City Inspector shall also conduct such review as is required in his discretion to confirm the matters certified in the Certificate for Payment. The Developer agrees to cooperate with the City Inspector in conducting each such review and to provide the City Inspector with such additional information and documentation as is reasonably necessary for the City Inspector to conclude each such review.

(b) Until such time as the Unrestricted Amount has been disbursed from the Authorized Improvements Account, the Trustee may pay the Actual Costs of an Authorized Improvement, as shown on an approved Certificate for Payment from the Authorized Improvements Account of the Project Fund. Once the Unrestricted Amount has been disbursed from the Authorized Improvements Account of the Project Fund, and prior to the satisfaction of the Release Restriction and receipt of a Release Certificate, which may be included as a part of a Certificate for Payment, confirming the satisfaction of the Release Restriction, the City may not approve a Certificate for Payment and the Trustee may not release funds from the Authorized Improvements Account to pay the Actual Costs of an Authorized Improvement. After the Trustee has received a Release Certificate confirming that the Release Restriction has been satisfied, the Trustee may resume paying the Actual Costs of an Authorized Improvement, as shown on an approved Certificate for Payment, from the Authorized Improvements Account. Once the Release Certificate confirming

the Release Restriction has been satisfied is delivered to the Trustee, no additional Release Certificate is required to disburse funds in excess of the Unrestricted Amount, pursuant to an approved Certificate for Payment; provided, however, that each such Certificate for Payment requesting an amount that would exceed the Unrestricted Amount shall include provisions setting forth that the Release Restriction has been satisfied, as set forth in the form attached as Exhibit B hereto.

(c) Within ten (10) business days of receipt of any Certificate for Payment, the City Inspector shall either (i) approve and execute the Certificate for Payment and forward the same to the City Representative for approval and delivery to the Trustee for payment to the Developer in accordance with Section 5.03(a) hereof or (ii) in the event the City Inspector disapproves the Certificate for Payment, give written notification to the Developer of the City Inspector's disapproval, in whole or in part, of such Certificate for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certificate for Payment. If a Certificate for Payment seeking reimbursement is approved only in part, the City Inspector shall specify the extent to which the Certificate for Payment is approved and shall deliver such partially approved Certificate for Payment to the City Representative for approval in accordance with Section 5.03 hereof and delivery to the Trustee for payment to the Developer in accordance with Section 5.02(d) hereof, and any such partial work shall be processed for payment under Section 5.03 notwithstanding such partial denial.

(d) If the City Inspector fails to act with respect to a Certificate for Payment within the time period therein provided, the Developer shall submit the Certificate for Payment directly to the City Representative for approval. In such event, within five (5) business days of receipt of any Certificate for Payment, the City Representative shall approve or deny the Certificate for Payment and provide notice to the Administrator and the Developer. Upon approval of a Certificate for Payment, the approval shall be forwarded to the Trustee for payment and delivery to the Developer in accordance with Section 5.03 hereof. The approval of the Certificate for Payment by the City Representative shall constitute a representation by the City Representative to the Trustee of the Developer's compliance therein. Pursuant to the terms of Section 5.03 and the Indenture, the Trustee shall make a payment to the Developer, or pursuant to the Developer's directions, of an approved Certificate for Payment.

(e) If the City requires additional documentation, timely disapproves or questions the correctness or authenticity of the Certificate for Payment, the City shall deliver a detailed notice to the Developer within ten (10) business days of receipt thereof, then payment with respect to disputed portion(s) of the Certificate for Payment shall not be made until the Developer and the City have jointly settled such dispute or additional information has been provided to the City's reasonable satisfaction. The denial may be appealed to the City Council by the Developer in writing within thirty (30) days of being denied by the City Representative. Denial of the Certificate for Payment by the City Council shall be attempted to be resolved by half-day mediation between

the Parties in the event an agreement is not otherwise reached by the Parties, with the mediator's fee being paid by Developer. The portion of the Certificate for Payment in dispute shall not be forwarded to the Trustee for payment until the dispute is resolved by the City and the Developer.

(f) The Developer shall deliver the approved or partially approved Certificate for Payment to the Trustee for payment and the Trustee shall make such payment from the Project Fund in accordance with Section 5.03 below.

