

**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.*

**\$25,598,000\***

**CITY OF LOWRY CROSSING, TEXAS,  
(a municipal corporation of the State of Texas located in Collin County)  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT PROJECTS)**

**Dated Date: June 30, 2025**

**Interest to Accrue from Delivery Date (as defined herein)**

**Due: September 15, as shown on the inside cover**

The City of Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2025 (Simpson Road Public Improvement District Projects) (the “Bonds”), are being issued by the City of Lowry Crossing, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover 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 BOKF, NA, 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 June 10, 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 District Projects (as defined herein), (ii) paying a portion of the costs incidental to the organization and administration of the District allocable to Improvement Area #1, Improvement Area #2 and Improvement Area #3, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the District Projects 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 Special Assessments 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 Meritage Homes of 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 30, 2025 (the “Delivery Date”).

**FMSbonds, Inc.**

\* Preliminary; subject to change.

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

CUSIP Prefix: \_\_\_\_\_<sup>(a)</sup>

\$25,598,000\*

CITY OF LOWRY CROSSING, TEXAS,  
(a municipal corporation of the State of Texas located in Collin County)  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT PROJECTS)

\$ \_\_\_\_\_ % Term Bonds, Due September 15, 20 \_\_, Priced to Yield \_\_\_\_%; CUSIP \_\_\_\_<sup>(a) (b) (c)</sup>

\$ \_\_\_\_\_ % Term Bonds, Due September 15, 20 \_\_, Priced to Yield \_\_\_\_%; CUSIP \_\_\_\_<sup>(a) (b) (c)</sup>

\$ \_\_\_\_\_ % Term Bonds, Due September 15, 20 \_\_, Priced to Yield \_\_\_\_%; CUSIP \_\_\_\_<sup>(a) (b) (c)</sup>

- (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 LOWRY CROSSING, TEXAS**

**CITY COUNCIL**

Name	Term Expires
Bob Pettit, Mayor	November 2025
Eusebio Trujillo III, Mayor Pro Tem	November 2025
Chris Madrid, Treasurer	November 2026
Scott Pitchure	November 2026
Tammy Hodges	November 2026
Cynthia Sandlin	November 2025
Cindy Cash	November 2025

**CITY ADMINISTRATOR &  
CITY SECRETARY**  
Janis Cable

**TREASURER**  
Chris Madrid

**BOND COUNSEL**  
Norton Rose Fulbright US LLP  
Dallas, Texas

**FINANCIAL ADVISOR**  
Hilltop Securities Inc.  
Fort Worth, Texas

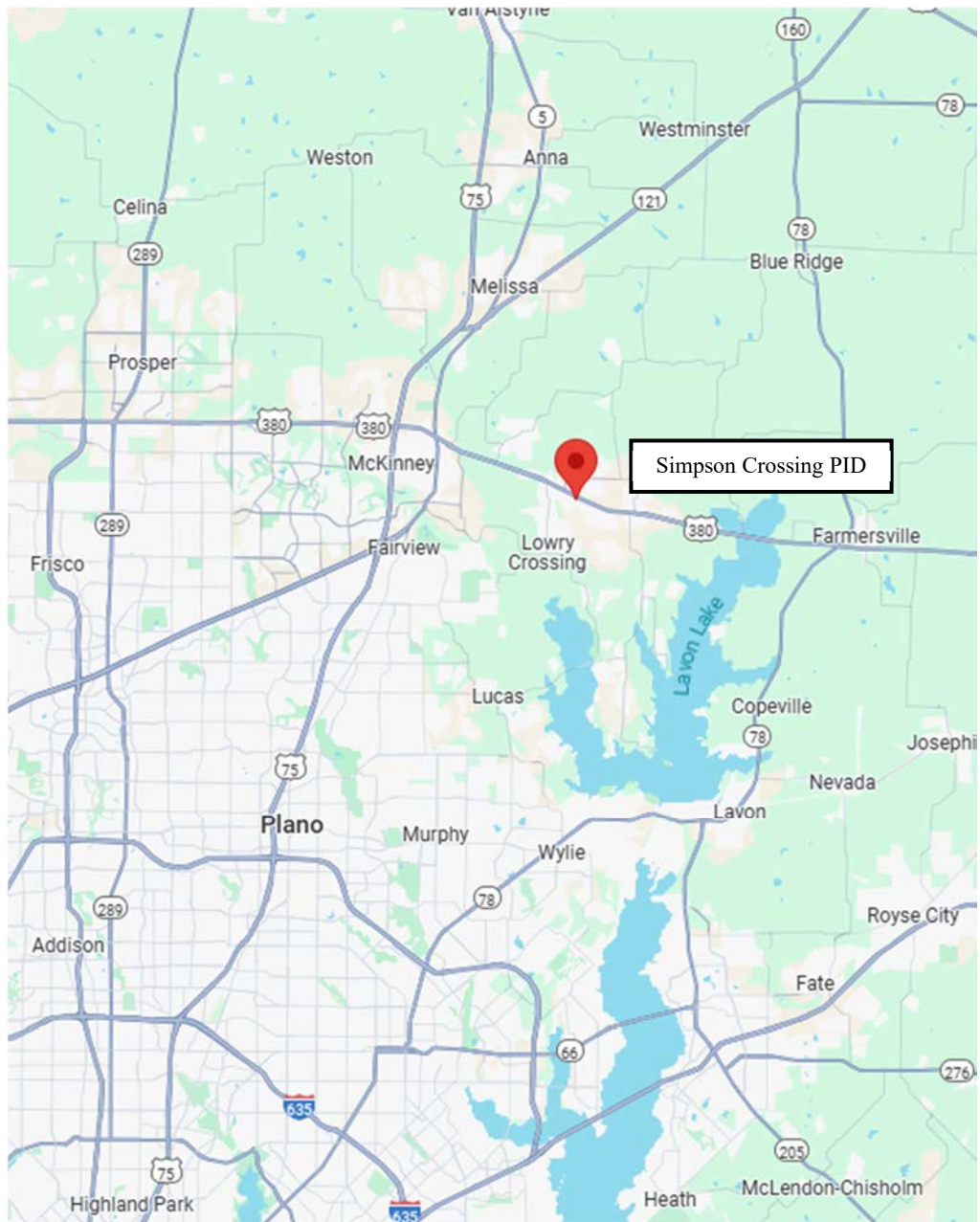
**PID ADMINISTRATOR**  
P3 Works, LLC  
Austin, Houston and North Richland Hills, Texas

For additional information regarding the City, please contact:

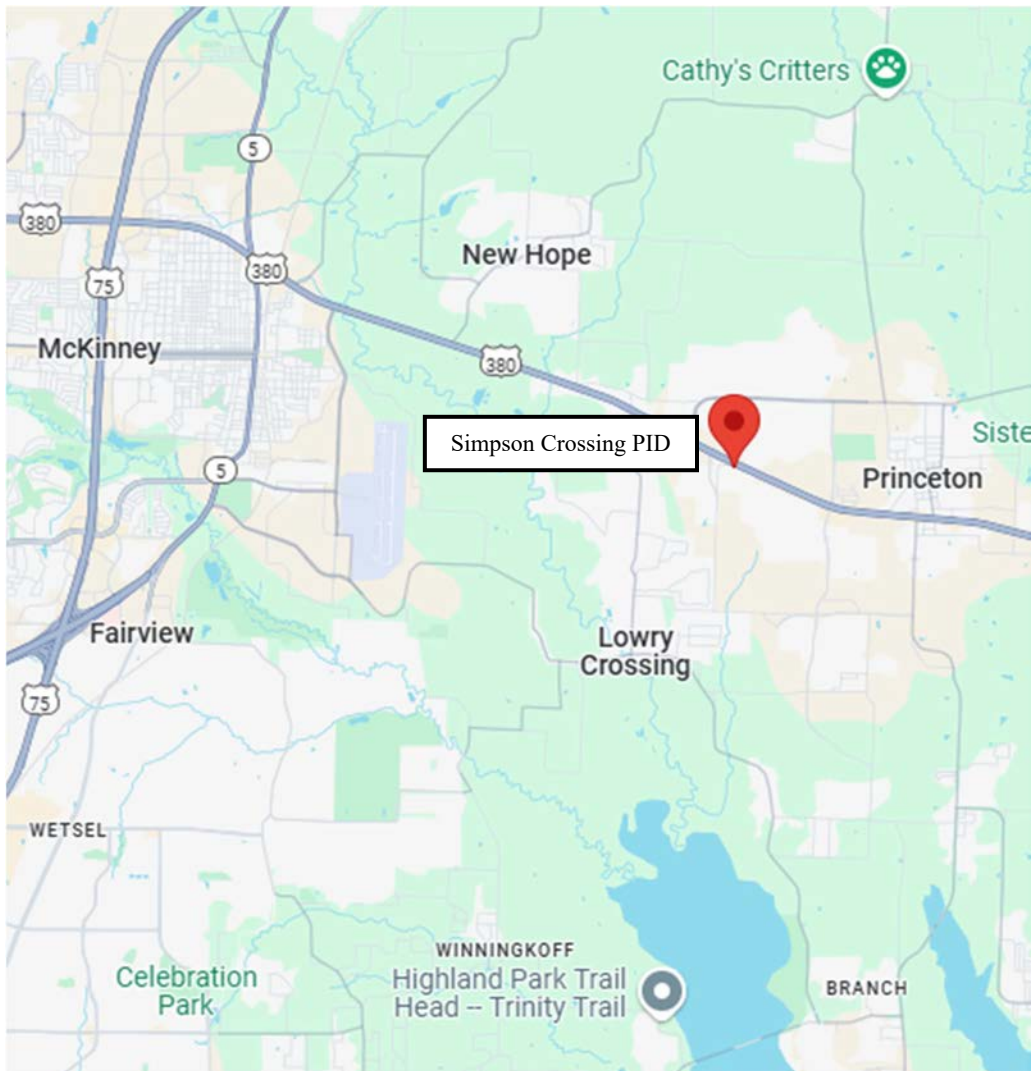
Janis Cable  
City Administrator &  
City Secretary  
City of Lowry Crossing, Texas  
1405 S. Bridgefarmer Road  
Lowry Crossing, Texas 75069  
972-542-8678

Jason Hughes  
Hilltop Securities Inc.  
717 N. Harwood Street, Suite 3400  
Dallas, Texas 75201  
(214) 953-8707

## REGIONAL LOCATION MAP OF THE DISTRICT



## AREA LOCATION MAP OF THE DISTRICT

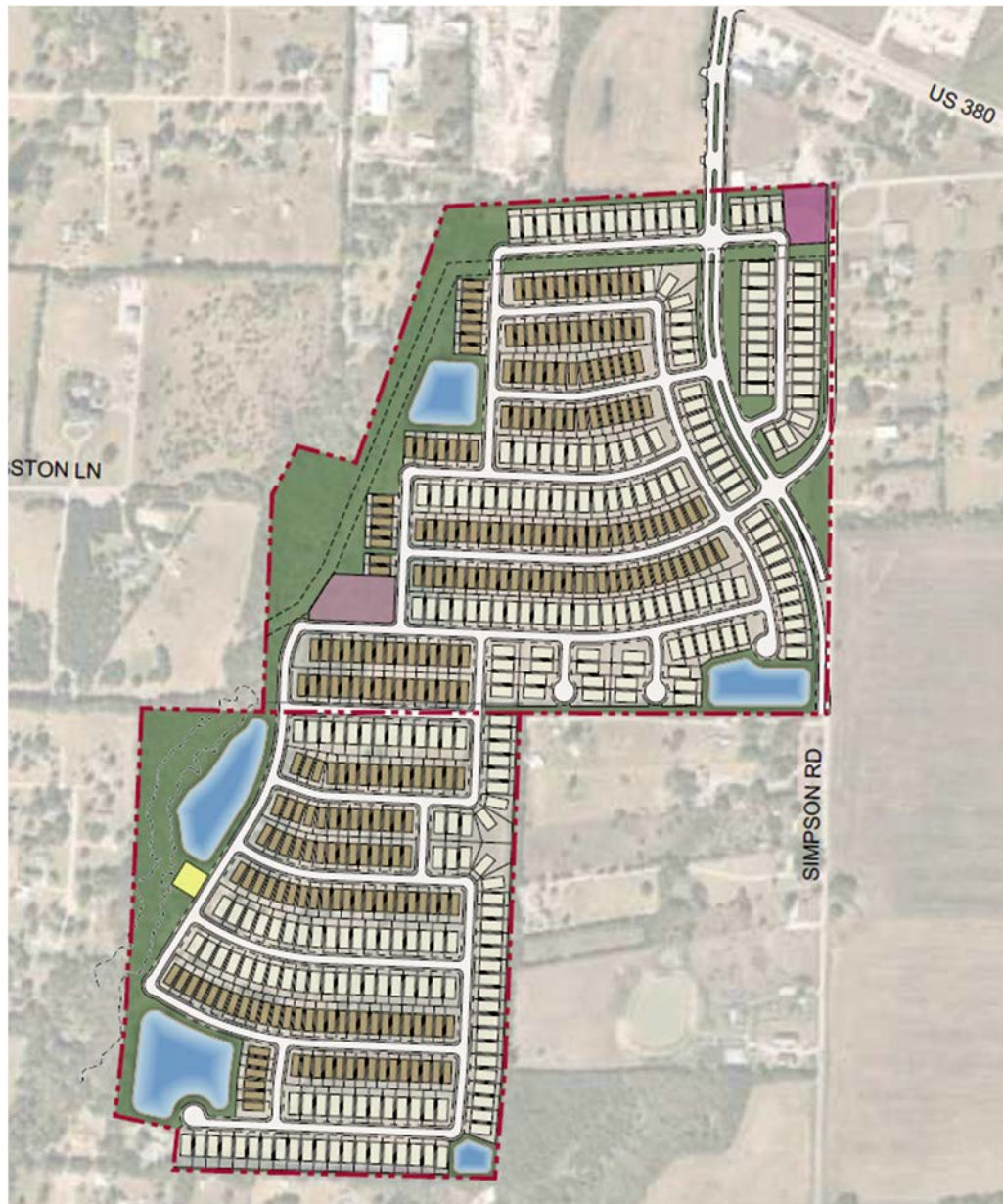


# MAP SHOWING BOUNDARIES OF THE DISTRICT





**MAPS SHOWING CONCEPT PLAN OF THE DISTRICT**



# MAPS SHOWING IMPROVEMENT AREA #1





MAPS SHOWING IMPROVEMENT AREA #2



## MAPS SHOWING IMPROVEMENT AREA #3



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

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

THE INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED 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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## **PRELIMINARY LIMITED OFFERING MEMORANDUM**

\$25,598,000\*

CITY OF LOWRY CROSSING, TEXAS,  
(a municipal corporation of the State of Texas located in Collin County)  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT PROJECTS)

### **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 Lowry Crossing, Texas (the “City”), of its \$25,598,000\* aggregate principal amount of Special Assessment Revenue Bonds, Series 2025 (Simpson Road Public Improvement District Projects) (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 June 10, 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 BOKF, NA, 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 “Special Assessments”) levied against assessed parcels (the “Assessed Property”) located within Improvement Area #1, Improvement Area #2, and Improvement Area #3 (each as defined herein) of the District, pursuant to (i) the Improvement Area #1 Assessment Ordinance adopted by the City Council on September 12, 2023 (the “Improvement Area #1 Assessment Ordinance”), (ii) the Improvement Area #2 Assessment Ordinance adopted by the City Council on September 10, 2024 (the “Improvement Area #2 Assessment Ordinance”), and (iii) the Improvement Area #3 Assessment Ordinance adopted by the City Council on March 11, 2025 (the “Improvement Area #3 Assessment Ordinance”, collectively with the Improvement Area #1 Assessment Ordinance and the Improvement Area #2 Assessment Ordinance, the “Assessment Ordinances”), all to the extent and upon the conditions described in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.” The Simpson Road 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.”

\* Preliminary; subject to change.

Set forth herein are brief descriptions of the City, the District, Meritage Homes of Texas, LLC (the “Developer”), the Administrator (as defined herein), the Assessment Ordinances, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Reimbursement Agreements (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 Service and Assessment Plan appears as APPENDIX C. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

## **PLAN OF FINANCE**

### **Development Plan and Status of Development**

The land within the District was acquired by the Developer through two separate transactions, both finalized in January 2022. The first acquisition involved approximately 54.538 acres of land, which was purchased for \$2,027,576.30 from The James M. Niemeyer Family Trust. The second acquisition comprised approximately 80.368 acres and was purchased for \$3,827,524.05 from individual sellers Harjodh S. Puar, Ravinder K. Puar, Vaqar Dar, and Farah Naz. Both acquisitions were completed as cash transactions, with no loans, mortgages, or other forms of third-party financing involved in either purchase.

The development plan for the District consists of a 134.906-acre single-family residential development (the “Development”) located both within the corporate limits of the City and in the City’s extraterritorial jurisdiction (“ETJ”) along Highway 380. The project will include approximately 540 single-family lots across three designated “Improvement Areas”.

Improvement Area #1 (identified on the map on page vi) consists of approximately 64.722 acres within City’s corporate limits and includes 174 lots—comprising 73 lots with 40-foot frontages and 101 lots with 50-foot frontages (“Improvement Area #1”). Improvements within Improvement Area #1 consist of clearing and excavation improvements, erosion control improvements, sanitary sewer improvements, storm sewer improvements, and pavement improvements that will benefit only Improvement Area #1 (the “Improvement Area #1 Improvements”). Construction of Improvement Area #1 Improvements was completed as of October 10, 2023. See “AUTHORIZED IMPROVEMENTS – Improvement Area #1 Improvements.”

Improvement Area #2 (identified on the map on page vii) consists of approximately 23.615 acres within the City corporate limits and includes 137 lots—comprising 87 lots with 40-foot frontages and 50 lots with 50-foot frontages (“Improvement Area #2”). Improvements within Improvement Area #2 consist of clearing and excavation improvements, erosion control improvements, sanitary sewer improvements, storm sewer improvements, and pavement improvements that will benefit only Improvement Area #2 (the “Improvement Area #2 Improvements”). Construction of Improvement Area #2 Improvements was completed as of July 23, 2024. See “AUTHORIZED IMPROVEMENTS – Improvement Area #2 Improvements.”

Improvement Area #3 (identified on the map on page viii) consists of approximately 46.568 acres in the City’s ETJ and includes 229 lots—comprising 112 lots with 40-foot frontages and 117 lots with 50-foot frontages (“Improvement Area #3”). Improvements within Improvement Area #3 consist of clearing and excavation improvements, erosion control improvements, sanitary sewer improvements, storm sewer improvements, and pavement improvements that will benefit only Improvement Area #3 (the “Improvement Area #3 Improvements”). Construction of Improvement Area #3 Improvements was completed as of December 10, 2024. See “AUTHORIZED IMPROVEMENTS – Improvement Area #3 Improvements.”

In addition to the improvements specific to each improvement area discussed above, the Developer has constructed certain improvements that benefit all of the property within the Development, including clearing and excavation improvements, erosion control improvements, sanitary sewer improvements, storm sewer improvements, pavement improvements, and landscape and hardscape improvements (the “Major Improvements”). Construction of the Major Improvements was completed in October of 2023 See “AUTHORIZED IMPROVEMENTS – Major Improvements.”

The Developer has agreed to construct certain private improvements, including landscaping, hardscaping, irrigation, screening, and other materials associated with the improvement of open space (the “Private Improvements”). The Development includes a range of amenities such as a greenbelt, kid’s splash pad, playground, trails, cabana, and a resort-style pool (the “Amenities”). These features are intended to provide recreational and communal spaces for residents of the District. Construction of the Amenities was completed in January 2025. See “THE DEVELOPMENT – Additional Improvements.”

The Developer has entered into a lot purchase and sale agreement with Brightland Homes, Ltd., a Texas limited partnership (“Brightland Homes”) for 59 single-family lots within the District. See “THE DEVELOPMENT – Lot Purchase and Sale Agreement in the District.”. 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 funding for the Authorized Improvements (as defined herein) within the District will be structured through the issuance of bonds supported by special assessments within each designated Improvement Area and reimbursements from assessments within the District, as well as through contributions from the Developer. The total costs of the Authorized Improvements are approximately \$27,599,235. The City will finance approximately \$25,598,000\* of the project costs for the Authorized Improvements set forth in the Service and Assessment Plan from proceeds of the Bonds. Approximately \$162,008 will be reimbursed by the City pursuant to the Reimbursement Agreements, however, this amount will not be reimbursed from bond proceeds or any future installments of special assessments (as defined herein). See “APPENDIX C — Service and Assessment Plan.” Such costs were finalized and included in the Service and Assessment Plan approved in connection with the levy of the Special Assessments within each Improvement Area.

The total cost of the Improvement Area #1 Improvements, including the pro rata share of Major Improvements benefiting Improvement Area #1 (collectively, the “Improvement Area #1 Projects”), is approximately \$9,849,405, inclusive of bond issuance costs. Of this amount, approximately \$8,277,000\* is expected to be paid for with proceeds from the Bonds. The Developer will fund approximately \$162,008 of the Improvement Area #1 Projects, which may be eligible for reimbursement by the City pursuant to the applicable Reimbursement Agreement. The remaining \$1,410,397\* will be funded by the Developer and will not be subject to reimbursement by the City. As of May 1, 2025, the Developer has spent approximately \$9,768,905 on construction of the Improvement Area #1 Projects, which costs were funded with cash available to the Developer.

The total cost of the Improvement Area #2 Improvements, including the pro rata share of Major Improvements benefiting Improvement Area #2 (collectively, the “Improvement Area #2 Projects”), is approximately \$6,375,788\* inclusive of bond issuance costs. Of this amount, approximately \$6,170,000\* is expected to be paid for with proceeds from the Bonds. The remaining \$205,788\* will be funded by the Developer and will not be subject to reimbursement by the City. As of May 1, 2025, the Developer has spent approximately \$6,373,788 on construction of the Improvement Area #2 Projects, which costs were funded with cash available to the Developer.

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\* Preliminary; subject to change.

The total cost of the Improvement Area #3 Improvements, including the pro rata share of Major Improvements benefiting Improvement Area #3 (collectively, the “Improvement Area #3 Projects”), is approximately \$11,374,042, inclusive of bond issuance costs. Of this amount, approximately \$11,151,000\* is expected to be paid for with proceeds from the Bonds. The Developer will fund approximately \$223,042\* of the Improvement Area #3 Projects, which will not be subject to reimbursement by the City. As of May 1, 2025, the Developer has spent approximately \$11,374,042 on construction of the Improvement Area #3 Projects, which costs were funded with cash available to the Developer. See “AUTHORIZED IMPROVEMENTS” and “THE DEVELOPER — History and Financing of the District.”

The Improvement Area #1 Projects, the Improvement Area #2 Projects and the Improvement Area #3 Projects are collectively referred to herein as the “District Projects.”

The Developer may seek reimbursement for expenses related to the acquisition of land, easements or right of ways necessary to construct Authorized Improvements, inspection fees, maintenance bonds, and fees related to the City’s issuance of debt which may have been qualified tax-exempt obligations if the Bonds had not been issued. The reimbursement will be received from a portion of installment payments from Special Assessments collected within the District.

The cost of Private Improvements in the amount of \$3,495,286 will be paid by the Developer with cash available to the Developer and will not be reimbursed by the City. Construction of the Private Improvements were completed in January 2025. As of May 1, 2025, the Developer has spent approximately \$3,495,286 on construction of the Private Improvements, which costs were funded with cash available to the Developer. The Developer funded the construction of the Amenities entirely with cash, without the use of loans or any third-party financing, at a total cost of approximately \$1,816,784.64. Construction on the Amenities began in January 2024 and was completed in January 2025. As of May 1, 2025, the Developer has spent approximately \$1,816,784.64 on construction of the Amenities, which costs were funded with cash available to the Developer. 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 District Projects, (ii) paying a portion of the costs incidental to the organization and administration of the District allocable to Improvement Area #1, Improvement Area #2 and Improvement Area #3, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the District Projects 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 Special Assessments 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 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.

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\* Preliminary; subject to change.

## **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 to be 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. BOKF, NA, 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 \$100,000 of principal and any integral multiple of \$1,000 in excess thereof; provided, however, that if the total principal amount of any Outstanding Bond is less than \$100,000, then the Authorized Denomination of such Outstanding Bond shall be the amount of such Outstanding Bond (“Authorized Denominations”). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See “BOOK-ENTRY-ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

### Redemption Provisions

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

Extraordinary Optional Redemption. Notwithstanding any provision in the Indenture to the contrary, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, and in an amount and on any date specified in a City Certificate, at the Redemption Price of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund made pursuant to the terms of the Indenture) or any other transfers to the Redemption Fund under the terms of the Indenture, or as a result of unexpended amounts transferred from the Project Fund pursuant to the terms of the Indenture. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments 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 moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing September 15, 20\_\_

Redemption Date	Sinking Fund Installment (\$)
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__ *	

\*Stated Maturity

\* Preliminary; subject to change.



Term Bonds Maturing September 15, 20\_\_

Redemption Date	Sinking Fund Installment (\$)
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\_\_

Redemption Date	Sinking Fund Installment (\$)
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 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 Stated Maturity which, at least 45 days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date 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. The Trustee shall receive written notice from the City of the City's intention to conduct an optional redemption of Bonds not less than 45 days prior to the required notice mailing date provided below. The Trustee shall give notice of any redemption of the Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds are in book-entry-only form and held by DTC as security depository, references to Owner in the Indenture mean Cede & Co., as nominee for DTC.

The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Outstanding Bonds are to be redeemed, and subject to the Indenture, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such 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. 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 the giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

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 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 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 shall conduct a random by lot 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 or Bond, as applicable, 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](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the 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 Special 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 the Simpson Road Public Improvement District 2025 Amended and Restated Service and Assessment Plan (June Update) for the issuance of the Bonds (the "Service and Assessment Plan") 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 Special Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is 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 Special Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See "APPENDIX C — Service and Assessment Plan."

## **Pledged Revenues**

The City is authorized by the PID Act, the Assessment Ordinances, and other provisions of applicable law to finance the Authorized Improvements by levying Special Assessments upon properties in the District benefitted thereby. For a description of the assessment methodology and the amounts of Special Assessments levied in the District, see “ASSESSMENT PROCEDURES” and “APPENDIX C — 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 that may be charged on the Special Assessments pursuant to Section 372.018 of the PID Act.

“Annual Installments” means, with respect to each Assessed Parcel, each annual payment of the Special Assessments (including both principal and interest) and with respect to the Improvement Area #1 Assessments, as shown in the table of Improvement Area #1 Annual Installments attached to the Service and Assessment Plan as Exhibit F-2 related to the Improvement Area #1 Projects, with respect to the Improvement Area #2 Assessments, as shown in the table of Improvement Area #2 Annual Installments attached to the Service and Assessment Plan as, Exhibit G-2 related to the Improvement Area #2 Projects, and with respect to the Improvement Area #3 Assessments, as shown in the table of Improvement Area #3 Annual Installments attached to the Service and Assessment Plan as Exhibit H-3 related to the Improvement Area #3 Projects and Exhibit H, which annual payment includes the Annual Collection Costs and the Additional Interest collected on each annual payment of the Special Assessments as described in the Indenture and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

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

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

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

## **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 Special Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws to cause no reduction, abatement or exemption in the Special Assessments.

The City will determine or cause to be determined, no later than March 1 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as



practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Special Assessment or the corresponding Assessed Parcel. Furthermore, nothing shall obligate the City, the City Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the City and its appropriate collections enforcement designees.

### **Unconditional Levy of Assessments**

The City is expected to impose Special 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 Special Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinances. Each Special 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 Special Assessments. Pursuant to the Assessment Ordinances, interest on the Special 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 a Special 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 of the Improvement Area #1 Assessments were due when billed and were delinquent if not paid prior to February 1, 2024. The initial Annual Installments of the Improvement Area #2 Assessments were due when billed and were delinquent if not paid prior to February 1, 2025. The initial Annual Installments of the Improvement Area #3 Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2026.

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 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 Ordinances 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 Special Assessments.

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

Failure to pay an Annual Installment when due will not accelerate the payment of the remaining Annual Installments of the Special Assessments and such remaining Annual Installments (including interest) 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.

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## **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, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the City shall deposit or cause to be deposited Pledged Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, in accordance with 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 District Projects, and (v) fifth, to pay other costs permitted by the PID Act.

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

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

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

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

### **Bond Fund**

On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account 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 of the Bond Fund are insufficient for the purposes set forth above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in the Indenture. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account of the Bond Fund 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:

Date	Amount (\$)
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Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #3 Improvements Account of the Project Fund, pursuant to instructions included in one or more City Certificates, or if Improvement Area #3 Improvements Account of the Project Fund have been closed as provided in the Indenture, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

### **Project Fund**

Money on deposit in the Project Fund shall be used for the purposes specified in the Indenture. Money on deposit in the Improvement Area #1 Projects Account of the Project Fund shall only be used to pay Actual Costs of Improvement Area #1 Projects, money on deposit in the Improvement Area #2 Projects Account of the Project Fund shall only be used to pay Actual Costs of Improvement Area #2 Projects and money on deposit in the Improvement Area #3 Projects Account of the Project Fund shall only be used to pay Actual Costs of Improvement Area #3 Projects.

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

Disbursements from any of the Improvement Area #1 Projects Account of the Project Fund, the Improvement Area #2 Projects Account of the Project Fund or the Improvement Area #3 Projects Account of the Project Fund to pay Actual Costs of the District Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed applicable Certification for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from any of the Improvement Area #1 Projects Account of the Project Fund, the Improvement Area #2 Projects Account of the Project Fund, or the Improvement Area #3 Projects Account of the Project Fund pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the PID Reimbursement Agreements or as provided in such written direction. Such provisions and procedures related to such disbursements contained in the PID Reimbursement Agreements, and no other provisions of the PID Reimbursement Agreements, are herein incorporated by reference and deemed set forth herein in full.

If the City Representative determines in his or her sole discretion that amounts then on deposit in any of the Improvement Area #1 Projects Account of the Project Fund, the Improvement Area #2 Projects Account of the Project Fund or the Improvement Area #3 Projects Account of the Project Fund are not expected to be expended for purposes of such Account due to the abandonment, or constructive abandonment, of the Improvement Area #1 Projects, the Improvement Area #2 Projects or the Improvement Area #3 Projects, respectively, such that, in the opinion of the City Representative, it is unlikely that the amounts in any of the Improvement Area #1 Projects Account of the Project Fund, Improvement Area #2 Projects Account of the Project Fund or the Improvement Area #3 Projects Account of the Project Fund will ever be expended for the respective purposes of such Account, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #1 Projects Account of the Project Fund and/or the Improvement Area #2 Projects Account of the Project Fund and/or the Improvement Area #3 Projects Account of the Project Fund that are not expected to be used for the respective purposes of such Account. If such City Certificate is so filed, the amounts identified in the City Certificate on deposit in the Improvement Area #1 Projects Account of the Project Fund and/or the Improvement Area #2 Projects Account of the Project Fund and/or the Improvement Area #3 Projects Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant. The Trustee shall be permitted to rely fully on any Certification for Payment, City Certificate, or other written direction received pursuant to the Indenture without investigation.

Upon the filing of a City Certificate stating that all Improvement Area #1 Projects have been completed and that all Actual Costs of the Improvement Area #1 Projects have been paid, or that any such Actual Costs of the Improvement Area #1 Projects are not required to be paid from the Improvement Area #1 Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #1 Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund and (ii) shall close the Improvement Area #1 Projects Account. Upon the filing of a City Certificate stating that all Improvement Area #2 Projects have been completed and that all Actual Costs of the Improvement Area #2 Projects have been paid, or that any such Actual Costs of the Improvement Area #2 Projects are not required to be paid from the Improvement Area #2 Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #2 Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund and (ii) shall close the Improvement Area #2 Projects Account. Upon the filing of a City Certificate stating that all Improvement Area #3 Projects have been completed and that all Actual Costs of the Improvement Area #3 Projects have been paid, or that any such Actual Costs of the Improvement Area #3 Projects are not required to be paid from the Improvement Area #3 Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #3 Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund and (ii) shall close the Improvement Area #3 Projects Account. If the Improvement Area #1 Projects Account, the Improvement Area #2 Projects Account and the Improvement Area #3 Projects Account have been closed as provided above and the Cost of Issuance Account of the Project Fund has been closed pursuant to the provisions of the Indenture, the Project Fund shall be closed.

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

## **Redemption Fund**

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

Whenever a transfer is made from an Account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of 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 as detailed in the City's written direction. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds to be redeemed with Prepayments multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayments toward payment of accrued interest, there are insufficient funds in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds to be redeemed, as identified in a 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 online portfolio access. Such excess shall be transferred to the Principal and Interest Account of the Bond Fund to be used for the payment of debt service on the Bonds on the next Interest Payment Date in accordance with the Indenture, unless within 30 days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due 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, 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.

Following the collection of the final Annual Installment of Improvement Area #1 Assessments, Improvement Area #2 Assessments or Improvement Area #3 Assessments, respectively, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account related to such Special Assessment, shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds.

If, after a Reserve Account withdrawal due 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 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 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.**

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## **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 authorized third-party selected by the City verifying the sufficiency of the moneys and/or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency then publishing a rating on the Bonds that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to 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 Special Assessments, including the prosecution of foreclosure proceedings;
- (iii) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within 30 days; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the City to make the payments; and

- (iv) Default in the performance or observance of any covenant, agreement or obligation of the City under 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 AND INTEREST ON THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

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 judgment of the Trustee, proper for the purpose which may be designated in such request.

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### **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 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 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 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 including funds for which the Trustee and/or its affiliates provide investment advisory or other management services; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investments with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentences, amounts in the Additional Interest Reserve Account may not be invested above the Yield on the Bonds, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond. Investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds or Accounts may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investments or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions, which may include electronic direction, with respect to investments of funds, the Trustee is hereby directed to invest and re-invest cash balances in Cavanal Hill Government Securities Fund (CUSIP 14956P836, APCXX) as standing instructions; provided, however, that money required to be expended from any Fund or Account will be available at the proper time or times.

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

### **Against Encumbrances**

Other than Refunding Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate, other than 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 except for other indebtedness incurred in compliance with the Indenture.

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

Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate and will not do or omit to do or suffer to be or omit to be done any matter or things whatsoever whereby the lien of the Indenture or the priority 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 the Trust Estate so long as such pledge is subordinate to the pledge of the Trust Estate securing payment of the Bonds.

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

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## SOURCES AND USES OF FUNDS

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

Sources of Funds:	
Principal Amount	\$
Developer Contribution	\$
<b>Total Sources</b>	\$
Use of Funds:	
Deposit to Capitalized Interest Account of the Bond Fund	\$
Deposit to Reserve Account of the Reserve Fund	\$
Deposit to Improvement Area #1 Projects Account of the Project Fund	\$
Deposit to Improvement Area #2 Projects Account of the Project Fund	
Deposit to Improvement Area #3 Projects 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 <sup>(2)</sup>	\$
<b>Total Uses</b>	\$

(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<sup>(1)</sup>

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 <sup>(1)</sup>	\$	\$	\$

(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 and the extraterritorial jurisdiction of the City. Approximately 88 acres of land within the District is within the City and 46 acres is within the City's extraterritorial jurisdiction. Improvement Area #1 and Improvement Area #2 are located within City limits, whereas Improvement Area #3 is located within the extraterritorial jurisdiction and thus subject to different overlapping taxes and debt. There are no plans to annex the extraterritorial land of the District into 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 Special Assessments. The City, Collin County, Collin College, and McKinney Independent School District ("McKinney ISD") may each levy ad valorem taxes upon land within Improvement Area #1 and Improvement Area #2 of the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. Collin County, Collin College, and McKinney Independent School District ("McKinney ISD") may each levy ad valorem taxes upon land within Improvement Area #3 for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes levied by such other taxing authorities.

The City has also created the O&M PID (as defined herein) as described under "OVERLAPPING TAXES - O&M PID Assessment" in which the City has levied O&M PID Assessments (as defined herein).

The following tables reflect the overlapping ad valorem tax rates currently levied on property located within each Improvement Area in the District.

#### Improvement Area #1 Overlapping Taxes<sup>(1)</sup>

Taxing Entity	Tax Year 2024 Ad Valorem Tax Rate <sup>(1)</sup>
The City	\$0.147000
McKinney ISD	1.125200
Collin County	0.149343
Collin College	<u>0.081220</u>
<b>Total Current Tax Rate</b>	<b><u>\$1.502763</u></b>
 Estimated Average Annual Installment of Special Assessment in Improvement Area #1 as a Tax Rate Equivalent <sup>(2)</sup>	 <u>\$0.877448</u>
 Estimated Average Annual Installment of O&M Assessment as a Tax Rate Equivalent	 <u>\$0.073400</u>
 <b>Estimated Total Tax Rate and Average Annual Installment in Improvement Area #1 as a Tax Rate Equivalent<sup>(2)</sup></b>	 <b><u>\$2.453611</u></b>

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

(2) Includes Special Assessments levied for payment of the Bonds. Derived from information in the Service and Assessment Plan. See "ASSESSMENT PROCEDURES — Assessment Methodology – Value to Lien Analysis in the District," and "APPENDIX C — Service and Assessment Plan." Preliminary; subject to change.

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

**Improvement Area #2  
Overlapping Taxes<sup>(1)</sup>**

Taxing Entity	Tax Year 2024 Ad Valorem Tax Rate <sup>(1)</sup>
The City	\$0.147000
McKinney ISD	1.125200
Collin County	0.149343
Collin College	<u>0.081220</u>
<b>Total Current Tax Rate</b>	<b><u>\$1.502763</u></b>
Estimated Average Annual Installment of Special Assessment in Improvement Area #2 as a Tax Rate Equivalent <sup>(2)</sup>	<u>\$0.828815</u>
Estimated Average Annual Installment of O&M Assessment as a Tax Rate Equivalent	<u>\$0.073400</u>
<b>Estimated Total Tax Rate and Average Annual Installment in Improvement Area #2 as a Tax Rate Equivalent<sup>(2)</sup></b>	<b><u>\$2.404978</u></b>

(1) As reported by the Collin Central Appraisal District. Per \$100 taxable appraised value.  
(2) Includes Special Assessments levied for payment of the Bonds. Derived from information in the Service and Assessment Plan. See “ASSESSMENT PROCEDURES — Assessment Methodology – Value to Lien Analysis in the District,” and “APPENDIX C — Service and Assessment Plan.” Preliminary; subject to change.  
Source: Collin Central Appraisal District and the Service and Assessment Plan.

**Improvement Area #3  
Overlapping Taxes<sup>(1)</sup>**

Taxing Entity	Tax Year 2024 Ad Valorem Tax Rate <sup>(1)</sup>
McKinney ISD	\$1.125200
Collin County	0.149343
Collin College	<u>0.081220</u>
<b>Total Current Tax Rate</b>	<b><u>\$1.355763</u></b>
Estimated Average Annual Installment of Special Assessment in Improvement Area #3 as a Tax Rate Equivalent <sup>(2)</sup>	<u>\$0.854888</u>
Estimated Average Annual Installment of O&M Assessment as a Tax Rate Equivalent	<u>\$0.073400</u>
<b>Estimated Total Tax Rate and Average Annual Installment in Improvement Area #3 as a Tax Rate Equivalent<sup>(2)</sup></b>	<b><u>\$2.284051</u></b>

(1) As reported by the Collin Central Appraisal District. Per \$100 taxable appraised value. Improvement Area #3 is located wholly within the extraterritorial jurisdiction of the City and is not subject to ad valorem taxation by the City.  
(2) Includes Special Assessments levied for payment of the Bonds. Derived from information in the Service and Assessment Plan. See “ASSESSMENT PROCEDURES — Assessment Methodology – Value to Lien Analysis in the District,” and “APPENDIX C — Service and Assessment Plan.” Preliminary; subject to change.  
Source: Collin Central Appraisal District and the Service and Assessment Plan.

## 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 Special Assessments.

### **Overlapping Debt** **Improvement Area #1 and Improvement Area #2**

Taxing or Assessing Entity <sup>(1)</sup>	Total Outstanding Debt as of 5/1/25	Estimated % Applicable <sup>(2)</sup>	Direct and Estimated Overlapping Debt <sup>(3)</sup>
The City (Assessments - The Bonds)	\$25,598,000	100.00%	\$25,598,000
Collin County	776,095,000	0.13%	1,008,924
Collin College	459,865,000	0.12%	551,838
McKinney ISD	399,370,000	0.42%	1,677,354
<b>Total</b>	<b><u>\$1,660,928,000</u></b>		<b><u>\$28,836,116</u></b>

(1) The City does not have outstanding debt secured by ad valorem taxes.

(2) Based on certified valuations for the Tax Year 2024 for the taxing entities as certified by the Collin Central Appraisal District.

(3) 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.

### **Overlapping Debt** **Improvement Area #3**

Taxing or Assessing Entity <sup>(1)</sup>	Total Outstanding Debt as of 5/1/25	Estimated % Applicable <sup>(2)</sup>	Direct and Estimated Overlapping Debt <sup>(3)</sup>
The City (Assessments - The Bonds)	\$25,598,000	100.00%	\$25,598,000
Collin County	776,095,000	0.13%	1,008,924
Collin College	459,865,000	0.12%	551,838
McKinney ISD	399,370,000	0.42%	1,677,354
<b>Total</b>	<b><u>\$1,660,928,000</u></b>		<b><u>\$28,836,116</u></b>

(1) The City does not have outstanding debt secured by ad valorem taxes.

(2) Based on certified valuations for the Tax Year 2024 for the taxing entities as certified by the Collin Central Appraisal District.

(3) 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.

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## **O&M PID Assessments**

The City formed the O&M Public Improvement District (the “O&M PID”) on August 8, 2023, which includes all of the property within the District. On September 12, 2023, the City levied an assessment to support roadway operations and maintenance within the District (the “O&M PID Assessment”) on assessable property within Improvement Area #1 and adopted a service and assessment plan (the “O&M Service and Assessment Plan”) for the property within the District. On September 10, 2024, the City levied an assessment to support roadway operations and maintenance within the District (the “O&M PID Assessment”) on assessable property within Improvement Area #1 and adopted a service and assessment plan (the “2024 O&M Service and Assessment Plan”) for the property within the District. On April 8, 2025, the City levied an assessment to support roadway operations and maintenance within the District (the “O&M PID Assessment”) on assessable property within Improvement Area #1, Improvement Area #2, and Improvement Area #3 and adopted a service and assessment plan (the “2025 O&M Service and Assessment Plan”) for the property within the District. The current tax equivalent rate of the O&M PID Assessments is \$0.0734 per \$100.00 of taxable assessed value, which rate is subject to changes based on the costs of road operations and maintenance as described in the 2025 O&M Service and Assessment Plan; provided however, the initial maximum equivalent tax rate of the O&M PID Assessment is \$0.0734 per \$100.00 of taxable assessed value pursuant to the Development Agreement. **The O&M PID Assessments are not pledged to, and are not security for, the Bonds.**

## **Homeowners’ Association**

In addition to the taxes and the Special Assessments described above, the Developer has created the Simpson 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 \$700 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 Special Assessments, it must adopt a resolution generally describing the Authorized Improvements and the land within the District that will be subject to Special Assessments to pay the costs therefor.

The City has caused the Improvement Area #1 Assessment Roll, attached to the Service and Assessment Plan as Exhibit F-1 (the “Improvement Area #1 Assessment Roll”), the Improvement Area #2 Assessment Roll, attached to the Service and Assessment Plan as Exhibit G-1 (the “Improvement Area #2 Assessment Roll”), and the Improvement Area #3 Assessment Roll attached to the Service and Assessment Plan as Exhibit H-1 (the “Improvement Area #3 Assessment Roll”) to be prepared for the District (collectively, the “Assessment Rolls”). The Assessment Rolls show the land within the District that have been assessed, the amount of the benefit to and the Special Assessment against each lot or parcel of land and the number of Annual Installments in which the Special Assessment is divided. The Assessment Rolls were filed with the City Administrator and were available for public inspection. Statutory notice was given to the owners of the Assessed Property and public hearings were 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 Special Assessments. The City levied the Improvement Area #1 Special Assessments on September 12, 2023, the Improvement Area #2 Assessments on September 10, 2024, and the Improvement Area #3 Assessment on March 11, 2025, after which the Special Assessments become legal, valid and binding liens upon the Assessed Property. In connection with the sale of the Bonds anticipated to occur on June 10, 2025, the City anticipates approving an updated Service and Assessment Plan which will update the Assessment Rolls to reflect the interest rate on the Bonds.

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 Special 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 — 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 Special Assessments 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 Special 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.

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

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

#### Value to Lien Analysis in the District\*

Improv ement Area	Lot Type	Number of Lots <sup>(1)</sup>	Base Lot Price <sup>(2)</sup>	Estimated Buildout Value per Lot <sup>(3)</sup>	Total Estimated Buildout Value <sup>(3)</sup>	Maximum Assessment Per Lot <sup>(4)</sup>	Estimated Ratio of Base Lot Price to Assessment	Estimated Ratio of Value of Home Price to Assessment
1	1	73	\$79,276	\$385,000	\$28,105,000	\$39,485.35	2.008	9.750
1	2	100	\$97,392	\$475,000	\$47,975,000	\$48,715.69	1.999	9.750
2	3	87	\$79,276	\$400,554	\$34,848,198	\$38,839.64	2.041	10.313
2	4	50	\$97,392	\$494,190	\$24,709,500	\$47,919.03	2.032	10.313
3	5	112	\$79,276	\$400,500	\$44,856,000	\$43,495.21	1.823	9.208
3	6	117	\$97,392	\$494,200	\$57,821,400	\$53,671.25	1.815	9.208
<b>Total</b>		<b>539</b>						

\* Preliminary; subject to change.

(1) Based on the information in the Service and Assessment Plan. Although, the Concept Plan reflects 101 Lot Type 2 Lots, there are only 100 Lots that are assessed due to a prepayment in full.

(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 Special 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 — 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 Special Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Special Assessments incur interest, penalties, and attorney's fees in the same manner as delinquent ad valorem taxes. 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, Special Assessments as provided in the Assessment Ordinances. No less frequently than annually, City staff or a designee of the City shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and a calculation of the Annual Installment for each Parcel. Special 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 Special Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Special Assessments.

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 Special Assessment or the corresponding Assessed Property.

The City expects to implement the basic timeline and procedures for Special 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 Special 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.

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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 Special Assessments are not timely paid, there are penalties and interest as set forth below:

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

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

#### **Assessment Amounts**

Assessment Amounts. The 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. Each Assessment Roll sets forth for each year the Annual Installment for each Parcel consisting of (i) the annual portion allocable to principal and interest on the Special 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 respective Assessment Roll. The Special Assessments were levied against the Parcels comprising the Assessed Property in each respective Improvement Area as indicated on the Assessment Rolls. See "APPENDIX C — Service and Assessment Plan."

The Annual Installments shown on the Assessment Rolls 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 Special Assessments. For purposes of the Service and Assessment Plan, the City Council determined that the Special Assessments would be allocated as follows:

- The costs of the Major Improvements were allocated and apportioned to each Parcel of Assessed Property pro rata based on the Estimated Buildout Value of all Assessed Property at the time of the 2023 Service and Assessment Plan as further described in the 2023 Service and Assessment Plan.
- The costs of the Improvement Area #1 Authorized Improvements were allocated entirely to each Parcel of Improvement Area #1 Assessed Property pro rata based on the ratio of the Estimated Buildout Value of each Lot Type designated as Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Improvement Area #1 Assessed Property at the time the 2023 Service and Assessment Plan was approved.
- The costs of the Improvement Area #2 Authorized Improvements were allocated entirely to each Parcel of Improvement Area #2 Assessed Property pro rata based on the ratio of the Estimated Buildout Value of each Lot Type designated as Improvement Area #2 Assessed Property to the Estimated Buildout Value of all Improvement Area #2 Assessed Property at the time the 2024 A&R Service and Assessment Plan was approved.

- The costs of the Improvement Area #3 Authorized Improvements shall be allocated entirely to each Parcel of Improvement Area #3 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #3 Assessed Property to the Estimated Buildout Value of all Improvement Area #3 Assessed Property. Currently, the Improvement Area #3 Initial Parcel is the only Parcel within Improvement Area #3, and as such, the Improvement Area #3 Initial Parcel shall be allocated 100% of the Improvement Area #3 Authorized Improvements.

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 Special 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 Special Assessment for the newly divided Assessed Property

B = the Special Assessment for the Assessed Property prior to division

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

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

Upon Subdivision by a Recorded Subdivision Plat. Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Special Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

A = the Special Assessment for the newly subdivided Lot

B = the Special Assessment for the Parcel prior to subdivision

C = the sum of the Estimated Buildout Value of all newly subdivided Lots with 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 Special Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the 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.

The sum of the Special Assessments for all newly subdivided Lots shall not exceed the Special Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and approved by the City Council. See “APPENDIX C — 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 Special 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 Special Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Special Assessments.

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The following table reflects the estimated allocation of Special Assessments previously levied and collected.

**Estimated Allocation of Special Assessments<sup>(1)</sup>**

Improve ment Area	Lot Type	Number of Lots <sup>(2)</sup>	Maximum Assessment Per Lot <sup>(3)</sup>	Total Assessment <sup>(3)</sup>	Estimated Average Annual Installment per Lot <sup>(3)</sup>	Assessments Equivalent Tax Rate per \$100 Assessed Value <sup>(3)</sup>
1	1	73	\$39,485.35	\$2,882,430.55	\$3,378.17	\$0.8774
1	2	100	\$48,715.69	\$4,871,569.00	\$4,167.88	\$0.8774
2	3	87	\$38,839.64	\$3,379,048.68	\$3,319.85	\$0.8288
2	4	50	\$47,919.03	\$2,395,951.50	\$4,095.92	\$0.8288
3	5	112	\$43,495.21	\$4,871,463.52	\$3,423.83	\$0.8549
3	6	117	\$53,671.25	\$6,279,536.25	\$4,224.86	\$0.8549
<b>Total</b>		<b><u>539</u></b>		<b><u>\$24,680,000</u></b>		

- (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 information in the Service and Assessment Plan. Although, the Concept Plan reflects 101 Lot Type 2 Lots, there are only 100 Lots that are assessed due to a prepayment in full.
- (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 — 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 Special Assessments. See “SECURITY FOR THE BONDS” and “APPENDIX C — 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-Benefited Property, the owner of such Lot, Parcel or portion thereof shall pay to the City, or cause to be paid to the City, the full amount of the Assessment, plus all Prepayment Costs, and Delinquent Collection Costs, for such 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 –Value to Lien Analysis in the District” and “APPENDIX C — 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 Special Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the “Retained Property”), following the reclassification of the Taken Property as Non-Benefitted Property, subject to an adjustment of the Special Assessment applicable to the Retained Property after any required Prepayment as set forth below. The owner of the Retained Property will remain liable to pay, pursuant to the terms of the Service and Assessment Plan, as updated, and the PID Act, the Special Assessment that remains due on the Retained Property, subject to an adjustment in the Special Assessment applicable to the Retained Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Special Assessment that remains due on the Retained Property exceeds the applicable Maximum Assessment, the owner of the Retained Property will be required to make a Prepayment in an amount necessary to ensure that the Special Assessment against the Retained Property does not exceed such Maximum Assessment, in which case the Special Assessment applicable to the Retained Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Special Assessment on the Retained Property.

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

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

Notwithstanding the previous paragraphs in this subsection, the Special 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 Special 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 any Authorized Improvements are less than the Special Assessments, then (i) in the event Bonds are not issued, the City Council shall reduce each Special Assessment on a pro rata basis such that the sum of the resulting reduced Special Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that a related series of Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to the Bonds, that are not expected to be used for the purposes of the project fund to redeem outstanding Bonds, unless otherwise directed by the City pursuant to the terms of the Indenture. Such excess Bond proceeds may be used for any purpose authorized by such Indenture. The Special Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding Bonds.

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## **Priority of Lien**

The Special Assessments or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, constitute a first and prior lien against the 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 adoption of the respective Assessment Ordinances until the Special Assessment is paid and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any Assessed Property may pay the entire Special Assessment levied against any Lot or Parcel, together with accrued interest to the date of payment, at any time.

## **Foreclosure Proceedings**

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

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

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

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 — Service and Assessment Plan."

## **THE CITY**

### **Background**

The City is located in central Collin County, 5 miles east of the City of McKinney and 3 miles west of the City of Princeton ("Princeton"). Access to the City is provided by US Highway 380 on the City's northern boundary and FM546 to the south. The City covers approximately three (3) square miles. Some of the services that the City provides are fire protection through a volunteer fire department, streets, planning and zoning, and general administrative services. The 2020 Census population for the City was 1,720, while the estimated 2025 population is 2,000.



## **City Government**

The City is a Type A General Law City, with an Aldermanic-Mayor form of government. The City Council (Mayor and Aldermen) is responsible for setting priorities that affect the quality of living and character of the City by passing laws (ordinances) and resolutions. The City Administrator'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, Planning and Zoning Commission and other boards and commissions. 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 134.906 contiguous acres and lies partially within the corporate limits of the City and partially within the extraterritorial jurisdiction of the City's ETJ. The District was created by Resolution No. 108 of the City adopted on December 28, 2021, 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 Special Assessments on property in the District or portions thereof, payable in full or in periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction, or improvement of the 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, 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 — Service and Assessment Plan."

### **Utilities**

Milligan Water Supply Corporation ("Milligan WSC") will provide water to the residents of the District. Milligan WSC purchases all of its water from the North Texas Municipal Water District (the "NTMWD"). The NTMWD provides wholesale water to a service area comprised of 13 Member Cities and 34 Customer Cities and Utilities, serving about 2.3 million people across a 2,200-square mile service area in North Texas. Princeton will provide wastewater and sewer service and Atmos Energy will provide natural gas services to the residents of 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 agreed "Oversized Public Infrastructure" pursuant to the Development Agreement.

The City entered into an Interlocal Cooperative Agreement (the “Interlocal Agreement”) with Princeton, effective as of November 12, 2024, which established the terms under which Princeton will own, operate, and maintain certain public improvements—specifically sanitary sewer and wastewater infrastructure—located within the District. Under the Interlocal Agreement, the Developer is to construct improvements in accordance with a Non-Standard Wastewater Service Agreement (“NSW Agreement”) and after construction, the Developer will convey certain improvements to Princeton for ownership, operation and maintenance. See “THE DEVELOPMENT — Development Agreements” and “— Utilities” and “BONDHOLDERS’ RISKS — Availability of Utilities.”

### **District Collection and Delinquency of Special Assessments**

Improvement Area #1 Collection History. On September 12, 2023, the City levied Special Assessments on assessable property within Improvement Area #1 through the City Council’s adoption of the Improvement Area #1 Assessment Ordinance and approval of the Improvement Area #1 Service and Assessment Plan for the District. The initial annual installments were billed in October 2023 and became due and payable on or before January 31, 2024. The following table shows the collection and delinquency history of the Improvement Area #1 Special Assessments.

#### **Improvement Area #1** **Collection and Delinquency History of Special Assessments**

<u>Special Assessments Due 1/31</u>	<u>Total Annual Installments Levied</u>	<u>Parcels Levied</u>	<u>Delinquent Amount as of 3/1</u>	<u>Delinquent Percentage as of 3/1</u>	<u>Delinquent Amount as of 9/1</u>	<u>Delinquent Percentage as of 9/1</u>	<u>Total Annual Installments Collected</u>
2024	\$671,683.43	2	\$0.00	0.00%	\$0.00	0.00%	\$671,683.43
2025	\$664,813.20	173	\$31,040.15	4.67%	N/A	N/A	\$648,897.43

Improvement Area #2 Collection History. On September 10, 2024, the City levied Special Assessments on assessable property within Improvement Area #2 through the City Council’s adoption of the Improvement Area #2 Assessment Ordinance and approval of the Improvement Area #2 Service and Assessment Plan for the District. The initial annual installments were billed in October 2024 and became due and payable on or before January 31, 2025. The following table shows the collection and delinquency history of the Improvement Area #1 Special Assessments.

#### **Improvement Area #2** **Collection and Delinquency History of Special Assessments**

<u>Special Assessments Due 1/31</u>	<u>Total Annual Installments Levied</u>	<u>Parcels Levied</u>	<u>Delinquent Amount as of 3/1</u>	<u>Delinquent Percentage as of 3/1</u>	<u>Delinquent Amount as of 9/1</u>	<u>Delinquent Percentage as of 9/1</u>	<u>Total Annual Installments Collected</u>
2025	\$512,482.82	1	\$0.00	0.00%	\$0.00	0.00%	\$512,482.82

Improvement Area #3 Collection History. On March 11, 2025, the City levied Special Assessments on assessable property within Improvement Area #3 through the City Council's adoption of the Improvement Area #3 Assessment Ordinance and approval of the Improvement Area #3 Service and Assessment Plan for the District. The initial annual installments will be billed in October 2025 and become due and payable on or before January 31, 2026.

**THE COLLECTION AND DELINQUENCY HISTORY OF THE SPECIAL ASSESSMENTS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE FUTURE COLLECTION OF SPECIAL ASSESSMENTS WILL MIRROR THE COLLECTION HISTORY OF THE SPECIAL ASSESSMENTS.**

Collection of Assessments. The Collin County Tax Assessor-Collector is billing and collecting annual installments of Special Assessments within the District.

## **AUTHORIZED IMPROVEMENTS**

### **General**

The "Authorized Improvements" consist of the Improvement Area #1 Projects, the Improvement Area #2 Projects, the Improvement Area #3 Projects, Bond Issuance Costs, and first's year's Annual Collection Costs, as described below. 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 — Service and Assessment Plan."

### **Major Improvements**

Clearing and Excavation. Improvements including all clearing and excavation associated with the public arterial road rights-of-way benefiting the entire District.

Erosion Control. Improvements including the installation of all erosion control measures associated with the public arterial road rights-of-way and major utility improvements benefiting the entire District.

Sanitary Sewer. Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, lift station, force main line, testing, and all other necessary appurtenances constructed to City standards and City of Princeton standards required to provide sanitary sewer service benefiting the entire District. The sanitary sewer improvements will be owned and operated by the City of Princeton.

Storm Sewer. Improvements including trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other necessary appurtenances constructed to City standards required to provide adequate drainage for the arterial road rights-of-way benefiting the entire District. The storm sewer improvements will be owned and operated by the City.

Pavement. Improvements including subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, testing, and all other materials associated with the public arterial road rights-of-way benefiting the entire District. The roadway improvements will be owned and operated by the City.

Landscape and Hardscape Improvements. Improvements including landscaping, hardscaping, irrigation, screening and all other materials associated with the improvements of open spaces within the District.

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

## **Improvement Area #1 Improvements**

Clearing and Excavation. Improvements including all clearing and excavation associated with the public residential road rights-of-way, detention ponds, swales and channels for all lots within Improvement Area #1.

Erosion Control. Improvements including the installation of all erosion control measures associated with the public residential road rights-of-way and detention ponds for all lots within Improvement Area #1.

Sanitary Sewer. Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, and all other necessary appurtenances constructed to City standards and City of Princeton standards required to provide sanitary sewer service for all lots within Improvement Area #1. The sanitary sewer improvements will be owned and operated by the City of Princeton.

Storm Sewer. Improvements including trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other necessary appurtenances constructed to City standards required to provide adequate drainage for all lots within Improvement Area #1. The storm sewer improvements will be owned and operated by the City.

Pavement. Improvements including subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, testing, and all other materials associated with the public residential road rights-of-way within Improvement Area #1. The roadway improvements will be owned and operated by the City.

Soft Costs. Includes costs related to designing, constructing, and installing the Improvements Area #1 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal costs, consultants, and costs associated with financing the Improvement Area #1 Improvements.

## **Improvement Area #2 Improvements**

Clearing and Excavation. Improvements including all clearing and excavation associated with the public residential road rights-of-way, detention ponds, swales and channels for all lots within Improvement Area #2.

Erosion Control. Improvements including the installation of all erosion control measures associated with the public residential road rights-of-way and detention ponds for all lots within Improvement Area #2.

Sanitary Sewer. Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, and all other necessary appurtenances constructed to City standards and City of Princeton standards required to provide sanitary sewer service for all lots within Improvement Area #2. The sanitary sewer improvements will be owned and operated by the City of Princeton.

Storm Sewer. Improvements including trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other necessary appurtenances constructed to City standards required to provide adequate drainage for all lots within Improvement Area #2. The storm sewer improvements will be owned and operated by the City.

Pavement. Improvements including subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, testing, and all other materials associated with the public residential road rights-of-way within Improvement Area #2. The roadway improvements will be owned and operated by the City.

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

### **Improvement Area #3 Improvements**

Clearing and Excavation. Improvements including all clearing and excavation associated with the public residential road rights-of-way, detention ponds, swales and channels for all lots within Improvement Area #3.

Erosion Control. Improvements including the installation of all erosion control measures associated with the public residential road rights-of-way and detention ponds for all lots within Improvement Area #3.

Sanitary Sewer. Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, and all other necessary appurtenances constructed to City standards and City of Princeton standards required to provide sanitary sewer service for all lots within Improvement Area #3. The sanitary sewer improvements will be owned and operated by the City of Princeton.

Storm Sewer. Improvements including trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other necessary appurtenances constructed to City standards required to provide adequate drainage for all lots within Improvement Area #3. The storm sewer improvements will be owned and operated by the City.

Pavement. Improvements including subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, testing, and all other materials associated with the public residential road rights-of-way within Improvement Area #3. The roadway improvements will be owned and operated by the City.

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

### **Bond Issuance Costs**

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

Capitalized Interest. Equals the amount required to be deposited for the purpose of paying capitalized interest 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 a particular series of PID Bonds related to the costs of underwriting the Bonds.

Underwriter's Counsel. Equals a percentage of the par amount of a particular series of PID Bonds reserved for the underwriter's attorney fees.

Cost of Issuance. Includes costs of issuing a particular series of PID Bonds, including but not limited to issuer fees, attorney'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.

### **Other Costs**

Deposit to Administrative Fund. Equals the amount necessary to fund the first year's Annual Collection Costs for a particular series of PID Bonds.

## Costs of the Authorized Improvements

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

### Expected Costs of Authorized Improvements<sup>(a)</sup>

	Improvement Area #1	Improvement Area #2	Improvement Area #2
<b>Major Improvements<sup>(b)</sup></b>			
Clearing and Excavation	\$19,666	\$15,389	\$27,042
Erosion Control	3,800	2,974	5,226
Sanitary Sewer <sup>(c)</sup>	1,171,254	916,540	1,610,578
Storm Sewer	70,523	55,186	96,975
Pavement	827,479	647,526	1,137,857
Landscape and Hardscape	301,999	236,323	415,275
Soft Costs <sup>(d)</sup>	561,911	439,712	772,677
Subtotal	\$2,956,632	\$2,313,650	\$4,065,630
<b>Improvement Area #1 Improvements</b>			
Clearing and Excavation	\$180,318	-	-
Erosion Control	36,825	-	-
Sanitary Sewer <sup>(c)</sup>	1,120,789	-	-
Storm Sewer	1,070,911	-	-
Pavement	2,011,041	-	-
Soft Costs <sup>(d)</sup>	1,053,889	-	-
Subtotal	\$5,473,773	-	-
<b>Improvement Area #2 Improvements</b>			
Clearing and Excavation	-	\$69,615	-
Erosion Control	-	14,400	-
Sanitary Sewer <sup>(c)</sup>	-	311,724	-
Storm Sewer	-	247,899	-
Pavement	-	1,773,137	-
Soft Costs	-	577,362	-
Subtotal	-	\$2,994,137	-
<b>Improvement Area #3 Improvements</b>			
Clearing and Excavation	-	-	\$142,185
Erosion Control	-	-	27,450
Sanitary Sewer <sup>(c)</sup>	-	-	950,232
Storm Sewer	-	-	994,753
Pavement	-	-	2,143,263
Soft Costs <sup>(d)</sup>	-	-	1,016,529
Subtotal	-	-	\$5,274,412
<b>Other Costs</b>			
Deposit to Administrative Fund	\$40,000	\$40,000	\$40,000
Rounding Amount	10	268	586
Subtotal	\$40,010	\$40,268	\$40,586
<b>Bond Issuance Costs<sup>(e)</sup></b>			
Debt Service Reserve Fund	\$592,675	\$441,582	\$794,682
Underwriter's Discount	248,310	185,100	334,530
Capitalized Interest			139,388
Costs of Issuance	538,005	401,050	724,815
Subtotal	\$1,378,990	\$1,027,732	\$1,993,414
<b>Total<sup>(2)</sup></b>	<b>\$9,849,405</b>	<b>\$6,375,788</b>	<b>\$11,374,042</b>

(a) Costs per Engineer's Report dated 1/22/2025.

(b) Major Improvement costs were allocated to Improvement Area #1 and apportioned to the property now within Improvement Area #2 and Improvement Area #3 at the time of the 2024 Amended and Restated Service and Assessment Plan.

(c) The City of Princeton will assume ownership and maintenance responsibility pursuant to an interlocal agreement.

(d) Soft Costs include planning, surveying, platting, engineering, staking, testing, inspection fees, miscellaneous and contingency.

(e) Bond Issuance Costs are preliminary estimates and subject to change. Bond Issuance Costs will be updated to reflect the actual cost if PID Bonds are issued and will be released in the event PID Bonds are not issued, as described in Exhibit D of the Service and Assessment Plan.

The funding for the Authorized Improvements (as defined herein) within the District will be structured through the issuance of bonds supported by special assessments within each designated Improvement Area and reimbursements from assessments within the District, as well as through contributions from the Developer. The total costs of the Authorized Improvements are approximately \$27,599,235. The City will finance approximately \$25,598,000\* of the project costs for the Authorized Improvements set forth in the Service and Assessment Plan from proceeds of the Bonds. Approximately \$162,008 will be reimbursed by the City pursuant to the Reimbursement Agreements, however, this amount will not be reimbursed from bond proceeds or any future installments of special assessments (as defined herein). See “APPENDIX C — Service and Assessment Plan.” Such costs were finalized and included in the Service and Assessment Plan approved in connection with the levy of the Special Assessments within each Improvement Area.

The total cost of the Improvement Area #1 Improvements, including the pro rata share of Major Improvements benefiting Improvement Area #1 (collectively, the “Improvement Area #1 Projects”), is approximately \$9,849,405, inclusive of bond issuance costs. Of this amount, approximately \$8,277,000\* is expected to be paid for with proceeds from the Bonds. The Developer will fund approximately \$162,008 of the Improvement Area #1 Projects, which may be eligible for reimbursement by the City pursuant to the applicable Reimbursement Agreement. The remaining \$1,410,397\* will be funded by the Developer and will not be subject to reimbursement by the City. As of May 1, 2025, the Developer has spent approximately \$9,768,905 on construction of the Improvement Area #1 Projects, which costs were funded with cash available to the Developer.

The total cost of the Improvement Area #2 Improvements, including the pro rata share of Major Improvements benefiting Improvement Area #2 (collectively, the “Improvement Area #2 Projects”), is approximately \$6,375,788\* inclusive of bond issuance costs. Of this amount, approximately \$6,170,000\* is expected to be paid for with proceeds from the Bonds. The remaining \$205,788\* will be funded by the Developer and will not be subject to reimbursement by the City. As of May 1, 2025, the Developer has spent approximately \$6,373,788 on construction of the Improvement Area #2 Projects, which costs were funded with cash available to the Developer.

The total cost of the Improvement Area #3 Improvements, including the pro rata share of Major Improvements benefiting Improvement Area #3 (collectively, the “Improvement Area #3 Projects”), is approximately \$11,374,042, inclusive of bond issuance costs. Of this amount, approximately \$11,151,000\* is expected to be paid for with proceeds from the Bonds. The Developer will fund approximately \$223,042\* of the Improvement Area #3 Projects, which will not be subject to reimbursement by the City. As of May 1, 2025, the Developer has spent approximately \$11,374,042 on construction of the Improvement Area #3 Projects, which costs were funded with cash available to the Developer.

The Developer may seek reimbursement for expenses related to the acquisition of land, easements or right of ways necessary to construct certain Authorized Improvement, inspection fees, maintenance bonds, and fees related to the City’s issuance of debt which may have been qualified tax-exempt obligations if the Bonds had not been issued. The reimbursement will be received from a portion of installment payments from special assessments collected within the District. See “APPENDIX C — Service and Assessment Plan.”

### **Ownership and Maintenance of the Authorized Improvements**

The Authorized Improvements have been dedicated to and accepted by the City or the City of Princeton, as applicable, and will constitute a portion of each of the respective entities’ infrastructure improvements. The City or the City of Princeton, as applicable, 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 134.906-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 located within the corporate limits and extraterritorial jurisdiction of the City, within central Collin County, 5 miles east of the City of McKinney and 3 miles west of the City of Princeton. Access to the City is provided by US Highway 380 on the City's northern boundary and FM546 to the south.

### **Development Plan and Status of Development**

The land within the District was acquired by the Developer through two separate transactions, both finalized in January 2022. The first acquisition involved approximately 54.538 acres of land, which was purchased for \$2,027,576.30 from the James M. Niemeyer Family Trust. The second acquisition comprised approximately 80.368 acres and was purchased for \$3,827,524.05 from individual sellers Harjodh S. Puar, Ravinder K. Puar, Vaqar Dar, and Farah Naz. Both acquisitions were completed as cash transactions, with no loans, mortgages, or other forms of third-party financing involved in either purchase.

The Development is located within the corporate limits of the City and in the City's ETJ along Highway 380. The project will include approximately 540 single-family lots across three designated "Improvement Areas".

Improvement Area #1 consists of approximately 64.722 acres within the City's corporate limits and includes 174 lots—comprising 73 lots with 40-foot frontages and 101 lots with 50-foot frontages. Construction of Improvement Area #1 Improvements was completed as of October 10, 2023.

Improvement Area #2 consists of approximately 23.615 acres within the City's corporate limits and includes 137 lots—comprising 87 lots with 40-foot frontages and 50 lots with 50-foot frontages. Construction of Improvement Area #2 Improvements was completed as of July 23, 2024.

Improvement Area #3 consists of approximately 46.568 acres in the City's ETJ and includes 229 lots—comprising 112 lots with 40-foot frontages and 117 lots with 50-foot frontages. Construction of Improvement Area #3 Improvements was completed as of December 10, 2024.

In addition to the improvements specific to each Improvement Area discussed above, the Developer has constructed the Major Improvements that benefit all of the property within the Development. Construction of the Major Improvements was completed in October of 2023. See "AUTHORIZED IMPROVEMENTS – Major Improvements."

The Development also includes the Amenities. These features are intended to provide recreational and communal spaces for residents of the District. The construction cost of the Amenities was approximately \$1,816,784.64. Construction of the Amenities was completed in January 2025.

Pursuant to the Development Agreement, upon approval and acceptance, the City will assume responsibility for the operation and maintenance of all City Public Improvements (as defined herein). The HOA will be responsible for maintaining open spaces, trails, landscaping, irrigation systems, screening walls, and a City public park to be dedicated by the Developer; however, the City may perform maintenance if the HOA fails to do so, using special assessment funds allocated for that purpose.



Construction of the Authorized Improvements within the District have been completed and the Developer anticipates that all of the lots in the District will be sold to homeowners by the second quarter of 2026. The infrastructure completion date and initial sale date of lots within each Improvement Area and by lot type in the District are shown in the following table.

**Buildout of Single-Family Lots**

Improvement Area	Lot Type	Number of Lots	Actual Infrastructure Completion Date	Initial Sale Date of Single-Family Lots to Homeowners
#1	1	73	October 2023	March 2024
	2	101	October 2023	March 2024
#2	3	87	July 2024	November 2024
	4	50	July 2024	November 2024
#3	5	112	December 2024	April 2025
	6	117	December 2024	April 2025
<b>Total</b>		<b><u>540</u></b>		

*Source: The Developer*

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

**Actual & Expected Sale of Single-Family Homes to Homeowners by Lot Type**

Sale Date	40'	50'	Total Lots
2024	79	82	161 <sup>(1)</sup>
2025	96	84	204 <sup>(2)</sup>
2026	96	84	204 <sup>(2)</sup>
2027	1	18	132 <sup>(2)</sup>
<b>Total</b>	<b><u>272</u></b>	<b><u>268</u></b>	<b><u>540</u></b>

(1) Actual single-family lots sold in year.

(2) Estimated total single-family lots sold in year.

*Source: The Developer*

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The Developer's current expectations regarding base lot and home prices in the District are as follows:

**Estimated Single-Family Lot and Home Prices<sup>(1)</sup>**

Improvement Area	Lot Type	Quantity	Estimated Average Base Lot Price	Estimated Base Home Price <sup>(1)</sup>
#1	1	73	\$79,276	\$396,380
	2	101	\$97,392	\$486,958
#2	3	87	\$79,276	\$396,380
	4	50	\$97,392	\$486,958
#3	5	112	\$79,276	\$396,380
	6	117	\$97,392	\$486,958
<b>Total</b>		<b><u>540</u></b>		

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

The status of lot ownership and the construction of homes within the District are as follows:

**Status of Lot and Home Construction within the District <sup>(1)</sup>**

IA #	Lot Type	Lots Owned by Developer	Lots Under Contract with Builder	Lots Owned by Builders	Homes Under Construction	Homes Under Contract with Homebuyer	Homes Closed to Homebuyer	Total Lots
1	1	0	0	0	0	0	73	73
	2	9	0	10	19	11	82	101
2	3	1	0	12	13	3	74	87
	4	2	0	7	9	3	41	50
3	5	107	0	0	21	9	5	112
	6	110	0	0	25	8	7	117
<b>Total</b>		<b><u>229</u></b>	<b><u>0</u></b>	<b><u>29</u></b>	<b><u>87</u></b>	<b><u>34</u></b>	<b><u>282</u></b>	<b><u>540</u></b>

Source: The Developer

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## Lot Purchase and Sale Agreement in the District

Brightland Homes entered into a contract with the Developer to purchase a total of 59 lots across two improvement areas from the Developer (the “Brightland Contract”). In Improvement Area #1, the builder agreed to acquire 10 - Type 1 lots at a base price of \$66,600 per lot and 19 - Type 2 lots at a base price of \$83,250 per lot. In Improvement Area #2, Brightland Homes will acquire 20 - Type 3 lots at a base price of \$66,600 per lot and 10 – Type 4 lots at a base price of \$83,250 per lot. In addition, Brightland Homes agreed to pay a \$1,500 amenity fee per lot.

All lots within each respective Improvement Area must be taken down within 30 days after the Developer satisfies all “Completion Requirements” set forth in the Brightland Contract. These Completion Requirements include, but are not limited to: (i) each lot meeting the required building pad dimensions; (ii) delivery of engineer certifications confirming that all infrastructure has been completed in accordance with the approved construction plans; (iii) acceptance of all public improvements (including streets, utilities, and drainage systems) by the applicable governmental authorities; (iv) installation and availability of permanent underground electric, gas, water, sewer, cable, and telephone services to each lot, located within public rights-of-way or easements; (v) compliance with all governmental regulations necessary to allow for immediate issuance of building permits; (vi) completion of all required grading and retaining walls; (vii) installation of street signs and street lights; (viii) confirmation that all lots are located outside the 100-year floodplain, including submission of necessary FEMA documentation; (ix) recordation and delivery of the final plat and address plat; (x) marking of property corners; (xi) completion and delivery of final soils and compaction tests; (xii) implementation and documentation of erosion control measures; (xiii) payment of all applicable fees, impact charges, and assessments; (xiv) removal of all debris, brush, and rocks from the lots; (xv) installation of mailboxes in accordance with USPS standards; and (xvi) recordation and delivery of all HOA governing documents to Brightland Homes.

Brightland Homes advanced \$250,000 in earnest money under the Brightland Contract, all of which has been released to the Developer.

### Lot Purchase and Sale Agreement

Builder	Total Lots	IA #	Lot Types	Base Price Per Lot <sup>(1)</sup>	Takedown Schedule
Brightland Homes	59	1	Type 1 (40’ Lots):10	\$66,600	All within 30 days of Improvement Area #1 Completion Date
			Type 2 (50’ Lots): 19	\$83,250	
		2	Type 3 (40’ Lots): 20	\$66,600	All within 30 days of Improvement Area #2 Completion Date
			Type 4 (50’ Lots): 10	\$83,250	

(1) Does not include \$1,500 amenity fee.

## Development Agreements

The City entered into a Development Agreement with Developer, effective as of January 22, 2022, for the development of a planned residential community (as amended, the “Development Agreement”). Under the Development Agreement, the Developer is responsible for the design, construction, and installation of all public improvements, which include streets, drainage, water and sanitary sewer systems, parks, open space, landscaping, and trails serving the District. 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 and the City agreed to issue bonds up to \$45,000,000. The Development Agreement also requires remittance of a fee equal to \$2,500 per residential lot upon issuance of bonds.

All public improvements, except certain water improvements and wastewater improvements, are to be built to the standards and regulation of the City (“City Public Improvements”). The water improvements will be constructed to the standards of Milligan WSC, which holds the water certificate of convenience and necessity to provide water service for the area. Wastewater improvements, including oversized wastewater improvements, will be constructed per the standards of Princeton, which holds the wastewater certificate of convenience and necessity.

The Developer is required to obtain plan approvals, provide two-year maintenance bonds for City Public Improvements, and dedicate necessary easements or rights-of-way, at no cost to the City. The costs of easements and rights-of-ways are reimbursable through bonds or assessments. Additionally, the Developer agreed to construct a 1.0 million gallon per day lift station and a 2-mile force main to serve the District and a 45-acre adjacent area. For roadway improvements, the Developer agreed provide access to U.S. 380 and construct internal streets per an approved Traffic Impact Analysis. Land and easement costs for both internal and offsite improvements are reimbursable through the PID, with no direct City funding obligation. The City will inspect all City Public Improvements and charge a 3% inspection fee, which may also be reimbursed through the PID. Upon acceptance, the City Public Improvements will be owned and maintained by the City, while water and wastewater improvements will be transferred to Milligan WSC and Princeton, respectively, unless temporary City ownership is needed for reimbursement. See “APPENDIX F – Development Agreement.”

### **Non-Standard Wastewater Service Agreement**

The City entered the Interlocal Agreement with Princeton, effective as of November 12, 2024, which established the terms under which Princeton will own, operate, and maintain certain public improvements—specifically sanitary sewer and wastewater infrastructure—located within the District. Under the Interlocal Agreement, the Developer is to construct improvements in accordance with the NSW Agreement and after construction, the Developer will convey certain improvements to Princeton for ownership, operation and maintenance.

The NSW Agreement outlines the construction and provision of wastewater infrastructure for the Development. The Developer will build all wastewater facilities—including sewer lines, a lift station, and a force main line in compliance with Princeton’s standards. Upon completion, these facilities will be conveyed to Princeton, which will be solely responsible for their operation, maintenance, and repair. The NSW Agreement covers terms related to engineering, inspection, acceptance, easement acquisition, and bonding requirements. Additionally, the NSW Agreement obligates Princeton to provide wastewater service for up to 723 equivalent single-family connections (“ESFCs”), subject to regulatory approvals and coordination with the area’s water provider for billing and enforcement.

The NSW Agreement establishes a connection fee of \$4,559 per ESFC, fixed for five years, with potential increases in the future and ensures retail wastewater service capacity will be available to support full buildout of the Development.

### **Non-Standard Water Service Agreement**

The Developer Milligan Water Supply Corporation (“WSC”) entered into the Milligan Water Supply Corporation Non-Standard Service Contract (the “WSC Agreement”), effective as of November 10, 2021, which outlines the provision of water service to the Development. Under the WSC Agreement, WSC is required to design and construct a 12-inch water line, booster pump, and a 300,000-gallon elevated storage tank (“EST”), while the Developer will design and construct on-site water infrastructure per WSC and regulatory standards. The Developer is responsible for securing all necessary easements, covering all design, construction, inspection, legal, and permitting costs. Upon completion, the infrastructure is required to be dedicated to and maintained by WSC, provided it meets inspection and engineering standards, and a two-year maintenance bond is provided. The Developer is required to impose restrictions on private water systems within the Development and ensure compliance with WSC rules and regulations and WSC will provide water service after the infrastructure is dedicated and accepted.

### **Reimbursement Agreements**

“Improvement Area #1 Reimbursement Agreement” means, the “Agreement for Construction and Funding of Authorized Improvements and Reimbursement of Advances Improvement Area #1 Projects” between the City and the Developer relating to the Bonds, effective August 8, 2023, which provides, in part, for the appointment, levying and collection of assessments against property within Improvement Area #1 of the District, the construction and maintenance of the Authorized Improvements within Improvement Area #1 in the District, the issuance of bonds and other matters related thereto.

“Improvement Area #2 Reimbursement Agreement” means, the “Simpson Road Public Improvement District Improvement Area #2 Reimbursement Agreement” between the City and the Developer relating to the Bonds, effective September 10, 2024, which provides, in part, for the appointment, levying and collection of assessments against property within Improvement Area #2 of the District, the construction and maintenance of the Authorized Improvements within Improvement Area #2 in the District, the issuance of bonds and other matters related thereto.

“Improvement Area #3 Reimbursement Agreement” means, the “Simpson Road Public Improvement District Improvement Area #3 Reimbursement Agreement” between the City and the Developer relating to the Bonds, effective March 11, 2025, which provides, in part, for the appointment, levying and collection of assessments against property within Improvement Area #3 of the District, the construction and maintenance of the Authorized Improvements within Improvement Area #3 in the District, the issuance of bonds and other matters related thereto.

“Reimbursement Agreements” means collectively, the Improvement Area #1 Reimbursement Agreement, the Improvement Area #2 Reimbursement Agreement, and the Improvement Area #3 Reimbursement Agreement.

See “APPENDIX G – Reimbursement Agreements.”

### **Additional Improvements**

The Developer completed construction of the Amenities, including a greenbelt, kid’s splash pad, playground, trails, cabana, and a resort-style pool, in January 2025 which cost approximately \$1,816,784.64. The costs of the Amenities were paid with cash available to the Developer and will not be reimbursed by the City. The Amenities will be owned and maintained by the HOA.

The cost of the Private Improvements, including certain landscaping, hardscaping, irrigation, screening, and other materials associated with the improvement of open spaces, in the amount of \$3,495,286, will be paid by the Developer with cash available to the Developer and will not be reimbursed by the City. Construction of the Private Improvements were completed in January 2025. As of May 1, 2025, the Developer has spent approximately \$3,495,286 on construction of the Private Improvements, which costs were funded with cash available to the Developer.

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### **Photograph of the Development**

The following photograph shows an aerial view of the District.



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## **Zoning/Permitting**

The portion of the District located with the City is currently zoned under R-4 base zoning and a zoning ordinance (the “Zoning Ordinance.”) The Zoning Ordinance allows certain residential uses and establishes guidelines pertaining to purpose, height, area, and setbacks. Because the District lies partially 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 Zoning Ordinance or Development Agreement. The Development Agreement includes regulations specifying minimum dwelling size, maximum building height, off street parking, and subdivision requirements. The project is subject to the City’s approval of plans, inspections, and adherence to the Development Agreement. The Developer has received all required permitting from the City.

## **Traffic Impact Analysis**

Kimley-Horn and Associates, Inc. prepared Traffic Impact Analysis No. 061179300 for the District (the “TIA”) dated July 11, 2022. In accordance with the findings of the TIA, the Developer agreed to establish access to the Development via a connection to U.S. 380, contingent upon approval from the City, the City of Princeton, and the Texas Department of Transportation (TxDOT), within each entity’s legal authority. The City has agreed to assist the Developer in interactions with TxDOT regarding this connection. Any costs incurred by the Developer for acquiring easements or rights of way for portions of U.S. 380 constructed outside the District boundaries are eligible for reimbursement through the District in accordance with the Development Agreement.

## **Education**

The Development is served by McKinney ISD. McKinney ISD encompasses 109 square miles and serves Collin and Fannin Counties. McKinney ISD operates twenty-two elementary schools, five middle schools, and three high schools. Webb Elementary School, which is approximately 5.6 miles from the District, Scott Morgan Johnson Middle School, which is approximately 8.1 miles from the District, and McKinney High School, which is approximately 7.9 miles from the District, are expected to serve residents in the District. According to the Texas Education Agency (“TEA”) annual school report cards, Webb Elementary School was rated “C”, Scott Morgan Johnson Middle School was rated “B” and McKinney High School was rated “A” 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 Webb Elementary School a 4/10, Scott Morgan Johnson Middle School a 7/10 and McKinney High School a 6/10.

## **Environmental**

Site Evaluation. A Phase One Environmental Site Assessment of the property within the District (the “Phase One ESA”) was completed on November 20, 2020. Based on the information presented in the Phase One ESA, there was no evidence that the Development was under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review and historical source review revealed no evidence of recognized environmental conditions involving the site.

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 Special 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) a pipeline easement to Atmos Energy, and (ii) various easements to Milligan WSC related to water lines.

### **Utilities**

Water and Wastewater. Milligan WSC will provide water to the residents of the District. Milligan WSC purchases all of its water from NTMWD. NTMWD provides wholesale water to a service area comprised of 13 Member Cities and 34 Customer Cities and Utilities, serving about 2.3 million people across a 2,200-square mile service area in North Texas. The City of Princeton will provide wastewater and sewer service to residents of the District.

Additional Utilities. The Developer anticipates additional utilities to be provided by: (1) Telecom – ATT; (2) Electric – Oncor; and (3) Natural Gas – Atmos Energy.

## **THE DEVELOPER**

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City 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 wholly owned by Meritage Homes of Texas Holding, Inc., which is wholly owned by Meritage Homes Corporation (“MTH”). Meritage was created by MTH for the purpose of acquiring, owning, holding, managing, operating, investing, reinvesting, accumulating, improving, and developing residential housing upon property located in the State, including developing, managing, and ultimately conveying property to third parties.



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

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

### **Description of Past and Current Projects of the Developer**

<b>Name of Community</b>	<b>City</b>	<b>Number of Lots</b>	<b>Status of Development</b>
Stonehaven	Seagoville	809	In Development
Trails of Lavon	Lavon	651	In Development
Brookside	Princeton	328	Fully Developed

### **Executive Biographies of Meritage**

Austin Woffinden, Dallas/Fort Worth (DFW) Area President. Mr. Woffinden strategically leads and directs Meritage’s Dallas/Fort Worth Division to ensure attainment of established business plans and plays an active role in developing, implementing, and achieving the strategic and annual operating goals. Mr. Woffinden holds a Doctor of Jurisprudence from Arizona State University and a Bachelor of Science from Brigham Young University and served as Division Vice President for the Meritage Phoenix Division prior to his current role in the Dallas/Fort Worth Division.

### **History and Financing of the District**

The land within the District was acquired through two separate transactions, both finalized in January 2022. The first acquisition involved approximately 54.538 acres of land, which was purchased for \$2,027,576.30 from the James M. Niemeyer Family Trust. The second acquisition comprised approximately 80.368 acres and was purchased for \$3,827,524.05 from individual sellers Harjodh S. Puar, Ravinder K. Puar, Vaqar Dar, and Farah Naz. Both acquisitions were completed as cash transactions, with no loans, mortgages, or other forms of third-party financing involved in either purchase.