Section 5.03. Payment for an Authorized Improvement.

(a) Upon receipt of a reviewed and approved Certificate for Payment, the Trustee shall make payment for the Actual Costs of Authorized Improvements from the Authorized Improvements Account of the Project Fund. Such payments shall be as further designated in the Certificate for Payment pursuant to the terms of the Certificate for Payment and the Indenture in an amount not to exceed the Budgeted Cost for the particular Authorized Improvement (or its completed segment), unless a Cost Overrun amount has been approved for a particular Authorized Improvement. If a Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Amount plus the approved Cost Overrun amount.

(b) Approved Certificates for Payment that await reimbursement shall not accrue interest.

(c) Notwithstanding any other provisions of this Agreement, when payment is made, the Trustee shall make payment directly to the person or entity specified by the Developer in an approved Certificate for Payment, including: (1) a general contractor or supplier of materials or services or jointly to the Developer (or any permitted assignee of the Developer) and the general contractor or supplier of materials or services, as indicated in an approved Certificate for Payment; (2) to the Developer or any assignee of the Developer if an unconditional lien release related to the items referenced in the Certificate for Payment is attached to such Certificate for Payment; and (3) to the Developer, or to the third party contractor directly, at Developer's request as specified in the Certificate for Payment, in the event the Developer provides a general contractor's or suppliers of materials unconditional lien release for a portion of the work covered by a Developer or any assignee of the Developer to the extent of such lien release. Neither the Trustee, nor the City, City Council, or City Representative shall have any liability for relying on the accuracy of the payee information in any Certificate for Payment as presented by the Developer or its assignees.

(d) Withholding Payments. Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanic's or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Authorized Improvement to foreclosure, forfeiture, or sale. In the event that any such mechanics or

materialman's lien and/or judgment with respect to any Authorized Improvement is contested, the Developer shall post or cause delivery of a surety bond in the amount determined by the City or City may decline to accept the Authorized Improvements until such mechanics or materialman's lien and/or judgment is satisfied.

ARTICLE VI

OWNERSHIP AND TRANSFER OF AUTHORIZED IMPROVEMENTS

Section 6.01. Authorized Improvements to be Owned by the City– Title Evidence. The Developer shall furnish to the City a preliminary title report for land with respect to an Authorized Improvement to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City, for review and approval at least thirty (30) calendar days prior to the transfer of title of an Authorized Improvement to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the City does not approve the preliminary title report, the City shall not be obligated to accept title to the Authorized Improvement until the Developer has cured such objections to title to the satisfaction of the City.

Section 6.02. Authorized Improvement Constructed on City Land or Developer Land. If an Authorized Improvement is on land owned by the City, the City hereby grants to the Developer, where applicable, a temporary easement to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Authorized Improvement. The provisions for inspection and acceptance of such Authorized Improvement otherwise provided herein shall apply. If the Authorized Improvement is on land owned by the Developer, the Developer hereby grants to the City an easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the Authorized Improvement. The grant of the permanent easement shall not relieve the Developer of any obligation to grant the City title to property and/or easements related to the Authorized Improvement as required by the Development Agreement or as should in the City's reasonable judgment be granted to provide for convenient access to and routine and emergency maintenance of such Authorized Improvement. The provisions for inspection and acceptance of such Authorized Improvement otherwise provided herein and in the Development Agreement shall apply.

ARTICLE VII

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the City as follows:

(a) Organization. The Developer is a limited liability company duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to fulfill its obligations in this Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Developer Authority; Representations. The Developer has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer. The Developer has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement. The person executing this Agreement on behalf of the Developer has been duly authorized to do so. This Agreement is binding upon the Developer in accordance with its terms. The execution of this Agreement and the performance by the Developer of its obligations under this Agreement do not constitute a breach or event of default by the Developer under any other agreement, instrument, or order to which the Developer is a party or by which the Developer is bound.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands of the Developer in the District or the Authorized Improvements in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Authorized Improvements.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Project Fund for the acquisition, construction or installation of any improvements that are not part of the Authorized Improvements, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certificate for Payment.