The total cost of the Authorized Improvements is forecasted to be approximately \$23,198,957 (excluding costs of issuance of the Bonds).

The funding for the Authorized Improvements within the District will be structured through the issuance of bonds supported by special assessments within each designated Improvement Area. Improvement Area #1 is anticipated to be funded through a gross assessment of approximately \$8,277,000\*. The Developer will fund approximately \$162,008 of the Improvement Area #1 Projects, which may be eligible for reimbursement by the City pursuant to the applicable Reimbursement Agreement. The Developer will fund approximately \$1,410,397\* of the Improvement Area #1 Projects, which amount will not be subject to reimbursement by the City. Improvement Area #2 has an estimated gross assessment of \$6,170,000\*, with a developer contribution of approximately \$205,788, which will not be reimbursed by the City. Improvement Area #3 is expected to be funded through a gross assessment of approximately \$11,151,000\*, with a developer contribution of about \$223,042, which is not subject to reimbursement by the City.

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 \$25,598,000\* 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 \$27,516,735 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 in the District.

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.

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\* Preliminary, subject to change.

## 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 Special 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 Special 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 Special Assessments are billed to property owners of Assessed Property. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as 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 Special 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 Special Assessment that is also delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Special Assessments, the liens securing such delinquent ad valorem taxes and delinquent Special Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Special Assessments would then be an unsecured personal liability of the original property owner.

Based upon the language of Texas Local Government Code, Section 372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to 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 Ordinances. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinances (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. It is unclear under State law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinances, no such homestead right was claimed. Furthermore, at the time the Improvement Area #1 Special Assessments were levied, the Developer owned 100% of the property within Improvement Area #1. At the time the Improvement Area #2 Special Assessments were levied, the Developer owned 100% of the property within Improvement Area #2. At the time the Improvement Area #3 Special Assessments were levied, the Developer owned 100% of the property within Improvement Area #3. Consequently, there are no homestead rights on the Assessed Property superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

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

THE SPECIAL ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE 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 Special 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 — 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 Special Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Special Assessments and could greatly reduce the value of the property within the District in the event such property has to be foreclosed. If Annual Installments of 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.

### **Absorption Rates**

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

### **Competition**

Development in the Lowry Crossing 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.

Example of a competitive projects in the area includes:<sup>(1)</sup>

Project Name	# of Units	Proximity to Development	Developer	Prices	# of Units Remaining to be Constructed
Magnolia Pointe Mud No. 1	2,702	10 Mile	D.R. Horton	\$230,990- \$340,990	626
Heritage PID No. 1 Improvement Area # 1	158	15 Miles	M/I Homes of Austin, LLC & Tri Pointe Homes Texas, Inc.	\$440,000- \$500,000	0
Lakepoint PID	480	15 Miles	Lavon Lakepoint Development, LLC	\$275,000- \$300,000	0

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

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

The ability of an owner of property within the District to pay the Special Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of 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 Special 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 Special 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 remediating 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. 48085C0295J, dated June 2, 2009, approximately two acres of land within the Development is located within current FEMA effective floodplain (Zone A). The Developer does not anticipate reclaiming any land within the floodplain. A Letter of Map Revision (“LOMR”) was required to define floodplain within the Development. The LOMR was approved and will become effective on July 14, 2025. The new FEMA effective floodplain per the approved LOMR is approximately seven acres. 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 Special 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 or of 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 Special Assessments, or delinquent ad valorem taxes, against such property owner.

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

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

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

## **Judicial Foreclosures**

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted 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 Special Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers’ right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

### **No Acceleration**

The Indenture does not contain a provision allowing for the acceleration of the principal of or interest on 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 Special Assessments, existing real estate and financial market conditions and other factors.

### **No Credit Rating**

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

### **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 provision of an adequate supply of water and sufficient capacity for the collection and treatment of wastewater. Milligan WSC and the Princeton currently have sufficient capacity to provide water and wastewater service to the District. If Milligan WSC fails to supply water or Princeton fails to provide 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**

Until all lots within the District are sold to residents, the Developer and any homebuilders will have the obligation for payment all or a portion of the Special Assessments. The ability of the Developer or homebuilders to make full and timely payment of the Special Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The sole assets of the Developer are cash from the sale of lots, 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 Special 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 District Projects 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 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 Ordinances, 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 Ordinances, and the Indenture.

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

#### **Litigation — The City**

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

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## **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.

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## **INFORMATION RELATING TO THE TRUSTEE**

The City has appointed BOKF, NA, 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.bokfinancial.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.

## **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.

## **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 LOWRY CROSSING, TEXAS

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Mayor



## 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 38 miles northwest of Dallas. Access to the City is provided by US Highway 380. The City covers approximately 3 square miles. The City's 2020 census population was 1,720. The City's 2025 population estimate is 2,000.

#### Historical Employment in Collin County

	<u>2025<sup>(1)</sup></u>	<u>2024</u>	<u>Average Annual</u> <u>2023</u>	<u>2022</u>	<u>2021</u>
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.

<u>Employer</u>	<u>Employees</u>
State Farm Insurance Corporate Office	10,000
JP Morgan 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

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 18 miles from the City		Approximately 28 miles from the City		Approximately 23.4 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 8.8 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 38 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 LOWRY CROSSING, TEXAS**

and

**BOKF, NA,  
as Trustee**

**DATED AS OF JUNE 1, 2025**

SECURING

**\$ \_\_\_\_\_  
CITY OF LOWRY CROSSING, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT PROJECTS)**

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## INDENTURE OF TRUST

THIS INDENTURE OF TRUST (the "Indenture"), dated as of June 1, 2025 is by and between the CITY OF LOWRY CROSSING, TEXAS (the "City"), and BOKF, NA, 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 partially within the corporate limits of the City and partially within the extraterritorial jurisdiction of the City to be known as the Simpson Road Public Improvement District (the "District"); and

WHEREAS, the petition contained the signature of the owner of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Collin Central Appraisal District, and the signature of the property owner who owns 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 December 28, 2021, 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 December 28, 2021, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 108, 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 December 30, 2021, the City Secretary filed a copy of Resolution No. 108 with the county clerk of each county in which all or part of the District is located in accordance with the provisions of the PID Act; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after December 30, 2021; and

WHEREAS, on August 8, 2023, the City Council by Resolution No. 117 made findings and determinations relating to the Actual Costs of certain Improvement Area #1 Projects, received and accepted a preliminary service and assessment plan and a proposed assessment roll related to Improvement Area #1, called a public hearing for September 12, 2023 and directed City staff to (i) file said proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish and mail such notice relating to the September 12, 2023 hearing as required by Sections 372.016(b) and 372.016(c) of the PID Act; and

WHEREAS, on August 20, 2023 City staff, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *McKinney Courier Gazette/Celina Record*, a newspaper of general circulation in the City and in the part of the City's extraterritorial jurisdiction in which the District is located or in which the improvements are to be constructed, to consider the proposed service and assessment plan related to Improvement Area #1, including the Improvement Area #1 Assessment Roll and the levy of the Improvement Area #1 Assessments on property within Improvement Area #1 of the District; and

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

WHEREAS, the City Council opened and convened the hearing on September 12, 2023, 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 related to Improvement Area #1, the proposed Improvement Area #1 Assessment Roll and the proposed Improvement Area #1 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #1 Assessments, the allocation of estimated costs of the Improvement Area #1 Projects to the Assessed Parcels within Improvement Area #1 of the District, the purposes of the Improvement Area #1 Assessments, the special benefits of the Improvement Area #1 Projects, and the penalties and interest on Annual Installments of the Improvement Area #1 Assessments and on delinquent Annual Installments of the Improvement Area #1 Assessments; and

WHEREAS, there were no written objections or evidence submitted to the City Secretary in opposition to the service and assessment plan related to Improvement Area #1, the allocation of estimated costs of the Improvement Area #1 Projects to the Assessed Parcels located in Improvement Area #1, the Improvement Area #1 Assessment Roll, and the levy of the Improvement Area #1 Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, the City approved Ordinance No. 2023-365, which levied the Improvement Area #1 Assessments, and approved the service and assessment plan related to Improvement Area #1, including the Improvement Area #1 Assessment Roll, in conformity with the requirements of the PID Act; and

WHEREAS, the City Secretary of the City filed a copy of the Improvement Area #1 Assessment Ordinance not later than the seventh day after the date the City Council approved the Improvement Area #1 Assessment Ordinance and the service and assessment plan related to Improvement Area #1 with the County Clerk of Collin County; and

WHEREAS, on August 13, 2024, the City Council by Resolution No. 131 made findings and determinations relating to the Actual Costs of certain Improvement Area #2 Projects, received and accepted a preliminary amended and restated service and assessment plan and a proposed assessment roll related to Improvement Area #2, called a public hearing for September 10, 2024 and directed City staff to (i) file said proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish and mail such notice relating to the September 10, 2024 hearing as required by Sections 372.016(b) and 372.016(c) of the PID Act; and

WHEREAS, on August 18, 2024 City staff, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *McKinney Courier Gazette/Celina Record*, a newspaper of general circulation in the City and in the part of the City's extraterritorial jurisdiction in which the District is located or in which the improvements are to be constructed, to consider the proposed service and assessment plan related to Improvement Area #2, including the Improvement Area #2 Assessment Roll and the levy of the Improvement Area #2 Assessments on property within Improvement Area #2 of the District; and

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

WHEREAS, the City Council opened and convened the hearing on September 10, 2024, and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed service and assessment plan related to Improvement Area #2, the proposed Improvement Area #2 Assessment Roll and the proposed Improvement Area #2 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #2 Assessments, the allocation of estimated costs of the Improvement Area #2 Projects to the Assessed Parcels within Improvement Area #2 of the District, the purposes of the Improvement Area #2 Assessments, the special benefits of the Improvement Area #2 Projects, and the penalties and interest on Annual Installments of the Improvement Area #2 Assessments and on delinquent Annual Installments of the Improvement Area #2 Assessments; and

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

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, the City approved Ordinance No. 376, which levied the Improvement Area #2 Assessments, and approved the service and assessment plan related to Improvement Area #2, including the Improvement Area #2 Assessment Roll, in conformity with the requirements of the PID Act; and

WHEREAS, the City Secretary of the City filed a copy of the Improvement Area #2 Assessment Ordinance not later than the seventh day after the date the City Council approved the Improvement Area #2 Assessment Ordinance and the service and assessment plan related to Improvement Area #2 with the County Clerk of Collin County; and

WHEREAS, on February 11, 2025, the City Council by Resolution No. 140 made findings and determinations relating to the Actual Costs of certain Improvement Area #3 Projects, received and accepted a preliminary amended and restated service and assessment plan and a proposed assessment roll related to Improvement Area #3, called a public hearing for March 11, 2025 and directed City staff to (i) file said proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish and mail such notice relating to the March 11, 2025 hearing as required by Sections 372.016(b) and 372.016(c) of the PID Act; and

WHEREAS, on February 21, 2025 City staff, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *McKinney Courier Gazette/Celina Record*, a newspaper of general circulation in the City and in the part of the City's extraterritorial jurisdiction in which the District is located or in which the improvements are to be constructed, to consider the proposed Service and Assessment plan, the Improvement Area #3 Assessment Roll and the levy of the Improvement Area #3 Assessments (together with the Improvement Area #1 Assessments and the Improvement Area #2 Assessments, the "Special Assessments") on property within Improvement Area #3 of the District; and

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

WHEREAS, the City Council opened and convened the hearing on March 11, 2025, and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Service and Assessment Plan, the proposed Improvement Area #3 Assessment Roll and the proposed Improvement Area #3 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #3 Assessments, the allocation of estimated costs of the Improvement Area #3 Projects to the Assessed Parcels within Improvement Area #3 of the District, the purposes of the Improvement Area #3 Assessments, the special benefits of the Improvement Area #3 Projects, and the penalties and interest on Annual Installments of the Improvement Area #3 Assessments and on delinquent Annual Installments of the Improvement Area #3 Assessments; and

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

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, the City approved Ordinance No. 380, which levied the Improvement Area #3 Assessments, and approved the Service and Assessment Plan, including the Improvement Area #3 Assessment Roll, in conformity with the requirements of the PID Act; and

WHEREAS, the City Secretary of the City filed a copy of the Improvement Area #3 Assessment Ordinance not later than the seventh day after the date the City Council approved the Improvement Area #3 Assessment Ordinance and the Service and Assessment Plan with the County Clerk of Collin County; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Special Assessments for the purpose of (i) paying a portion of the Actual Costs of the District Projects, (ii) paying a portion of the costs incidental to the organization and administration of the District allocable to Improvement Area #1, Improvement Area #2 and Improvement Area #3, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the District Projects and other costs related to the issuance of the Bonds; and

WHEREAS, the City Council now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2025 (Simpson Road Public Improvement District Projects)", 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" means, with respect to an District Project, the actual costs of constructing or acquiring an District Project, paid by or on behalf of the Developer (either directly or through affiliates), including: (1) the costs for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such District Projects; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such District Projects; (3) the costs for external professional services, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) the costs for all labor, bonds, and materials, including equipment and fixtures, by contractors, builders, and materialmen engaged in connection with the acquisition, construction, or implementation of the District Projects; (5) all related permitting and public approval expenses, architectural, engineering, consulting, and governmental fees and charges; and (6) costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of construction costs if managed by or on behalf of the Developer.

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

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

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

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

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

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

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

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

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

“Annual Installment” means, with respect to each Assessed Parcel, each annual payment of the Special Assessments (including both principal of and interest on the Special Assessments) and with respect to the Improvement Area #1 Assessments, as shown in the table of Improvement Area #1 Annual Installments attached to the Service and Assessment Plan as Exhibit F-2 related to the Improvement Area #1 Projects, with respect to the Improvement Area #2 Assessments, as shown in the table of Improvement Area #2 Annual Installments attached to the Service and Assessment Plan as Exhibit G-2 related to the Improvement Area #2 Projects, and with respect to the Improvement Area #3 Assessments, as shown in the table of Improvement Area #3 Annual Installments attached to the Service and Assessment Plan as Exhibit H-3 related to the Improvement Area #3 Projects, each of which annual payment includes the Annual Collection Costs and the Additional Interest collected on each annual payment of the Special Assessments as described in Section 6.7 herein and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.



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

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

“Assessed Parcel” means each parcel of land located within any of Improvement Area #1, Improvement Area #2, or Improvement Area #3 of the District against which a Special Assessment is levied by one of the Assessment Ordinances in accordance with the Service and Assessment Plan.

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

“Assessment Ordinances” means, collectively, the Improvement Area #1 Assessment Ordinance, the Improvement Area #2 Assessment Ordinance, and the Improvement Area #3 Assessment Ordinance.

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

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

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

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

“Bond” means any of the Bonds.

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

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

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

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

“Bond Ordinance” means Ordinance No. [ ] adopted by the City Council on June 10, 2025 authorizing the issuance of the Bonds pursuant to this Indenture.

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

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

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

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

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

“Certification for Payment” means a certificate substantially in the form of Exhibit A to each Reimbursement Agreement or otherwise approved by the Developer and a City Representative, executed by the City Representative and Developer, delivered to a City Representative and the Trustee specifying the amount of work performed related to the Improvement Area #1 Project and/or the Improvement Area #2 Project and/or the Improvement Area #3 Project and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in an account of the Project Fund, as further described in each Reimbursement Agreement and Section 6.5 herein.

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

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

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

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

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

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

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

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office 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 Meritage Homes of Texas, LLC, and its successors or assigns.

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

“District Projects” means, collectively, the Improvement Area #1 Projects, the Improvement Area #2 Projects, and the Improvement Area #3 Projects.

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

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

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

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

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

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

“Improvement Area #1 Assessment Ordinance” means Ordinance No. 2023-365 adopted by the City Council on September 12, 2023, that levied the Improvement Area #1 Assessments on the Assessed Parcels located within Improvement Area #1 of the District.

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

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

“Improvement Area #1 Improvements” means the Authorized Improvements which only benefit property within Improvement Area #1 of the District, as described in Section III.B of the Service and Assessment Plan.

“Improvement Area #1 Projects Account” means the Account of such name established pursuant to Section 6.1.

“Improvement Area #1 Projects” means, collectively (i) the pro rata portion of the Major Improvements allocable to Improvement Area #1 and (ii) the Improvement Area #1 Improvements.

“Improvement Area #1 Reimbursement Agreement” means, the "Simpson Road Public Improvement District Improvement Area #1 Reimbursement Agreement" between the City and the Developer relating to the Bonds, effective August 8, 2023, which provides, in part, for the appointment, levying and collection of assessments against property within Improvement Area #1 of the District, the construction and maintenance of the Authorized Improvements within Improvement Area #1 in the District, the issuance of bonds and other matters related thereto.

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

“Improvement Area #2 Assessment Ordinance” means Ordinance No. 376 adopted by the City Council on September 10, 2024, that levied the Improvement Area #2 Assessments on the Assessed Parcels located within Improvement Area #2 of the District.

“Improvement Area #2 Assessment Roll” means, the Improvement Area #2 Assessment Roll attached as Exhibit G-1 to the Service and Assessment Plan or any other assessment roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Improvement Area #2 Assessments levied against each

Assessed Parcel located within Improvement Area #2 and related to the Bonds and the Improvement Area #2 Projects, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

“Improvement Area #2 Assessments” means the aggregate assessments shown on the Improvement Area #2 Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel within Improvement Area #2 of the District, as shown on the Improvement Area #2 Assessment Roll, and is subject to reallocation upon the subdivision of such Assessed Parcels located within Improvement Area #2 of the District or reduction according to the provisions of the Service and Assessment Plan and in the PID Act.

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

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

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

“Improvement Area #2 Reimbursement Agreement” means, the "Simpson Road Public Improvement District Improvement Area #2 Reimbursement Agreement" between the City and the Developer relating to the Bonds, effective September 10, 2024, which provides, in part, for the appointment, levying and collection of assessments against property within Improvement Area #2 of the District, the construction and maintenance of the Authorized Improvements within Improvement Area #2 in the District, the issuance of bonds and other matters related thereto.

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

“Improvement Area #3 Assessment Ordinance means Ordinance No. 380 adopted by the City Council on March 11, 2025, that levied the Improvement Area #3 Assessments on the Assessed Parcels located within Improvement Area #3 of the District.

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

“Improvement Area #3 Assessments” means the aggregate assessments shown on the Improvement Area #3 Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel within Improvement Area #3 of the District, as shown on the Improvement Area #3 Assessment Roll, and is subject to reallocation upon the subdivision of such Assessed Parcels located within Improvement Area #3 of the District or reduction according to the provisions of the Service and Assessment Plan and in the PID Act.

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

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

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

“Improvement Area #3 Reimbursement Agreement” means, the "Simpson Road Public Improvement District Improvement Area #3 Reimbursement Agreement" between the City and the Developer relating to the Bonds, effective March 11, 2025, which provides, in part, for the appointment, levying and collection of assessments against property within Improvement Area #3 of the District, the construction and maintenance of the Authorized Improvements within Improvement Area #3 in the District, the issuance of bonds and other matters related thereto.

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

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

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

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

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

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

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds. The Annual Debt Service due in September 1, 2025 is excluded from the calculation of the Maximum Annual Debt Service.

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

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

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

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

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

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

“PID Reimbursement Agreement” means collectively, the Improvement Area #1 Reimbursement Agreement, the Improvement Area #2 Reimbursement Agreement, and the Improvement Area #3 Reimbursement Agreement.

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

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

“Project Fund” means 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 “Simpson Road Public Improvement District 2025 Amended and Restated Service and Assessment Plan (June Update)” dated June 10, 2025, including the Assessment Rolls, as hereinafter amended, updated, and/or restated by an Annual Service Plan Update or otherwise.

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

“Special Assessments” means, collectively, the aggregate Improvement Area #1 Assessments, Improvement Area #2 Assessments and Improvement Area #3 Assessments as shown on the respective Assessment Rolls. The singular of such term means the Special Assessment levied against an Assessed Parcel, as shown on the respective Assessment Roll or in the Service and Assessment Plan, subject to reallocation upon the subdivision of an Assessed Parcel or reduction according to the provisions of the Service and Assessment Plan and the PID Act.



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

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

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

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

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

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

Section 1.2. Findings.

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

Section 1.3. Table of Contents, Titles and Headings.

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

Section 1.4. Interpretation.

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

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

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

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

## ARTICLE II

### THE BONDS

#### Section 2.1. Granting Clauses

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

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

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

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

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

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

Section 2.2. Security for the Bonds.

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

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

Section 2.3. Limited Obligations.

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

Section 2.4. Authorization for Indenture.

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

Section 2.5. Contract with Owners and Trustee.

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

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

## ARTICLE III

### AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

#### Section 3.1. Authorization of the Bonds.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$\_\_\_\_\_ for the purpose of (i) paying a portion of the Actual Costs of the District Projects, (ii) paying a portion of the costs incidental to the organization and administration of the District allocable to Improvement Area #1, Improvement Area #2 and Improvement Area #3, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the District Projects and other costs related to the issuance of the Bonds.

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

(a) The Bonds shall be dated June 30, 2025 and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond for the Bonds, which shall be numbered T-1.

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

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

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

#### Section 3.3. Conditions Precedent to Delivery of Bonds.

(a) The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase

price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery (which delivery may be via electronic mail in portable document (PDF) or similar format) to the Trustee of:

- (i) a certified copy of the Improvement Area #1 Assessment Ordinance;
- (ii) a certified copy of the Improvement Area #2 Assessment Ordinance;
- (iii) a certified copy of the Improvement Area #3 Assessment Ordinance;
- (iv) a certified copy of the Bond Ordinance;
- (v) an executed copy of the Improvement Area #1 Reimbursement Agreement;
- (vi) an executed copy of the Improvement Area #2 Reimbursement Agreement;
- (vii) an executed copy of the Improvement Area #3 Reimbursement Agreement;
- (viii) a copy of this Indenture executed by the Trustee and the City; and
- (ix) a City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the Purchaser to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City.

Section 3.4. Medium, Method and Place of Payment.

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

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

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

(d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon

presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

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

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

#### Section 3.5. Execution and Registration of Bonds.

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

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

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

State of Texas, is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State of Texas.

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

Section 3.6. Ownership.

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

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

Section 3.7. Registration, Transfer and Exchange.

(a) So long as any Bond remains Outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will, 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 scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchanged Bonds or replacement Bonds are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall dispose of cancelled Bonds in accordance with the records retention requirements of the Trustee.

#### Section 3.9. Temporary Bonds.

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

\*Stated Maturity

**Term Bonds Maturing September 15, 20**

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

[illegible]

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

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

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

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

Section 4.3. Optional Redemption.

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

Section 4.4. Extraordinary Optional Redemption.

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

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

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

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

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

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

Section 4.6. Notice of Redemption to Owners.

(a) The Trustee shall receive written notice from the City of the City's intention to conduct an optional redemption of Bonds not less than 45 days prior to the required notice mailing date provided below. Upon written notification by the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds are in book-entry-only form and held by DTC as security depository, references to Owner in this Indenture 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 Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available 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. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

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

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed pursuant to Section 4.3 or 4.4 hereof on such date by setting aside and holding

in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

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

Section 4.8. Effect of Redemption.

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

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

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

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

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

Section 5.2. CUSIP Registration.

The City may secure identification numbers through the CUSIP Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association, New York, New

York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof; and neither the City, the Trustee, nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners of the Bonds and that neither the City nor the Trustee shall be liable for any inaccuracies of such numbers.

Section 5.3.        Legal Opinion.

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

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1.        Establishment of Funds and Accounts.

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

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

(b)    Creation of Accounts.

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

- (A)    Bond Pledged Revenue Account.

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

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

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

- (A)    Improvement Area #1 Projects Account;



- (B) Improvement Area #2 Projects Account;
- (C) Improvement Area #3 Projects Account; and
- (D) 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 Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds.

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

#### Section 6.2. Initial Deposits to Funds and Accounts.

(a) The proceeds from the sale of the Bonds, as well as amounts collected from assessments levied for the Authorized Improvements and paid to the Trustee, will be deposited as follows:

- (i) to the Capitalized Interest Account of the Bond Fund: \$\_\_\_\_\_;
- (ii) to the Reserve Account of the Reserve Fund: \$\_\_\_\_\_;
- (iii) to the Improvement Area #1 Projects Account of the Project Fund: \$\_\_\_\_\_;
- (iv) to the Improvement Area #2 Projects Account of the Project Fund: \$\_\_\_\_\_;
- (v) to the Improvement Area #3 Projects Account of the Project Fund: \$\_\_\_\_\_;
- (vi) to the Costs of Issuance Account of the Project Fund: \$\_\_\_\_\_;  
and
- (vii) to the District Administration Account of the Administrative Fund: \$\_\_\_\_\_.

Section 6.3. Pledged Revenue Fund.

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

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

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

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

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

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

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

Section 6.4. Bond Fund.

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

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

<u>Date</u>	<u>Amount (\$)</u>
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Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #3 Improvements Account of the Project Fund, pursuant to instructions included in one or more City Certificates, or if the Improvement Area #3 Improvements Account of the Project Fund have been closed as provided in Section 6.5(f) herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1 hereof. Money on deposit in the Improvement Area #1 Projects Account of the Project Fund shall only be used to pay Actual Costs of Improvement Area #1 Projects, money on deposit in the Improvement Area #2 Projects Account of the Project Fund shall only be used to pay Actual Costs of Improvement Area #2 Projects and money on deposit in the

Improvement Area #3 Projects Account of the Project Fund shall only be used to pay Actual Costs of Improvement Area #3 Projects.

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

(c) Disbursements from any of the Improvement Area #1 Projects Account of the Project Fund, the Improvement Area #2 Projects Account of the Project Fund or the Improvement Area #3 Projects Account of the Project Fund to pay Actual Costs of the District Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed applicable Certification for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from any of the Improvement Area #1 Projects Account of the Project Fund, the Improvement Area #2 Projects Account of the Project Fund, or the Improvement Area #3 Projects Account of the Project Fund pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the PID Reimbursement Agreements or as provided in such written direction. Such provisions and procedures related to such disbursements contained in the PID Reimbursement Agreements, and no other provisions of the PID Reimbursement Agreements, are herein incorporated by reference and deemed set forth herein in full.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in any of the Improvement Area #1 Projects Account of the Project Fund, the Improvement Area #2 Projects Account of the Project Fund or the Improvement Area #3 Projects Account of the Project Fund are not expected to be expended for purposes of such Account due to the abandonment, or constructive abandonment, of the Improvement Area #1 Projects, the Improvement Area #2 Projects or the Improvement Area #3 Projects, respectively, such that, in the opinion of the City Representative, it is unlikely that the amounts in any of the Improvement Area #1 Projects Account of the Project Fund, Improvement Area #2 Projects Account of the Project Fund or the Improvement Area #3 Projects Account of the Project Fund will ever be expended for the respective purposes of such Account, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #1 Projects Account of the Project Fund and/or the Improvement Area #2 Projects Account of the Project Fund and/or the Improvement Area #3 Projects Account of the Project Fund that are not expected to be used for the respective purposes of such Account. If such City Certificate is so filed, the amounts identified in the City Certificate on deposit in the Improvement Area #1 Projects Account of the Project Fund and/or the Improvement Area #2 Projects Account of the Project Fund and/or the Improvement Area #3 Projects Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

(e) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant. The Trustee shall be permitted to rely fully on any Certification for Payment, City Certificate, or other written direction received pursuant to this Indenture without investigation.

(f) Upon the filing of a City Certificate stating that all Improvement Area #1 Projects have been completed and that all Actual Costs of the Improvement Area #1 Projects have been paid, or that any such Actual Costs of the Improvement Area #1 Projects are not required to be paid from the Improvement Area #1 Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the City or its designee,

the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #1 Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund and (ii) shall close the Improvement Area #1 Projects Account. Upon the filing of a City Certificate stating that all Improvement Area #2 Projects have been completed and that all Actual Costs of the Improvement Area #2 Projects have been paid, or that any such Actual Costs of the Improvement Area #2 Projects are not required to be paid from the Improvement Area #2 Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #2 Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund and (ii) shall close the Improvement Area #2 Projects Account. Upon the filing of a City Certificate stating that all Improvement Area #3 Projects have been completed and that all Actual Costs of the Improvement Area #3 Projects have been paid, or that any such Actual Costs of the Improvement Area #3 Projects are not required to be paid from the Improvement Area #3 Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #3 Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund and (ii) shall close the Improvement Area #3 Projects Account. If the Improvement Area #1 Projects Account, the Improvement Area #2 Projects Account and the Improvement Area #3 Projects Account have been closed as provided above and the Cost of Issuance Account of the Project Fund has been closed pursuant to the provisions of Section 6.5(g), the Project Fund shall be closed.

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

#### Section 6.6. Redemption Fund.

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

#### Section 6.7. Reserve Fund.

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

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

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

(d) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the City and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a City Certificate to be applied to the redemption of the Bonds as detailed in the City's written direction. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds to be redeemed with Prepayments multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayments toward payment of accrued interest, there are insufficient funds in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds to be redeemed, as identified in a 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 online portfolio access. Such excess shall be transferred to the Principal and Interest Account of the Bond Fund to be used for the payment of debt service on the Bonds on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within 30 days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to a specified Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the Closing Date, or (iii) for such other use specified in such City Certificate if the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond.

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

(g) Following the collection of the final Annual Installment of Improvement Area #1 Assessments, Improvement Area #2 Assessments or Improvement Area #3 Assessments, respectively, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account related to such Special Assessment, shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds.

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

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

Section 6.8. Rebate Fund; Rebate Amount.

(a) There is hereby established a special fund of the City to be designated "City of Lowry Crossing, 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 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, including funds for which the Trustee and/or its affiliates provide investment advisory or other management services; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investments with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentences, amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in Section 7.5(a) hereof) on the Bonds, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond. Investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds or Accounts may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investments or investment pool in which such money is invested and the share thereof purchased



with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions, which may include electronic direction, with respect to investments of funds, the Trustee is hereby directed to invest and re-invest cash balances in Cavanal Hill Government Securities Fund (CUSIP 14956P836, APCXX) as standing instructions; provided, however, that money required to be expended from any Fund or Account will be available at the proper time or times.

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no discretion for investing funds or advising any parties on investing funds 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 or the sale of any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments. The parties acknowledge that the Trustee is not providing investment supervision, recommendations or advice.

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

(e) By providing the City with access to its online portfolio system, 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; 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 City Certificates pursuant to Section 6.10(a) that such an investment will comply with the City's investment policy and with the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

Section 6.11. Security of Funds.

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

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Special Assessments.

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

Section 7.2. Collection and Enforcement of Special Assessments.

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

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

Section 7.3. Against Encumbrances.

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

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

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds or any interest thereon remain Outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Special Assessments. The Trustee and the Owners of any Bonds or any duly authorized agent or agents of such Owners shall have the right, but not the responsibility or duty, at all reasonable times to inspect the project and all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than 30 days after the City receives such request. 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.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) No Private Loan.

(i) Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such

Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

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

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

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

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

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

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

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

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such

purchase by measures designed to ensure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall, pursuant to a City Certificate, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such City Certificate and direct the Trustee to pay to the United States from the Rebate Fund the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, 100% of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, 90% of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

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

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

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

## ARTICLE VIII

### LIABILITY OF CITY

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

In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any

error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Indenture, the Bonds, the 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 Administrator 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 Registrar and Paying Agent 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 sole and exclusive judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Administrative Fund, and to the extent money in the Administrative Fund is insufficient, from the Pledged Revenue Fund to pay all costs, fees, and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

#### Section 9.3. Responsibilities of the Trustee.

(a) The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility for and undertakes no duty to verify the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds or 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 project, or the compliance of the project with the PID Act or the tax-exempt status of the Bonds, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the 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; (v) undertaking any other action unless specifically authorized pursuant to a written direction by the City or pursuant to this Indenture; or (vi) the use of Bond proceeds or sufficiency of said proceeds or cash flow to accomplish the intended objective of the financing. The Trustee has the right to act through



agents and attorneys and shall have no liability for the negligence or willful misconduct of the agents and attorneys appointed with due care.

(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 right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty or obligation 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.

(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 no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture.

(d) The Trustee, before the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If any Event of Default occurred and continues, the Trustee shall exercise such rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in exercising any rights or remedies or performing any of its duties hereunder.

(e) 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.

(f) The Trustee shall not be responsible for any recital herein (except with respect to the authentication certificate of the Trustee endorsed on the Bonds) or 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 or for any financial report received by the Trustee or express any opinion concerning the contents of any financial report or the official statement or offering memorandum prepared in connection with the Bonds and shall have no responsibility for the contents or accuracy of such reports of the official statement or offering memorandum prepared in connection with the Bonds.

(g) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application of any Bonds or the proceeds thereof or of any money paid to or upon the order of the City under any provision of this Indenture.

(h) The Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it is established that the Trustee was [grossly] negligent in ascertaining the pertinent facts.

(i) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of at least 25% of the aggregate outstanding principal of the Bonds 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.

(j) 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 Trustee has actual knowledge of an Event of Default. Notwithstanding the foregoing or anything to the contrary contained herein, no notice to the Trustee shall be deemed given to or received by the Trustee unless actually delivered to an officer of the Trustee having responsibility under this Indenture.

(k) Before taking any action under this Indenture (other than making any deposits, payments or transfers prior to an Event of Default when required hereunder), the Trustee may require that a satisfactory indemnity 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 which it adjudicated to have resulted from its negligence or willful misconduct.

(l) 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.

(m) 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 the Trustee shall be entitled to rely and act upon the opinion or advice of its own counsel, 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. The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon such opinion or advice.

(n) The Trustee shall have the right but not the obligation to act as directed by the Owners of at least a majority of the aggregate outstanding principal of the Bonds and shall not be liable in taking any action so directed if the Trustee acts in the absence of bad faith.

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 holders 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 and the Development Agreement, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into and shall not be deemed to have knowledge of any statements contained or matters referred to in any such instrument or verify any calculations in connection therewith. The Trustee may consult with counsel, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith. 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 to 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.

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.

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 Administrative Fund, upon written direction of the City, compensation for all services rendered by it hereunder, including its services as Registrar and Paying Agent, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, upon delivery of an invoice therefor to the City, and the Trustee shall have a lien therefor on any and all funds at any time held by it in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, from any moneys in the Pledged Revenue 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. The Trustee shall not be required to make any disbursement of funds until having collected funds. If the City fails to make any payment required by this Section, the Trustee may make such payment from any moneys in the Administrative Fund and shall have a first lien with right of payment before payment on account of principal of or interest on any Bonds, upon all moneys in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, then from any moneys in its possession (except the Rebate Fund) under any provisions hereof for the foregoing reasonable advances, fees, costs, and expenses incurred. The right of the Trustee to fees, expenses, and indemnification shall survive the release, discharge, and satisfaction of the Indenture.

Section 9.7.        Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds 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 holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the holders of a majority in aggregate outstanding principal amount of the Bonds. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct, as finally adjudicated by a court of competent jurisdiction.

Section 9.8.        Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor. Notwithstanding the foregoing, if, after 60 days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no

expense to the City, and such resignation shall take effect upon the court's appointment of a successor Trustee.

Section 9.9.            Removal of Trustee.

The Trustee may be removed at any time by the Owners of at least 25% of the Outstanding Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City. 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 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 at least 25% of the aggregate Outstanding principal of the Bonds.

Section 9.10.          Successor Trustee.

(a)     If the Trustee resigns, is removed, is dissolved, or becomes incapable of acting, or is adjudged as 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 25% of the Outstanding Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

(c)     Unless and until such successor Trustee shall have been appointed by the Owners of at least 25% of the Outstanding Bonds, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds.

(d)     If in a proper case no appointment of a successor Trustee is made within 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, and the payment of the fees and expenses owed to the predecessor Trustee shall be paid in full.

(e)     Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital

and surplus and undivided profits aggregating at least \$50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

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

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

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing, including any supplement or amendment to this Indenture, 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 from the Closing Date. 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, to the Trustee, the Trustee shall file continuation statements of such initial financing statement(s) in the same jurisdictions as the initial

financing statement(s), for such initial financing statements on which it is named as secured party, copies of which have been previously provided to the Trustee. Unless the Trustee is otherwise notified in writing by the City, the Trustee may rely upon the initial financing statements in filing any continuation statements 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, 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.

Section 9.16.        Environmental Hazards. The Trustee may inform any Owner of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and in such event, no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

The Trustee shall not be responsible or liable for the environmental condition related to the improvements to any real property or for diminution in value of the same, or for any claims by or on behalf of the owners thereof as the result of any contamination by a hazardous substance, hazardous material, pollutant, or contaminant. The Trustee assumes no duty or obligation to assess the environmental condition of any improvements or with respect to compliance thereof under State or federal laws pertaining to the transport, storage, treatment, or disposal of hazardous substances, hazardous materials, pollutants, or contaminants or regulations, permits, or licenses issued under such laws.

Section 9.17. Accounts, Periodic Reports and Certificates. The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of any Bonds then Outstanding or their representatives duly authorized in writing.

Section 9.18. Construction of Indenture. The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds. Permissive rights of the Trustee are not to be construed as duties or obligations. 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 a majority of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws and this Indenture), or (iii) reduce the percentage of Owners of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights, immunities or obligations of the Trustee without its written consent.

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

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

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

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or



in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds;

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

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

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

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

#### Section 10.2. Owners' Meetings.

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

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

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

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

such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

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

#### Section 10.4. Effect of Supplemental Indenture.

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

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

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

Section 10.6. Amendatory Endorsement of Bonds.

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

Section 10.7. Waiver of Default.

With the written consent of at least a majority of the Owners in aggregate principal amount of the Bonds then Outstanding, the Owners may waive non-compliance by the City with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.8. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties and immunities under this Indenture or otherwise. Any such amendment shall not modify any of the rights or obligations of the Trustee without its written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of Bond Counsel addressed and delivered to the Trustee in accordance with this Article X.

## ARTICLE XI

### DEFAULT AND REMEDIES

Section 11.1. Events of Default.

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

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

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

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

(iv) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture and the continuation thereof for a period of 90 days after written notice to the City by the Trustee, or by the Owners of at least 25% of

the aggregate Outstanding principal of the Bonds with a copy to the Trustee, specifying such default and requesting that the failure be remedied.

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

Section 11.2. Immediate Remedies for Default.

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

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

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

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

instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3.        Restriction on Owner's Action.

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

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

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

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

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

the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

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

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

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

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

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

#### Section 11.5. Effect of Waiver.

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

#### Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the

certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

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

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

Section 11.7. No Acceleration.

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

Section 11.8. Mailing of Notice.

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

Section 11.9. Exclusion of Bonds.

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

Section 11.10. Remedies Not Exclusive.

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

Section 11.11. Direction by Owners.

Anything herein to the contrary notwithstanding, the Owners of at least 25% of the aggregate outstanding principal of the Bonds shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method, and place of conducting a proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture, or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available

to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with Applicable Laws and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which, in the opinion of the Trustee, would be unjustly prejudicial to Owners not parties to such direction.

## ARTICLE XII

### GENERAL COVENANTS AND REPRESENTATIONS

#### Section 12.1. Representations as to Trust Estate.

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

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

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

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

#### Section 12.2. Books of Records - Accounts.

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

#### Section 12.3. General.

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



## ARTICLE XIII

### SPECIAL COVENANTS

#### Section 13.1. Further Assurances; Due Performance.

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

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

#### Section 13.2. Additional Obligations; Other Liens.

(a) The City reserves the right, subject to the provisions contained in this Section 13.2, to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from the Pledged Revenues. Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds.

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

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

(d) Notwithstanding anything to the contrary herein, Refunding Bonds, Additional Obligations, or subordinate obligations described by Section 13.2(a) above may not be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds, Additional Obligations, or subordinate obligations are scheduled to mature on September 15 of the years in which principal is scheduled to mature, and (2) the interest on such Refunding Bonds, Additional Obligations or subordinate obligations is scheduled to be paid on March 15 and September 15 of the years in which interest is scheduled to be paid.

## ARTICLE XIV

### PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

#### Section 14.1. Trust Irrevocable.

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

#### Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds has been paid so that the City may determine if the Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the 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 Lowry Crossing, Texas  
1405 S. Bridgefarmer Road  
Lowry Crossing, Texas 75069  
Attn: City Administrator

If to the Trustee  
or the Paying Agent/Registrar: BOKF, NA  
Attention: Corporate Trust  
5956 Sherry Lane, Suite 900  
Dallas, TX 75225

Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

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

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

(c) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt

by the City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas. With respect to this Indenture and any conflicts arising therefrom, the parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal district or state district court with jurisdiction in 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 LOWRY CROSSING, TEXAS

By: \_\_\_\_\_  
Bob Pettit, Mayor

ATTEST:

\_\_\_\_\_  
Janis Cable, City Secretary

BOKF, NA,  
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 LOWRY CROSSING, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT PROJECTS)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
_____%	September 15, 20__	June 30, 2025	_____

The City of Lowry Crossing, 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 BOKF, NA, 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 30, 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 District Projects, (ii) paying a portion of the costs incidental to the organization and administration of the District allocable to Improvement Area #1, Improvement Area #2 and Improvement Area #3, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the District Projects and other costs related to the issuance of the Bonds.

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

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of \$100,000 and any multiple of \$1,000 in excess thereof.

The Bonds are subject to sinking fund redemption prior to their Stated Maturities and will be redeemed by the City in part at a price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

**Term Bonds Maturing September 15, 20**

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

**Term Bonds Maturing September 15, 20**

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

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

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

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

The City reserves the right and option to redeem the Bonds maturing on or after September 15, 20\_\_ before their scheduled maturity dates, in whole or in part, on any date on or after September 15, 20\_\_, such redemption date or dates to be fixed by the City, at the redemption price of par plus accrued interest to the date of redemption.

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, and in an amount and on any date specified in a City Certificate, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, pursuant to the provisions of the Indenture, from amounts on deposit in the Redemption Fund as a result of Prepayments, other transfers to the Redemption Fund pursuant to the Indenture, or as a result of unexpended amounts transferred from the Project Fund as provided in the Indenture.

If less than all of the Bonds are redeemed pursuant to the mandatory sinking fund redemption, optional redemption or extraordinary optional redemption provisions, the Bonds to be redeemed shall be selected in accordance with the terms of the Indenture.

The Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding

are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of the same Authorized Denomination, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond redeemed in part.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

The City has reserved the right to issue Refunding Bonds and Additional Obligations on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF LOWRY CROSSING, 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 Lowry Crossing, Texas

\_\_\_\_\_  
City Secretary, City of Lowry Crossing, 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.

BOKF, NA,  
as Trustee

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signatory

(d) Form of Assignment.

### ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto  
(print or typewrite name, address and zip code of transferee):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Date: \_\_\_\_\_

Signature Guaranteed By:

\_\_\_\_\_  
\_\_\_\_\_

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

Authorized Signatory

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

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

(ii) in the first paragraph of the Bond, the words “on the Maturity Date, as specified above, the sum of \_\_\_\_\_ DOLLARS” shall be deleted and the following will be inserted: “on September 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
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(Information to be inserted from Section 3.2(c) hereof); and

(iii) the Initial Bond shall be numbered T-1.

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## APPENDIX C

### SERVICE AND ASSESSMENT PLAN

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# Simpson Road Public Improvement District

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2025 AMENDED AND RESTATED SERVICE AND ASSESSMENT  
PLAN (JUNE UPDATE)

JUNE 10, 2025



AUSTIN, TX | NORTH RICHLAND HILLS, TX | HOUSTON, TX

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## INTRODUCTION

Capitalized terms used in this 2025 A&R Service and Assessment Plan (June Update) shall have the meanings given to them in **Section I** unless otherwise defined in this 2025 A&R Service and Assessment Plan (June Update) or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section”, an “Exhibit”, or an “Appendix” shall be a reference to a Section of this 2025 A&R Service and Assessment Plan (June Update) or an Exhibit or Appendix attached to and made a part of this 2025 A&R Service and Assessment Plan (June Update) for all purposes.

On December 28, 2021, the City Council passed and approved Resolution No. 108 authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon the date the resolution was adopted in accordance with the provisions of the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 134.906 acres located within the corporate limits of the City and extraterritorial jurisdiction of the City, as described by the legal description on **Exhibit L-1** and depicted on **Exhibit A-1**.

On September 12, 2023, the City Council approved the 2023 Service and Assessment Plan and levied the Improvement Area #1 Assessments to finance the Improvement Area #1 Projects to be constructed for the benefit of the Improvement Area #1 Assessed Property within the District by approving Ordinance No. 2023-365. The 2023 Service and Assessment Plan identified the Improvement Area #1 Authorized Improvements to be provided by the District, the costs of the Improvement Area #1 Authorized Improvements, the obligations to be incurred for the Improvement Area #1 Authorized Improvements, and the manner of assessing the property in the District for the costs of the Improvement Area #1 Authorized Improvements. The City also adopted an Assessment Roll for Improvement Area #1, identifying the Assessment on each Parcel of Assessed Property, by Lot Type, within Improvement Area #1, based on the method of assessment identified in the 2023 Service and Assessment Plan.

On September 10, 2024, the City Council approved the 2024 A&R Service and Assessment Plan which served to amend and restate the 2023 Service and Assessment Plan in its entirety for the purposes of (1) updating the Improvement Area #1 Assessment Roll; (2) identifying the Improvement Area #2 Authorized Improvements to be provided by the District; (3) identifying the costs of the Improvement Area #2 Authorized Improvements; (4) identifying the indebtedness to be incurred for the Improvement Area #2 Authorized Improvements, and the manner of assessing the Improvement Area #2 Assessed Property for the costs of the Improvement Area #2 Authorized Improvements; (5) levying the Improvement Area #2

Assessments for the Improvement Area #2 Assessed Property; and (6) approving the Improvement Area #2 Assessment Roll.

On March 11, 2025, the City Council approved the 2025 A&R Service and Assessment Plan which served to amend and restate the 2024 A&R Service and Assessment Plan in its entirety for the purposes of (1) updating the Improvement Area #1 Assessment Roll; (2) updating the Improvement Area #2 Assessment Roll; (3) identifying the Improvement Area #3 Authorized Improvements to be provided by the District; (4) identifying the costs of the Improvement Area #3 Authorized Improvements; (5) identifying the indebtedness to be incurred for the Improvement Area #3 Authorized Improvements, and the manner of assessing the Improvement Area #3 Assessed Property for the costs of the Improvement Area #3 Authorized Improvements; (6) levying the Improvement Area #3 Assessments for the Improvement Area #3 Assessed Property; and (7) approving the Improvement Area #3 Assessment Roll.

This 2025 A&R Service and Assessment Plan (June Update) serves to amend and restate the 2025 A&R Service and Assessment Plan in its entirety for the purposes of (1) updating the Improvement Area #1 Assessment Roll; (2) updating the Improvement Area #2 Assessment Roll; (3) updating the Improvement Area #3 Assessment Roll; and (4) incorporate information related to issuing the District Bonds.

The PID Act requires a Service Plan must (i) cover a period of at least five years; (ii) define the annual indebtedness and projected cost of the Authorized Improvements; and (iii) include a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan is contained in **Section IV** and the notice form is attached as **Appendix B**.

The PID Act requires that the Service Plan include an Assessment Plan that assesses the Actual Costs of the Authorized Improvements against the Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel as determined by the method chosen by the City Council. The Assessment against each Parcel of Assessed Property must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to such Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Improvement Area #1 Assessment Roll is included as **Exhibit F-1**. The Improvement Area #2 Assessment Roll is included as **Exhibit G-1**. The Improvement Area #3 Assessment Roll is included as **Exhibit H-1**.

## SECTION I: DEFINITIONS

**“2023 Assessment Ordinance”** means Ordinance No. 2023-365 approved and adopted by the City Council on September 12, 2023, which levied the Improvement Area #1 Assessment against the Improvement Area #1 Assessed Property, and approved the 2023 Service and Assessment Plan.

**“2023 Service and Assessment Plan”** means the Simpson Road Public Improvement District Service and Assessment Plan that was approved by the City Council on September 12, 2023.

**“2024 A&R Service and Assessment Plan”** means the Simpson Road Public Improvement District 2024 Amended and Restated Service and Assessment Plan which the City Council approved in connection with the levy of the Improvement Area #2 Assessments for Improvement Area #2 Assessed Property and which replaced in its entirety the 2023 Service and Assessment Plan.

**“2024 Assessment Ordinance”** means Ordinance No. 376 approved and adopted by the City Council on September 10, 2024, which levied the Improvement Area #2 Assessment against the Improvement Area #2 Assessed Property, and approved the 2024 A&R Service and Assessment Plan.

**“2025 A&R Service and Assessment Plan”** means the Simpson Road Public Improvement District 2025 Amended and Restated Service and Assessment Plan which the City Council approved in connection with the levy of the Improvement Area #3 Assessments for Improvement Area #3 Assessed Property and which replaced in its entirety the 2024 A&R Service and Assessment Plan.

**“2025 Assessment Ordinance”** means Ordinance No. 380 approved and adopted by the City Council on March 11, 2025, which levied the Improvement Area #3 Assessment against the Improvement Area #3 Assessed Property, and approved the 2025 A&R Service and Assessment Plan.

**“2025 A&R Service and Assessment Plan (June Update)”** means this Simpson Road Public Improvement District 2025 Amended and Restated Service and Assessment Plan (June Update) as updated, amended, and supplemented from time to time, which is to replace in its entirety the 2025 A&R Service and Assessment Plan.

**“Actual Costs”** mean, with respect to Authorized Improvements, the actual costs of constructing or acquiring such Authorized Improvements, paid by or on behalf of the Developer, (either directly or through affiliates), including : (1) the costs for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvements; (3) the costs for external professional services, such as engineering, geotechnical, surveying, land planning, architectural



landscapers, appraisals, legal, accounting, and similar professional services; (4) the costs for all labor, bonds, and materials, including equipment and fixtures, by contractors, builders, and materialmen engaged in connection with the acquisition, construction, or implementation of the Authorized Improvements; (5) all related permitting and public approval expenses, architectural, engineering, consulting, and governmental fees and charges; and (6) costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of construction costs if managed by or on behalf of the Developer.

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

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

**“Administrator”** means the City or independent firm designated by the City who shall have the responsibilities provided in this 2025 A&R Service and Assessment Plan (June Update), any Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

**“Annual Collection Costs”** mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming PID Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with this 2025 A&R Service and Assessment Plan (June Update), the PID Act, and any Indenture, with respect to the PID Bonds, including the City’s continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

**“Annual Installment”** means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) the principal amount of any Assessment; (2) the interest associated with any Assessment; (3) Additional Interest related to the PID Bonds, if applicable; and (4) Annual Collection Costs.

**“Annual Service Plan Update”** means an update to this 2025 A&R Service and Assessment Plan (June Update) prepared no less frequently than annually by the Administrator and approved by the City Council.

**“Assessed Property”** means any Parcel within the District against which an Assessment is levied.

**“Assessment”** means an assessment levied against a Parcel of Assessed Property, other than Non-Benefited Property, to pay the costs of certain Authorized Improvements as specified herein, which Assessment is imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, and is subject to reallocation upon the subdivision of such Parcel of Assessed Property or reduction according to the provisions herein and in the PID Act.

**“Assessment Ordinance”** means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on the Assessed Property, as shown on any Assessment Roll.

**“Assessment Plan”** means the methodology employed to assess the Actual Costs of the Authorized Improvements against the Assessed Property based on the special benefits conferred on such property by the Authorized Improvements, more specifically set forth and described in **Section V**.

**“Assessment Roll”** means any assessment roll for the Assessed Property, including the Improvement Area #1 Assessment Roll, the Improvement Area #2 Assessment Roll, and the Improvement Area #3 Assessment Roll, each as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any Annual Service Plan Update or updates prepared in connection with the issuance of PID Bonds, if issued.

**“Authorized Improvements”** means the improvements authorized by Section 372.003 of the PID Act, as depicted on **Exhibit I-1, Exhibit I-2, Exhibit I-3, and Exhibit I-4** and described in **Section III**.

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

**“City”** means the City of Lowry Crossing, 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 2025 A&R Service and Assessment Plan (June Update)

including penalties and reasonable attorney's fees actually paid but excluding amounts representing interest and penalty interest.

**“Developer”** means Meritage Homes of Texas, LLC, and any successors or assignees thereof, that intends to develop the property in the District for the ultimate purpose of transferring title to end-users.

**“District”** means the Simpson Road Public Improvement District containing approximately 134.906 acres located within the corporate limits of the City and within the extraterritorial jurisdiction of the City, and more specifically described in **Exhibit L-1** and depicted on **Exhibit A-1**.

**“District Bonds”** means those certain “City of Lowry Crossing, Texas Special Assessment Revenue Bonds, Series 2025 (Simpson Road Public Improvement District Projects)” that are secured by Improvement Area #1 Assessments, Improvement Area #2 Assessments, and Improvement Area #3 Assessments.

**“District Formation Expenses”** means the costs associated with forming the District, including, but not limited to, attorney fees, and any other cost or expense incurred by the City or Developer directly associated with the establishment of the District.

**“Engineer’s Report”** means a 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**.

**“Improvement Area #1”** means approximately 64.722 acres located within the District, as more specifically described in **Exhibit L-2**, and depicted on **Exhibit A-2**.

**“Improvement Area #1 Annual Installment”** means the Annual Installment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Additional Interest related to Improvement Area #1’s allocable portion of the outstanding principal amount of the District Bonds; and (4) Annual Collection Costs related to Improvement Area #1, as shown on **Exhibit F-2**.

**“Improvement Area #1 Assessed Property”** means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied.

**“Improvement Area #1 Assessment”** means an Assessment levied against Improvement Area #1 Assessed Property to pay a portion of the Actual Costs of the Improvement Area #1 Authorized Improvements, which Improvement Area #1 Assessment was imposed pursuant to the 2023 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, and is subject to reallocation upon the subdivision of such Parcel or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

**“Improvement Area #1 Assessment Roll”** means the Assessment Roll for the Improvement Area #1 Assessed Property, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #1 Assessment Roll is included in this 2025 A&R Service and Assessment Plan (June Update) as **Exhibit F-1**.

**“Improvement Area #1 Authorized Improvements”** means, collectively, (1) the Improvement Area #1 Projects; (2) the allocable portion of the Bond Issuance Costs of the District Bonds related to Improvement Area #1; and (3) the portion of the deposit to the administrative fund related to Improvement Area #1 in connection with the District Bonds.

**“Improvement Area #1 Improvements”** means the Authorized Improvements which only benefit the Improvement Area #1 Assessed Property, as further described in **Section III.B** and depicted on **Exhibit I-2**.

**“Improvement Area #1 Initial Parcel”** means all of the Improvement Area #1 Assessed Property against which the entire Improvement Area #1 Assessment was levied at the time the City Council approved the 2023 Assessment Ordinance.

**“Improvement Area #1 Projects”** means collectively, (1) the Improvement Area #1 Improvements; and (2) the pro rata portion of the Major Improvements allocable to Improvement Area #1 Assessed Property.

**“Improvement Area #1 Reimbursement Agreement”** means that certain Reimbursement Agreement, effective August 8, 2023 entered into by and between the City and the Developer.

**“Improvement Area #1 Reimbursement Obligation”** means an amount secured by Improvement Area #1 Assessments to be paid to the Developer pursuant to the Improvement Area #1 Reimbursement Agreement. The Improvement Area #1 Reimbursement Obligation is anticipated to be satisfied and financed by a portion of the District Bonds proceeds.

**“Improvement Area #2”** means approximately 23.615 acres located within the District, as more specifically described in **Exhibit L-3**, and depicted on **Exhibit A-3**.

**“Improvement Area #2 Annual Installment”** means the Annual Installment of the Improvement Area #2 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Additional Interest related to Improvement Area #2’s allocable portion of the outstanding principal amount of the District Bonds; and (4) Annual Collection Costs related to Improvement Area #2, as shown on **Exhibit G-2**.

**“Improvement Area #2 Assessed Property”** means any Parcel within Improvement Area #2 against which an Improvement Area #2 Assessment is levied.

**“Improvement Area #2 Assessment”** means an Assessment levied against Improvement Area #2 Assessed Property to pay a portion of the Actual Costs of the Improvement Area #2 Authorized Improvements, which Improvement Area #2 Assessment was imposed pursuant to the 2024 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #2 Assessment Roll, and is subject to reallocation upon the subdivision of such Parcel or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

**“Improvement Area #2 Assessment Roll”** means the Assessment Roll for the Improvement Area #2 Assessed Property, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #2 Assessment Roll is included in this 2025 A&R Service and Assessment Plan (June Update) as **Exhibit G-1**.

**“Improvement Area #2 Authorized Improvements”** means, collectively, (1) the Improvement Area #2 Projects; (2) the allocable portion of the Bond Issuance Costs of the District Bonds related to Improvement Area #2; and (3) the portion of the deposit to the administrative fund related to Improvement Area #2 in connection with the District Bonds.

**“Improvement Area #2 Improvements”** means the Authorized Improvements which only benefit Improvement Area #2 Assessed Property, as further described in **Section III.C** and depicted on **Exhibit I-3**.

**“Improvement Area #2 Initial Parcel”** means all of the Improvement Area #2 Assessed Property against which the entire Improvement Area #2 Assessment was levied at the time the City Council approved the 2024 Assessment Ordinance.

**“Improvement Area #2 Projects”** means collectively, (1) the Improvement Area #2 Improvements; and (2) the pro rata portion of the Major Improvements allocable to Improvement Area #2 Assessed Property.

**“Improvement Area #2 Reimbursement Agreement”** means that certain “Simpson Road Public Improvement District Improvement Area #2 Reimbursement Agreement” or similar agreement, effective September 10, 2024, entered into by and between the City and the Developer.

**“Improvement Area #2 Reimbursement Obligation”** means an amount secured by the Improvement Area #2 Assessment to be paid to the Developer pursuant to the Improvement Area #2 Reimbursement Agreement. The Improvement Area #2 Reimbursement Obligation is anticipated to be satisfied and financed by a portion of the District Bonds proceeds.

**“Improvement Area #3”** means approximately 46.568 acres located within the District, as more specifically described in **Exhibit L-4**, and depicted on **Exhibit A-4**.

**“Improvement Area #3 Annual Installment”** means the Annual Installment of the Improvement Area #3 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Additional Interest related to Improvement Area #3’s allocable portion of the outstanding principal amount of the District Bonds; and (4) Annual Collection Costs related to Improvement Area #3, as shown on **Exhibit H-2**.

**“Improvement Area #3 Assessed Property”** means any Parcel within Improvement Area #3 against which an Improvement Area #3 Assessment is levied.

**“Improvement Area #3 Assessment”** means an Assessment levied against Improvement Area #3 Assessed Property to pay a portion of the Actual Costs of the Improvement Area #3 Authorized Improvements, which Improvement Area #3 Assessment was imposed pursuant to the 2025 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #3 Assessment Roll, and is subject to reallocation upon the subdivision of such Parcel or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

**“Improvement Area #3 Assessment Roll”** means the Assessment Roll for the Improvement Area #3 Assessed Property, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #3 Assessment Roll is included in this 2025 A&R Service and Assessment Plan (June Update) as **Exhibit H-1**.

**“Improvement Area #3 Authorized Improvements”** means, collectively, (1) the Improvement Area #3 Projects; (2) the allocable portion of the Bond Issuance Costs of the District Bonds related to Improvement Area #3; and (3) the portion of the deposit to the administrative fund related to Improvement Area #3 in connection with the District Bonds.

**“Improvement Area #3 Improvements”** means the Authorized Improvements which only benefit Improvement Area #3 Assessed Property, as further described in **Section III.D** and depicted on **Exhibit I-4**.

**“Improvement Area #3 Initial Parcel”** means all of the Improvement Area #3 Assessed Property against which the entire Improvement Area #3 Assessment was levied at the time the City Council approved the 2025 Assessment Ordinance.

**“Improvement Area #3 Projects”** means collectively, (1) the Improvement Area #3 Improvements; and (2) the pro rata portion of the Major Improvements allocable to Improvement Area #3 Assessed Property.

**“Improvement Area #3 Reimbursement Agreement”** means that certain “Simpson Road Public Improvement District Improvement Area #3 Reimbursement Agreement” or similar agreement, effective March 11, 2025, entered into by and between the City and the Developer.

**“Improvement Area #3 Reimbursement Obligation”** means an amount secured by the Improvement Area #3 Assessment to be paid to the Developer pursuant to the Improvement Area #3 Reimbursement Agreement. The Improvement Area #3 Reimbursement Obligation is anticipated to be satisfied and financed by a portion of the District Bonds proceeds.

**“Indenture”** means an Indenture of Trust entered into between the City and the Trustee in connection with the issuance of each series of PID Bonds, as amended or supplemented from time to time, between the City and the Trustee setting forth the terms and conditions related to a series of PID Bonds.

**“LOM”** means a certain final Limited Offering Memorandum for use in connection with the offering, sale, and distribution of a certain series of PID Bonds.

**“Lot”** means (1) for any portion of the District for which a final subdivision plat has been recorded in the plat or filed in the official public records of the County, a tract of land described by “Lot” in such subdivision plat; and (2) for any portion of the District for which a subdivision plat has not been recorded in the plat or official public records of the County, a tract of land anticipated to be described as a “Lot” in a final recorded subdivision plat as shown on a concept plan or a preliminary plat. A “Lot” shall not include real property owned by a government entity, even if such property is designated as a separate described tract or lot on a recorded subdivision plat.

**“Lot Type”** means a classification of final building Lots with similar characteristics (e.g. lot size, home product, Estimated Buildout Value, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot, as



provided by the Developer, and confirmed by the City Council, as shown on **Exhibit E** and the anticipated Lot Type classification map is identified on **Exhibit A-5**, **Exhibit A-6**, and **Exhibit A-7**.

**“Lot Type 1”** means a Lot Type within Improvement Area #1 marketed to homebuilders as a 40’ Lot. The buyer disclosure for Lot Type 1 is attached in **Appendix B**.

**“Lot Type 2”** means a Lot Type within Improvement Area #1 marketed to homebuilders as a 50’ Lot. The buyer disclosure for Lot Type 2 is attached in **Appendix B**.

**“Lot Type 3”** means a Lot Type within Improvement Area #2 marketed to homebuilders as a 40’ Lot. The buyer disclosure for Lot Type 3 is attached in **Appendix B**.

**“Lot Type 4”** means a Lot Type within Improvement Area #2 marketed to homebuilders as a 50’ Lot. The buyer disclosure for Lot Type 4 is attached in **Appendix B**.

**“Lot Type 5”** means a Lot Type within Improvement Area #3 marketed to homebuilders as a 40’ Lot. The buyer disclosure for Lot Type 5 is attached in **Appendix B**.

**“Lot Type 6”** means a Lot Type within Improvement Area #3 marketed to homebuilders as a 50’ Lot. The buyer disclosure for Lot Type 6 is attached in **Appendix B**.

**“Major Improvements”** mean those Authorized Improvements that confer a special benefit to all of the Assessed Property, as further described in **Section III.A** and depicted on **Exhibit I-1**.

**“Maximum Assessment”** means for each Lot, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A**, or (2) for each Lot Type, the amount shown on **Exhibit E**.

**“Non-Benefited Property”** means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council.

**“Notice of Assessment Termination”** means a document that shall be recorded in the official public records of the County evidencing the termination of an Assessment, a form of which is attached as **Exhibit J**.

**“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 any bonds issued by the City in one or more series and secured in whole or in part by Assessments. The District Bonds are PID Bonds.



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

**“Prepayment Costs”** means interest, including Additional Interest and Annual Collection Costs to the date of Prepayment.

**“Private Improvements”** means improvements that are required to be constructed, or caused to be constructed, by the Developer to deliver final lots and that are not Authorized Improvements. Costs of the Private Improvements will not be paid nor reimbursed from the proceeds of PID Bonds or otherwise from revenues received from the collection of Annual Installments.

**“Service Plan”** covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

**“Trustee”** means the trustee or successor trustee under an Indenture.

## SECTION II: THE DISTRICT

The District includes approximately 134.906 contiguous acres located within the corporate limits of the City and within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly described by the legal description on **Exhibit L-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 540 Lots developed with single-family homes.

Improvement Area #1 includes approximately 64.722 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described by the legal description on **Exhibit L-2** and depicted on **Exhibit A-2**. Development of Improvement Area #1 includes 174 Lots developed with single-family homes (73 single-family homes classified as Lot Type 1, and 101 single-family homes classified as Lot Type 2).

Improvement Area #2 includes approximately 23.615 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described by the legal description on **Exhibit L-3** and depicted on **Exhibit A-3**. Development of Improvement Area #2 includes 137 Lots developed with single-family homes (87 single-family homes classified as Lot Type 3, and 50 single-family homes classified as Lot Type 4).

Improvement Area #3 includes approximately 46.568 contiguous acres located within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly described by the legal description on **Exhibit L-4** and depicted on **Exhibit A-4**. Development of Improvement Area #3 includes 229 Lots developed with single-family homes (112 single-family homes classified as Lot Type 5, and 117 single-family homes classified as Lot Type 6).

## SECTION III: AUTHORIZED IMPROVEMENTS

Based on information in the Engineer's Report provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property. 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, except as otherwise noted below. The budget for the Authorized Improvements is shown on **Exhibit B**.

### A. Major Improvements

- *Clearing and Excavation*

Improvements including all clearing and excavation associated with the public arterial road rights-of-way benefiting the entire District.

- *Erosion Control*

Improvements including the installation of all erosion control measures associated with the public arterial road rights-of-way and major utility improvements benefiting the entire District.

- *Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, lift station, force main line, testing, and all other necessary appurtenances constructed to City standards and City of Princeton standards and the Development Agreement required to provide sanitary sewer service benefiting the entire District. The sanitary sewer improvements will be owned and operated by the City of Princeton.

- *Storm Sewer*

Improvements including trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other necessary appurtenances constructed to City standards required to provide adequate drainage for the arterial road rights-of-way benefiting the entire District. The storm sewer improvements will be owned and operated by the City.

- *Pavement*

Improvements including subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, testing, and all other materials associated with the public arterial road rights-of-way benefiting the entire District. The roadway improvements will be owned and operated by the City.

- *Landscape and Hardscape*

Improvements including landscaping, hardscaping, irrigation, screening and all other materials associated with the improvements of open spaces within the District.

- *Soft Costs*

Includes costs related to designing, constructing, and installing the Major Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal costs, consultants, District Formation Expenses, and costs associated with financing the Major Improvements.

## **B. Improvement Area #1 Improvements**

- *Clearing and Excavation*

Improvements including all clearing and excavation associated with the public residential road rights-of-way, detention ponds, swales and channels for all lots within Improvement Area #1.

- *Erosion Control*

Improvements including the installation of all erosion control measures associated with the public residential road rights-of-way and detention ponds for all lots within Improvement Area #1.

- *Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, and all other necessary appurtenances constructed to City standards and City of Princeton standards and the Development Agreement required to provide sanitary sewer service for all lots within Improvement Area #1. The sanitary sewer improvements will be owned and operated by the City of Princeton.

- *Storm Sewer*

Improvements including trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other necessary appurtenances constructed to City standards required to provide adequate drainage for all lots within Improvement Area #1. The storm sewer improvements will be owned and operated by the City.

- *Pavement*

Improvements including subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, testing, and all other materials associated with the public residential road rights-of-way within Improvement Area #1. The roadway improvements will be owned and operated by the City.

- *Soft Costs*

Includes costs related to designing, constructing, and installing the Improvements Area #1 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal costs, consultants, and costs associated with financing the Improvement Area #1 Improvements.

## **C. Improvement Area #2 Improvements**

- *Clearing and Excavation*

Improvements including all clearing and excavation associated with the public residential road rights-of-way, detention ponds, swales and channels for all lots within Improvement Area #2.

- *Erosion Control*

Improvements including the installation of all erosion control measures associated with the public residential road rights-of-way and detention ponds for all lots within Improvement Area #2.

- *Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, and all other necessary appurtenances constructed to City standards and City of Princeton standards and the Development Agreement required to provide sanitary sewer service for all lots within Improvement Area #2. The sanitary sewer improvements will be owned and operated by the City of Princeton.

- *Storm Sewer*

Improvements including trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other necessary appurtenances constructed to City standards required to provide adequate drainage for all lots within Improvement Area #2. The storm sewer improvements will be owned and operated by the City.

- *Pavement*

Improvements including subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, testing, and all other materials associated with the public residential road rights-of-way within Improvement Area #2. The roadway improvements will be owned and operated by the City.

- *Soft Costs*

Includes costs related to designing, constructing, and installing the Improvement Area #2 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal costs, consultants, and costs associated with financing the Improvement Area #2 Improvements.

## **D. Improvement Area #3 Improvements**

- *Clearing and Excavation*

Improvements including all clearing and excavation associated with the public residential road rights-of-way, detention ponds, swales and channels for all lots within Improvement Area #3.

- *Erosion Control*

Improvements including the installation of all erosion control measures associated with the public residential road rights-of-way and detention ponds for all lots within Improvement Area #3.

- *Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, and all other necessary appurtenances constructed to City standards and City of Princeton standards and the Development Agreement required to provide sanitary sewer service for all lots within Improvement Area #3. The sanitary sewer improvements will be owned and operated by the City of Princeton.

- *Storm Sewer*

Improvements including trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other necessary appurtenances constructed to City standards required to provide adequate drainage for all lots within Improvement Area #3. The storm sewer improvements will be owned and operated by the City.

- *Pavement*

Improvements including subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, testing, and all other materials associated with the public residential road rights-of-way within Improvement Area #3. The roadway improvements will be owned and operated by the City.

- *Soft Costs*

Includes costs related to designing, constructing, and installing the Improvement Area #3 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal costs, consultants, and costs associated with financing the Improvement Area #3 Improvements.

## **E. Bond Issuance Costs**

- *Debt Service Reserve Fund*

Equals the amount to be deposited in a debt service reserve fund under an applicable Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

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

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds.

- *Underwriter's Counsel*

Equals a percentage of the par amount of a particular series of PID Bonds reserved for the underwriter's attorney fees.

- *Cost of Issuance*

Includes costs of issuing a particular series of PID Bonds, including but not limited to issuer fees, attorney'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.

## **F. Other Costs**

- *Deposit to Administrative Fund*

Equals the amount necessary to fund the first year's Annual Collection Costs for a particular series of PID Bonds.

## **SECTION IV: SERVICE PLAN**

The PID Act requires the Service Plan to (i) cover a period of at least five years, (ii) define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period, and (iii) include a copy of the buyer disclosure notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C** summarizes the Service Plan

for Improvement Area #1, Improvement Area #2, and Improvement Area #3. Pursuant to the PID Act and Section 5.014 of the Texas Property Code, as amended, this 2025 A&R Service and Assessment Plan (June Update), and any future Annual Service Plan Updates, shall include a form of the buyer disclosure for the District. The buyer disclosures are attached hereto as **Appendix B**.

**Exhibit D** summarizes the sources and uses of funds required to construct the Authorized Improvements and Private Improvements, issue the PID Bonds, and fund the deposit to the administrative fund. The sources and uses of funds shown in **Exhibit D** shall be updated in an Annual Service Plan Update to reflect any budget revisions and Actual Costs.

## SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to allocate the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the City Council may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this 2025 A&R Service and Assessment Plan (June Update) describes the special benefit received by each Parcel of Assessed Property within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments levied on the Assessed Property for such Authorized Improvements.

The determination by the City Council of the Assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers of the Assessed Property.

### A. Assessment Methodology

The City Council, 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, has determined that the costs related to the Authorized Improvements shall be allocated as follows:



- The costs of the Major Improvements were allocated and apportioned to each Parcel of Assessed Property pro rata based on the Estimated Buildout Value of all Assessed Property at the time of the 2023 Service and Assessment Plan as further described in **Exhibit B**.
- The costs of the Improvement Area #1 Authorized Improvements were allocated entirely to each Parcel of Improvement Area #1 Assessed Property pro rata based on the ratio of the Estimated Buildout Value of each Lot Type designated as Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Improvement Area #1 Assessed Property at the time the 2023 Service and Assessment Plan was approved.
- The costs of the Improvement Area #2 Authorized Improvements were allocated entirely to each Parcel of Improvement Area #2 Assessed Property pro rata based on the ratio of the Estimated Buildout Value of each Lot Type designated as Improvement Area #2 Assessed Property to the Estimated Buildout Value of all Improvement Area #2 Assessed Property at the time the 2024 A&R Service and Assessment Plan was approved.
- The costs of the Improvement Area #3 Authorized Improvements were allocated entirely to each Parcel of Improvement Area #3 Assessed Property based on the ratio of the Estimated Buildout Value of each Lot Type designated as Improvement Area #3 Assessed Property to the Estimated Buildout Value of all Improvement Area #3 Assessed Property at the time the 2025 A&R Service and Assessment Plan was approved.

## **B. Assessments**

The Improvement Area #1 Assessment was levied on the Improvement Area #1 Initial Parcel at the time the City Council approved the 2023 Assessment Ordinance and, since subdivided, is currently outstanding in the amount shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F-1**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit F-2**, and are subject to revisions made in any Annual Service Plan Update.

The Improvement Area #2 Assessment was levied on the Improvement Area #2 Initial Parcel at the time the City Council approved the 2024 Assessment Ordinance and, since subdivided, is currently outstanding in the amount shown on the Improvement Area #2 Assessment Roll, attached hereto as **Exhibit G-1**. The projected Improvement Area #2 Annual Installments are shown on **Exhibit G-2**, and are subject to revisions made in any Annual Service Plan Update.

The Improvement Area #3 Assessment was levied on the Improvement Area #3 Initial Parcel at the time the City Council approved the 2025 Assessment Ordinance and, since subdivided, is currently outstanding in the amount shown on the Improvement Area #3 Assessment Roll, attached hereto as **Exhibit H-1**. The projected Improvement Area #3 Annual Installments are shown on **Exhibit H-2**.

The Maximum Assessment for each current Lot Type within the District is shown on **Exhibit E**. In no case will the Assessment for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, and Lot Type 6, respectively, exceed the corresponding Maximum Assessment for each Lot Type classification.

### **C. Findings of Special Benefit**

Acting in its legislative capacity and based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City Council has found and determined:

- *Improvement Area #1*
  - The costs of the Improvement Area #1 Authorized Improvements equal \$9,849,405, as shown on **Exhibit B**; and
  - The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #1 Authorized Improvements; and
  - At the time the City Council approved the 2023 Service and Assessment Plan, the Improvement Area #1 Assessed Property was allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Authorized Improvements, which equaled \$8,440,000; of which \$7,745,000 remains outstanding, as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit F-1**; and
  - The special benefit ( $\geq \$9,849,405$ ) and the special benefit expected at the time the City Council approved the 2023 Service and Assessment Plan ( $\geq \$9,838,416$ ) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Authorized Improvements are equal to or greater than the amount of the Improvement Area #1 Assessment (\$8,440,000) levied on the Improvement Area #1 Assessed Property at the time the City Council approved the 2023 Assessment Ordinance for the Improvement Area #1 Authorized Improvements; and
  - At the time the City Council approved the 2023 Service and Assessment Plan, the Developer owned 100% of the Improvement Area #1 Initial Parcel. The Developer acknowledged that the Improvement Area #1 Authorized Improvements conferred a special benefit on the Improvement Area #1 Initial Parcel and consented to the imposition of the Improvement Area #1 Assessment to pay for the Actual Costs associated therewith. The Developer ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City

Council as to the special benefits described therein and the 2023 Assessment Ordinance; (2) the 2023 Service and Assessment Plan and the 2023 Assessment Ordinance; and (3) the levying of the Improvement Area #1 Assessment on the Improvement Area #1 Initial Parcel.

▪ *Improvement Area #2*

- The costs of the Improvement Area #2 Authorized Improvements equal \$6,375,788, as shown on **Exhibit B**; and
- Improvement Area #2 Assessed Property receives special benefit from the Improvement Area #2 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #2 Authorized Improvements; and
- At the time the City Council approved the 2024 A&R Service and Assessment Plan, the Improvement Area #2 Assessed Property was allocated 100% of the Improvement Area #2 Assessment levied for the Improvement Area #2 Authorized Improvements, which equaled \$6,170,000; of which \$5,775,000 remains outstanding, as shown on the Improvement Area #2 Assessment Roll attached hereto as **Exhibit G-1**;
- The special benefit ( $\geq \$6,375,788$ ) and the special benefit expected at the time the City Council approved the 2024 A&R Service and Assessment Plan ( $\geq \$6,406,421$ ) received by the Improvement Area #2 Assessed Property from the Improvement Area #2 Authorized Improvements are equal to or greater than the amount of the Improvement Area #2 Assessment (\$6,170,000) levied on the Improvement Area #2 Assessed Property at the time the City Council approved the 2024 Assessment Ordinance for the Improvement Area #2 Authorized Improvements; and
- At the time the City Council approved the 2024 A&R Service and Assessment Plan, the Developer owned 100% of the Improvement Area #2 Initial Parcel. The Developer acknowledged that the Improvement Area #2 Authorized Improvements conferred a special benefit on the Improvement Area #2 Initial Parcel and consented to the imposition of the Improvement Area #2 Assessment to pay for the Actual Costs associated therewith. The Developer ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the 2024 Assessment Ordinance; (2) the 2024 A&R Service and Assessment Plan and the 2024 Assessment Ordinance; and (3) the levying of the Improvement Area #2 Assessment on the Improvement Area #2 Initial Parcel.

- *Improvement Area #3*

- The costs of the Improvement Area #3 Authorized Improvements equal \$11,374,042, as shown on **Exhibit B**; and
- Improvement Area #3 Assessed Property receives special benefit from the Improvement Area #3 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #3 Authorized Improvements; and
- At the time the City Council approved the 2025 A&R Service and Assessment Plan, the Improvement Area #3 Assessed Property was allocated 100% of the Improvement Area #3 Assessment levied for the Improvement Area #3 Authorized Improvements, which equaled \$11,151,000, as shown on the Improvement Area #3 Assessment Roll attached hereto as **Exhibit H-1**; and
- The special benefit ( $\geq \$11,374,042$ ) and the special benefit expected at the time the City Council approved the 2025 A&R Service and Assessment Plan ( $\geq \$11,249,987$ ) received by the Improvement Area #3 Assessed Property from the Improvement Area #3 Authorized Improvements are equal to or greater than the amount of the Improvement Area #3 Assessment (\$11,151,000) levied on the Improvement Area #3 Assessed Property at the time the City Council approved the 2025 Assessment Ordinance for the Improvement Area #3 Authorized Improvements; and
- At the time the City Council approved the 2025 A&R Service and Assessment Plan, the Developer owned 100% of the Improvement Area #3 Initial Parcel. The Developer acknowledged that the Improvement Area #3 Authorized Improvements conferred a special benefit on the Improvement Area #3 Initial Parcel and consented to the imposition of the Improvement Area #3 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 2025 Assessment Ordinance; (2) this 2025 A&R Service and Assessment Plan (June Update) and the 2025 Assessment Ordinance; and (3) the levying of the Improvement Area #3 Assessment on the Improvement Area #3 Initial Parcel.

#### **D. Annual Collection Costs**

The Annual Collection Costs shall be paid for annually by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. The Annual Collection Costs shall be collected as part of and in the same

manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

#### **E. Additional Interest**

The interest rate on Assessments securing each respective series of PID Bonds may exceed the interest rate on each respective series of PID Bonds by the Additional Interest Rate. To the extent required by any Indenture, Additional Interest shall be collected as part of each Annual Installment related to a series of PID Bonds and shall be deposited pursuant to the applicable Indenture.

## **SECTION VI: TERMS OF THE ASSESSMENTS**

Any reallocation of Assessments as described in this **Section VI** shall be considered an administrative action of the City and will not be subject to the notice or public hearing requirements under the PID Act.

#### **A. Reallocation of Assessments**

##### *1. Upon Division Prior to Recording of Subdivision Plat*

Upon the division of any Assessed Property (without the recording of a subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

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

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

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, relying on information from homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property, as provided by the Developer. The Estimated Buildout Value for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, and Lot Type 6 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive.

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

## *2. Upon Subdivision by a Recorded Subdivision Plat*

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

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

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

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

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the Developer, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot. The Estimated Buildout Value for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, and Lot Type 6 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive and binding.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section

shall be reflected in the Annual Service Plan Update immediately following such reallocation.

### 3. Upon Consolidation

If two or more Lots or Parcels are consolidated into a single Lot or Parcel, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update immediately following such consolidation. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.C.**

## **B. Mandatory Prepayment of Assessments**

If an Assessed Property or a portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel or portion thereof to become Non-Benefited Property, the owner of such Lot, Parcel or portion thereof shall pay to the City, or cause to be paid to the City, the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to any such conveyance or act, and no such conveyance shall be effective until the City receives such payment. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable “Notice of Assessment Termination,” a form of which is attached hereto as **Exhibit J.**

## **C. True-Up of Assessments if Maximum Assessment Exceeded at Plat**

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City, or cause to be paid to the City, the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City’s approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

## **D. Reduction of Assessments**

If as a result of cost savings or the failure to construct all or a portion of an Authorized Improvement, the Actual Costs of any Authorized Improvements are less than the Assessments, then (i) in the event PID Bonds are not issued, the City Council shall reduce each Assessment on

a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that a related series of PID Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds, that are not expected to be used for the purposes of the project fund to redeem outstanding PID Bonds, unless otherwise directed by the City pursuant to the terms of such Indenture. Such excess PID Bond proceeds may be used for any purpose authorized by such Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

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

#### **E. Prepayment of Assessments**

The owner of any Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. Prepayment Costs, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed, or the Annual Service Plan Update has been approved by the City Council prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment on an Assessed Property is prepaid in full, with Prepayment Costs, (1) the Administrator shall cause the Assessment to be reduced to zero on said Assessed Property and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate with respect to said Assessed Property; and (4) the City shall provide the owner with a recordable "Notice of Assessment Termination."

If an Assessment on an Assessed Property is prepaid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced on said Assessed Property and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made.

#### **F. Payment of Assessment in Annual Installments**

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit F-2** shows the Improvement Area #1 Annual Installments, **Exhibit G-2** shows the projected Improvement Area #2 Annual Installments, and **Exhibit H-2** shows the projected Improvement



Area #3 Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the property not including any Non-Benefited Property, as shown by the 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. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay any of the remaining unpaid Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with applicable law, including the PID Act. In the event of a refunding, the City's Financial Advisor shall recalculate the principal and interest on such PID Bonds so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of the Improvement Area #1 Assessment were due when billed and were delinquent if not paid prior to February 1, 2024. The initial Annual Installments of the Improvement Area #2 Assessment were due when billed and were delinquent if not paid prior to February 1, 2025. The initial Annual Installments of the Improvement Area #3 Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2026.

Failure of an owner of an Assessed Property to receive an invoice for an Annual Installment shall not relieve said owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs. The City may provide for other means of collecting the Annual Installments to the extent permitted by the PID Act, or other applicable law.

#### **G. Prepayment as a Result of an Eminent Domain Proceeding or Taking**

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the **“Retained Property”**), following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Retained Property after any required Prepayment as set forth below. The owner of the Retained Property will remain liable to pay in Annual Installments, or payable as otherwise provided by this 2025 A&R Service and Assessment Plan (June Update), as updated, or the PID Act, the Assessment that remains due on the Retained Property, subject to an adjustment in the Assessment applicable to the Retained Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Retained Property exceeds the applicable Maximum Assessment, the owner of the Retained Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Retained Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Retained Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of prepayment, with any remainder credited against the Assessment on the Retained Property.

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

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

subject to the \$100 Assessment (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Retained Property). If the Administrator determines that the \$100 Assessment reallocated to the Retained Property would exceed the Maximum Assessment, as applicable, on the Retained Property by \$10, then the owner shall be required to pay \$10 as a Prepayment of the Assessment against the Retained Property and the Assessment on the Retained Property shall be adjusted to be \$90.

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

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

## **SECTION VII: ASSESSMENT ROLL**

The Improvement Area #1 Assessment Roll is attached as **Exhibit F-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #1 Assessment Roll and Improvement Area #1 Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Improvement Area #2 Assessment Roll is attached as **Exhibit G-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #2 Assessment Roll and Improvement Area #2 Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Improvement Area #3 Assessment Roll is attached as **Exhibit H-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #3 Assessment Roll and Improvement Area #3 Annual Installments for each Parcel as part of each Annual Service Plan Update.

## **SECTION VIII: ADDITIONAL PROVISIONS**

### **A. Calculation Errors**

If the owner of a Parcel claims that an error has been made in any calculation required by this 2025 A&R Service and Assessment Plan (June Update), including, but not limited to, any calculation made as part of any Annual Service Plan Update, said owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1<sup>st</sup> of the year following City Council's approval of the calculation. Otherwise, said owner shall be deemed to have unconditionally approved and accepted the calculation. The Administrator shall provide a written response to the City Council and the owner not later than 30 days of such receipt of a written notice of error by the Administrator. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and not later than 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this 2025 A&R Service and Assessment Plan (June Update), the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

### **B. Amendments**

Amendments to this 2025 A&R Service and Assessment Plan (June Update) must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this 2025 A&R Service and Assessment Plan (June Update) may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this 2025 A&R Service and Assessment Plan (June Update).

### **C. Administration and Interpretation**

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this 2025 A&R Service and Assessment Plan (June Update); (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this 2025 A&R Service and Assessment Plan (June Update). Interpretations of this 2025 A&R Service and Assessment Plan (June Update) by the Administrator shall be in writing and shall be appealable to the City Council by owners of Assessed Property adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public meeting at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners

of Assessed Property and developers and their successors and assigns. Certain tables in this 2025 A&R Service and Assessment Plan (June Update) have been rounded to the nearest whole dollar.

#### **D. Form of Buyer Disclosure; Filing Requirements**

Per Section 5.014 of the Texas Property Code, as amended, this 2025 A&R Service and Assessment Plan (June Update), and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Appendix B**. Within seven days of approval by the City Council, the City shall file and record in the real property records of the County the executed ordinance approving this 2025 A&R Service and Assessment Plan (June Update), or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this 2025 A&R Service and Assessment Plan (June Update) or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

#### **E. Severability**

If any provision of this 2025 A&R Service and Assessment Plan (June Update) is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

### **SECTION IX: ADDITIONAL INFORMATION**

#### **A. Parcel Subdivision**

##### Improvement Area #1

- The final plat of Simpson Crossing Phase 1, attached hereto as **Exhibit K-1**, was filed and recorded with the County on November 28, 2023, and consists of 174 residential Lots and 13 Lots of Non-Benefited Property.

See the completed Lot Type classification summary within Improvement Area #1 below:

Improvement Area #1	
Lot Type	Lot Count
1	73
2	101
Total	174

##### Improvement Area #2

- The final plat of Simpson Crossing Phase 2, attached hereto as **Exhibit K-2**, was filed and recorded with the County on November 22, 2024, and consists of 137 residential Lots and

2 Lots of Non-Benefited Property.

See the completed Lot Type classification summary within Improvement Area #2 below:

Improvement Area #2	
Lot Type	Lot Count
3	87
4	50
Total	137

### Improvement Area #3

- The final plat of Simpson Crossing Phase 3<sup>1</sup>, attached hereto as **Exhibit K-3**, was filed and recorded with the County on October 10, 2024, and consists of 93 residential Lots and 1 Lot of Non-Benefited Property.
- The final plat of Simpson Crossing Phase 4, attached hereto as **Exhibit K-4**, was filed and recorded with the County on December 16, 2024, and consists of 136 residential Lots and 1 Lot of Non-Benefited Property.