(f) Financial Records. For a period of two years after completion of the Authorized Improvements, the Developer covenants to maintain proper books of record and account for the construction of the Authorized Improvements and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles and shall be available for inspection by the City or its agents at any reasonable time during regular business hours on reasonable notice.

(g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that, subject to the terms hereof, the Authorized Improvements have been or will be constructed in full compliance

with such Plans and any change orders thereto consistent with the Act, this Agreement and the Development Agreement. Developer shall provide as-built plans for all Authorized Improvements to the City.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the initial purchaser of the Bonds, the City Inspector and the City Representative related to the status of construction of Authorized Improvements within the District, the anticipated completion dates for future improvements and any other matter that the initial purchaser of the Bonds or City Representative deems material to the investment quality of the Bonds.

(i) Continuing Disclosure Agreement. The Developer agrees to provide the information required pursuant to the Continuing Disclosure Agreement executed by the Developer, the Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent, dated as June 1, 2025 in connection with the Bonds.

(j) Tax Certificate. The City will deliver a certificate relating to the Bonds (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the “Tax Certificate”) containing covenants and agreements designed to satisfy the requirements of 26 U.S. Code Sections 103 and 141 through 150, inclusive, and the federal income tax regulations issued thereunder relating to the use of the proceeds of the Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of 26 U.S. Code Section 148.

The Developer covenants to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Developer further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the Bonds and will be, to the best of the knowledge of the officers of the Developer providing such facts and estimates, true, correct and complete as of that date, and (ii) the Developer will make reasonable inquiries to ensure such truth, correctness and completeness. The Developer covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the proceeds of the Bonds (including, but not limited to, the use of the Authorized Improvements) that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Bonds for federal income tax purposes.

(k) City Authority; Representations. The City represents and warrants to the Developer that (1) the City has the authority to enter into and perform its obligations under this Agreement; (2) the person executing this Agreement on behalf of the City has been duly authorized to do so; (3) this Agreement is binding upon the City in accordance with its terms; and (4) the

execution of this Agreement and the performance by the City of its obligations under this Agreement do not constitute a breach or event of default by the City under any other agreement, instrument, or order to which the City is a party or by which the City is bound.

Section 7.02. Indemnification and Hold Harmless.

(a) THE DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS THE CITY INSPECTOR, THE CITY, EMPLOYEES, OFFICIALS, OFFICERS, REPRESENTATIVES AND AGENTS OF THE CITY, AND EACH OF THEM (EACH AN “INDEMNIFIED PARTY”), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSES OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER, (II) THE NEGLIGENT DESIGN, ENGINEERING AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE AUTHORIZED IMPROVEMENTS CONSTRUCTED BY THE DEVELOPER HEREUNDER, (III) THE DEVELOPER’S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION OF THE AUTHORIZED IMPROVEMENTS CONSTRUCTED BY DEVELOPER, OR (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT SUCH PROJECTS, OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER’S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEEES AND/OR TRUSTEES, REGARDING OR RELATED TO THE AUTHORIZED IMPROVEMENTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE AUTHORIZED IMPROVEMENTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE SOLE OR PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY. NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF ANY INDEMNIFIED PARTY, DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

(b) IN ITS REASONABLE DISCRETION, CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A

PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES, PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND DEVELOPER SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

(c) THIS SECTION 7.02 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

(d) THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT AND THE EXPRESS NEGLIGENCE TEST, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

Section 7.03. Use of Monies by City; Changes to Indenture. The City agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies held in the Project Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Authorized Improvements, the City agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement: (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the Costs of the Authorized Improvements is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer are or may be substantially increased or otherwise adversely affected in any manner, or (c) the rights of the Developer are or may be modified, limited, restricted or otherwise substantially adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied within the District as of the effective date of this Agreement.

ARTICLE VIII TERMINATION

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the City and the Developer, in which event the City may either execute contracts for or perform any remaining work related to the Authorized Improvements not accepted by the City or other appropriate entity and use all or any portion of funds on deposit in the Project Fund or other amounts transferred to the Project Fund under the terms of the Indenture to pay for same, and the Developer shall have no claim or right to any further payments for the Costs of an Authorized Improvement hereunder for any remaining work, except as otherwise may be provided in such written consent.