See the completed Lot Type classification summary within Improvement Area #3 below:

Improvement Area #3	
Lot Type	Lot Count
5	112
6	117
Total	229

## **B. Lot and Home Sales**

### Improvement Area #1

Per the Developer, the lot ownership composition is provided below:

- Developer Owned:
  - Lot Type 1: 0 Lots
  - Lot Type 2: 0 Lots
- Homebuilder Owned:
  - Lot Type 1: 5 Lots
  - Lot Type 2: 23 Lots
- End-User Owner:
  - Lot Type 1: 68 Lots

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<sup>1</sup> The Simpson Crossing Phase 3 Final Plat accurately reflects a total of 93 residential lots. Any reference to 92 residential lots within this Plat's labeling is a scrivener's error and should be disregarded.

- Lot Type 2: 78 Lots

#### Improvement Area #2

Per the Developer, the lot ownership composition is provided below:

- Developer Owned:
  - Lot Type 3: 0 Lots
  - Lot Type 4: 0 Lots
- Homebuilder Owned:
  - Lot Type 3: 15 Lots
  - Lot Type 4: 5 Lots
- End-User Owner:
  - Lot Type 3: 72 Lots
  - Lot Type 4: 45 Lots

#### Improvement Area #3

Per the Developer, the lot ownership composition is provided below:

- Developer Owned:
  - Lot Type 5: 0 Lots
  - Lot Type 6: 0 Lots
- Homebuilder Owned:
  - Lot Type 5: 112 Lots
  - Lot Type 6: 113 Lots
- End-User Owner:
  - Lot Type 5: 0 Lots
  - Lot Type 6: 4 Lots

See **Appendix B** for the buyer disclosures.

### **C. Outstanding Assessment**

#### Improvement Area #1

Net of the September 15, 2025 payment and net of the Prepayment of Improvement Area #1 Assessments, Improvement Area #1 has an outstanding Assessment of \$7,754,000.

#### Improvement Area #2

Net of the September 15, 2025 payment, Improvement Area #2 has an outstanding Assessment of \$5,775,000.

### Improvement Area #3

Improvement Area #3 has an outstanding Assessment of \$11,151,000.

#### **D. Annual Installment Due 1/31/2026**

### Improvement Area #1

- **Principal and Interest** – The total principal and interest required for the Improvement Area #1 Annual Installment is \$580,240.00.
- **Additional Interest** – The total Additional Interest Reserve Requirement, as defined in the applicable Indenture, has not been met. As such, the Additional Interest Reserve Account will be funded with Additional Interest on the outstanding Improvement Area #1 Assessment, resulting in an Additional Interest amount due of \$38,770.00.
- **Annual Collection Costs** – The cost of administering the District and collecting the Improvement Area #1 Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Improvement Area #1 Assessment remaining on the Parcel. The total Annual Collection Costs budgeted for the Improvement Area #1 Annual Installment is \$44,718.74.

Improvement Area #1	
Due January 31, 2026	
Principal	\$ 115,000.00
Interest	465,240.00
Additional Interest	38,770.00
Annual Collection Costs	44,718.74
<b>Total Annual Installment</b>	<b>\$ 663,728.74</b>

Improvement Area #1	
Annual Collection Costs Breakdown	
P3Works Administration	\$ 19,525.88
City Auditor	317.43
Filing Fees	317.43
County Collection	1,058.00
PID Trustee Fee	4,000.00
Dissemination Agent	3,500.00
Draw Request Review	10,000.00
Issuer CDA Review	3,500.00
Arbitrage Calculation	2,500.00
<b>Total</b>	<b>\$ 44,718.74</b>



### Improvement Area #2

- **Principal and Interest** – The total principal and interest required for the Improvement Area #2 Annual Installment is \$436,500.00.
- **Additional Interest** – The total Additional Interest Reserve Requirement, as defined in the applicable Indenture, has not been met. As such, the Additional Interest Reserve Account will be funded with Additional Interest on the outstanding Improvement Area #2 Assessment, resulting in an Additional Interest amount due of \$28,875.00.
- **Annual Collection Costs** – The cost of administering the District and collecting the Improvement Area #2 Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Improvement Area #2 Assessment remaining on the Parcel. The total Annual Collection Costs budgeted for the Improvement Area #2 Annual Installment is \$37,394.81.

Improvement Area #2	
Due January 31, 2026	
Principal	\$ 90,000.00
Interest	346,500.00
Additional Interest	28,875.00
Annual Collection Costs	37,943.81
<b>Total Annual Installment</b>	<b>\$ 503,318.81</b>

Improvement Area #2	
Annual Collection Costs Breakdown	
P3Works Administration	\$ 14,553.61
City Auditor	236.60
Filing Fees	236.60
County Collection	917.00
PID Trustee Fee	4,000.00
Dissemination Agent	3,500.00
Draw Request Review	10,000.00
Issuer CDA Review	3,500.00
Arbitrage Calculation	1,000.00
<b>Total</b>	<b>\$ 37,943.81</b>

### Improvement Area #3

- **Principal and Interest** – The total principal and interest required for the Improvement Area #3 Annual Installment is \$808,060.00.
- **Additional Interest** – The total Additional Interest Reserve Requirement, as defined in the applicable Indenture, has not been met. As such, the Additional Interest Reserve Account

will be funded with Additional Interest on the outstanding Improvement Area #3 Assessment, resulting in an Additional Interest amount due of \$55,755.00.

- **Annual Collection Costs** – The cost of administering the District and collecting the Improvement Area #3 Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Improvement Area #3 Assessment remaining on the Parcel. The total Annual Collection Costs budgeted for the Improvement Area #3 Annual Installment is \$21,103.44.

Improvement Area #3	
Due January 31, 2026	
Principal	\$ 139,000.00
Interest	669,060.00
Additional Interest	55,755.00
Annual Collection Costs	21,103.44
<b>Total Annual Installment</b>	<b>\$ 884,918.44</b>

Improvement Area #3	
Annual Collection Costs Breakdown	
P3Works Administration	\$ 27,432.50
City Auditor	445.97
Filing Fees	445.97
County Collection	779.00
PID Trustee Fee	4,000.00
Dissemination Agent	3,500.00
Draw Request Review	10,000.00
Issuer CDA Review	3,500.00
County Collection Maint. Balance	10,000.00
Arbitrage Calculation	1,000.00
Deposit to Administrative Fund <sup>[a]</sup>	(40,000.00)
<b>Total</b>	<b>\$ 21,103.44</b>

#### Footnotes

[a] To be funded from a portion of the District Bonds proceeds.

## E. Prepayment of Assessments in Full

### Improvement Area #1

The following is a list of all Parcels or Lots that made a Prepayment in full within Improvement Area #1.

Improvement Area #1				
Property ID	Lot Type	Address	Prepayment Date	Recorded Lien Release Number
2899231	2	700 Williams Way	5/13/2024	In Progress

*[Remainder of page intentionally left blank.]*

## EXHIBITS

The following Exhibits are attached to and made a part of this 2025 A&R Service and Assessment Plan (June Update) for all purposes:

<b>Exhibit A-1</b>	Map of the District
<b>Exhibit A-2</b>	Map of Improvement Area #1
<b>Exhibit A-3</b>	Map of Improvement Area #2
<b>Exhibit A-4</b>	Map of Improvement Area #3
<b>Exhibit A-5</b>	Improvement Area #1 Lot Type Classification Map
<b>Exhibit A-6</b>	Improvement Area #2 Lot Type Classification Map
<b>Exhibit A-7</b>	Improvement Area #3 Lot Type Classification Map
<b>Exhibit B</b>	Project Costs
<b>Exhibit C</b>	Service Plan
<b>Exhibit D</b>	Sources and Uses of Funds
<b>Exhibit E</b>	Maximum Assessment and Tax Rate Equivalent
<b>Exhibit F-1</b>	Improvement Area #1 Assessment Roll
<b>Exhibit F-2</b>	Improvement Area #1 Annual Installments
<b>Exhibit G-1</b>	Improvement Area #2 Assessment Roll
<b>Exhibit G-2</b>	Improvement Area #2 Annual Installments
<b>Exhibit H-1</b>	Improvement Area #3 Assessment Roll
<b>Exhibit H-2</b>	Improvement Area #3 Annual Installments
<b>Exhibit I-1</b>	Maps of Major Improvements
<b>Exhibit I-2</b>	Maps of Improvement Area #1 Improvements
<b>Exhibit I-3</b>	Maps of Improvement Area #2 Improvements
<b>Exhibit I-4</b>	Maps of Improvement Area #3 Improvements
<b>Exhibit J</b>	Form of Notice of Assessment Termination
<b>Exhibit K-1</b>	Simpson Crossing Phase 1 Final Plat
<b>Exhibit K-2</b>	Simpson Crossing Phase 2 Final Plat
<b>Exhibit K-3</b>	Simpson Crossing Phase 3 Final Plat
<b>Exhibit K-4</b>	Simpson Crossing Phase 4 Final Plat
<b>Exhibit L-1</b>	District Legal Description
<b>Exhibit L-2</b>	Improvement Area #1 Legal Description
<b>Exhibit L-3</b>	Improvement Area #2 Legal Description
<b>Exhibit L-4</b>	Improvement Area #3 Legal Description

## APPENDICES

The following appendices are attached to and made as part of this 2025 A&R Service and Assessment Plan (June Update) for all purposes:

**Appendix A** Engineer's Report

**Appendix B** Buyer Disclosures

## EXHIBIT A-1 – MAP OF THE DISTRICT



**EXHIBIT A-2 – MAP OF IMPROVEMENT AREA #1**



# EXHIBIT A-3 – MAP OF IMPROVEMENT AREA #2





EXHIBIT A-4 – MAP OF IMPROVEMENT AREA #3



# EXHIBIT A-5 – IMPROVEMENT AREA #1 LOT TYPE CLASSIFICATION MAP

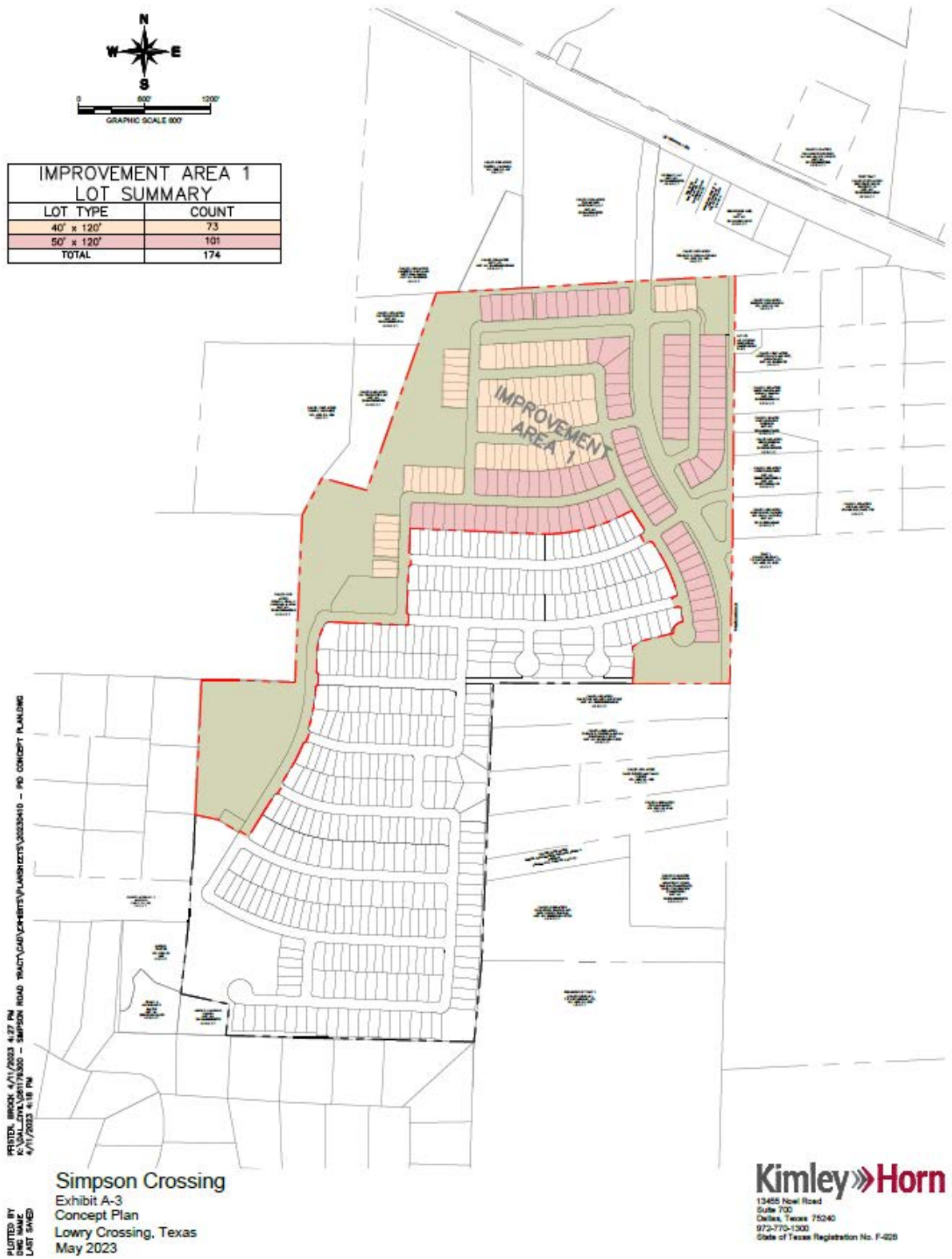


EXHIBIT A-6 – IMPROVEMENT AREA #2 LOT TYPE CLASSIFICATION MAP



**EXHIBIT A-7 – IMPROVEMENT AREA #3 LOT TYPE CLASSIFICATION MAP**





## EXHIBIT B – PROJECT COSTS

	Total Costs <sup>[a]</sup>	Private	District Eligible Costs	Improvement Area #1		Improvement Area #2		Improvement Area #3	
				%	Cost	%	Cost	%	Cost
<b>Major Improvements<sup>[b]</sup></b>									
Clearing and Excavation	\$ 62,097	\$ -	\$ 62,097	31.67%	\$ 19,666	24.78%	\$ 15,389	43.55%	\$ 27,042
Erosion Control	12,000	-	12,000	31.67%	3,800	24.78%	2,974	43.55%	5,226
Sanitary Sewer <sup>[c]</sup>	3,698,372	-	3,698,372	31.67%	1,171,254	24.78%	916,540	43.55%	1,610,578
Storm Sewer	222,684	-	222,684	31.67%	70,523	24.78%	55,186	43.55%	96,975
Pavement	2,612,863	-	2,612,863	31.67%	827,479	24.78%	647,526	43.55%	1,137,857
Landscape and Hardscape	953,598	-	953,598	31.67%	301,999	24.78%	236,323	43.55%	415,275
Soft Costs <sup>[d]</sup>	1,774,300	-	1,774,300	31.67%	561,911	24.78%	439,712	43.55%	772,677
	<u>\$ 9,335,914</u>	<u>\$ -</u>	<u>\$ 9,335,914</u>		<u>\$ 2,956,633</u>		<u>\$ 2,313,651</u>		<u>\$ 4,065,630</u>
<b>Improvement Area #1 Improvements</b>									
Clearing and Excavation	\$ 180,318	\$ -	\$ 180,318	100%	\$ 180,318	0.00%	\$ -	0.00%	\$ -
Erosion Control	36,825	-	36,825	100%	36,825	0.00%	-	0.00%	-
Sanitary Sewer <sup>[c]</sup>	1,120,789	-	1,120,789	100%	1,120,789	0.00%	-	0.00%	-
Storm Sewer	1,070,911	-	1,070,911	100%	1,070,911	0.00%	-	0.00%	-
Pavement	2,011,041	-	2,011,041	100%	2,011,041	0.00%	-	0.00%	-
Soft Costs <sup>[d]</sup>	1,053,889	-	1,053,889	100%	1,053,889	0.00%	-	0.00%	-
	<u>\$ 5,473,773</u>	<u>\$ -</u>	<u>\$ 5,473,773</u>		<u>\$ 5,473,773</u>		<u>\$ -</u>		<u>\$ -</u>
<b>Improvement Area #2 Improvements</b>									
Clearing and Excavation	\$ 69,615	\$ -	\$ 69,615	0.00%	\$ -	100%	\$ 69,615	0.00%	\$ -
Erosion Control	14,400	-	14,400	0.00%	-	100%	14,400	0.00%	-
Sanitary Sewer <sup>[c]</sup>	311,724	-	311,724	0.00%	-	100%	311,724	0.00%	-
Storm Sewer	247,899	-	247,899	0.00%	-	100%	247,899	0.00%	-
Pavement	1,773,137	-	1,773,137	0.00%	-	100%	1,773,137	0.00%	-
Soft Costs <sup>[d]</sup>	577,362	-	577,362	0.00%	-	100%	577,362	0.00%	-
	<u>\$ 2,994,137</u>	<u>\$ -</u>	<u>\$ 2,994,137</u>		<u>\$ -</u>		<u>\$ 2,994,137</u>		<u>\$ -</u>
<b>Improvement Area #3 Improvements</b>									
Clearing and Excavation	\$ 142,185	\$ -	\$ 142,185	0.00%	\$ -	0.00%	\$ -	100%	\$ 142,185
Erosion Control	27,450	-	27,450	0.00%	-	0.00%	-	100%	27,450
Sanitary Sewer <sup>[c]</sup>	950,232	-	950,232	0.00%	-	0.00%	-	100%	950,232
Storm Sewer	994,753	-	994,753	0.00%	-	0.00%	-	100%	994,753
Pavement	2,143,263	-	2,143,263	0.00%	-	0.00%	-	100%	2,143,263
Soft Costs <sup>[d]</sup>	1,016,529	-	1,016,529	0.00%	-	0.00%	-	100%	1,016,529
	<u>\$ 5,274,412</u>	<u>\$ -</u>	<u>\$ 5,274,412</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 5,274,412</u>
<b>Private Improvements</b>									
Private Improvements	<u>\$ 3,495,286</u>	<u>\$ 3,495,286</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
	<u>\$ 3,495,286</u>	<u>\$ 3,495,286</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
<b>Bond Issuance Costs<sup>[e]</sup></b>									
Debt Service Reserve Fund	\$ 1,828,939	\$ -	\$ 1,828,939		\$ 592,675		\$ 441,582		\$ 794,682
Underwriter Discount	767,940	-	767,940		248,310		185,100		334,530
Capitalized Interest	139,388	-	139,388		-		-		139,388
Cost of Issuance	1,663,870	-	1,663,870		538,005		401,050		724,815
	<u>\$ 4,400,136</u>	<u>\$ -</u>	<u>\$ 4,400,136</u>		<u>\$ 1,378,990</u>		<u>\$ 1,027,732</u>		<u>\$ 1,993,414</u>
<b>Other Costs</b>									
Deposit to Administrative Fund	\$ 120,000	\$ -	\$ 120,000		\$ 40,000		\$ 40,000		\$ 40,000
Rounding Amount	864	-	864		10		268		586
	<u>\$ 120,864</u>	<u>\$ -</u>	<u>\$ 120,864</u>		<u>\$ 40,010</u>		<u>\$ 40,268</u>		<u>\$ 40,586</u>
<b>Total</b>	<b>\$ 31,094,521</b>	<b>\$ 3,495,286</b>	<b>\$ 27,599,235</b>		<b>\$ 9,849,405</b>		<b>\$ 6,375,788</b>		<b>\$ 11,374,042</b>

**Footnotes:**

[a] Costs per Engineer's Report dated 1/22/2025.

[b] Major Improvement costs were allocated to Improvement Area #1 and apportioned to the property now within Improvement Area #2 and Improvement Area #3 at the time of the 2023 Service and Assessment Plan. The costs apportioned to Improvement Area #2 and Improvement Area #3 were allocated to Improvement Area #2 and Improvement Area #3 at the time the City Council approved the 2024 A&R Service and Assessment Plan.

[c] The City of Princeton will assume ownership and maintenance responsibility pursuant to an interlocal agreement.

[d] Soft Costs include planning, surveying, platting, engineering, staking, testing, inspection fees, miscellaneous and contingency.

[e] Bond Issuance Costs are preliminary estimates and subject to change. Bond Issuance Costs will be updated to reflect the actual cost at pricing.

## EXHIBIT C – SERVICE PLAN

Improvement Area #1					
Annual Installment Due	1/31/2026	1/31/2027	1/31/2028	1/31/2029	1/31/2030
Principal	\$ 115,000.00	\$ 120,000.00	\$ 126,000.00	\$ 134,000.00	\$ 142,000.00
Interest	465,240.00	458,340.00	451,140.00	443,580.00	435,540.00
(1)	\$ 580,240.00	\$ 578,340.00	\$ 577,140.00	\$ 577,580.00	\$ 577,540.00
Additional Interest	(2) \$ 38,770.00	\$ 38,195.00	\$ 37,595.00	\$ 36,965.00	\$ 36,295.00
Annual Collection Costs	(3) \$ 44,718.74	\$ 45,613.11	\$ 46,525.37	\$ 47,455.88	\$ 48,405.00
<b>Total Annual Installment Due</b>	<b>(4) = (1) + (2) + (3)</b>	<b>\$ 663,728.74</b>	<b>\$ 662,148.11</b>	<b>\$ 661,260.37</b>	<b>\$ 662,000.88</b>
		<b>\$ 662,240.00</b>			

Improvement Area #2					
Annual Installment Due	1/31/2026	1/31/2027	1/31/2028	1/31/2029	1/31/2030
Principal	\$ 90,000.00	\$ 85,000.00	\$ 90,000.00	\$ 95,000.00	\$ 101,000.00
Interest	346,500.00	341,100.00	336,000.00	330,600.00	324,900.00
(1)	\$ 436,500.00	\$ 426,100.00	\$ 426,000.00	\$ 425,600.00	\$ 425,900.00
Additional Interest	(2) \$ 28,875.00	\$ 28,425.00	\$ 28,000.00	\$ 27,550.00	\$ 27,075.00
Annual Collection Costs	(3) \$ 37,943.81	\$ 38,702.69	\$ 39,476.74	\$ 40,266.27	\$ 41,071.60
<b>Total Annual Installment Due</b>	<b>(4) = (1) + (2) + (3)</b>	<b>\$ 503,318.81</b>	<b>\$ 493,227.69</b>	<b>\$ 493,476.74</b>	<b>\$ 493,416.27</b>
		<b>\$ 494,046.60</b>			

Improvement Area #3					
Annual Installment Due	1/31/2026	1/31/2027	1/31/2028	1/31/2029	1/31/2030
Principal	\$ 139,000.00	\$ 147,000.00	\$ 156,000.00	\$ 165,000.00	\$ 175,000.00
Interest	669,060.00	660,720.00	651,900.00	642,540.00	632,640.00
(1)	\$ 808,060.00	\$ 807,720.00	\$ 807,900.00	\$ 807,540.00	\$ 807,640.00
Additional Interest	(2) \$ 55,755.00	\$ 55,060.00	\$ 54,325.00	\$ 53,545.00	\$ 52,720.00
Annual Collection Costs	(3) \$ 21,103.44	\$ 21,525.51	\$ 21,956.02	\$ 22,395.14	\$ 22,843.04
<b>Total Annual Installment Due</b>	<b>(4) = (1) + (2) + (3)</b>	<b>\$ 884,918.44</b>	<b>\$ 884,305.51</b>	<b>\$ 884,181.02</b>	<b>\$ 883,480.14</b>
		<b>\$ 883,203.04</b>			

## EXHIBIT D – SOURCES AND USES OF FUNDS

	Private	Improvement Area #1	Improvement Area #2	Improvement Area #3
<b>Sources of Funds</b>				
District Bonds	\$ -	\$ 8,277,000	\$ 6,170,000	\$ 11,151,000
Improvement Area #1 Reimbursement Obligation <sup>[a]</sup>	-	162,008	-	-
Developer Contribution - Improvement Area #1 <sup>[b]</sup>	-	1,410,397	-	-
Developer Contribution - Improvement Area #2 <sup>[b]</sup>	-	-	205,788	-
Developer Contribution - Improvement Area #3 <sup>[b]</sup>	-	-	-	223,042
Developer Contribution - Private Improvements <sup>[b]</sup>	3,495,286	-	-	-
<b>Total Sources of Funds</b>	<b>\$ 3,495,286</b>	<b>\$ 9,849,405</b>	<b>\$ 6,375,788</b>	<b>\$ 11,374,042</b>
<b>Uses of Funds</b>				
Major Improvements	\$ -	\$ 2,956,633	\$ 2,313,651	\$ 4,065,630
Improvement Area #1 Improvements	-	5,473,773	-	-
Improvement Area #2 Improvements	-	-	2,994,137	-
Improvement Area #3 Improvements	-	-	-	5,274,412
Private Improvements <sup>[b]</sup>	3,495,286	-	-	-
	<b>\$ 3,495,286</b>	<b>\$ 8,430,405</b>	<b>\$ 5,307,788</b>	<b>\$ 9,340,042</b>
<i>Bond Issuance Costs<sup>[c]</sup></i>				
Debt Service Reserve Fund	\$ -	\$ 592,675	\$ 441,582	\$ 794,682
Underwriter Discount	-	248,310	185,100	334,530
Capitalized Interest	-	-	-	139,388
Cost of Issuance	-	538,005	401,050	724,815
	<b>\$ -</b>	<b>\$ 1,378,990</b>	<b>\$ 1,027,732</b>	<b>\$ 1,993,414</b>
<i>Other Costs</i>				
Deposit to Administrative Fund	\$ -	\$ 40,000	\$ 40,000	\$ 40,000
Rounding Amount <sup>[d]</sup>	-	10	268	586
	<b>\$ -</b>	<b>\$ 40,010</b>	<b>\$ 40,268</b>	<b>\$ 40,586</b>
<b>Total Uses of Funds</b>	<b>\$ 3,495,286</b>	<b>\$ 9,849,405</b>	<b>\$ 6,375,788</b>	<b>\$ 11,374,042</b>

**Footnotes:**

[a] Will not be funded from the proceeds of the District Bonds or from the collection of future Annual Installments. Includes a Prepayment of Assessment in full of \$52,007.75 and the principal portion of \$110,000.00 collected as part of the Improvement Area #1 Annual Installment due 1/31/2024 collected prior to the issuance of PID Bonds.

[b] Non-reimbursable to the Developer through the collection of Annual Installments or PID Bonds.

[c] Bond Issuance Costs are preliminary estimates and subject to change. Bond Issuance Costs will be updated to reflect the actual cost at pricing.

[d] The Rounding Amounts are related to the differences in the minimum required denominations of the bonds and the outstanding assessments.

## EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot TypeUnits <sup>[a]</sup>		Assessed Property After Prepayment <sup>[b]</sup>	Estimated Buildout Value <sup>[c]</sup>		Maximum Assessment <sup>[d]</sup>		Average Annual Installment		Tax Rate Equivalent
			Per Unit	Total	Per Unit	Total	Per Unit	Total	
Improvement Area #1									
Lot Type 1	73	73	\$ 385,000	\$ 28,105,000	\$ 39,485.35	\$ 2,882,431	\$ 3,378.17	\$ 246,607	\$ 0.8774
Lot Type 2	101	100	\$ 475,000	\$ 47,975,000	\$ 48,715.69	\$ 4,871,569	\$ 4,167.88	\$ 416,788	\$ 0.8774
Improvement Area #1 Subtotal	174	173	\$ 76,080,000		\$ 7,754,000		\$ 663,394		
Improvement Area #2									
Lot Type 3	87	87	\$ 400,554	\$ 34,848,198	\$ 38,839.64	\$ 3,379,048	\$ 3,319.85	\$ 288,827	\$ 0.8288
Lot Type 4	50	50	\$ 494,190	\$ 24,709,500	\$ 47,919.03	\$ 2,395,952	\$ 4,095.92	\$ 204,796	\$ 0.8288
Improvement Area #2 Subtotal	137	137	\$ 59,557,698		\$ 5,775,000		\$ 493,623		
Improvement Area #3									
Lot Type 5	112	112	\$ 400,500	\$ 44,856,000	\$ 43,495.21	\$ 4,871,464	\$ 3,423.83	\$ 383,469	\$ 0.8549
Lot Type 6	117	117	\$ 494,200	\$ 57,821,400	\$ 53,671.25	\$ 6,279,536	\$ 4,224.86	\$ 494,308	\$ 0.8549
Improvement Area #3 Subtotal	229	229	\$ 102,677,400		\$ 11,151,000		\$ 877,777		
Total	540	539	\$ 238,315,098		\$ 24,680,000				

### Footnotes:

[a] Based on the Developer's model dated 1/27/2025.

[b] Represents the unit count of Assessed Property, excluding Parcels that have prepaid their Assessments in full.

[c] Estimated Buildout Value for each Lot Type reflects values at the time of the City Council's approval of the applicable Assessment Ordinance.

[d] The Maximum Assessment does not include the Annual Installments due January 31, 2025, which will be used to make the September 15, 2025 payment on the District Bonds.



# EXHIBIT F-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID	Lot Type	Notes	Improvement Area #1 <sup>[a]</sup>	
			Outstanding Assessment <sup>[b]</sup>	Annual Installment Due 1/31/2026
2899169	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899170	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899171	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899172	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899173	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899174	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899175	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899176	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899177	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899178	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899179	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899180	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899181	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899182	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899185	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899186	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899187	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899188	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899189	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899190	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899191	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899192	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899195	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899196	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899197	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899198	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899199	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899200	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899201	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899202	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899203	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899204	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899205	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899206	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899207	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899183	Non-Benefited Property		\$ -	\$ -
2899184	Non-Benefited Property		\$ -	\$ -
2899208	Non-Benefited Property		\$ -	\$ -
2899209	Lot Type 2		\$ 48,715.69	\$ 4,169.98

Property ID	Lot Type	Notes	Improvement Area #1 <sup>[a]</sup>	
			Outstanding Assessment <sup>[b]</sup>	Annual Installment Due 1/31/2026
2899210	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899211	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899212	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899216	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899217	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899218	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899219	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899220	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899221	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899222	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899223	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899224	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899225	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899226	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899227	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899228	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899229	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899230	Non-Benefited Property		\$ -	\$ -
2899213	Non-Benefited Property		\$ -	\$ -
2899214	Non-Benefited Property		\$ -	\$ -
2899215	Non-Benefited Property		\$ -	\$ -
2899231	Lot Type 2	[c]	\$ -	\$ -
2899232	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899233	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899234	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899236	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899237	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899238	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899239	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899240	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899241	Non-Benefited Property		\$ -	\$ -
2899235	Lot Type 2	[d]	\$ 48,715.69	\$ 2,084.99
2930948	Lot Type 2	[d]	\$ 48,715.69	\$ 2,084.99
2899242	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899243	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899244	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899245	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899246	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899247	Lot Type 1		\$ 39,485.35	\$ 3,379.88

Property ID	Lot Type	Notes	Improvement Area #1 <sup>[a]</sup>	
			Outstanding Assessment <sup>[b]</sup>	Annual Installment Due 1/31/2026
2899248	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899249	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899250	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899251	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899252	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899253	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899254	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899255	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899256	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899257	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899258	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899259	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899260	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899261	Non-Benefited Property		\$ -	\$ -
2899262	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899263	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899264	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899265	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899266	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899267	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899268	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899269	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899270	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899271	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899272	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899273	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899274	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899275	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899276	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899277	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899278	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899279	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899280	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899281	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899282	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899283	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899284	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899285	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899286	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899287	Lot Type 1		\$ 39,485.35	\$ 3,379.88

Property ID	Lot Type	Notes	Improvement Area #1 <sup>[a]</sup>	
			Outstanding Assessment <sup>[b]</sup>	Annual Installment Due 1/31/2026
2899288	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899289	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899290	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899291	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899292	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899293	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899294	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899295	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899296	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899297	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899298	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899299	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899300	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899301	Lot Type 1		\$ 39,485.35	\$ 3,379.88
2899302	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899303	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899304	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899305	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899306	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899307	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899308	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899309	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899310	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899311	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899312	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899313	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899314	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899315	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899316	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899317	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899318	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899319	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899320	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899321	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899322	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899323	Non-Benefited Property		\$ -	\$ -
2899324	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899325	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899326	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899327	Lot Type 2		\$ 48,715.69	\$ 4,169.98

Property ID	Lot Type	Notes	Improvement Area #1 <sup>[a]</sup>	
			Outstanding Assessment <sup>[b]</sup>	Annual Installment Due 1/31/2026
2899328	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899329	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899330	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899331	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899332	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899333	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899334	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899335	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899336	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899337	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899338	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899339	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899340	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899341	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899342	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899343	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899344	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899347	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899348	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899349	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899350	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899351	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899352	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899353	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899354	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899355	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899356	Lot Type 2		\$ 48,715.69	\$ 4,169.98
2899357	Non-Benefited Property		\$ -	\$ -
2899358	Non-Benefited Property		\$ -	\$ -
2899359	Non-Benefited Property		\$ -	\$ -
<b>Total</b>			<b>\$ 7,753,999.55</b>	<b>\$ 663,729.24</b>

**Footnotes:**

[a] Totals may not sum or match the total outstanding Assessment or Annual Installment due to rounding.

[b] Outstanding Assessment prior to 1/31/2026 Annual Installment.

[c] Property ID prepaid the outstanding Improvement Area #1 Assessment in full.

[d] Undivided interest of parent Property ID 2930947 located at 708 Williams Way, billed 50% to Property ID 2899235 and 50% to Property ID 2930948.

## EXHIBIT F-2 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENT

Annual Installment Due 1/31	District Bonds - Improvement Area #1				Annual Collection Costs	Total Annual Installment Due <sup>[c]</sup>
	Principal	Interest <sup>[a]</sup>	Additional Interest	Reserve Fund <sup>[b]</sup>		
2025 <sup>[d]</sup>	\$ 523,000.00	\$ 103,462.50	\$ -	\$ -	\$ 38,122.00	\$ 664,584.50
2026	\$ 115,000.00	\$ 465,240.00	\$ 38,770.00	\$ -	\$ 44,718.74	\$ 663,728.74
2027	\$ 120,000.00	\$ 458,340.00	\$ 38,195.00	\$ -	\$ 45,613.11	\$ 662,148.11
2028	\$ 126,000.00	\$ 451,140.00	\$ 37,595.00	\$ -	\$ 46,525.37	\$ 661,260.37
2029	\$ 134,000.00	\$ 443,580.00	\$ 36,965.00	\$ -	\$ 47,455.88	\$ 662,000.88
2030	\$ 142,000.00	\$ 435,540.00	\$ 36,295.00	\$ -	\$ 48,405.00	\$ 662,240.00
2031	\$ 150,000.00	\$ 427,020.00	\$ 35,585.00	\$ -	\$ 49,373.10	\$ 661,978.10
2032	\$ 159,000.00	\$ 418,020.00	\$ 34,835.00	\$ -	\$ 50,360.56	\$ 662,215.56
2033	\$ 169,000.00	\$ 408,480.00	\$ 34,040.00	\$ -	\$ 51,367.77	\$ 662,887.77
2034	\$ 179,000.00	\$ 398,340.00	\$ 33,195.00	\$ -	\$ 52,395.13	\$ 662,930.13
2035	\$ 189,000.00	\$ 387,600.00	\$ 32,300.00	\$ -	\$ 53,443.03	\$ 662,343.03
2036	\$ 201,000.00	\$ 376,260.00	\$ 31,355.00	\$ -	\$ 54,511.89	\$ 663,126.89
2037	\$ 213,000.00	\$ 364,200.00	\$ 30,350.00	\$ -	\$ 55,602.13	\$ 663,152.13
2038	\$ 226,000.00	\$ 351,420.00	\$ 29,285.00	\$ -	\$ 56,714.17	\$ 663,419.17
2039	\$ 239,000.00	\$ 337,860.00	\$ 28,155.00	\$ -	\$ 57,848.45	\$ 662,863.45
2040	\$ 254,000.00	\$ 323,520.00	\$ 26,960.00	\$ -	\$ 59,005.42	\$ 663,485.42
2041	\$ 269,000.00	\$ 308,280.00	\$ 25,690.00	\$ -	\$ 60,185.53	\$ 663,155.53
2042	\$ 286,000.00	\$ 292,140.00	\$ 24,345.00	\$ -	\$ 61,389.24	\$ 663,874.24
2043	\$ 303,000.00	\$ 274,980.00	\$ 22,915.00	\$ -	\$ 62,617.02	\$ 663,512.02
2044	\$ 322,000.00	\$ 256,800.00	\$ 21,400.00	\$ -	\$ 63,869.36	\$ 664,069.36
2045	\$ 342,000.00	\$ 237,480.00	\$ 19,790.00	\$ -	\$ 65,146.75	\$ 664,416.75
2046	\$ 363,000.00	\$ 216,960.00	\$ 18,080.00	\$ -	\$ 66,449.69	\$ 664,489.69
2047	\$ 385,000.00	\$ 195,180.00	\$ 16,265.00	\$ -	\$ 67,778.68	\$ 664,223.68
2048	\$ 409,000.00	\$ 172,080.00	\$ 14,340.00	\$ -	\$ 69,134.25	\$ 664,554.25
2049	\$ 434,000.00	\$ 147,540.00	\$ 12,295.00	\$ -	\$ 70,516.94	\$ 664,351.94
2050	\$ 461,000.00	\$ 121,500.00	\$ 10,125.00	\$ -	\$ 71,927.28	\$ 664,552.28
2051	\$ 490,000.00	\$ 93,840.00	\$ 7,820.00	\$ -	\$ 73,365.83	\$ 665,025.83
2052	\$ 521,000.00	\$ 64,440.00	\$ 5,370.00	\$ -	\$ 74,833.15	\$ 665,643.15
2053	\$ 553,000.00	\$ 33,180.00	\$ 2,765.00	\$ (592,674.71)	\$ 76,329.81	\$ 72,600.10
<b>Total</b>	<b>\$ 8,277,000.00</b>	<b>\$ 8,564,422.50</b>	<b>\$ 705,080.00</b>	<b>\$ (592,674.71)</b>	<b>\$ 1,695,005.28</b>	<b>\$ 18,648,833.07</b>

### Footnotes:

[a] Interest is calculated at a 6.00% for illustrative purposes, subject to change upon pricing.

[b] Assumes the Reserve Fund is fully funded and available to reduce Improvement Area #2 Annual Installments in the final year.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, interest earnings, reserve fund, or other available offsets could increase or decrease the amounts shown.

[d] 9/15/2025 principal, interest, and Annual Collection Costs will be paid from Annual Installments collected 1/31/2025.

# EXHIBIT G-1 – IMPROVEMENT AREA #2 ASSESSMENT ROLL

Property ID	Lot Type	Improvement Area #2 <sup>[a]</sup>	
		Outstanding Assessment <sup>[b]</sup>	Annual Installment Due 1/31/2026
2918229	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918230	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918231	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918232	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918233	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918234	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918235	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918236	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918237	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918238	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918239	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918240	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918241	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918242	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918243	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918244	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918245	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918246	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918247	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918248	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918249	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918250	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918251	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918252	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918253	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918254	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918255	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918256	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918257	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918258	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918259	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918260	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918261	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918262	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918263	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918264	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918265	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918266	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918267	Lot Type 3	\$ 38,839.64	\$ 3,385.06

		Improvement Area #2 <sup>[a]</sup>	
Property ID	Lot Type	Outstanding Assessment <sup>[b]</sup>	Annual Installment Due 1/31/2026
2918268	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918269	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918270	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918271	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918272	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918273	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918274	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918275	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918276	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918277	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918278	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918279	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918280	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918281	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918282	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918283	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918284	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918285	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918286	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918287	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918288	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918289	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918290	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918291	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918292	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918293	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918294	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918295	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918296	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918297	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918298	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918299	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918300	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918301	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918302	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918303	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918304	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918305	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918306	Lot Type 4	\$ 47,919.03	\$ 4,176.37



		Improvement Area #2 <sup>[a]</sup>	
Property ID	Lot Type	Outstanding Assessment <sup>[b]</sup>	Annual Installment Due 1/31/2026
2918307	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918308	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918309	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918311	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918312	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918313	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918314	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918315	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918316	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918317	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918318	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918319	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918320	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918321	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918322	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918323	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918324	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918325	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918326	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918327	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918328	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918329	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918330	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918331	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918332	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918333	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918334	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918335	Lot Type 4	\$ 47,919.03	\$ 4,176.37
2918310	Non-Benefited Property	\$ -	\$ -
2918367	Non-Benefited Property	\$ -	\$ -
2918336	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918337	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918338	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918339	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918340	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918341	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918342	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918343	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918344	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918345	Lot Type 3	\$ 38,839.64	\$ 3,385.06

		Improvement Area #2 <sup>[a]</sup>	
Property ID	Lot Type	Outstanding Assessment <sup>[b]</sup>	Annual Installment Due 1/31/2026
2918346	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918347	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918348	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918349	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918350	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918351	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918352	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918353	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918354	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918355	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918356	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918357	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918358	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918359	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918360	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918361	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918362	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918363	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918364	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918365	Lot Type 3	\$ 38,839.64	\$ 3,385.06
2918366	Lot Type 3	\$ 38,839.64	\$ 3,385.06
<b>Total</b>		<b>\$ 5,775,000.18</b>	<b>\$ 503,318.72</b>

**Footnotes:**

[a] Totals may not sum or match the total outstanding Assessment or Annual Installment due to rounding.

[b] Outstanding Assessment prior to 1/31/2026 Annual Installment.

## EXHIBIT G-2 – IMPROVEMENT AREA #2 ANNUAL INSTALLMENT

Annual Installment Due 1/31	District Bonds - Improvement Area #2				Annual Collection Costs	Total Annual Installment Due <sup>[c]</sup>
	Principal	Interest <sup>[a]</sup>	Additional Interest	Reserve Fund <sup>[b]</sup>		
2025 <sup>[d]</sup>	\$ 395,000.00	\$ 77,125.00	\$ -	\$ -	\$ 40,000.00	\$ 512,125.00
2026	\$ 90,000.00	\$ 346,500.00	\$ 28,875.00	\$ -	\$ 37,943.81	\$ 503,318.81
2027	\$ 85,000.00	\$ 341,100.00	\$ 28,425.00	\$ -	\$ 38,702.69	\$ 493,227.69
2028	\$ 90,000.00	\$ 336,000.00	\$ 28,000.00	\$ -	\$ 39,476.74	\$ 493,476.74
2029	\$ 95,000.00	\$ 330,600.00	\$ 27,550.00	\$ -	\$ 40,266.27	\$ 493,416.27
2030	\$ 101,000.00	\$ 324,900.00	\$ 27,075.00	\$ -	\$ 41,071.60	\$ 494,046.60
2031	\$ 106,000.00	\$ 318,840.00	\$ 26,570.00	\$ -	\$ 41,893.03	\$ 493,303.03
2032	\$ 112,000.00	\$ 312,480.00	\$ 26,040.00	\$ -	\$ 42,730.89	\$ 493,250.89
2033	\$ 119,000.00	\$ 305,760.00	\$ 25,480.00	\$ -	\$ 43,585.51	\$ 493,825.51
2034	\$ 125,000.00	\$ 298,620.00	\$ 24,885.00	\$ -	\$ 44,457.22	\$ 492,962.22
2035	\$ 133,000.00	\$ 291,120.00	\$ 24,260.00	\$ -	\$ 45,346.36	\$ 493,726.36
2036	\$ 140,000.00	\$ 283,140.00	\$ 23,595.00	\$ -	\$ 46,253.29	\$ 492,988.29
2037	\$ 149,000.00	\$ 274,740.00	\$ 22,895.00	\$ -	\$ 47,178.36	\$ 493,813.36
2038	\$ 157,000.00	\$ 265,800.00	\$ 22,150.00	\$ -	\$ 48,121.93	\$ 493,071.93
2039	\$ 166,000.00	\$ 256,380.00	\$ 21,365.00	\$ -	\$ 49,084.37	\$ 492,829.37
2040	\$ 176,000.00	\$ 246,420.00	\$ 20,535.00	\$ -	\$ 50,066.06	\$ 493,021.06
2041	\$ 187,000.00	\$ 235,860.00	\$ 19,655.00	\$ -	\$ 51,067.38	\$ 493,582.38
2042	\$ 198,000.00	\$ 224,640.00	\$ 18,720.00	\$ -	\$ 52,088.73	\$ 493,448.73
2043	\$ 210,000.00	\$ 212,760.00	\$ 17,730.00	\$ -	\$ 53,130.50	\$ 493,620.50
2044	\$ 222,000.00	\$ 200,160.00	\$ 16,680.00	\$ -	\$ 54,193.11	\$ 493,033.11
2045	\$ 235,000.00	\$ 186,840.00	\$ 15,570.00	\$ -	\$ 55,276.97	\$ 492,686.97
2046	\$ 250,000.00	\$ 172,740.00	\$ 14,395.00	\$ -	\$ 56,382.51	\$ 493,517.51
2047	\$ 265,000.00	\$ 157,740.00	\$ 13,145.00	\$ -	\$ 57,510.16	\$ 493,395.16
2048	\$ 281,000.00	\$ 141,840.00	\$ 11,820.00	\$ -	\$ 58,660.36	\$ 493,320.36
2049	\$ 298,000.00	\$ 124,980.00	\$ 10,415.00	\$ -	\$ 59,833.57	\$ 493,228.57
2050	\$ 316,000.00	\$ 107,100.00	\$ 8,925.00	\$ -	\$ 61,030.24	\$ 493,055.24
2051	\$ 335,000.00	\$ 88,140.00	\$ 7,345.00	\$ -	\$ 62,250.84	\$ 492,735.84
2052	\$ 356,000.00	\$ 68,040.00	\$ 5,670.00	\$ -	\$ 63,495.86	\$ 493,205.86
2053	\$ 377,000.00	\$ 46,680.00	\$ 3,890.00	\$ -	\$ 64,765.78	\$ 492,335.78
2054	\$ 401,000.00	\$ 24,060.00	\$ 2,005.00	\$ (441,581.98)	\$ 66,061.10	\$ 51,544.12
<b>Total</b>	<b>\$ 6,170,000.00</b>	<b>\$ 6,601,105.00</b>	<b>\$ 543,665.00</b>	<b>\$ (441,581.98)</b>	<b>\$ 1,511,925.24</b>	<b>\$ 14,385,113.26</b>

**Footnotes:**

[a] Interest is calculated at a 6.00% for illustrative purposes, subject to change upon pricing.

[b] Assumes the Reserve Fund is fully funded and available to reduce Improvement Area #2 Annual Installments in the final year.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, interest earnings, reserve fund, or other available offsets could increase or decrease the amounts shown.

[d] 9/15/2025 principal, interest, and Annual Collection Costs will be paid from Annual Installments collected 1/31/2025.

# EXHIBIT H-1 – IMPROVEMENT AREA #3 ASSESSMENT ROLL

Property ID	Legal Description		Lot Type	Improvement Area #3 <sup>[a]</sup>	
	Block	Lot		Outstanding Assessment	Annual Installment Due 1/31/2026
2927743	A	84	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927744	A	85	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927745	A	86	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927746	A	87	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927747	A	88	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927748	A	89	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927749	A	90	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927750	A	91	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927751	A	92	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927752	A	93	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927753	A	94	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927754	A	95	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927755	A	96	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927756	A	97	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927757	A	98	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927758	A	99	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927838	A	100X	Non-Benefited Property	\$ -	\$ -
2927759	L	1	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927762	L	2	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927763	L	3	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927764	L	4	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927765	L	5	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927766	L	6	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927767	L	7	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927768	L	8	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927769	L	9	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927770	L	10	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927771	L	11	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927772	L	12	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927773	L	13	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2927774	L	14	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927775	L	15	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927776	L	16	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927777	L	17	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927778	L	18	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927779	L	19	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927780	L	20	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927781	L	21	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927782	L	22	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927783	L	23	Lot Type 5	\$ 43,495.21	\$ 3,451.68

Property ID	Legal Description		Lot Type	Improvement Area #3 <sup>[a]</sup>	
	Block	Lot		Outstanding Assessment	Annual Installment Due 1/31/2026
2927784	L	24	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927785	L	25	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927786	L	26	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927787	L	27	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927788	L	28	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927789	L	29	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927790	M	1	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927791	M	2	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927792	M	3	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927793	M	4	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927794	M	5	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927795	M	6	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927796	M	7	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927797	M	8	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927798	M	9	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927799	M	10	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927800	M	11	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927801	M	12	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927802	M	13	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927803	M	14	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927804	M	15	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927805	M	16	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927806	M	17	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927807	M	18	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927808	M	19	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927809	M	20	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927810	M	21	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927811	M	22	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927812	M	23	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927813	M	24	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927814	M	25	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927815	M	26	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927816	M	27	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927817	N	1	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927818	N	2	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927819	N	3	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927820	N	4	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927821	N	5	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927822	N	6	Lot Type 5	\$ 43,495.21	\$ 3,451.68

Property ID	Legal Description		Lot Type	Improvement Area #3 <sup>[a]</sup>	
	Block	Lot		Outstanding Assessment	Annual Installment Due 1/31/2026
2927823	N	7	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927824	N	8	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927825	N	9	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927826	N	10	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927827	N	11	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927828	N	12	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927829	N	13	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927830	N	14	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927831	N	15	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927832	N	16	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927833	N	17	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927834	N	18	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927835	N	19	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927836	N	20	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2927837	N	21	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933874	A	39	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933875	A	40	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933876	A	41	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933877	A	42	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933878	A	43	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933879	A	44	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933880	A	45	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933884	A	46	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933885	A	47	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933886	A	48	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933887	A	49	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933888	A	50	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933889	A	51	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933890	A	52	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933891	A	53	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933892	A	54	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933893	A	55	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933894	A	56	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933895	A	57	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933896	A	58	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933897	A	59	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933898	A	60	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933899	A	61	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933900	A	62	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933901	A	63	Lot Type 6	\$ 53,671.25	\$ 4,259.23

Property ID	Legal Description		Lot Type	Improvement Area #3 <sup>[a]</sup>	
	Block	Lot		Outstanding Assessment	Annual Installment Due 1/31/2026
2933902	A	64	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933903	A	65	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933905	A	67	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933906	A	68	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933907	A	69	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933908	A	70	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933909	A	71	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933910	A	72	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933911	A	73	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933912	A	74	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933913	A	75	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933914	A	76	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933915	A	77	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933916	A	78	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933917	A	79	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933918	A	80	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933919	A	81	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933920	A	82	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933921	A	83	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933904	A	66X	Non-Benefited Property	\$ -	\$ -
2933922	N	22	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933923	N	23	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933924	N	24	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933925	N	25	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933926	N	26	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933927	N	27	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933928	N	28	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933929	N	29	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933930	N	30	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933931	N	31	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933932	N	32	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933933	N	33	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933934	N	34	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933935	N	35	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933936	N	36	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933937	N	37	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933938	N	38	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933939	N	39	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933940	O	1	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933941	O	2	Lot Type 6	\$ 53,671.25	\$ 4,259.23

Property ID	Legal Description		Lot Type	Improvement Area #3 <sup>[a]</sup>	
	Block	Lot		Outstanding Assessment	Annual Installment Due 1/31/2026
2933942	O	3	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933943	O	4	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933944	O	5	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933945	O	6	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933946	O	7	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933947	O	8	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933948	O	9	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933949	O	10	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933950	O	11	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933951	O	12	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933952	O	13	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933953	O	14	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933954	O	15	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933955	O	16	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933956	O	17	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933957	O	18	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933958	O	19	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933959	O	20	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2933960	O	21	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933963	O	22	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933964	O	23	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933965	O	24	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933966	O	25	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933967	O	26	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933968	O	27	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933969	O	28	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933970	O	29	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933971	O	30	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933972	O	31	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933973	O	32	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933974	O	33	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933975	O	34	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933976	O	35	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933977	O	36	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933978	O	37	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933979	O	38	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933980	O	39	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933981	O	40	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933982	O	41	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933983	O	42	Lot Type 5	\$ 43,495.21	\$ 3,451.68



Property ID	Legal Description		Lot Type	Improvement Area #3 <sup>[a]</sup>	
	Block	Lot		Outstanding Assessment	Annual Installment Due 1/31/2026
2933984	O	43	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933985	O	44	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933986	O	45	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933987	O	46	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933988	O	47	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933989	R	1	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933990	R	2	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933991	R	3	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933992	R	4	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933993	R	5	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933994	R	6	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933995	R	7	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933996	R	8	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933997	R	9	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933998	R	10	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2933999	R	11	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2934000	R	12	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2934001	R	13	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2934002	R	14	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2934003	R	15	Lot Type 5	\$ 43,495.21	\$ 3,451.68
2934004	R	16	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2934005	R	17	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2934006	R	18	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2934007	R	19	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2934008	R	20	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2934009	R	21	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2934010	R	22	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2934011	R	23	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2934012	R	24	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2934013	R	25	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2934014	R	26	Lot Type 6	\$ 53,671.25	\$ 4,259.23
2934015	R	27	Lot Type 6	\$ 53,671.25	\$ 4,259.23
<b>Total</b>				<b>\$ 11,151,000.00</b>	<b>\$ 884,918.07</b>

**Footnotes:**

[a] Totals may not sum or match the total outstanding Assessment or Annual Installment due to rounding.

[b] Outstanding Assessment prior to 1/31/2026 Annual Installment.

## EXHIBIT H-2 - IMPROVEMENT AREA #3 ANNUAL INSTALLMENT

Annual Installment Due 1/31	District Bonds - Improvement Area #3					Annual Collection Costs	Total Annual Installment Due <sup>[c]</sup>
	Principal	Interest <sup>[a]</sup>	Additional Interest	Capitalized Interest	Reserve Fund <sup>[b]</sup>		
2025 <sup>[d]</sup>	\$ -	\$ 139,387.50	\$ -	\$ (139,387.50)	\$ -	\$ -	\$ -
2026	\$ 139,000.00	\$ 669,060.00	\$ 55,755.00	\$ -	\$ -	\$ 21,103.44	\$ 884,918.44
2027	\$ 147,000.00	\$ 660,720.00	\$ 55,060.00	\$ -	\$ -	\$ 21,525.51	\$ 884,305.51
2028	\$ 156,000.00	\$ 651,900.00	\$ 54,325.00	\$ -	\$ -	\$ 21,956.02	\$ 884,181.02
2029	\$ 165,000.00	\$ 642,540.00	\$ 53,545.00	\$ -	\$ -	\$ 22,395.14	\$ 883,480.14
2030	\$ 175,000.00	\$ 632,640.00	\$ 52,720.00	\$ -	\$ -	\$ 22,843.04	\$ 883,203.04
2031	\$ 186,000.00	\$ 622,140.00	\$ 51,845.00	\$ -	\$ -	\$ 23,299.90	\$ 883,284.90
2032	\$ 197,000.00	\$ 610,980.00	\$ 50,915.00	\$ -	\$ -	\$ 23,765.90	\$ 882,660.90
2033	\$ 209,000.00	\$ 599,160.00	\$ 49,930.00	\$ -	\$ -	\$ 24,241.22	\$ 882,331.22
2034	\$ 221,000.00	\$ 586,620.00	\$ 48,885.00	\$ -	\$ -	\$ 24,726.04	\$ 881,231.04
2035	\$ 235,000.00	\$ 573,360.00	\$ 47,780.00	\$ -	\$ -	\$ 25,220.56	\$ 881,360.56
2036	\$ 249,000.00	\$ 559,260.00	\$ 46,605.00	\$ -	\$ -	\$ 25,724.97	\$ 880,589.97
2037	\$ 264,000.00	\$ 544,320.00	\$ 45,360.00	\$ -	\$ -	\$ 26,239.47	\$ 879,919.47
2038	\$ 280,000.00	\$ 528,480.00	\$ 44,040.00	\$ -	\$ -	\$ 26,764.26	\$ 879,284.26
2039	\$ 297,000.00	\$ 511,680.00	\$ 42,640.00	\$ -	\$ -	\$ 27,299.55	\$ 878,619.55
2040	\$ 315,000.00	\$ 493,860.00	\$ 41,155.00	\$ -	\$ -	\$ 27,845.54	\$ 877,860.54
2041	\$ 335,000.00	\$ 474,960.00	\$ 39,580.00	\$ -	\$ -	\$ 28,402.45	\$ 877,942.45
2042	\$ 355,000.00	\$ 454,860.00	\$ 37,905.00	\$ -	\$ -	\$ 28,970.50	\$ 876,735.50
2043	\$ 377,000.00	\$ 433,560.00	\$ 36,130.00	\$ -	\$ -	\$ 29,549.91	\$ 876,239.91
2044	\$ 401,000.00	\$ 410,940.00	\$ 34,245.00	\$ -	\$ -	\$ 30,140.91	\$ 876,325.91
2045	\$ 425,000.00	\$ 386,880.00	\$ 32,240.00	\$ -	\$ -	\$ 30,743.73	\$ 874,863.73
2046	\$ 452,000.00	\$ 361,380.00	\$ 30,115.00	\$ -	\$ -	\$ 31,358.60	\$ 874,853.60
2047	\$ 480,000.00	\$ 334,260.00	\$ 27,855.00	\$ -	\$ -	\$ 31,985.77	\$ 874,100.77
2048	\$ 510,000.00	\$ 305,460.00	\$ 25,455.00	\$ -	\$ -	\$ 32,625.49	\$ 873,540.49
2049	\$ 541,000.00	\$ 274,860.00	\$ 22,905.00	\$ -	\$ -	\$ 33,278.00	\$ 872,043.00
2050	\$ 575,000.00	\$ 242,400.00	\$ 20,200.00	\$ -	\$ -	\$ 33,943.56	\$ 871,543.56
2051	\$ 611,000.00	\$ 207,900.00	\$ 17,325.00	\$ -	\$ -	\$ 34,622.43	\$ 870,847.43
2052	\$ 650,000.00	\$ 171,240.00	\$ 14,270.00	\$ -	\$ -	\$ 35,314.88	\$ 870,824.88
2053	\$ 690,000.00	\$ 132,240.00	\$ 11,020.00	\$ -	\$ -	\$ 36,021.18	\$ 869,281.18
2054	\$ 734,000.00	\$ 90,840.00	\$ 7,570.00	\$ -	\$ -	\$ 36,741.60	\$ 869,151.60
2055	\$ 780,000.00	\$ 46,800.00	\$ 3,900.00	\$ -	\$ (794,681.82)	\$ 37,476.43	\$ 73,494.61
<b>Total</b>	<b>\$ 11,151,000.00</b>	<b>\$ 13,354,687.50</b>	<b>\$ 1,101,275.00</b>	<b>\$ (139,387.50)</b>	<b>\$ (794,681.82)</b>	<b>\$ 856,126.00</b>	<b>\$ 25,529,019.18</b>

**Footnotes:**

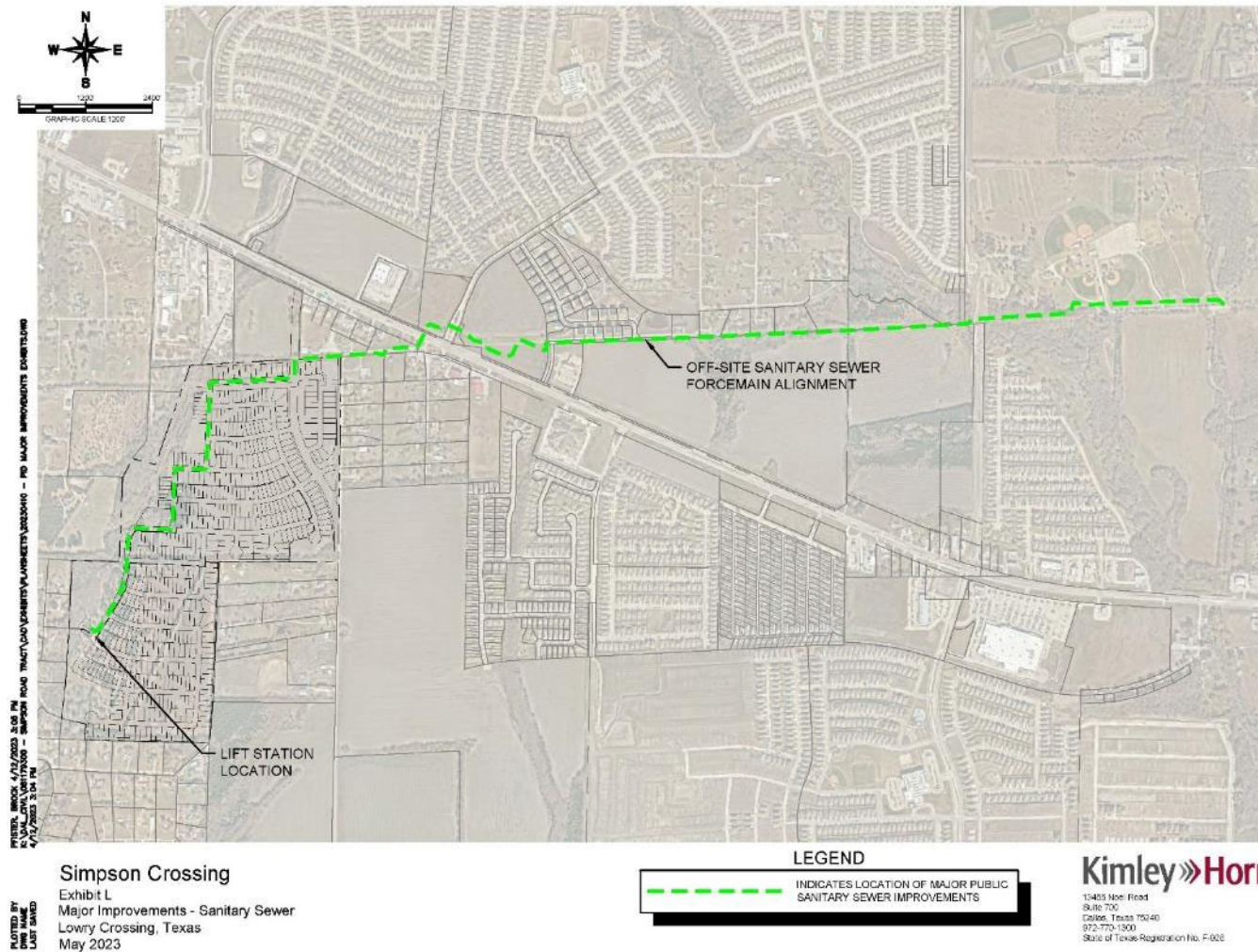
[a] Interest is calculated at a 6.00% for illustrative purposes, subject to change upon pricing

[b] Assumes the Reserve Fund is fully funded and available to reduce Improvement Area #3 Annual Installments in the final year.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, interest earnings, reserve fund, or other available offsets could increase or decrease the amounts shown.

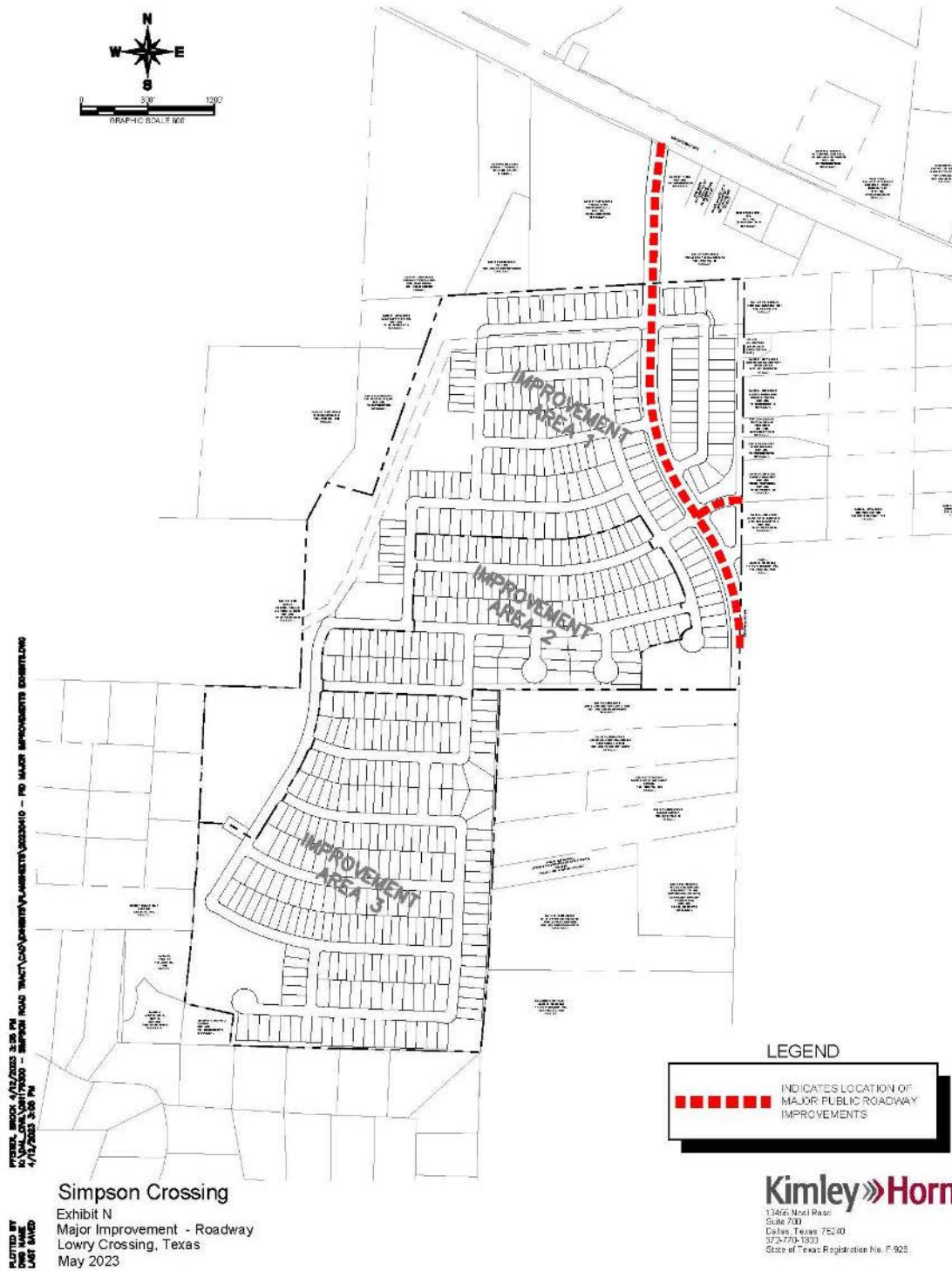
[d] No Assessment was collected in 2025 and capitalized interest is to be used for the 9/15/2025 debt service payment.

## EXHIBIT I-1 – MAPS OF MAJOR IMPROVEMENTS



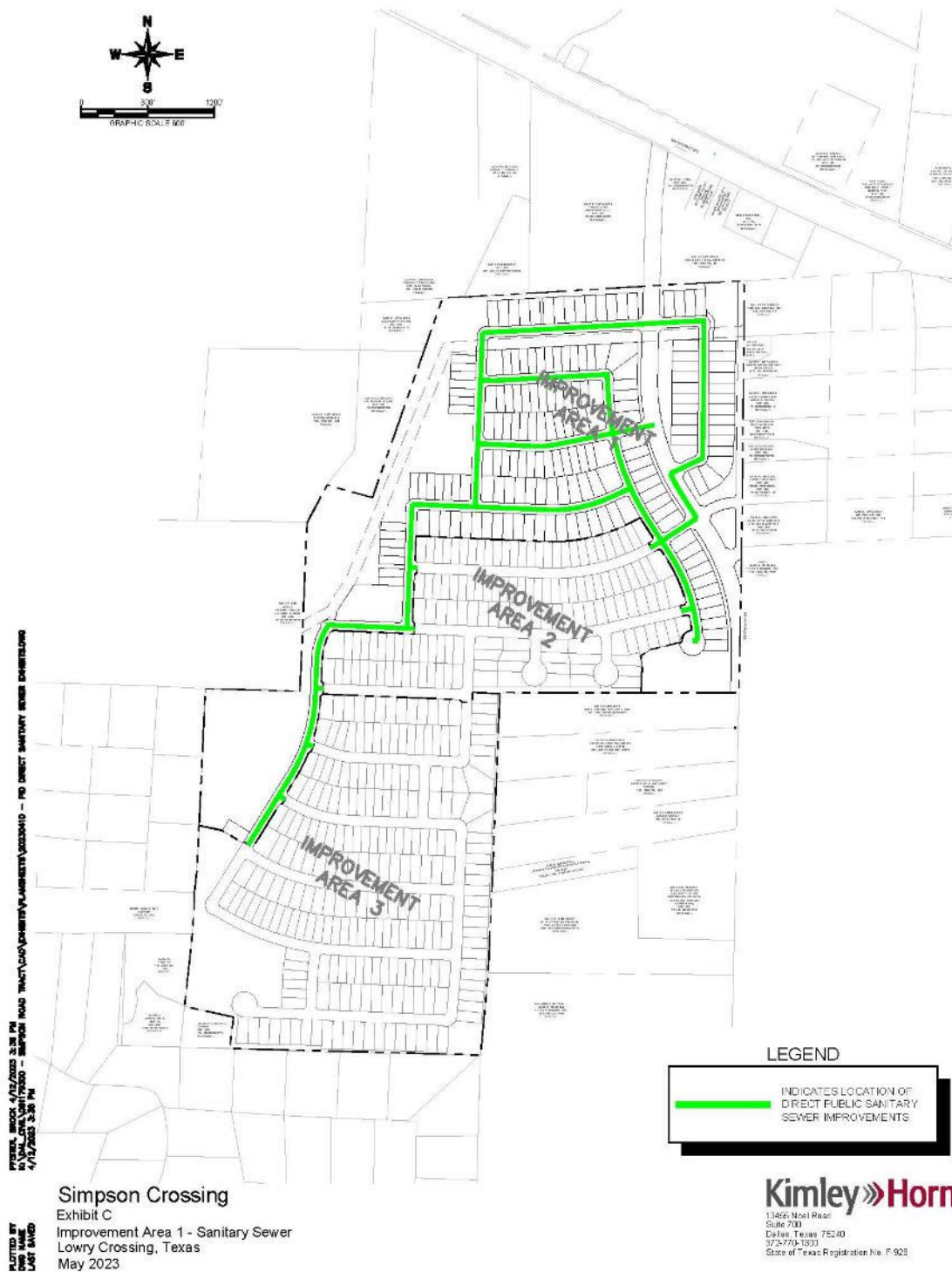






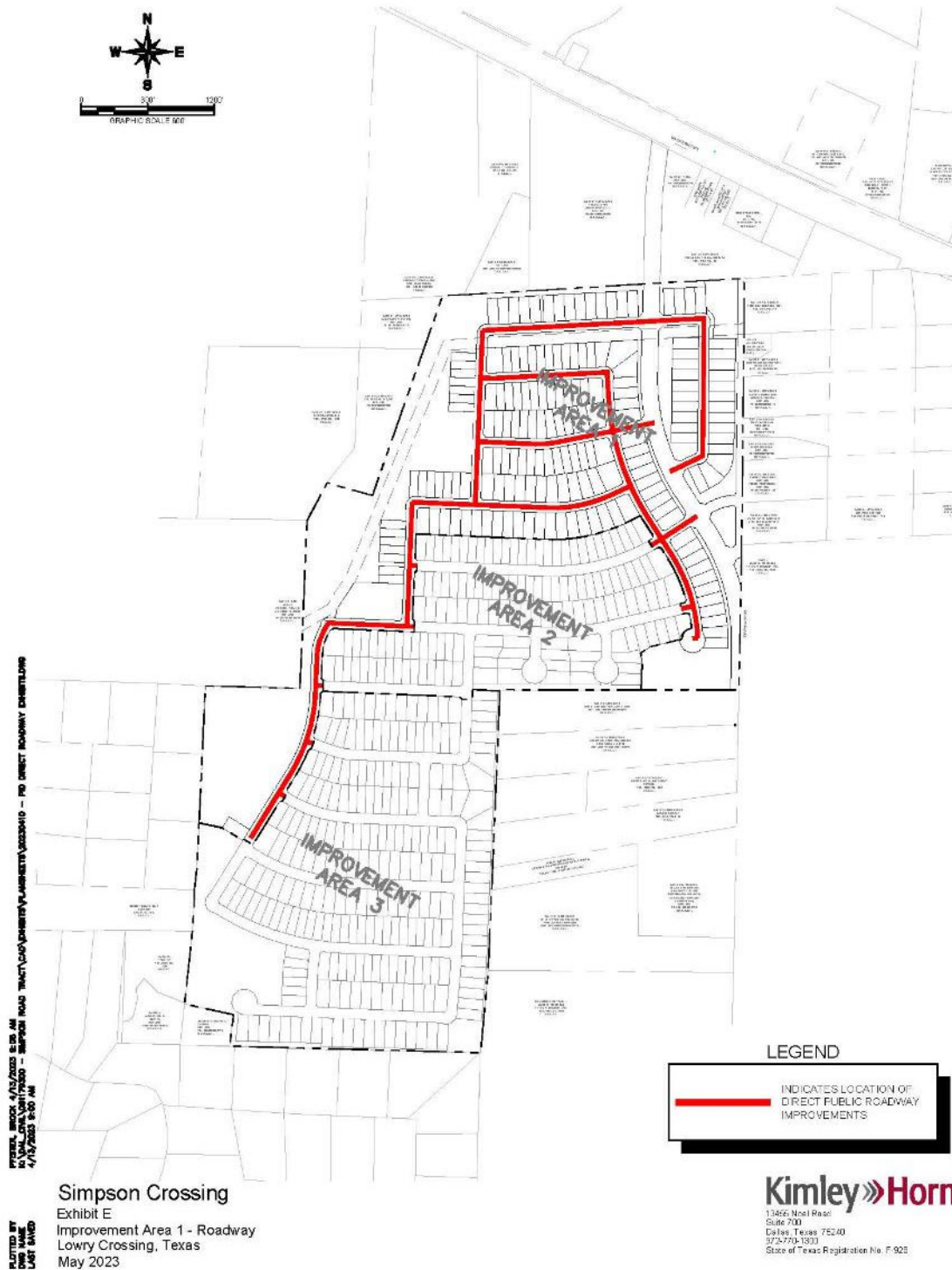


## EXHIBIT I-2 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS

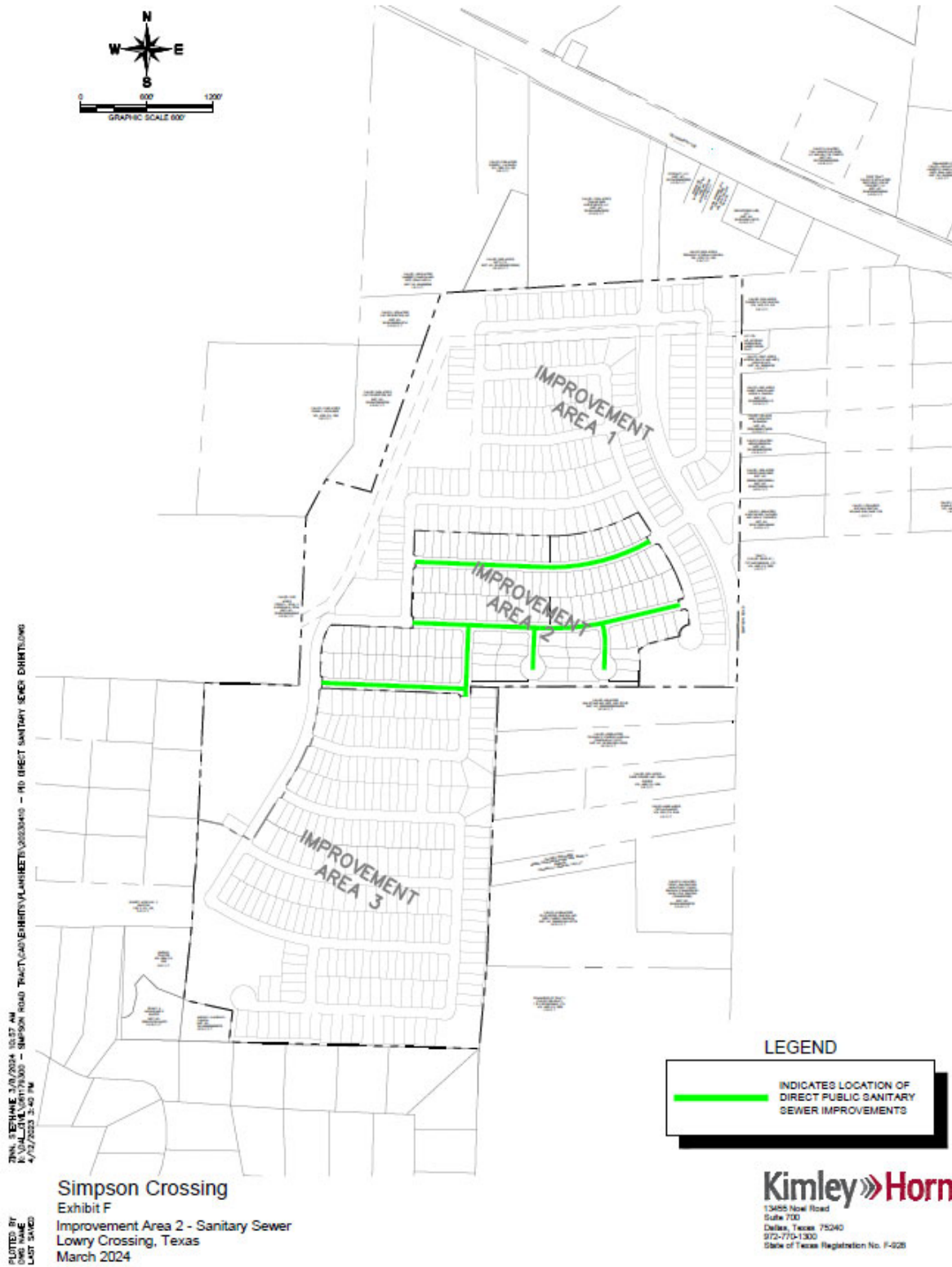


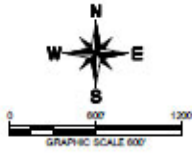






## EXHIBIT I-3 – MAPS OF IMPROVEMENT AREA #2 IMPROVEMENTS





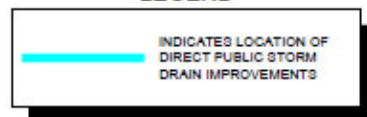
JMM, STEPHANE 3/6/2024 11:18 AM  
 K:\JAL\JAL\2017\75300 - SIMPSON ROAD TRACT\CAO\IMPROVEMENTS\IMPROVEMENTS\2023\3440 - MID DIRECT STORM DRAIN IMPROVEMENTS.DWG  
 3/6/2024 11:08 AM

**Simpson Crossing**  
 Exhibit G  
 Improvement Area 2 - Storm Drain  
 Lowry Crossing, Texas  
 March 2024

PLOTTED BY  
 DMS NAME  
 LAST SAVED



#### LEGEND



**Kimley»Horn**  
 13455 Noel Road  
 Suite 700  
 Dallas, Texas 75240  
 972-770-1300  
 State of Texas Registration No. F-528



PLOTTED BY  
 DRG NAME  
 LAST SAVED

Simpson Crossing  
Exhibit H  
Improvement Area 2 - Roadway  
Lowry Crossing, Texas  
March 2024

 INDICATES LOCATION OF  
DIRECT PUBLIC ROADWAY  
IMPROVEMENTS

**Kimley»Horn**  
13455 Now Road  
Suite 700  
Dallas, Texas 75240  
972-770-1300  
State of Texas Registration No. P-0225



**EXHIBIT I-4 – MAPS OF IMPROVEMENT AREA #3 IMPROVEMENTS**







## EXHIBIT J – 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]  
Collin County Administration Building  
2300 Bloomdale Rd, Suite 2106  
McKinney, TX 75071

**Re: City of Lowry Crossing Lien Release documents for filing**

Dear Ms./Mr. [County Clerk]

Enclosed is a lien release that the City of Lowry Crossing 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 Lowry Crossing  
Attn: City Secretary  
1405 S Bridgefarmer Rd  
Lowry Crossing, TX 75069

Please contact me if you have any questions or need additional information.

Sincerely,  
[Signature]

P3Works, LLC  
(817) 393-0353  
[Admin@P3-Works.com](mailto:Admin@P3-Works.com)  
[www.P3-Works.com](http://www.P3-Works.com)



**[City Secretary Name]  
1405 S. Bridgefarrow Road  
Lowry Crossing, TX 75069**

**[City Secretary Name]  
1405 S. Bridgefarrow Road  
Lowry Crossing, TX 75069**

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN**

**STATE OF TEXAS**                   §  
   §       **KNOW ALL MEN BY THESE PRESENTS:**  
**COUNTY OF COLLIN**           §

**THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN** (this "Full Release") is executed and delivered as of the Effective Date by the City of Lowry Crossing, Texas, a Texas Type A general law municipality (the "City").

## RECITALS

**WHEREAS**, the governing body (hereinafter referred to as the "City Council") of the City of Lowry Crossing, 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 December 28, 2021, the City Council of the City approved Resolution No. 108 creating Simpson Road Public Improvement District (the “District”); and

**WHEREAS**, the District consists of approximately 134.906 contiguous acres within the corporate limits and extraterritorial jurisdiction of the City; and

**WHEREAS**, on September 12, 2023, the City Council, approved Ordinance No. 2023-365, (hereinafter referred to as the "2023 Assessment Ordinance") approving a service and assessment plan and assessment roll for the real property located within Improvement Area #1, the Assessment Ordinance being recorded on \_\_\_\_\_, as Instrument No. \_\_\_\_\_ in the official public records of Collin County, Texas; and

**WHEREAS**, on September 10, 2024, the City Council, approved Ordinance No. 376, (hereinafter referred to as the "2024 Assessment Ordinance") approving an amended and restated service and assessment plan and assessment roll for the real property located within Improvement

Area #1 and Improvement Area #2, the Assessment Ordinance being recorded on \_\_\_\_\_, as Instrument No. \_\_\_\_\_ in the official public records of Collin County, Texas; and

**WHEREAS**, on \_\_\_\_\_, the City Council, approved Ordinance No. \_\_\_\_\_, (hereinafter referred to as the "2025 Assessment Ordinance") approving an amended and restated service and assessment plan and assessment roll for the real property located within Improvement Area #1, Improvement Area #2, and Improvement Area #3, 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"); and

**WHEREAS**, the Lien Amount has been paid in full.

#### **RELEASE**

**NOW THEREFORE**, for and in consideration of the full payment of the Lien Amount, the City/County hereby releases and discharges, and by these presents does hereby release and discharge, the Lien to the extent that it affects and encumbers the Property.

[Execution Page Follows]

**EXECUTED** to be **EFFECTIVE** this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**CITY OF LOWRY CROSSING, TEXAS,**  
A Type A general law municipality,

By: \_\_\_\_\_  
[Administrator Name], City Administrator

**ATTEST:**

\_\_\_\_\_  
[Secretary Name], City Secretary

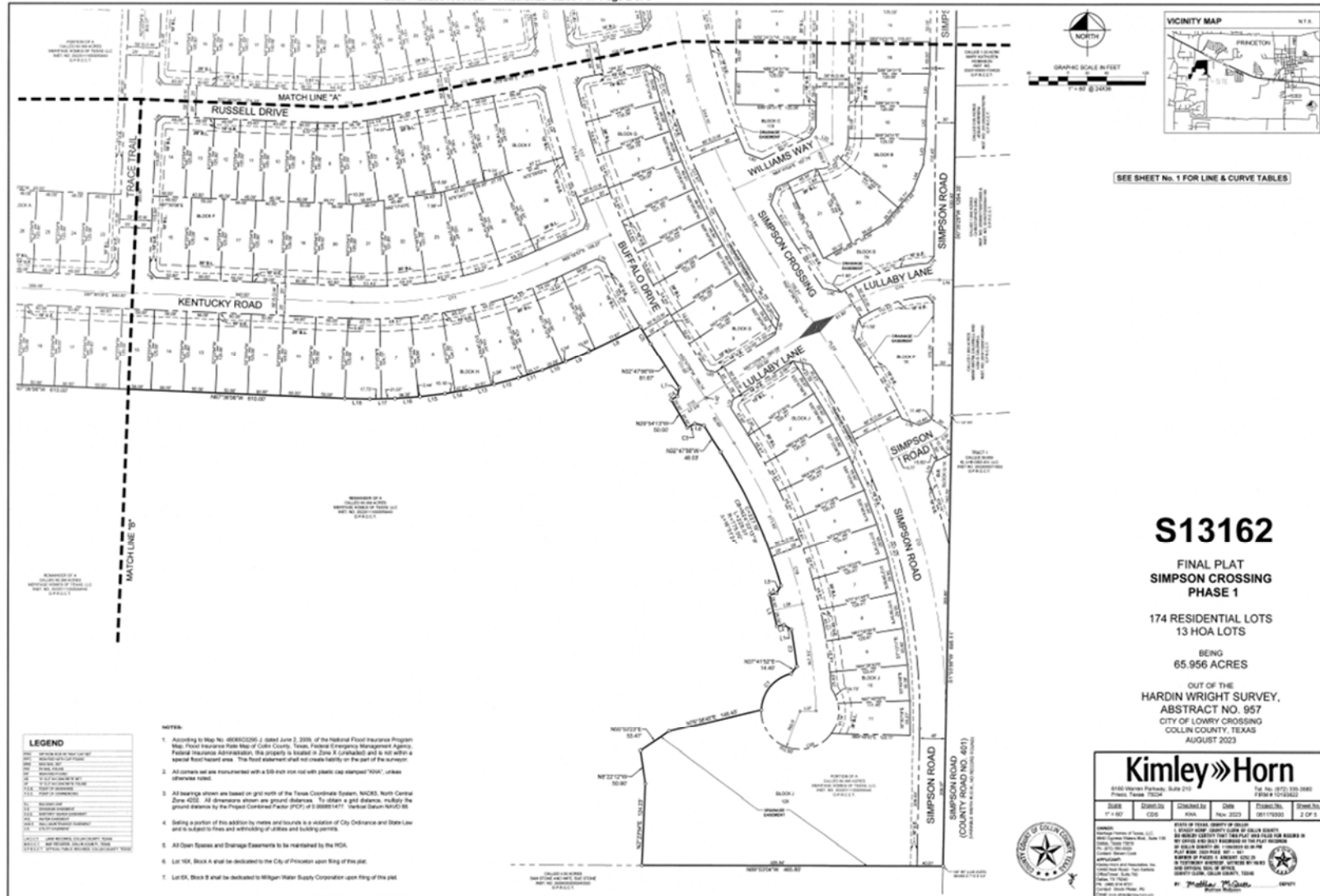
**STATE OF TEXAS**                   §  
   §  
**COUNTY OF COLLIN**           §

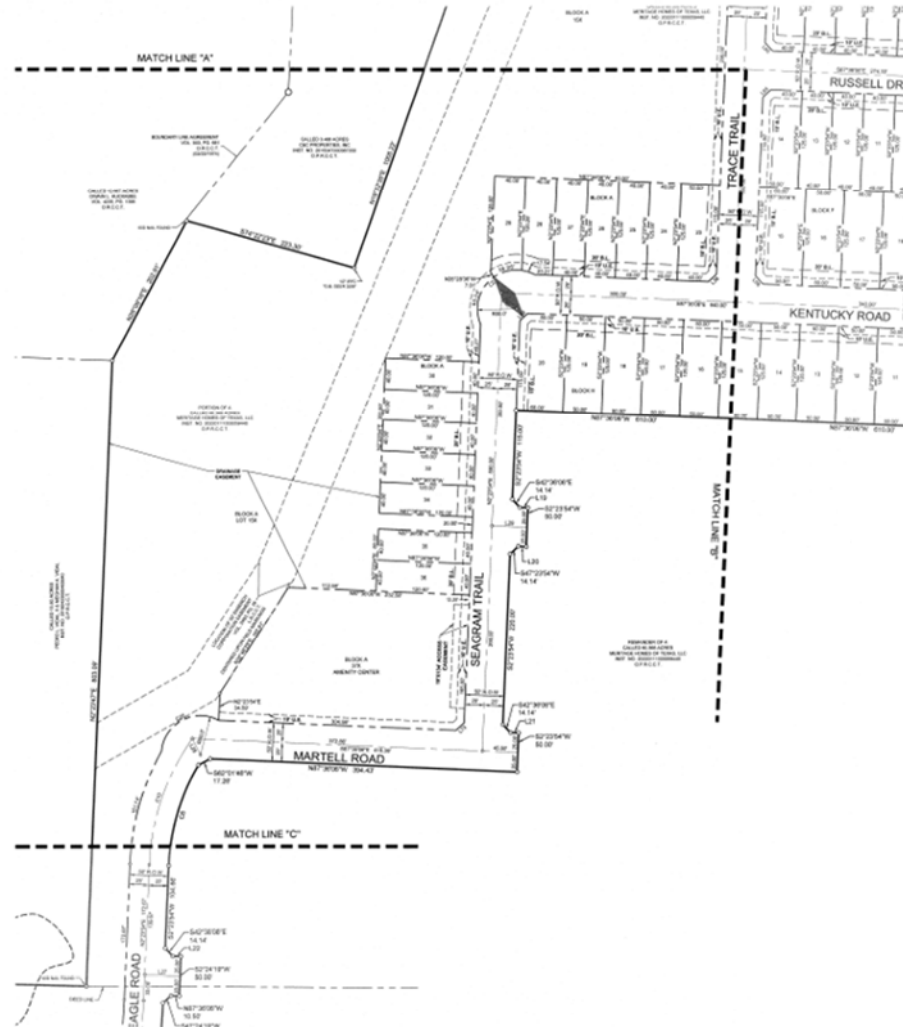
This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by [City Manager], City Manager for the City of Lowry Crossing, Texas, a Texas Type A general law municipality, on behalf of said municipality.