Section 8.02. City's Election for Cause.

(a) The City, upon notice to Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such event described in Section 8.02(a) occurs, the City shall give written notice of its knowledge of such event to the Developer, and the Developer agrees to promptly meet and confer with the City Inspector and other appropriate City staff and consultants as to options available to assure timely completion, subject to the terms of this Agreement, of the Authorized Improvements. Such options may include, but not be limited to, the termination of this Agreement by the City. If the City elects to terminate this Agreement, the City shall first notify the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice) of the grounds for such termination and allow the Developer a minimum of forty-five (45) days to eliminate or to mitigate to the satisfaction of the City the grounds for such termination. Such period may be extended, at the sole discretion of the City, if the Developer, to the reasonable satisfaction of the City, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof), as determined reasonably by the City, the Developer has not eliminated or completely mitigated such grounds to the satisfaction of the City, the City may then terminate this Agreement. In the event of the termination of this Agreement, the Developer is entitled to payment for work accepted by the City related to an Authorized Improvement only as provided for under the terms of the Indenture and this Agreement prior to the termination date of this Agreement. Notwithstanding the foregoing, so long as the Developer has breached any material covenant or defaulted in the performance of any material obligation hereunder, notice of which has been given by the City to the Developer, and such event has not been cured or otherwise eliminated by the Developer, the City may in its discretion cause the Trustee to cease making payments for the Actual Costs of Authorized Improvements, provided that the Developer shall receive payment of the Actual Costs of any Authorized Improvements that were accepted by the City at the time of the occurrence of such breach or default by the Developer upon submission of the documents and compliance with the other applicable requirements of this Agreement, the Indenture, and of the Development Agreement.

(c) If this Agreement is terminated by the City for cause, the City may either execute contracts for or perform any remaining work related to the Authorized Improvements not accepted by the City and use all or any portion of the funds on deposit in the Project Fund or other amounts transferred to the Project Fund and the Developer shall have no claim or right to any further payments for the Authorized Improvements hereunder, except as otherwise may be provided upon the mutual written consent of the City and the Developer or as provided for in the Indenture. The City shall have no obligation to perform any work related to an Authorized Improvement or to incur any expense or cost in excess of the remaining balance of the Project Fund.

Section 8.03. Termination Upon Redemption or Defeasance of Bonds. This Agreement will terminate automatically and with no further action by the City or the Developer upon the redemption or defeasance of all outstanding Bonds issued under the Indenture.

Section 8.04. Construction of the Authorized Improvements Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Authorized Improvements in accordance with this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to Force Majeure, to perform its obligations under this Agreement, then the obligations affected by the Force Majeure shall be temporarily suspended. Within fifteen (15) business days after the occurrence of a Force Majeure, the Party claiming the right to temporarily suspend its performance, shall give notice to all the Parties, including a detailed explanation of the Force Majeure and a description of the action that will be taken to remedy the Force Majeure and resume full performance at the earliest possible time.

ARTICLE IX MISCELLANEOUS

Section 9.01. Limited Liability of City. The Developer agrees that any and all obligations of the City arising out of or related to this Agreement are special obligations of the City, and the City's obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Project Fund and from no other source. Neither the City, the City Inspector, City Representative nor any other City employee, officer, official or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The City Inspector, City Representative or a finance officer of the City shall have the right, during normal business hours and upon the giving of three business days'

prior written notice to a Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Authorized Improvements and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City: Attn: Mayor
City of Blue Ridge, Texas
108 W. James Street
Blue Ridge, Texas 75424

With a copy to: Attn: Wm. Andrew Messer
Messer Fort, PLLC
6371 Preston Road, Suite 200
Frisco, Texas 75034

To the Developer: Attn: Senior Real Estate Counsel (Tyler Shoop)
LGI Homes – Texas, LLC
1450 Lake Robbins Drive, Ste. 430
The Woodlands, TX 77380
Email: tyler.shoop@lgihomes.com

With a copy to: Attn: Ryan Hafner
Winstead PC
2728 N. Harwood St., Suite 500
Dallas, Texas 75201

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other parties.

The City shall advise the Developer of the name and address of any City Inspector who is to receive any notice or other communication pursuant to this Agreement.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to the City pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants

of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lien holder on the Property, without prior written consent of the City, but upon written notice to the City pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-affiliate or non-related entity of the Developer without prior written consent of the City Council, except pursuant to a collateral assignment to any person or entity providing financing to the Developer for an Authorized Improvement, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such Person elects to complete the Authorized Improvement. No such assignment shall be made by the Developer or any successor or assignee of the Developer that results in the City being an “obligated person” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the City. In connection with any consent of the City Council, the City Council may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee’s express assumption of all obligations of the Developer hereunder and/or upon any other reasonable factor which the City Council deems relevant in the circumstances. In any event, any such assignment shall be in writing, and shall clearly identify the scope of the rights and/or obligations assigned. The City may assign by a separate writing certain rights as described in this Agreement and in the Indenture, to the Trustee and the Developer hereby consents to such assignment.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the City’s or the Developer’s rights or duties to perform their respective obligations under other agreements, use regulations, ordinances or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this Agreement and the Indenture, the Indenture shall control. To the extent there is a conflict between this Agreement and the Development Agreement, this Agreement shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party’s right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the City or the Developer shall be for the sole and exclusive benefit of the City and the Developer.

Section 9.10. Amendment. Except as otherwise provided in Section 9.05, upon agreement by the parties, this Agreement may be amended, from time to time in a manner consistent with the

Act, the Indenture, and the Bond Ordinance by written supplement hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective upon its execution and delivery, on the Closing Date of the Bonds, by the parties hereto. All representations and warranties set forth therein shall be deemed to have been made on the Closing Date of the Bonds.

Section 9.13 Term. The term of this Agreement, other than the provisions contained in Section 7.02, which shall survive the termination of this Agreement, shall be thirty (30) years or upon redemption or defeasance of the Bonds issued under the Indenture. If the Developer defaults under this Agreement or the Development Agreement, this Agreement and the Development Agreement shall not terminate with respect to the costs of the Authorized Improvements that have been approved by the City pursuant to a Certificate for Payment prior to the date of default.

Section 9.14 No Waiver of Powers or Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

Section 9.15. Statutory Verifications. The Developer makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned Company. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

[Execution pages follow.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of May 13, 2025.

CITY OF BLUE RIDGE

By:
Name: Rhonda Williams
Title: Mayor

ATTEST:

Joni Lawrence
Interim City Secretary

(City Seal)

DEVELOPER:

LGI HOMES - TEXAS, LLC,
a Texas limited liability company

By: _____

Name: _____

Its: Manager

Exhibit A

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for LGI Homes - Texas, LLC, a Texas limited liability company (the “Developer”) and requests payment from:

[the Costs of Issuance Account of the Project Fund][the Authorized Improvements Account of the Project Fund] from UMB Bank, N.A., (the “Trustee”) in the amount of _____ DOLLARS (\$_____) for costs incurred in the establishment, administration, and operation of the Blue Ridge Crossing Public Improvement District (the “District”), as follows:

Closing Costs Description	Cost	PID Allocated Cost
TOTAL		

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Blue Ridge Crossing Public Improvement District Project Construction, Funding, and Acquisition Agreement between the Developer and the City of Blue Ridge, Texas, dated as of May 13, 2025 (the “CFA Agreement”).

In connection to the above referenced payments, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.
3. The amount listed for the below itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with and within the costs as set forth in the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the CFA Agreement, the Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

- a. X amount to Person or Account Y for Z goods or services.
- b. Payment Instructions

I hereby declare that the above representations and warranties are true and correct.

DEVELOPER:

LGI HOMES - TEXAS, LLC,
a Texas limited liability company

By: _____

Name: _____

Its: Manager

APPROVAL OF REQUEST

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and authorizes and directs payment of such amounts by Trustee from the Costs of Issuance Account of the Project Fund and/ or the Authorized Improvements Account of the Project Fund, as applicable, upon delivery of the Bonds. The City's approval of the Closing Disbursement Request shall not have the effect of estopping or preventing the City from asserting claims under the CFA Agreement, the Indenture, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in an Authorized Improvement (as defined in the Indenture).