\_\_\_\_\_  
Notary Public, State of Texas

# EXHIBIT K-1 – SIMPSON CROSSING PHASE 1 FINAL PLAT







## NOTES

1. According to Map #480900000-02, dated June 2, 2008, of the National Flood Insurance Program Map, Flood Insurance Map #4 of Collier County, Texas, Federal Emergency Management Agency, the proposed project is located in Flood Hazard Zone A1, which is an area of moderate flood risk and is not subject to special flood hazard areas. The flood-delineated area does not cross the balance of the township.
2. All corner nails are encircled with a 3/8-inch iron nail with plastic cap stamped "WMA" unless otherwise indicated.
3. All bearings shown are based on prior north of the Texas Coordinate Surveys, NAD83, North-Central Zone 4252. All dimensions shown are ground dimensions. To obtain a grid dimension, multiply the ground distance by the Project Contracted Horizontal (PCH) of 0.99999747. Vertical Curve Stationing is based on the project stationing.
4. Setting a portion of this advice by notice and issuance is a violation of City Ordinance and State Law and subject to fines and penalties as set forth in the Uniform Administrative Code.
5. All Open Space and OpenSpace Elements to be maintained by the MGA.
6. The NE1/4, Block 8 shall be dedicated to the City of Princeton upon filing of this plat.
7. The NE1/4, Block 8 shall be dedicated to Milligan Water Supply Corporation upon filing of this plat.

SEE SHEET No. 1 FOR LINE &amp; CURVE TABLES

**S13162**

FINAL PLAT  
SIMPSON CROSSING  
PHASE 1

174 RESIDENTIAL LOTS  
13 HOA LOTS

BEING  
65.956 ACRES

OUT OF THE  
HARDIN WRIGHT SURVEY,  
ABSTRACT NO. 957  
CITY OF LOWRY CROSSING  
COLLIN COUNTY, TEXAS  
AUGUST 2023

**Kimley»»Horn**

6160 Western Parkway, Suite 210  
 Westborough, MA 01581  
 Tel No. (972) 336-3680  
 FAX (972) 336-3680

Form: T-1000 (10/00)			Form: T-1000 (10/00)		
Date	Count by	Checked by	Date	Count by	Checked by

1" = 60'	CDS	KWA	Feb. 2023	061179300	3 OF
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**(OWNER)**  
State of Texas, County of Collin  
A SHARED HOME COUNTY CLERK OF COLLIN COUNTY,  
600 NORTH GATEWAY AVENUE, SUITE 900, DALLAS, TEXAS 75208-1000

Small-Capital Markets, Inc., Suite 100  
Dallas, Texas 75202  
Tel. (214) 596-4000

FLAT FEE: \$250 PER SET - \$40  
NUMBER OF PAGES & AMOUNT: 1002 IS  
IN THE PUBLIC DOMAIN, AND IS NOT A  
REGISTERED TRADEMARK OF THE U.S. DEPT. OF JUSTICE

County Clerk, Dallas County, Texas

Call 713 752-0000  
Fax 713 752-0001  
Internet: [www.mca.com](http://www.mca.com)

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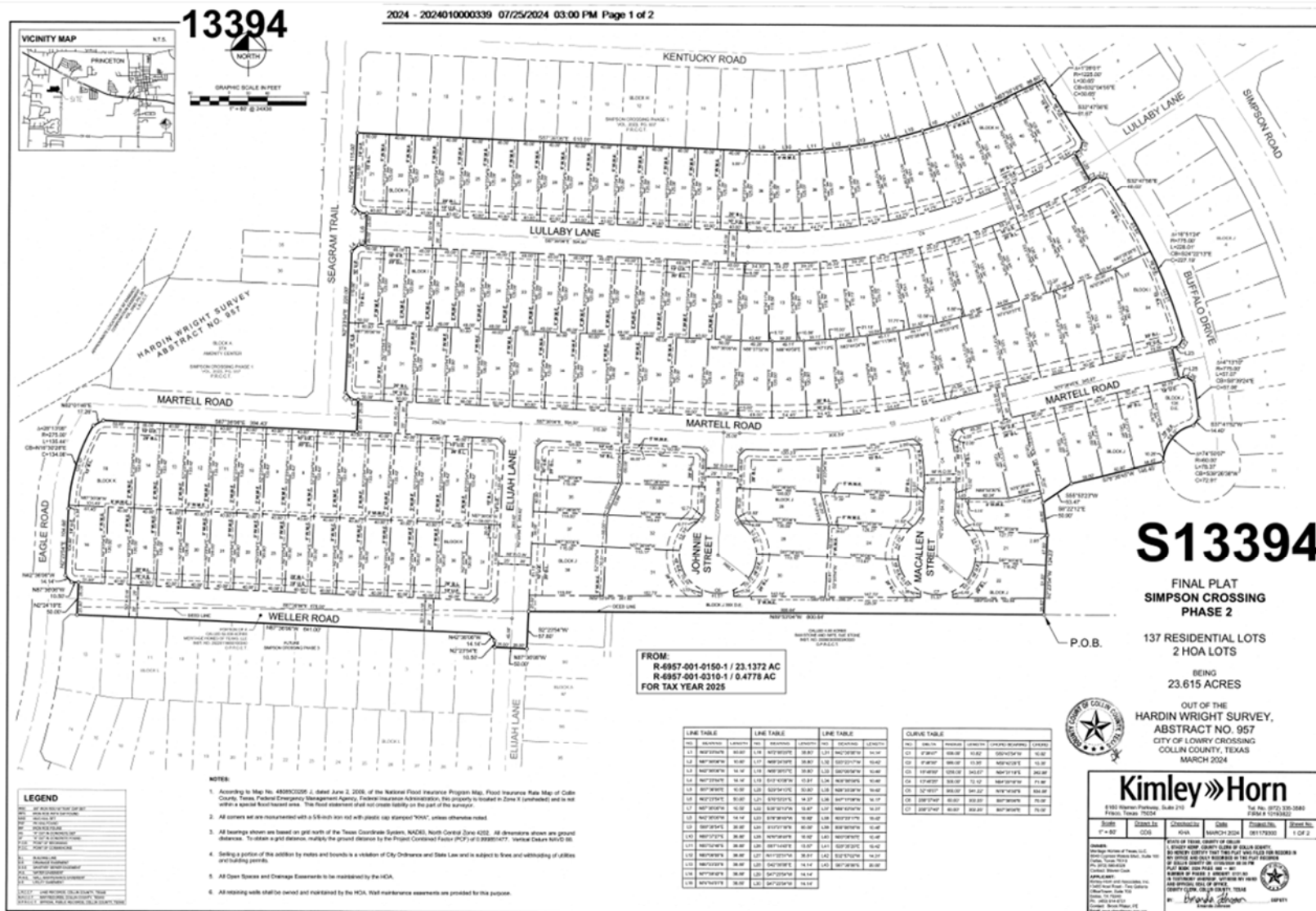






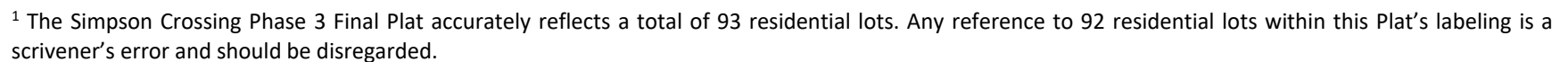


**EXHIBIT K-2 – SIMPSON CROSSING PHASE 2 FINAL PLAT**





13479







**EXHIBIT K-4 – SIMPSON CROSSING PHASE 4 FINAL PLAT**



## OWNER'S CERTIFICATE

STATE OF TEXAS §  
COUNTY OF COLLIN §  
CITY OF LOWRY CROSSING §

WHEREAS MERTAGE HOMES OF TEXAS, LLC, is the owner of a tract of land situated in the Hardin Wright Survey, Abstract No. 957, Collin County, Texas, and being a portion of a called 54.533 acre tract of land described in a Special Warranty Deed to Mortgage Phases of Texas, LLC, as recorded in Instrument No. 202300166000000000, of the Official Public Records of Collin County, Texas, and being more particularly described as follows:

**BEING** a 1/2 inch iron rod found for the northwesterly corner of said 54.533 acre tract, common to the northwesterly corner of a called 0.501 acre tract of land described in a deed to Jason D. and Krista D. Canales, as recorded in Instrument No. 201100000000000000, of the Official Public Records of Collin County, Texas, same being on the westerly line of a called 1.452 acre tract of land described in a deed to Susan P. & Margaret A. Butler, as recorded in Instrument No. 200810010000000000, of the Official Public Records of Collin County, Texas.

**THENCE** North 04°17'34" East, along the westerly line of said 54.533 acre tract, the westerly line of said 1.452 acre tract, and the westerly line of a tract of land described in a deed to Maria B. Thacker, as recorded in Volume 5854, Page 1055 of the Deed Records of Collin County, Texas, a distance of 264.55 feet to a 1/2 inch iron rod found for the southeast corner of said Thacker tract, common to the southeast corner of Lot 1 of Sunset Acres Addition, according to the plat thereof recorded in Cabinet C, Page 359 of the Plat Records of Collin County, Texas.

**THENCE** North 04°17'34" East, continuing along the westerly line of said 54.533 acre tract and along the westerly line of said Lot 1, a distance of 84.40 feet to a 1/2 inch iron rod for corner.

**THENCE** North 01°58'32" East, continuing along the westerly line of said 54.533 acre tract and the westerly line of said Lot 1, a distance of 95.54 feet to a 1/2 inch iron rod found for corner.

**THENCE** North 01°58'32" West, continuing along the westerly line of said 54.533 acre tract and the westerly line of said Lot 1, a distance of 13.52 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for the southeast corner of said Lot 1, common to the southeast corner of Sunset Acres No. 2 Addition, according to the plat thereof recorded in Cabinet C, Page 105 of the Plat Records of Collin County, Texas.

**THENCE** North 04°34'09" East, continuing along the westerly line of said 54.533 acre tract and along the westerly line of said Sunset Acres No. 2 Addition, a distance of 109.13 feet to a point for corner, from which, a 1/2 inch iron rod with a red plastic cap stamped "SE09 0117" found for address South 29°29'51" West, 0.10 feet.

**THENCE** North 02°42'09" East, continuing along the westerly line of said 54.533 acre tract and the westerly line of said Sunset Acres No. 1 Addition, a distance of 175.13 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for the southwest corner of Simpson Crossing Phase 1, according to the plat thereof recorded in Volume 2023, Page 107 of the Plat Records of Collin County, Texas.

**THENCE** following the westerly line of said 54.533 acre tract, the westerly line of said Sunset Acres No. 2 Addition, and along the southerly line of said Simpson Crossing Phase 1, the following:

North 80°20'09" East, a distance of 85.45 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for corner;  
South 86°10'14" East, a distance of 188.03 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for corner;

North 31°48'49" East, a distance of 102.80 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for the southwest corner of Simpson Crossing Phase 3, according to the plat thereof recorded in Volume 2024, Page 917 of the Plat Records of Collin County, Texas;

**THENCE** following the southerly line of said Simpson Crossing Phase 1 and along the southerly line of said Simpson Crossing Phase 3, the following courses and distances:

South 86°10'14" East, a distance of 46.10 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for corner;  
South 80°20'09" East, a distance of 34.82 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for corner;

South 87°47'59" East, a distance of 47.75 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for corner;  
South 47°39'29" East, a distance of 47.75 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for corner;

South 71°54'59" East, a distance of 47.75 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for corner;  
South 74°42'29" East, a distance of 47.75 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for corner;

South 78°22'09" East, a distance of 47.75 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for corner;  
South 82°30'32" East, a distance of 47.23 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for corner;

South 87°32'49" East, a distance of 32.34 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for corner;  
South 87°30'39" East, a distance of 575.45 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for corner;

North 02°23'54" East, a distance of 117.46 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for corner;  
South 87°30'39" East, a distance of 130.05 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for the southeast corner of said Simpson Crossing Phase 3, being on the westerly line of said 54.533 acre tract, same being on the westerly line of a called 0.008 acre tract of land described in a deed to Cecilia Ramirez, as recorded in Volume 5513, Page 8148 of the Land Records of Collin County, Texas.

**THENCE** South 02°23'54" West, along the westerly line of said 54.533 acre tract, the westerly line of said 4.8038, the westerly line of a called 2.8032 acre tract of land described in a deed to Matt Cole Simpson and wife, Peggy A. Simpson, as recorded in Volume 4111, Page 521 of the Land Records of Collin County, Texas, and the westerly line of a called 10.588 acre tract of land described in a deed to Cole Matt Simpson and wife, Cheryl Simpson, as recorded in Instrument No. 202000210010000000 of the Official Public Records of Collin County, Texas, a distance of 963.40 feet to a 5/8 inch iron rod found for the southeast corner of said 10.588 acre tract, common to the southeast corner of Cypress Creek West, according to the plat thereof recorded in Volume 2023, Page 056 of the Land Records of Collin County, Texas;

**THENCE** South 02°12'42" West, continuing along the westerly line of said 54.533 acre tract and along the westerly line of said Cypress Creek West, a distance of 502.53 feet to a 5/8 inch iron rod with plastic cap stamped "N04" set for the southeast corner of said 54.533 acre tract, from which, a 5/8 inch iron rod found for address South 00°45'04" West, 0.88 feet.

**THENCE** North 88°28'37" West, departing the westerly line of said Cypress Creek West and along the southerly line of said 54.533 acre tract, a distance of 1162.83 feet to a 3/8 inch iron rod found for the westerly southwest corner of said 54.533 acre tract, common to the southwest corner of said 0.501 acre tract.

**THENCE** North 08°28'39" East, along the westerly line of said 54.533 acre tract and the westerly line of said 0.501 acre tract, a distance of 140.84 feet to a 3/8 inch iron rod found for the northeast corner of said 0.501 acre tract, common to an all corner of said 54.533 acre tract.

**THENCE** North 17°18'10" West, continuing along the southerly line of said 54.533 acre tract and the southerly line of said 0.501 acre tract, a distance of 207.11 feet to the **POINT OF BEGINNING** and containing 50.474 acres (1,546,491 square feet) of land, more or less.

## OWNER'S DECLARATION

## KNOW ALL MEN BY THESE PRESENTS

That **MERTAGE HOMES OF TEXAS, LLC**, does hereby certify that the plat designating the hereinbefore described property as **SIMPSON CROSSING PHASE 4**, an Addition to the City of Lowry Crossing and Lowry Crossing ETJ, Collin County, Texas, and its hereby declared in the public use benefit of streets, rights-of-way, alleys and easements shown thereon. The City or any public utility shall have the right to remove and reuse removed all or part of any building, fence, trees, shrubs or other improvements or growths in which any way easement or easements with the construction, maintenance or efficiency of its respective systems or any of these easements, and the City or any public utility shall at all times have the right of ingress and egress to and from and upon the said easement for the purpose of constructing, reconstructing, repairing, and putting, without the necessity of any type of procuring the permission of anyone.

- The streets and rights-of-way are dedicated to the Public for street purposes, Milligan Water Supply Corporation for water purposes, and the City of Princeton, Texas for sanitary sewer purposes.
- The easements and public use areas, as shown, are dedicated to the public use, including specifically for the City of Lowry Crossing, Milligan Water Supply Corporation, and the City of Princeton, Texas for the purposes indicated on the plat.
- No buildings, fences, trees, shrubs, or other improvements or growths shall be constructed or placed upon, over or across any water or sanitary sewer easements as shown, except that landscape improvements may be placed in landscape easements if approved by the City of Lowry Crossing.
- The City of Lowry Crossing, Milligan Water Supply Corporation, and the City of Princeton are not responsible for replacing any improvements in, under or over any easements shown for maintenance or repair.
- Utility easements may also be used for the mutual accommodation of all public utilities desiring to use or using the same unless the easement limits the use to particular utilities, said use by public utilities being subordinate to the public and the City of Lowry Crossing and subject to other specifications for any existing utilities.
- The City of Lowry Crossing, City of Princeton, Milligan Water Supply Corporation, and public utilities shall have the right to remove and reuse removed all or part of any buildings, fences, trees, shrubs or other improvements or growth which may in any way endanger or interfere with construction, maintenance, or efficiency of their respective systems in the easements.
- The City of Lowry Crossing, City of Princeton, Milligan Water Supply Corporation, and public utilities shall at all times have the full right of ingress and egress to and from their respective easements for the purpose of construction, reconstruction, repairing, maintaining, modifying, installing, and adding to or removing all or parts of their respective systems without the necessity of any type of procuring permission from anyone. Ingress and egress of all persons shall be for the responsibility of the person, persons and entities. Egress or ingress of a public utility results in placement removal in which replace the permanent replacement shall be the sole responsibility of the public utility's owner.
- The sanitary sewer system shall be owned, operated, and maintained by the City of Princeton after the two-year maintenance period ends.
- The water system shall be owned, operated, and maintained by Milligan Water Supply Corporation after the two-year maintenance period ends.
- The homeowner is responsible for the sanitary sewer lateral to the right-of-way line. The City of Princeton is responsible for the sanitary sewer lateral from the right-of-way line to the sanitary sewer main.

This plat approved subject to platting ordinances, rules, regulations, and resolutions of the City of Lowry Crossing and Lowry Crossing ETJ, Texas.

**MERTAGE HOMES OF TEXAS, LLC**, an Arizona limited liability company

By: Adam M. Galt  
Name: Adam M. Galt  
The: Vice President of Land Development

STATE OF Texas §  
COUNTY OF Dallas §

**BEFORE ME**, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **Adam M. Galt**, 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.

Given under my hand and seal of office this 16<sup>th</sup> day of November, 2024.



## SURVEYOR'S CERTIFICATION

## KNOW ALL MEN BY THESE PRESENTS

That I, **Sybilma Guzman**, do hereby certify that I prepared the plat and the field notes made a part thereof from an actual and accurate survey of the land and that the corner monuments shown thereon were properly placed under my personal supervision, in accordance with the Subdivision regulations of the City of Lowry Crossing and Lowry Crossing ETJ, Texas.

Sybilma Guzman  
Registered Professional Land Surveyor No. 0451  
Kimley-Horn and Associates, Inc.  
6100 Arroyo Parkway, Suite 210  
Frisco, Texas 75034  
Phone 972-335-0385



STATE OF Texas §  
COUNTY OF Collin §

**BEFORE ME**, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared **Sybilma Guzman**, known to me to be the person and whose whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and considerations therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 15<sup>th</sup> day of November, 2024.

Sybilma Guzman  
Notary Public, State of Texas



## NOTICE

Noting a portion of the addition by notes and bounds is a violation of City Ordinance and State Law and is subject to fines and withholding of utilities and building permits.

"Recommended by Approved"  
Sybilma Guzman  
Chairman, Planning and Zoning Commission  
City of Lowry Crossing, Texas

Date: 11/25/24

"Approved"  
Mike Run  
Mayor, City of Lowry Crossing, Texas

Date: 11/26/24

## APPROVAL CERTIFICATE

APPROVED: 11/25/24 JSD

City Council  
City of Lowry Crossing, Texas  
By: Sybilma Guzman  
Chairman, Planning and Zoning Commission  
City of Lowry Crossing, Texas

APPROVED: 11/10 JSD

City Council  
City of Lowry Crossing, Texas  
By: Adam M. Galt  
Mayor, City of Lowry Crossing, Texas  
Attest: Jane Gable  
City Secretary

# FINAL PLAT SIMPSON CROSSING PHASE 4

136 RESIDENTIAL LOTS  
1 HOA LOTS

BEING  
30.874 ACRES

OUT OF THE  
HARDIN WRIGHT SURVEY,  
ABSTRACT NO. 957  
CITY OF LOWRY CROSSING  
COLLIN COUNTY, TEXAS  
NOV. 2024

## Kimley-Horn

6100 Arroyo Parkway, Suite 210 Frisco, Texas 75034		Tel. No. (972) 335-0385 FAX # (972) 335-0385	
DATE NOV 15 2024	COMMISSION NOV 15 2024	BOOK 88170000	PAGE 2 OF 2
<p><b>OWNER:</b> MERTAGE HOMES OF TEXAS, LLC 6100 Arroyo Parkway, Suite 210 Frisco, Texas 75034 Contact: Sybilma Guzman Project: Simpson Crossing Phase 4</p> <p><b>APPLICANT:</b> Kimley-Horn and Associates, Inc. 6100 Arroyo Parkway, Suite 210 Frisco, Texas 75034 Contact: Sybilma Guzman Project: Simpson Crossing Phase 4</p> <p><b>RECORDING:</b> 11/25/24 11/25/24 11/25/24</p> <p><b>NOTARY:</b> Sybilma Guzman Notary Public, State of Texas Commission Expires 11/16/2026</p>			

## EXHIBIT L-1 – DISTRICT LEGAL DESCRIPTION

### PROPERTY METES AND BOUNDS DESCRIPTION

**BEING** a tract of land situated in the Hardin Wright Survey, Abstract No. 957, Collin County, Texas, and being all of a called 54.533 acre tract of land described in a Special Warranty Deed to Patty L. Niemeyer, Trustee of James M. Niemeyer Family Trust, as recorded in Instrument No. 20180831001101160 of the Official Public Records of Collin County, Texas, and being all of a called 80.426 acre tract of land described in a General Warranty Deed with Vendor's Lien to Harjodh Singh Puar and Ravinder K. Puar and Vaqar Dar and Farah Naz, as recorded in Instrument No. 20060508000618190 of the Official Public Records of Collin County, Texas, and being more particularly described as follows:

**BEGINNING** at a 5/8 inch iron rod found for the northeast corner of said 54.533 acre tract, common to the northwest corner of a called 4.90 acre tract of land described in a deed to Sam Stone and wife, Sue Stone, as recorded in Instrument No. 20090303000240020 of the Official Public Records of Collin County, Texas, being on the southerly line of said 80.426 acre tract;

**THENCE** South 2°23'54" West, departing the southerly line of said 80.426 acre tract, along the easterly line of said 54.533 acre tract, the westerly line of said 4.90 acre tract, the westerly line of a called 4.9056 acre tract of land described in a deed to Filemon R. Fonsesca and Ma Esmeralda Z. Soto, as recorded in Instrument No. 20130812001132020 of the Official Public Records of Collin County, Texas, the westerly line of a called 2.00 acre tract of land described in a deed to Cecilia Ramirez, as recorded in Volume 5313, Page 6144 of the Land Records of Collin County, Texas, the westerly line of a called 4.9056 acre tract of land described in a deed to Cecilia Ramirez, as recorded in Volume 5313, Page 6148 of the Land Records of Collin County, Texas, the westerly line of a called 2.8032 acre tract of land described in a deed to Merrill Cole Simpson and wife, Peggy A. Simpson, as recorded in Volume 4111, Page 531 of the Land Records of Collin County, Texas, and the westerly line of a called 10.569 acre tract of land described in a deed to Ollie Merrill Simpson and wife, Cherry Simpson, as recorded in Instrument No. 20060821001197720 of the Official Public Records of Collin County, Texas, a distance of 1333.39 feet to a 5/8 inch iron rod found for the southwest corner of said 10.569 acre tract, common to the southerly northwest corner of a called 298.35 acre tract of land described as Tract 1 in a deed to TYF Partnership, Ltd., as recorded in Volume 4653, Page 2630 of the Land Records of Collin County, Texas;

**THENCE** South 5°19'43" West, continuing along the easterly line of said 54.533 acre tract and along the westerly line of said Tract 1, a distance of 393.53 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for the southeast corner of said 54.533 acre tract, from which, a 5/8 inch iron rod found for witness bears South 55°40'54" West, 0.88 feet;

**THENCE** North 88°28'37" West, departing the westerly line of said Tract 1 and along the southerly line of said 54.533 acre tract, a distance of 1192.83 feet to a 3/8 inch iron rod found for the southerly southwest corner of said 54.533 acre tract, common to the southeast corner of a called 0.931 acre tract of land described in a deed to Jason D. and Alisha D. Canada, as recorded in Instrument No. 20110906000939770 of the Official Public Records of Collin county, Texas;

**THENCE** North 6°28'26" East, along the westerly line of said 54.533 acre tract and the easterly line of said 0.931 acre tract, a distance of 149.84 feet to a 3/8 inch iron rod found for the northeast corner of said 0.931 acre tract, common to an ell corner of said 54.533 acre tract;

**THENCE** North 77°35'15" West, along the southerly line of said 54.533 acre tract and the northerly line of said 0.931 acre tract, a distance of 237.81 feet to a 1/2 inch iron rod found for the northerly southwest corner of said 54.533 acre tract, common to the northwest corner of said 0.931 acre tract, being on the easterly line of a called 1.452 acre tract of land described in a deed to Sean P. and Jacqueline R. Baxter, as recorded in Instrument No. 20081021001244070 of the Official Public Records of Collin County, Texas;

**THENCE** North 6°07'34" East, along the westerly line of said 54.533 acre tract, the easterly line of said 1.452 acre tract, and the easterly line of a tract of land described in a deed to Maria B. Trueter, as recorded in Volume 5854, Page 1935 of the Deed Records of Collin County, Texas, a distance of 345.92 feet to a 1/2 inch bolt found for the northeast corner of said Trueter tract, common to the southeast corner of Lot 1 of Sunset Acres Addition, according to the plat thereof recorded in Cabinet C, Page 559 of the Plat Records of Collin County, Texas;

**THENCE** North 4°17'30" East, continuing along the westerly line of said 54.533 acre tract and along the easterly line of said Lot 1, a distance of 84.93 feet to a 1/2 inch iron rod for corner;

**THENCE** North 1°58'32" East, continuing along the westerly line of said 54.533 acre tract and the easterly line of said Lot 1, a distance of 98.84 feet to a 1/2 inch iron rod found for corner;

**THENCE** North 0°14'08" West, continuing along the westerly line of said 54.533 acre tract and the easterly line of said Lot 1, a distance of 13.52 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for the northeast corner of said Lot 1, common to the southeast corner of Sunset Acres No. 2 Addition, according to the plat thereof recorded in Cabinet D, Page 100 of the Plat Records of Collin County, Texas;

**THENCE** North 6°34'08" East, continuing along the westerly line of said 54.533 acre tract and along the easterly line of said Sunset Acres No. 2 Addition, a distance of 106.13 feet to a point



for corner, from which, a 1/2 inch iron rod with a red plastic cap stamped "GEER 4117" found for witness bears South 29°29'25" West, 0.78 feet;

**THENCE** North 2°40'08" East, continuing along the westerly line of said 54.533 acre tract and the easterly line of said Sunset Acres No. 2 Addition, a distance of 864.43 feet to the northwest corner of said 54.533 acre tract, same being on the southerly line of a called 15.50 acre tract of land described in a deed to Pedro L. Vidal, II and Meghan A. Vidal, as recorded in Instrument No. 20180423000483640 of the Official Public Records of Collin County, Texas, from which, a 5/8 inch iron rod found for witness bears South 88°14'48" East, 0.56 feet;

**THENCE** South 88°23'25" East, departing the easterly line of said Sunset Acres No. 2 Addition, along the northerly line of said 54.533 acre tract and the southerly line of said 15.50 acre tract, a distance of 449.79 feet to a 60D nail found for the southeast corner of said 15.50 acre tract, common to the southwest corner of aforesaid 80.426 acre tract;

**THENCE** North 2°23'47" East, departing the northerly line of said 54.533 acre tract, along the westerly line of aforesaid 80.426 acre tract and the easterly line of said 15.50 acre tract, a distance of 803.09 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for an exterior corner of said 80.426 acre tract, common to the northeast corner of said 15.50 acre tract;

**THENCE** North 28°09'16" East, continuing along the westerly line of said 80.426 acre tract, a distance of 202.91 feet to a 60D nail found for the southerly northwest corner of said 80.426 acre tract, being on the southerly line of a called 3.486 acre tract of land described in a deed to C&C Properties, Inc., as recorded in Instrument No. 2015047000387030 of the Official Public Records of Collin County, Texas;

**THENCE** South 74°22'23" East, continuing along the westerly line of said 80.426 acre tract and along the southerly line of said 3.486 acre tract, a distance of 223.30 feet to a 1/2 inch iron rod with plastic cap stamped "G.M. Geer 3258" found for an ell corner of said 80.426 acre tract, common to the southeast corner of said 3.486 acre tract;

**THENCE** North 19°22'35" East, continuing along the westerly line of said 80.426 acre tract, along the easterly line of said 3.486 acre tract and the easterly line of a called 1.878 acre tract of land described in a deed to C&C Properties, Inc., as recorded in Instrument No. 20150106000015710 of the Official Public Records of Collin County, Texas, a distance of 1005.22 feet to a 1/2 inch iron rod with plastic cap stamped "G.M. Geer 3258" found for the northerly northwest corner of said 80.426 acre tract, common to the northeast corner of said 1.878 acre tract, being on the southerly line of a called 1.8519 acre tract of land described in a deed to Lamberto Garcia and wife, Irma Garcia, as recorded in Instrument No. 96-0088925 of the Land Records of Collin County, Texas;

**THENCE** North 86°45'20" East, along the northerly line of said 80.426 acre tract, the southerly line of said 1.8519 acre tract and the southerly line of a called 2.086 acre tract of land described in a deed to WFTI, Ltd., as recorded in Instrument No. 20140924001039540 of the Official Public Records of Collin County, Texas, a distance of 413.10 feet to a 3/4 inch iron rod found for the southeast corner of said 2.086 acre tract, common to the southwest corner of a called 12.024 acre tract of land described in a deed to Thulasi Shri Investments, LLC, as recorded in Instrument No. 20150416000426320 of the Official Public Records of Collin County, Texas;

**THENCE** North 86°30'31" East, continuing along the northerly line of said 80.426 acre tract and along the southerly line of said 12.024 acre tract, a distance of 623.20 feet to a 1/2 inch iron rod found for the southeast corner of said 12.024 acre tract, common to the southwest corner of a called 3.678 acre tract of land described in a deed to Reinaldo and Thelma Chivara, as recorded in Volume 4703, Page 1061 of the Deed Records of Denton County, Texas;

**THENCE** North 86°57'31" East, continuing along the northerly line of said 80.426 acre tract and along the southerly line of said 3.678 acre tract, a distance of 402.05 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for the northeast corner of said 80.426 acre tract, common to the northwest corner of a called 2.518 acre tract of land described in a deed to Enserch Corporation, as recorded in Volume 3422, Page 216 of the Deed Records of Collin County, Texas, same being in the centerline of Simpson Road (County Road No. 401), a variable width right-of-way, no record found;

**THENCE** South 0°35'29" West, departing the southerly line of said 3.678 acre tract, along the easterly line of said 80.426 acre tract, the westerly line of said 2.518 acre tract, the westerly line of Lot 17B of A.E. McGraw Subdivision, an unrecorded plat, the westerly line of a called 1.5647 acre tract of land described in a deed to Joseph Gillick and wife, Linda Gillick, as recorded in Instrument No. 96-0004755 of the Land Records of Collin County, Texas, the westerly line of a called 1.862 acre tract of land described in a deed to Mario Zamora and Noemi A. Zamora, as recorded in Instrument No. 20180509000564110 of the Official Public Records of Collin County, Texas, the westerly line of a called 1.00 acre tract of land described in a deed to Mary Kathleen Robinson, as recorded in Instrument No. 20201006001724520 of the Official Public Records of Collin County, Texas, the westerly line of a called 0.85 acre tract of land described in a deed to Jesus Herrera, as recorded in Instrument No. 20120626000763780 of the Official Public Records of Collin County, Texas, the westerly line of a called 1.858 acre tract of land described in a deed to Christopher Bird, as recorded in Instrument No. 20080617000733900 of the Official Public Records of Collin County, Texas, assigned by Instrument No. 20160722000941180 of the Official Public Records of Collin County, Texas, the westerly line of a called 1.860 acre tract of land described in a deed to Mark Wayne Caldwell and Lisa G.

Caldwell, as recorded in Instrument No. 20191120001483460 of the Official Public Records of Collin County, Texas, and along the centerline of said Simpson Road, a distance of 1264.35 feet to a 1/2 inch iron rod found for the southwest corner of said 1.860 acre tract, common to the northerly northwest corner of a called 298.35 acre tract of land described as Tract 1 in a deed to TYF Partnership, LTD., as recorded in Volume 4653, Page 2630 of the Land Records of Collin County, Texas;

**THENCE** South 1°03'56" West, continuing along the easterly line of said 80.426 acre tract and the centerline of said Simpson Road, and along said westerly line of 298.35 acre tract, a distance of 695.11 feet to the southeast corner of said 80.426 acre tract, common to the northeast corner of a called 4.90 acre tract of land described in a deed to Sam Stone and wife, Sue Stone, as recorded in Instrument No. 20090303000240020 of the Official Public Records of Collin County, Texas, from which, a 5/8 inch iron rod found (laid over) for witness bears South 7°15' East, 0.9 feet;

**THENCE** North 89°53'04" West, departing the centerline of said Simpson Road and said westerly line of 298.35 acre tract, along the southerly line of said 80.426 acre tract and the northerly line of said 4.90 acre tract, a distance of 1136.38 feet to the **POINT OF BEGINNING** and containing 134.898 acres (5,876,159 square feet) of land, more or less.

## EXHIBIT L-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

**BEING** a tract of land situated in the Hardin Wright Survey, Abstract No. 957, Collin County, Texas, and being a portion of a called 80.368 acre tract of land described in a Special Warranty Deed to Meritage Homes of Texas, LLC., as recorded in Instrument No. 20220111000059440 of the Official Public Records of Collin County, Texas and a portion of a called 54.538 acre tract of land described in a Special Warranty Deed to Meritage Homes of Texas, LLC., as recorded in Instrument No. 20220119000100240 of the Official Public Records of Collin County, Texas, and being more particularly described as follows:

**BEGINNING** at a 5/8 inch iron rod with plastic cap stamped "KHA" found for the northeast corner of said 80.368 acre tract, common to the northwest corner of a called 2.518 acre tract of land described in a deed to Enserch Corporation, as recorded in Volume 3422, Page 216 of the Deed Records of Collin County, Texas, same being on the southerly line of a called 3.678 acre tract of land described in a deed to Reinaldo and Thelma Chivara, as recorded in Volume 4703, Page 1061 of the Deed Records of Denton County, Texas and in the centerline of Simpson Road (County Road No. 401), a variable width right-of-way, no record found;

**THENCE** South 00°35'29" West, departing the southerly line of said 3.678 acre tract, along the easterly line of said 80.368 acre tract, the westerly line of said 2.518 acre tract, the westerly line of Lot 17B of A.E. McGraw Subdivision, an unrecorded plat, the westerly line of a called 1.5647 acre tract of land described in a deed to Joseph Gillick and wife, Linda Gillick, as recorded in Instrument No. 96-0004755 of the Land Records of Collin County, Texas, the westerly line of a called 1.862 acre tract of land described in a deed to Mario Zamora and Noemi A. Zamora, as recorded in Instrument No. 20180509000564110 of the Official Public Records of Collin County, Texas, the westerly line of a called 1.00 acre tract of land described in a deed to Mary Kathleen Robinson, as recorded in Instrument No. 20201006001724520 of the Official Public Records of Collin County, Texas, the westerly line of a called 0.85 acre tract of land described in a deed to Jesus Herrera, as recorded in Instrument No. 20120626000763780 of the Official Public Records of Collin County, Texas, the westerly line of a called 1.858 acre tract of land described in a deed to Christopher Bird, as recorded in Instrument No. 20080617000733900 of the Official Public Records of Collin County, Texas, assigned by Instrument No. 20160722000941180 of the Official Public Records of Collin County, Texas, the westerly line of a called 1.860 acre tract of land described in a deed to Mark Wayne Caldwell and Lisa G. Caldwell, as recorded in Instrument No. 20191120001483460 of the Official Public Records of Collin County, Texas, and along the centerline of said Simpson Road, a distance of 1264.35 feet to a 1/2 inch iron rod found for the southwest corner of said 1.860 acre tract, common to the northerly northwest corner of a called 298.35 acre tract of land described as Tract 1 in a deed to TYF Partnership, LTD., as recorded in Volume 4653, Page 2630 of the Land Records of Collin County, Texas;

**THENCE** South 01°03'56" West, continuing along the easterly line of said 80.368 acre tract and the centerline of said Simpson Road, and along said westerly line of 298.35 acre tract, a distance of 695.11 feet to the southeast corner of said 80.368 acre tract, common to the northeast corner of a called 4.90 acre tract of land described in a deed to Sam Stone and wife, Sue Stone, as recorded in Instrument No. 20090303000240020 of the Official Public Records of Collin County, Texas, from which, a 5/8 inch iron rod found (laid over) for witness bears South 7°15' East, 0.9 feet;



**THENCE** North 89°53'04" West, departing the centerline of said Simpson Road and said westerly line of 298.35 acre tract, along the southerly line of said 80.368 acre tract and the northerly line of said 4.90 acre tract, a distance of 465.85 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

**THENCE** departing the southerly line of said 80.368 acre tract and the northerly line of said 4.90 acre tract, and crossing said 80.368 acre tract and said 54.538 acre tract, the following:

North 02°23'54" East, a distance of 124.23 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 08°22'12" West, a distance of 50.90 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 55°53'23" East, a distance of 53.47 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 76°38'45" East, a distance of 146.45 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the right with a radius of 60.00 feet, a central angle of 74°50'07", and a chord bearing and distance of North 39°26'38" East, 72.91 feet;

In a northerly direction, with said non-tangent curve to the right, an arc distance of 78.37 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 37°41'52" East, a distance of 14.40 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left with a radius of 775.00 feet, a central angle of 04°13'10", and a chord bearing and distance of North 08°39'24" West, 57.06 feet;

In a northerly direction, with said non-tangent curve to the left, an arc distance of 57.07 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 57°14'43" West, a distance of 13.87 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 76°38'45" West, a distance of 10.92 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 13°21'15" West, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 76°38'45" East, a distance of 10.92 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 30°32'13" East, a distance of 13.87 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left with a radius of

775.00 feet, a central angle of 16°51'24", and a chord bearing and distance of North 24°22'13" West, 227.19 feet;

In a northerly direction, with said non-tangent curve to the left, an arc distance of 228.01 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 32°47'56" West, a distance of 48.03 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 76°53'21" West, a distance of 14.37 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the right with a radius of 3,131.38 feet, a central angle of 00°14'39", and a chord bearing and distance of South 59°42'29" West, 13.35 feet;

In a westerly direction, with said non-tangent curve to the right, an arc distance of 13.35 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 29°54'13" West, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left with a radius of 934.51 feet, a central angle of 00°39'48", and a chord bearing and distance of North 59°45'54" East, 10.82 feet;

In an easterly direction, with said non-tangent curve to the left, an arc distance of 10.82 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 13°10'08" East, a distance of 13.91 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 32°47'56" West, a distance of 81.67 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a tangent curve to the right with a radius of 1,225.00 feet, a central angle of 01°26'01", and a chord bearing and distance of North 32°04'55" West, 30.65 feet;

In a northerly direction, with said tangent curve to the right, an arc distance of 30.65 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 63°55'16" West, a distance of 88.60 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 66°39'57" West, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 69°24'39" West, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 72°09'20" West, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 74°54'01" West, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 77°38'42" West, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 80°23'23" West, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 83°08'05" West, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 85°52'46" West, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 88°37'27" West, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 88°38'54" West, a distance of 38.95 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 87°36'06" West, a distance of 610.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 02°23'54" West, a distance of 115.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 42°36'06" East, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 87°36'06" East, a distance of 10.50 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 02°23'54" West, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 87°36'06" West, a distance of 10.50 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 47°23'54" West, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 02°23'54" West, a distance of 220.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 42°36'06" East, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 87°36'06" East, a distance of 10.50 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 02°23'54" West, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 87°36'06" West, a distance of 394.43 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 62°01'46" West, a distance of 17.26 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left with a radius of 275.00 feet, a central angle of 28°13'08", and a chord bearing and distance of South 16°30'28" West, 134.08 feet;

In a southerly direction, with said non-tangent curve to the left, an arc distance of 135.44 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 02°23'54" West, a distance of 104.66 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 42°36'06" East, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 87°36'06" East, a distance of 10.50 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 02°24'19" West, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 87°36'06" West, a distance of 10.50 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 47°24'19" West, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the right with a radius of 825.00 feet, a central angle of 14°22'07", and a chord bearing and distance of South 09°43'17" West, 206.35 feet;

In a southerly direction, with said non-tangent curve to the right, an arc distance of 206.90 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 26°46'23" East, a distance of 14.38 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;



South 70°47'55" East, a distance of 10.18 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 19°14'12" West, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 70°47'55" West, a distance of 10.26 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 65°18'18" West, a distance of 14.42 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the right with a radius of 825.00 feet, a central angle of 10°03'41", and a chord bearing and distance of South 26°47'56" West, 144.69 feet;

In a southerly direction, with said non-tangent curve to the right, an arc distance of 144.87 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 31°49'46" West, a distance of 68.21 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 13°10'14" East, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 58°10'14" East, a distance of 10.50 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 31°49'46" West, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 58°10'14" West, a distance of 10.50 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 76°49'46" West, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 31°49'46" West, a distance of 277.64 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 58°10'14" West, a distance of 185.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 90°00'00" West, a distance of 80.49 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner on the westerly line of said 54.538 acre tract, same being on the easterly line of Sunset Acres No. 2 Addition, according to the plat thereof recorded in Cabinet D, Page 100 of the Plat Records of Collin County, Texas;

**THENCE** North 02°40'08" East, along the westerly line of said 54.538 acre tract and the easterly line of said Sunset Acres No. 2 Addition a distance of 681.41 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for the northwest corner of said 54.533 acre tract, same being on the southerly line of a called 15.50 acre tract of land described in a deed to Pedro L. Vidal, II and Meghan A. Vidal, as recorded in Instrument No. 20180423000483640 of the Official Public Records of Collin County, Texas

**THENCE** South 88°23'25" East, along the northerly line of said 54.538 acre tract and the southerly line of said 15.50 acre tract, a distance of 449.79 feet to a 60D nail found for the southeast corner of said 15.50 acre tract, common to the southwest corner of aforesaid 80.368 acre tract;

**THENCE** North 02°23'47" East, departing the northerly line of said 54.538 acre tract and along the westerly line of said 80.368 acre tract and the easterly line of said 15.50 acre tract a distance of 803.09 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for an exterior corner of said 80.368 acre tract, common to the northeast corner of said 15.50 acre tract;

**THENCE** North 28°09'16" East, continuing along the westerly line of said 80.368 acre tract, a distance of 202.91 feet to a 60D nail found for the southerly northwest corner of said 80.368 acre tract, being on the southerly line of a called 3.486 acre tract of land described in a deed to C&C Properties, Inc., as recorded in Instrument No. 2015047000387030 of the Official Public Records of Collin County, Texas;

**THENCE** South 74°22'23" East, continuing along the westerly line of said 80.368 acre tract and along the southerly line of said 3.486 acre tract a distance of 223.30 feet to a 1/2 inch iron rod with plastic cap stamped "G.M. Geer 3258" found for an ell corner of said 80.426 acre tract, common to the southeast corner of said 3.486 acre tract;

**THENCE** North 19°22'35" East, continuing along the westerly line of said 80.368 acre tract, along the easterly line of said 3.486 acre tract and the easterly line of a called 1.878 acre tract of land described in a deed to C&C Properties, Inc., as recorded in Instrument No. 20150106000015710 of the Official Public Records of Collin County, Texas, a distance of 1,005.22 feet to a 1/2 inch iron rod with plastic cap stamped "G.M. Geer 3258" found for the northerly northwest corner of said 80.426 acre tract, common to the northeast corner of said 1.878 acre tract, being on the southerly line of a called 1.878 acre tract of land described in a deed to C&C Properties, Inc., as recorded in Instrument No. 20150106000015710 of the Official Public Records of Collin County, Texas;

**THENCE** North 86°45'20" East, along the northerly line of said 80.368 acre tract, the southerly line of said 1.878 acre tract and the southerly line of a called 2.086 acre tract of land described in a deed to WFTI, Ltd., as recorded in Instrument No. 20140924001039540 of the Official Public Records of Collin County, Texas, a distance of 413.10 feet to a 3/4 inch iron rod found for the southeast corner of said 2.086 acre tract, common to the southwest corner of a called 12.024 acre tract of land described in a deed to Thulasi Shri Investments, LLC, as recorded in Instrument No. 20150416000426320 of the Official Public Records of Collin County, Texas;

**THENCE** North 86°30'31" East, continuing along the northerly line of said 80.368 acre tract and along the southerly line of said 12.024 acre tract and the southerly line of a called 1.234 acre tract of land described in a Warranty Deed to Meritage homes of Texas, LLC, as recorded in Instrument No. 20220111000061010 of the Official Public Records of Collin County, Texas, a distance of 623.20 feet to a 1/2-inch iron rod found for the southeast corner of said 1.234 acre tract, common to the southwest corner of said 3.678 acre tract;

**THENCE** North 86°57'31" East, along the northerly line of said 80.368 acre tract and along the southerly line of said 3.678 acre tract, a distance of 402.05 feet to the **POINT OF BEGINNING** and containing 64.722 acres (2,819,302 square feet) of land, more or less.