CITY OF BLUE RIDGE, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B

CERTIFICATE FOR PAYMENT FORM – AUTHORIZED IMPROVEMENT

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Blue Ridge Crossing Public Improvement District Project Construction, Funding, and Acquisition Agreement between the Developer and the City of Blue Ridge, Texas, dated as of May 13, 2025 (the “CFA Agreement”).

The undersigned is an agent for LGI Homes - Texas, LLC, a Texas limited liability company (the “Developer”) and requests payment to the Developer (or to the person designated by the Developer) from the Authorized Improvements Account of the Project Fund held by UMB Bank, N.A., (the “Trustee”), in the amount of _____ (\$_____) for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Authorized Improvements providing a special benefit to property within the Blue Ridge Crossing Public Improvement District.

In connection with the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment Form on behalf of the Developer and is knowledgeable as to the matters set forth herein.
2. The itemized payment requested for the below referenced Authorized Improvements has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
3. The itemized amounts listed for the Authorized Improvements below is a true and accurate representation of the Actual Costs of the Authorized Improvements associated with the creation, acquisition, or construction of said Authorized Improvements and such costs (i) are in compliance with the CFA Agreement, and (ii) are consistent with and within the cost identified for such Authorized Improvements as set forth in the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the CFA Agreement, the Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture and the CFA Agreement for the payment hereby requested have been satisfied.
6. The work with respect to Authorized Improvements referenced below (or its completed segment) has been completed, and the City has inspected such Authorized Improvements (or its completed segment).
7. The Developer agrees to cooperate with the City in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested are as follows:

Payee / Description of Authorized Improvements	Total Cost of Authorized Improvements	Budgeted Cost of Authorized Improvements	Amount requested to be paid from the Project Fund	Total amount disbursed from the Project Fund upon payment of sums under this Certificate for Payment

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are **“bills paid” affidavits and supporting documentation** in the standard form for City construction projects.

Pursuant to the CFA Agreement, after receiving this payment request, the City has inspected the Authorized Improvements (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

Payments requested hereunder shall be made as directed below:

- a. X amount to Person or Account Y for Z goods or services.
- b. Payment instructions

[FOR REQUESTS FOR PAYMENT IN EXCESS OF THE UNRESTRICTED AMOUNT (AS DEFINED IN THE CFA AGREEMENT, THE FOLLOWING REPRESENTATION MUST BE PROVIDED)]

[With this Certificate for Payment, the Developer is requesting the disbursement of moneys from the Authorized Improvements Account of the Project Fund which, together with previously disbursed funds from the Authorized Improvements Account of the Project Fund, would be in excess of the Unrestricted Amount. The Developer, hereby certifies, that as of the date of the submission of this Certification for Payment, _____. The total amount drawn from the Authorized Improvements Account of the Project Fund, inclusive of the amounts requested under this Certification for Payment is \$_____]

I hereby declare that the above representations and warranties are true and correct.

DEVELOPER:

LGI HOMES - TEXAS, LLC,
a Texas limited liability company

By:_____

Name:_____

Its: Manager

APPROVAL OF REQUEST

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, and finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and authorizes and directs payment by Trustee from the Project Fund to the Developer or other person designated by the Developer as listed and directed on such Certificate for Payment. The City's approval of the Certificate for Payment shall not have the effect of estopping or preventing the City from asserting claims under the CFA Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in the Authorized Improvements.

[FOR REQUESTS FOR PAYMENT IN EXCESS OF THE UNRESTRICTED AMOUNT (AS DEFINED IN THE CFA AGREEMENT, THE FOLLOWING REPRESENTATION MUST BE PROVIDED]

[The City hereby certifies that 14 certificates of occupancy have been issued for homes within the District and the Release Restriction set forth in the Indenture has been satisfied, and the Trustee may rely on this certificate confirming the satisfaction of the Release Restriction.]

CITY OF BLUE RIDGE, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

**CITY OF BLUE RIDGE, TEXAS • SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(BLUE RIDGE CROSSING PUBLIC IMPROVEMENT DISTRICT PROJECT)**



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