## EXHIBIT L-3 – IMPROVEMENT AREA #2 LEGAL DESCRIPTION

**BEING** a tract of land situated in the Hardin Wright Survey, Abstract No. 957, Collin County, Texas, and being a portion of a called 80.368 acre tract of land described in a Special Warranty Deed to Meritage Homes of Texas, LLC., as recorded in Instrument No. 20220111000059440 of the Official Public Records of Collin County, Texas and a portion of a called 54.538 acre tract of land described in a Special Warranty Deed to Meritage Homes of Texas, LLC., as recorded in Instrument No. 20220119000100240 of the Official Public Records of Collin County, Texas, and being more particularly described as follows:

**BEGINNING** a 5/8 inch iron rod with plastic cap stamped "KHA" found for the southwest corner of Block J, Lot 12X, of Simpson Crossing Phase 1, according to the Final Plat thereof recorded in Volume 2023, Page 937, of the Plat Records of Collin County, Texas, same being on the northerly line of a called 4.90 acre tract of land described in a deed to Sam Stone and wife, Sue Stone, as recorded in Instrument No. 20090303000240020 of the Official Public Records of Collin County, Texas

**THENCE** North 89°53'04" West, along the southerly line of said 80.368 acre tract, the northerly line of said 4.90 acre tract, and crossing said 54.538 acre tract, a distance of 800.64 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

**THENCE** continuing across said 54.538 acre tract, the following:

South 02°23'54" West, a distance of 57.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 87°36'06" West, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 02°23'54" East, a distance of 10.50 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 42°36'06" West, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 87°36'06" West, a distance of 641.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found on the easterly right of way line of Eagle Road, a 50 foot wide right of way, as dedicated in said Simpson Crossing Phase 1;

**THENCE** along the easterly right of way line of said Eagle Road, the following:

North 02°24'19" East, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 87°36'06" West, a distance of 10.50 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 42°36'06" West, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;



North 02°23'54" East, a distance of 104.66 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found at the beginning of a tangent curve to the right with a radius of 275.00 feet, a central angle of 28°13'08", and a chord bearing and distance of North 16°30'28" East, 134.08 feet;

In a northerly direction, with said tangent curve to the right, an arc distance of 135.44 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the south end of a corner clip on the easterly right of way line of said Eagle Road and with the southerly right of way Martell Road, a 50 foot wide right of way, as dedicated in said Simpson Crossing Phase 1;

**THENCE** North 62°01'46" East, departing the easterly right of way line of said Eagle Road and along the southerly right of way line of said Martell Road, a distance of 17.26 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found the north end of said corner clip;

**THENCE** South 87°36'06" East, continuing along the southerly right of way line of said Martell Road, a distance of 394.43 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the south end of the easterly terminus of said Martell Road;

**THENCE** North 02°23'54" East, along the easterly terminus of said Martell Road, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the north end of the easterly terminus of said Martell Road;

**THENCE** North 87°36'06" West, along the northerly right of way line of said Martell Road, a distance of 10.50 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the south end of a corner clip on the northerly right of way line of said Martell Road and with the easterly right of way line of Seagram Trail, a 50 foot wide right of way, as dedicated in said Simpson Crossing Phase 1;

**THENCE** departing the northerly right of way line of said Martell Road and along the easterly right of way line of said Seagram Trail, the following:

North 42°36'06" West, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for north end of said corner clip;

North 02°23'54" East, a distance of 220.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 47°23'54" East, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

South 87°36'06" East, a distance of 10.50 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 02°23'54" East, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 87°36'06" West, a distance of 10.50 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 42°36'06" West, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 02°23'54" East, a distance of 115.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner on the southerly line of said Simpson Crossing Phase 1;

**THENCE** departing the easterly right of way line of said Seagram Trail, and along the southerly line of said Simpson Crossing Phase 1, the following:

South 87°36'06" East, a distance of 610.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

South 88°38'54" East, a distance of 38.95 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 88°37'27" East, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 85°52'46" East, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 83°08'05" East, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 80°23'23" East, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 77°38'42" East, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 74°54'01" East, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 72°09'20" East, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 69°24'39" East, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 66°39'57" East, a distance of 38.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 63°55'16" East, a distance of 88.60 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found on the westerly right of way line of Buffalo Drive, a 50 foot wide right of way, as dedicated in said Simpson Crossing Phase 1, same being at the beginning of a non-tangent curve to the left with a radius of 1,225.00 feet, a central angle of 01°26'01", and a chord bearing and distance of South 32°04'55" East, 30.65 feet;

**THENCE** along the westerly right of way line of said Buffalo Drive, the following:

In a southerly direction, with said non-tangent curve to the left, an arc distance of 30.65 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

South 32°47'56" East, a distance of 81.67 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

South 13°10'08" West, a distance of 13.91 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found at the beginning of a non-tangent curve to the right with a radius of 935.00 feet, a central angle of 00°39'47", and a chord bearing and distance of South 59°45'54" West, 10.82 feet;

In a westerly direction, with said non-tangent curve to the right, an arc distance of 10.82 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

South 29°54'13" East, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found at the beginning of a non-tangent curve to the left with a radius of 985.00 feet, a central angle of 00°46'35", and a chord bearing and distance of North 59°42'29" East, 13.35 feet;

In an easterly direction, with said non-tangent curve to the left, an arc distance of 13.35 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

South 76°53'21" East, a distance of 14.37 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

South 32°47'56" East, a distance of 48.03 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found at the beginning of a tangent curve to the right with a radius of 775.00 feet, a central angle of 16°51'24", and a chord bearing and distance of South 24°22'13" East, 227.19 feet;

In a southerly direction, with said tangent curve to the right, an arc distance of 228.01 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

South 30°32'13" West, a distance of 13.87 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

South 76°38'45" West, a distance of 10.92 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

South 13°21'15" East, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 76°38'45" East, a distance of 10.92 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

South 57°14'43" East, a distance of 13.87 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found at the beginning of a non-tangent curve to the right with a radius of 775.00 feet, a central angle of 04°13'10", and a chord bearing and distance of South 08°39'24" East, 57.06 feet;

In a southerly direction, with said non-tangent curve to the right, an arc distance of 57.07 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

South 37°41'52" West, a distance of 14.40 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found at the beginning of a non-tangent curve to the left with a radius of 60.00 feet, a central angle of 74°50'07", and a chord bearing and distance of South 39°26'38" West, 72.91 feet;

In a southerly direction, with said non-tangent curve to the left, an arc distance of 78.37 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner on the northerly line of said Block J, Lot 12X;

**THENCE** South 76°38'45" West, departing the westerly right of way line of said Buffalo Drive and along the northerly line of said Block J, Lot 12X, a distance of 146.45 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

**THENCE** South 55°53'23" West, continuing along the northerly line of said Block J, Lot 12X, a distance of 53.47 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the southerly most northwest corner of said Block J, Lot 12X;

**THENCE** South 08°22'12" East, departing the northerly line of said Block J, Lot 12X and along the westerly line of said Block J, Lot 12X, distance of 50.90 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

**THENCE** South 02°23'54" West, continuing along the westerly line of said Block J, Lot 12X, a distance of 124.23 feet to the **POINT OF BEGINNING** and containing 23.615 acres (1,028,683 square feet) of land, more or less.



## EXHIBIT L-4 – IMPROVEMENT AREA #3 LEGAL DESCRIPTION

**BEING** a tract of land situated in the Hardin Wright Survey, Abstract No. 957, Collin County, Texas, and being all of Simpson Crossing Phase 3, an addition to the city of Lowry Crossing, recorded in Volume 2024 Page 917, Plat Records, Collin County, Texas, and Simpson Crossing Phase 4, an addition to the City of Lowry Crossing, recorded in Volume 2024, Page 1101, said Plat Records, and being more particularly described as follows:

**BEGINNING** at a 5/8 inch iron rod with plastic cap stamped "KHA" found for the northwest corner of a called 4.90 acre tract of land described in a deed to Sam Stone and wife, Sue Stone, as recorded in Instrument No. 20090303000240020 of the Official Public Records of Collin County, Texas, same being on the southerly line of Simpson Crossing Phase 2, according to the Final Plat thereof recorded in Volume 2024, Page 660, said Plat Records;

**THENCE** South 02°23'54" West, along the easterly line of said Phase 3, the westerly line of said 4.90 acre tract, the westerly line of a called 4.9056 acre tract of land described in a deed to Filemon R. Fonsesca and Ma Esmeralda Z. Soto, as recorded in Instrument No. 20130812001132020 of the Official Public Records of Collin County, Texas, the westerly line of a called 2.00 acre tract of land described in a deed to Cecilia Ramirez, as recorded in Volume 5313, Page 6144 of the Land Records of Collin County, Texas, the westerly line of a called 4.9056 acre tract of land described in a deed to Cecilia Ramirez, as recorded in Volume 5313, Page 6148 of the Land Records of Collin County, Texas, passing at a distance of 669.99 feet a 5/8-inch iron rod with red plastic cap stamped "KHA" found for the southeast corner of said Simpson Crossing Phase 3, same being the northeast corner of said Simpson Crossing Phase 4, continuing along the same course and along the easterly line of said Simpson Crossing Phase 4, westerly line of a called 2.8032 acre tract of land described in a deed to Merrill Cole Simpson and wife, Peggy A. Simpson, as recorded in Volume 4111, Page 531 of the Land Records of Collin County, Texas, and the westerly line of a called 10.569 acre tract of land described in a deed to Ollie Merrill Simpson and wife, Cherry Simpson, as recorded in Instrument No. 20060821001197720 of the Official Public Records of Collin County, Texas, for a total distance of 1333.39 feet to a 5/8 inch iron rod found for the southwest corner of said 10.569 acre tract, common to the northwest corner of Cypress Creek West, according to the plat thereof recorded in Volume 2023, Page 856 of the Land Records of Collin County, Texas;

**THENCE** South 05°19'43" West, continuing along the easterly line of said Simpson Crossing Phase 4, and along the westerly line of said Cypress Creek West, a distance of 393.53 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the southeast corner of said 54.533 acre tract, from which, a 5/8 inch iron rod found for witness bears South 55°40'54" West, 0.88 feet;

**THENCE** North 88°28'37" West, departing the westerly line of said Cypress Creek West and along the southerly line of said Simpson Crossing Phase 4, a distance of 1192.83 feet to a 3/8 inch iron rod found for the southerly southwest corner of said Simpson Crossing Phase 4, common to the southeast corner of said 0.931 acre tract;

**THENCE** North 06°28'26" East, along the westerly line of said Simpson Crossing Phase 4, and the easterly line of said 0.931 acre tract, a distance of 149.84 feet to a 3/8 inch iron rod found for the northeast corner of said 0.931 acre tract;

**THENCE** North 77°35'15" West, continuing along the southerly line of said Simpson Crossing Phase 4, and along the northerly line of said 0.931 acre tract, a distance of 237.81 feet to a 1/2 inch iron rod found on the easterly line of a called 1.452 acre tract of land described in a deed to Sean P. & Jacqueline R. Baxter, recorded in instrument No. 20081021001244070, said Official Records;

**THENCE** North 06°07'34" East, along the westerly line of said Simpson Crossing Phase 4, the easterly line of said 1.452 acre tract, and the easterly line of a tract of land described in a deed to Maria B. Trueter, as recorded in Volume 5854, Page 1935 of the Deed Records of Collin County, Texas, a distance of 345.92 feet to a 1/2 inch bolt found for the northeast corner of said Trueter tract, common to the southeast corner of Lot 1 of Sunset Acres Addition, according to the plat thereof recorded in Cabinet C, Page 559 of the Plat Records of Collin County, Texas;

**THENCE** North 04°17'30" East, continuing along the westerly line of said Simpson Crossing Phase 4, and along the easterly line of said Lot 1, a distance of 84.93 feet to a 1/2 inch iron rod for corner;

**THENCE** North 01°58'32" East, continuing along the westerly line of said Simpson Crossing Phase 4 and the easterly line of said Lot 1, a distance of 98.84 feet to a 1/2 inch iron rod found for corner;

**THENCE** North 00°14'08" West, continuing along the westerly line of said Simpson Crossing Phase 4, and the easterly line of said Lot 1, a distance of 13.52 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the northeast corner of said Lot 1, common to the southeast corner of Sunset Acres No. 2 Addition, according to the plat thereof recorded in Cabinet D, Page 100 of the Plat Records of Collin County, Texas;

**THENCE** North 06°34'08" East, continuing along the westerly line of said Simpson Crossing Phase 4, and along the easterly line of said Sunset Acres No. 2 Addition, a distance of 106.13 feet to a point for corner, from which, a 1/2 inch iron rod with a red plastic cap stamped "GEER 4117" found for witness bears South 29°29'25" West, 0.78 feet;

**THENCE** North 02°40'08" East, continuing along the westerly line of said Simpson Crossing Phase 4, and the easterly line of said Sunset Acres No. 2 Addition, a distance of 175.03 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the southwest corner of Simpson Crossing Phase 1, according to the plat thereof recorded in Volume 2023, Page 937 of the Plat Records of Collin County, Texas;

**THENCE** departing the easterly line of said Sunset Acres No. 2 Addition, and along the common line of said Simpson Crossing Phase 1, and said Simpson Crossing Phase 4 the following:

North 90°00'00" East, a distance of 80.49 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

South 58°10'14" East, a distance of 185.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 31°49'46" East, passing at a distance of 162.60 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the northwest corner of said Simpson Crossing Phase 4, same being the southwest corner of said Simpson Crossing Phase 3, continuing along the same course and along the westerly line of said Simpson Crossing Phase 3, for a total distance of 277.64 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

**THENCE** continuing along the common line of said Simpson Crossing Phase 1 and said Simpson Crossing Phase 3 the following courses and distances;

North 76°49'46" East, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

South 58°10'14" East, a distance of 10.50 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 31°49'46" East, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 58°10'14" West, a distance of 10.50 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 13°10'14" West, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 31°49'46" East, a distance of 68.21 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found at the beginning of a tangent curve to the left with a radius of 825.00 feet, a central angle of 10°03'41", and a chord bearing and distance of North 26°47'56" East, 144.69 feet;

In a northerly direction, with said tangent curve to the left, an arc distance of 144.87 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 65°18'18" East, a distance of 14.42 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

South 70°47'55" East, a distance of 10.26 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 19°12'05" East, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 70°47'55" West, a distance of 10.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

North 26°46'03" West, a distance of 14.39 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found at the beginning of a non-tangent curve to the left with a radius of

825.00 feet, a central angle of 14°22'06", and a chord bearing and distance of North 09°43'16" East, 206.35 feet;

In a northerly direction, with said non-tangent curve to the left, an arc distance of 206.89 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the south end of a corner clip at the intersection of the easterly right of way line of said Eagle Road with the southerly right of way line of Weller Road, a 50 foot wide right of way, as dedicated in said Simpson Crossing Phase 3 and aforesaid Simpson Crossing Phase 2;

North 47°24'19" East, departing the easterly right of way line of said Eagle Road, and along said corner clip, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the north end of said corner clip;

South 87°36'06" East, along the southerly right of way line of said Weller Road, passing at a distance of 10.50 feet the southwest corner of said Simpson Crossing Phase 2, and continuing along the same course and along the southerly line of said Simpson Crossing Phase 2 for a total distance of 651.50 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the north end of a corner clip at the intersection of the southerly line of said Weller Road with the westerly right of way line of Elijah Lane, a 50 foot wide right of way, as dedicated in said Simpson Crossing Phase 2;

**THENCE** South 42°36'06" East, departing the southerly right of way line of said Weller Road and along said corner clip, and continuing along the common line of said Simpson Crossing Phase 3 and said Simpson Crossing Phase 2, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for the south end of said corner clip;

**THENCE** South 02°23'54" West, along the westerly right of way line of said Elijah Lane, and continuing along the common line of said Simpson Crossing Phase 3 and said Simpson Crossing Phase 2, a distance of 10.50 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for west end of the southerly terminus of said Elijah Lane;

**THENCE** South 87°36'06" East, along the southerly terminus of said Elijah Lane, and continuing along the common line of said Simpson Crossing Phase 3 and said Simpson Crossing Phase 2, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for east end of said terminus;

**THENCE** North 02°23'54" East, along the easterly right of way line of said Elijah Lane, and continuing along the common line of said Simpson Crossing Phase 3 and said Simpson Crossing Phase 2, a distance of 57.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" found for corner;

**THENCE** South 89°53'04" East, departing the easterly terminus of said Elijah Lane and, and continuing along the common line of said Simpson Crossing Phase 3 and said Simpson Crossing Phase 2, a distance of 130.10 feet to the **POINT OF BEGINNING** and containing 46.568 acres (2,028,521 square feet) of land, more or less.

## APPENDIX A – ENGINEER’S REPORT

*[Remainder of page intentionally left blank.]*

Date: January 22, 2025  
RE: *Engineer's Report  
Simpson Crossing – Improvement Area 3  
City of Lowry, Texas*



## INTRODUCTION

Simpson Crossing is a proposed single-family residential development located at the southwest corner of E. University Drive (US 380) and Simpson Road in the City of Lowry Crossing and Lowry Crossing ETJ (see Exhibit A-1). Improvement Area 3 of the development includes 229 lots as depicted on Exhibit A-2 and A-3.

This Engineer's Report includes information for the development improvements and associated cost for infrastructure that is anticipated to be financed with bonds sold through a Public Improvement District (PID).

## DEVELOPMENT IMPROVEMENTS

Development improvements include Sanitary Sewer Improvements, Storm Sewer Improvements, Roadway Improvements, and associated Clearing, Excavation, and Erosion Control Improvements. The Development improvements have been separated into Improvement Areas 1, 2, and 3 based on anticipated construction sequencing and into Major Improvements that serve the entire development. The extents of the development improvements within each Improvement Area and for the Major Improvements are depicted on Exhibits C – P.

### A. Direct Improvements

1. **Clearing & Excavation Improvements**  
Improvements including all clearing and excavation associated with the public residential road rights-of-way, detention ponds, swales and channels.
2. **Erosion Control Improvements**  
Improvements including the installation of all erosion control measures associated with the public residential road rights-of-way and detention ponds.
3. **Sanitary Sewer Improvements**  
Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, and all other necessary appurtenances required to provide sanitary sewer service to each lot within the Improvement Areas. The sanitary sewer improvements will be owned and operated by the City of Princeton.

The direct sanitary sewer improvements for Improvement Areas 1, 2, and 3 are depicted on Exhibits C, F, and I respectively.



**4. Storm Sewer Improvements**

Improvements including trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other necessary appurtenances required to provide adequate drainage within the Improvement Areas. The storm sewer improvements will be owned and operated by the City of Lowry Crossing.

The direct storm sewer improvements for Improvement Areas 1, 2, and 3 are depicted on Exhibits D, G, and J respectively.

**5. Roadway Improvements**

Improvements including subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, streetlights, testing, and all other materials associated with the public residential road rights-of-way within the Improvement Areas. The roadway improvements will be owned and operated by the City of Lowry Crossing.

The direct roadway improvements for Improvement Areas 1, 2, and 3 are depicted on Exhibits E, H, and K respectively.

**B. Major Improvements****1. Clearing & Excavation Improvements**

Improvements including all clearing and excavation associated with the public arterial road rights-of-way within the Simpson Crossing Development.

**2. Erosion Control Improvements**

Improvements including the installation of all erosion control measures associated with the public arterial road rights-of-way and major utility improvements within or serving the Simpson Crossing Development.

**3. Sanitary Sewer Improvements**

Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, lift station, force main line, testing, and all other necessary appurtenances required to provide sanitary sewer service to the Simpson Crossing Development. The sanitary sewer improvements will be owned and operated by the City of Princeton.

The major sanitary sewer improvements are depicted on Exhibit L.

**4. Storm Sewer Improvements**

Improvements including trench excavation and embedment, trench safety, piping, inlets, headwalls, rock rip-rap, pond outfalls, testing, and all other necessary appurtenances required to provide adequate drainage for the arterial road rights-of-way within the Simpson Crossing Development. The storm sewer improvements will be owned and operated by the City of Lowry Crossing.

The major storm sewer improvements are depicted on Exhibit M.

**5. Roadway Improvements**

Improvements including subgrade stabilization, pavement, sidewalks, barrier free ramps, signage, striping, streetlights, testing, and all other materials associated with the public arterial road rights-of-way within the Simpson Crossing Development. The roadway improvements will be owned and operated by the City of Lowry Crossing.

The major roadway improvements are depicted on Exhibit N.

**6. Landscape & Hardscape Improvements**

Improvements including landscaping, hardscaping, irrigation, screening and all other materials associated with the improvements of open spaces within the Simpson Crossing Development as depicted on Exhibit O.

**C. Private Improvements**

**1. Landscape & Hardscape Improvements**

Improvements including landscaping, hardscaping, irrigation, screening and all other materials associated with the improvements of open spaces within the Simpson Crossing Development as depicted on Exhibit P.

**DEVELOPMENT COSTS**

An Opinion of Probable Construction Cost (the "OPCC") has been prepared for the development and a summary is included as Exhibit B. Where applicable, the construction costs included in the OPCC are based on contractor proposals received to date.

**DEVELOPMENT SCHEDULE**


Construction for Improvement Area 3 has been completed for final acceptance. The construction of all Improvement Areas within the PID are now complete.










<div>  <div> EXHIBIT B - OPINION OF PROBABLE CONSTRUCTION COST  SIMPSON CROSSING - LOWRY, TEXAS  PID ELIGIBLE COST SUMMARY  January 22, 2025 </div> </div>						
	IMPROVEMENT AREA 1	IMPROVEMENT AREA 2	IMPROVEMENT AREA 3	MAJOR IMPROVEMENTS	PRIVATE IMPROVEMENTS	TOTAL
NO. OF LOTS:	174	137	229	N/A	N/A	540
DIVISION						
A. CLEARING & EXCAVATION	\$ 180,317.50	\$ 69,615.20	\$ 142,185.36	\$ 62,097.00	-	\$ 454,215.06
B. EROSION CONTROL	\$ 36,825.00	\$ 14,400.00	\$ 27,450.00	\$ 12,000.00	-	\$ 90,675.00
C. SANITARY SEWER	\$ 1,120,789.36	\$ 311,724.20	\$ 950,231.64	\$ 3,698,372.01	-	\$ 6,081,117.21
D. STORM SEWER	\$ 1,070,910.52	\$ 247,899.17	\$ 994,753.34	\$ 222,684.02	-	\$ 2,536,247.05
E. PAVEMENT	\$ 2,011,040.74	\$ 1,773,136.97	\$ 2,143,263.27	\$ 2,612,862.63	-	\$ 8,540,303.61
F. LANDSCAPE & HARDSCAPE IMPROVEMENTS	-	-	-	\$ 953,597.53	\$ 2,912,737.92	\$ 3,866,335.45
SUB-TOTAL	\$ 4,419,883.12	\$ 2,416,775.54	\$ 4,257,883.61	\$ 7,561,613.18	\$ 2,912,737.92	\$ 21,568,893.38
PLANNING, SURVEY, PLATTING, ENG., & STAKING (10%)	\$ 441,988.31	\$ 241,677.55	\$ 425,788.36	\$ 756,161.32	\$ 291,273.79	\$ 2,156,889.34
CONSTRUCTION MATERIALS TESTING (1% OF A & C-E)	\$ 43,830.58	\$ 24,023.76	\$ 42,304.34	\$ 65,960.16	-	\$ 176,118.83
INSPECTION FEE (3% OF C-E)	\$ 126,082.22	\$ 69,982.81	\$ 122,647.45	\$ 196,017.56	-	\$ 514,730.04
MISCELLANEOUS & CONTINGENCY (10%)	\$ 441,988.31	\$ 241,677.55	\$ 425,788.36	\$ 756,161.32	\$ 291,273.79	\$ 2,156,889.34
TOTAL	\$ 5,473,772.55	\$ 2,994,137.21	\$ 5,274,412.12	\$ 9,335,913.54	\$ 3,495,285.50	\$ 26,573,520.92

- Notes:
1. This OPC only includes costs for improvements considered eligible for reimbursement through the PID.
  2. Costs for Improvement Areas are based on actual Contractor Proposals where noted.
  3. Costs for Major Improvements are partially based on actual Contractor Proposals for improvements being constructed with Phase 1 of the development.
  4. Unit prices are subject to market conditions and may vary from this OPC.
  5. Land cost, easement acquisition costs, interest, legal, marketing, financing, closing costs, cost of sales, HOA funding, overhead, maintenance, insurance, taxes, etc. are not included.



OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY

SIMPSON CROSSING - LOWRY CROSSING, TX

DIRECT PUBLIC IMPROVEMENTS

January 22, 2025


<div>PROJECT NAME:</div> <div>Simpson Crossing</div>			IMPROVEMENT AREA		1	2	3
<div>CITY:</div> <div>Lowry Crossing, Collins County, Texas</div>			NO. OF LOTS:		174	137	229
<div>JOB NUMBER:</div> <div>061179300</div>			GROSS R.O.W. AC:		8.19	5.59	8.93
			GROSS CLEARING AC:		55.00	26.20	42.40

A. CLEARING & EXCAVATION

DESCRIPTION	UNIT	UNIT PRICE	IMPROVEMENT AREA 1		IMPROVEMENT AREA 2		IMPROVEMENT AREA 3	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
PHASE 1 - CONTRACTOR PROPOSAL (OBRA RAMOS, 3/22/22)	LS	\$ 180,317.50	1	\$ 180,317.50		\$ -		\$ -
PHASE 2 - CONTRACTOR PROPOSAL (HAMMETT, 11/11/22)	LS	\$ 69,615.20		\$ -	1	\$ 69,615.20		\$ -
PHASE 3 - CONTRACTOR PROPOSAL (HAMMETT, 8/15/23)	LS	\$ 49,048.95		\$ -		\$ -	1	\$ 49,048.95
PHASE 4 - CONTRACTOR PROPOSAL (HAMMETT, 10/30/23)	LS	\$ 93,136.41		\$ -		\$ -	1	\$ 93,136.41
TOTAL CLEARING & EXCAVATION				\$ 180,317.50		\$ 69,615.20		\$ 142,185.36

B. EROSION CONTROL

DESCRIPTION	UNIT	UNIT PRICE	IMPROVEMENT AREA 1		IMPROVEMENT AREA 2		IMPROVEMENT AREA 3	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
8' CURLEX (BEHIND CURB)	LF	\$ 1.50	13,750	\$ 20,625.00	7,600	\$ 11,400.00	13,500	\$ 20,250.00
CURLEX MATTING (POND BANKS)	SF	\$ 0.20	66,000	\$ 13,200.00	0	\$ -	21,000	\$ 4,200.00
ROCK CHECK DAM	EA	\$ 1,500.00	2	\$ 3,000.00	2	\$ 3,000.00	2	\$ 3,000.00
TOTAL EROSION CONTROL				\$ 36,825.00		\$ 14,400.00		\$ 27,450.00



OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY

SIMPSON CROSSING - LOWRY CROSSING, TX

DIRECT PUBLIC IMPROVEMENTS

January 22, 2025

PROJECT NAME:		Simpson Crossing		IMPROVEMENT AREA	1	2	3
CITY:		Lowry Crossing, Collins County, Texas		NO. OF LOTS:	174	137	229
JOB NUMBER:		061179300		GROSS R.O.W. AC.	8.19	5.59	8.93
				GROSS CLEARING AC.	55.00	26.20	42.40

C. SANITARY SEWER								
DESCRIPTION	UNIT	UNIT PRICE	IMPROVEMENT AREA 1		IMPROVEMENT AREA 2		IMPROVEMENT AREA 3	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
PHASE 1 - CONTRACTOR PROPOSAL (K-CON, 2/28/22)	LS	\$ 992,907.57	1	\$ 992,907.57		\$ -		\$ -
PHASE 1 - CONTRACTOR CO #1 (K-CON, 11/09/22)	LS	\$ 127,881.79	1	\$ 127,881.79		\$ -		\$ -
PHASE 2 - CONTRACTOR PROPOSAL (EIII, 01/11/23)	LS	\$ 313,634.20		\$ -	1	\$ 313,634.20		\$ -
PHASE 2 - CONTRACTOR CO#1 (EIII, 10/18/23)	LS	\$ (1,910.00)		\$ -	1	\$ (1,910.00)		\$ -
PHASE 3 - CONTRACTOR PROPOSAL (C.W. Young, 08/23/23)	LS	\$ 292,329.89		\$ -		\$ -	1	\$ 292,329.89
PHASE 3 - CONTRACTOR CO #3 (C.W. Young, 9/19/24)	LS	\$ 2,210.00		\$ -		\$ -	1	\$ 2,210.00
PHASE 4 - CONTRACTOR PROPOSAL (C.W. Young, 11/08/23)	LS	\$ 655,691.75		\$ -		\$ -	1	\$ 655,691.75
TOTAL SANITARY SEWER				\$ 1,120,789.36		\$ 311,724.20		\$ 950,231.64






OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY  
SIMPSON CROSSING - LOWRY CROSSING, TX  
DIRECT PUBLIC IMPROVEMENTS  
January 22, 2025

<b>PROJECT NAME:</b> <i>Simpson Crossing</i> <b>CITY:</b> <i>Lowry Crossing, Collins County, Texas</i> <b>JOB NUMBER:</b> <i>061175300</i>			IMPROVEMENT AREA	1	2	3
			NO. OF LOTS:	174	137	229
			GROSS R.O.W. AC.	8.19	5.59	8.93
			GROSS CLEARING AC.	55.00	26.20	42.40

D. STORM SEWER								
DESCRIPTION	UNIT	UNIT PRICE	IMPROVEMENT AREA 1		IMPROVEMENT AREA 2		IMPROVEMENT AREA 3	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
PHASE 1 - CONTRACTOR PROPOSAL (K-CON, 2/28/22)	LS	\$ 995,661.88	1	\$ 995,661.88		\$ -		\$ -
PHASE 1 - CONTRACTOR CO #1 (K-CON, 11/09/22)	LS	\$ 75,248.64	1	\$ 75,248.64		\$ -		\$ -
PHASE 2 - CONTRACTOR PROPOSAL (EIII, 01/11/23)	LS	\$ 247,899.17		\$ -	1	\$ 247,899.17		\$ -
PHASE 3 - CONTRACTOR PROPOSAL (C.W. Young, 08/23/23)	LS	\$ 257,006.26		\$ -		\$ -	1	\$ 257,006.26
PHASE 3 - CONTRACTOR CO #1 (C.W. Young, 1/4/24)	LS	\$ 18,034.50		\$ -		\$ -	1	\$ 18,034.50
PHASE 3 - CONTRACTOR CO #2 (C.W. Young, 8/23/24)	LS	\$ 1,237.50		\$ -		\$ -	1	\$ 1,237.50
PHASE 4 - CONTRACTOR PROPOSAL (C.W. Young, 11/08/23)	LS	\$ 628,937.10		\$ -		\$ -	1	\$ 628,937.10
PHASE 4 - CONTRACTOR CO #1 (C.W. Young, 1/29/24)	LS	\$ 38,687.98		\$ -		\$ -	1	\$ 38,687.98
PHASE 4 - CONTRACTOR CO #2 (C.W. Young, 5/13/24)	LS	\$ 45,900.00		\$ -		\$ -	1	\$ 45,900.00
PHASE 4 - CONTRACTOR CO #3 (C.W. Young, 5/13/24)	LS	\$ 4,950.00		\$ -		\$ -	1	\$ 4,950.00
TOTAL STORM SEWER				\$ 1,070,910.52		\$ 247,899.17		\$ 994,753.34



OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY

SIMPSON CROSSING - LOWRY CROSSING, TX


DIRECT PUBLIC IMPROVEMENTS

January 22, 2025

<div> <div>PROJECT NAME:</div> <div>Simpson Crossing</div> </div> <div> <div>CITY:</div> <div>Lowry Crossing, Collins County, Texas</div> </div> <div> <div>JOB NUMBER:</div> <div>061179300</div> </div>		IMPROVEMENT AREA			
		NO. OF LOTS:			
		GROSS R.O.W. AC.			
		GROSS CLEARING AC.			
		1	2	3	
		174	137	229	
		8.19	5.59	8.93	
		55.00	26.20	42.40	

E. PAVEMENT								
DESCRIPTION	UNIT	UNIT PRICE	IMPROVEMENT AREA 1		IMPROVEMENT AREA 2		IMPROVEMENT AREA 3	
			QUANTITY	TOTAL	QUANTITY	TOTAL	QUANTITY	TOTAL
PHASE 1 - CONTRACTOR PROPOSAL (GM CONSTRUCTION, 2/21/22)	LS	\$ 1,678,590.38	1	\$ 1,678,590.38		\$ -		\$ -
PHASE 2 - CONTRACTOR PROPOSAL (Chris Harp Construction, 12/21/23)	LS	\$ 998,951.75		\$ -	1	\$ 998,951.75		\$ -
PHASE 2 - CONTRACTOR CO #1 (Chris Harp Construction, 2/06/24)	LS	\$ 499,895.65		\$ -	1	\$ 499,895.65		\$ -
PHASE 2 - CONTRACTOR CO #2 (Chris Harp Construction, 2/19/24)	LS	\$ 26,469.00		\$ -	1	\$ 26,469.00		\$ -
PHASE 2 - CONTRACTOR CO #3 (Chris Harp Construction, 3/25/24)	LS	\$ 20,910.00		\$ -	1	\$ 20,910.00		\$ -
PHASE 3 - CONTRACTOR PROPOSAL (Pavecon, 08/15/23)	LS	\$ 598,119.49		\$ -		\$ -	1	\$ 598,119.49
PHASE 3 - CONTRACTOR CO #1 (Pavecon, 4/12/24)	LS	\$ 9,118.47		\$ -		\$ -	1	\$ 9,118.47
PHASE 3 - CONTRACTOR CO #2 (Pavecon, 7/15/24)	LS	\$ 20,504.00		\$ -		\$ -	1	\$ 20,504.00
PHASE 3 - CONTRACTOR CO #3 (Pavecon, 9/11/24)	LS	\$ 12,800.00		\$ -		\$ -	1	\$ 12,800.00
PHASE 4 - CONTRACTOR PROPOSAL (Chris Harp Construction, 4/30/24)	LS	\$ 1,114,312.70		\$ -		\$ -	1	\$ 1,114,312.70
PHASE 4 - CONTRACTOR CO #1 (Chris Harp Construction, 11/22/24)	LS	\$ 25,920.00		\$ -		\$ -	1	\$ 25,920.00
RIGHT-OF-WAY DEDICATION	AC	\$ 40,592.23	8.19	\$ 332,450.36	5.59	\$ 226,910.57	8.93	\$ 362,488.61
TOTAL PAVEMENT				\$ 2,011,040.74		\$ 1,773,136.97		\$ 2,143,263.27





**OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY**  
**SIMPSON CROSSING - LOWRY CROSSING, TX**  
**MAJOR PUBLIC IMPROVEMENTS**  
January 22, 2025

<b>PROJECT NAME:</b>	Simpson Crossing	
<b>CITY:</b>	Lowry Crossing, Collins County, Texas	
<b>JOB NUMBER:</b>	061179300	

**A. CLEARING & EXCAVATION**

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
PHASE 1 - CONTRACTOR PROPOSAL (OBRA RAMOS, 3/22/22)	LS	\$ 62,097.00	1	\$ 62,097.00
<b>TOTAL CLEARING &amp; EXCAVATION</b>				<b>\$ 62,097.00</b>

**B. EROSION CONTROL**


DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
8' CURLEX (BEHIND CURB)	LF	\$ 1.50	6,250	\$ 9,375.00
SILT FENCE	LF	\$ 1.75	1,500	\$ 2,625.00
<b>TOTAL EROSION CONTROL</b>				<b>\$ 12,000.00</b>

**C. SANITARY SEWER**

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
LIFT STATION AND FORCE MAIN - CONTRACTOR PROPOSAL (EXCEL, 3/18/22)	LS	\$ 3,393,585.10	1	\$ 3,393,585.10
LIFT STATION AND FORCE MAIN - CONTRACTOR CO #1 (EXCEL, 11/16/22)	LS	\$ 762,261.15	1	\$ 762,261.15
LIFT STATION/FORCE MAIN UPSIZING (NON-PID ELIGIBLE)	LS	\$ (834,297.00)	1	\$ (834,297.00)
LIFT STATION LOT DEDICATION	AC	\$ 40,592.23	0.16	\$ 6,494.76
OFFSITE EASEMENT ACQUISITION	LS	\$ 370,328.00	1	\$ 370,328.00
<b>TOTAL SANITARY SEWER</b>				<b>\$ 3,698,372.01</b>


**D. STORM SEWER**

DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
PHASE 1 - CONTRACTOR PROPOSAL (K-CON, 2/28/22)	LS	\$ 222,684.02	1	\$ 222,684.02
<b>TOTAL STORM SEWER</b>				<b>\$ 222,684.02</b>

<p align="center"> <b>OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY</b>  <b>SIMPSON CROSSING - LOWRY CROSSING, TX</b>  <b>MAJOR PUBLIC IMPROVEMENTS</b>  January 22, 2025 </p>	
	
PROJECT NAME:	Simpson Crossing
CITY:	Lowry Crossing, Collins County, Texas
JOB NUMBER:	061179300

E. PAVEMENT				
DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
PHASE 1 - CONTRACTOR PROPOSAL (GM CONSTRUCTION, 2/21/22)	LS	\$ 1,303,236.52	1	\$ 1,303,236.52
RIGHT-OF-WAY DEDICATION	AC	\$ 40,592.23	3.59	\$ 145,726.11
RIGHT-OF-WAY ACQUISITION	LS	\$ 1,163,900.00	1	\$ 1,163,900.00
TOTAL PAVEMENT				\$ 2,612,862.63

F. LANDSCAPE & HARDSCAPE IMPROVEMENTS				
DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
5' CONCRETE SIDEWALK	SF	\$ 5.85	27,555	\$ 161,196.75
BARRIER FREE RAMP	EA	\$ 1,350.00	10	\$ 13,500.00
3'-6" HT. ORNAMENTAL METAL HANDRAIL	LF	\$ 58.00	722	\$ 41,876.00
6' PARK BENCH	EA	\$ 2,850.00	6	\$ 17,100.00
TRASH RECEPTACLE	EA	\$ 2,250.00	4	\$ 9,000.00
PET WASTE STATION	EA	\$ 950.00	5	\$ 4,750.00
MISC. LANDSCAPE MATERIALS AND BED PREP	LS	\$ 18,500.00	1	\$ 18,500.00
3" CAL. SHADE TREES	EA	\$ 525.00	145	\$ 76,125.00
2" CAL. ORNAMENTAL TREES	EA	\$ 425.00	31	\$ 13,175.00
SHRUBS AND GROUND COVER PLANTING	SF	\$ 12.00	2,165	\$ 25,980.00
COMMON BERMUDA SOD	SF	\$ 0.53	488,301	\$ 258,799.53
COMPLETE IRRIGATION SYSTEM	SF	\$ 0.75	369,901	\$ 277,425.75
TEMPORARY IRRIGATION FOR HYDROMULCH AREAS	SF	\$ 0.30	120,565.00	\$ 36,169.50
TOTAL LANDSCAPE & HARDSCAPE IMPROVEMENTS				\$ 953,597.53



OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY

SIMPSON CROSSING - LOWRY CROSSING, TX

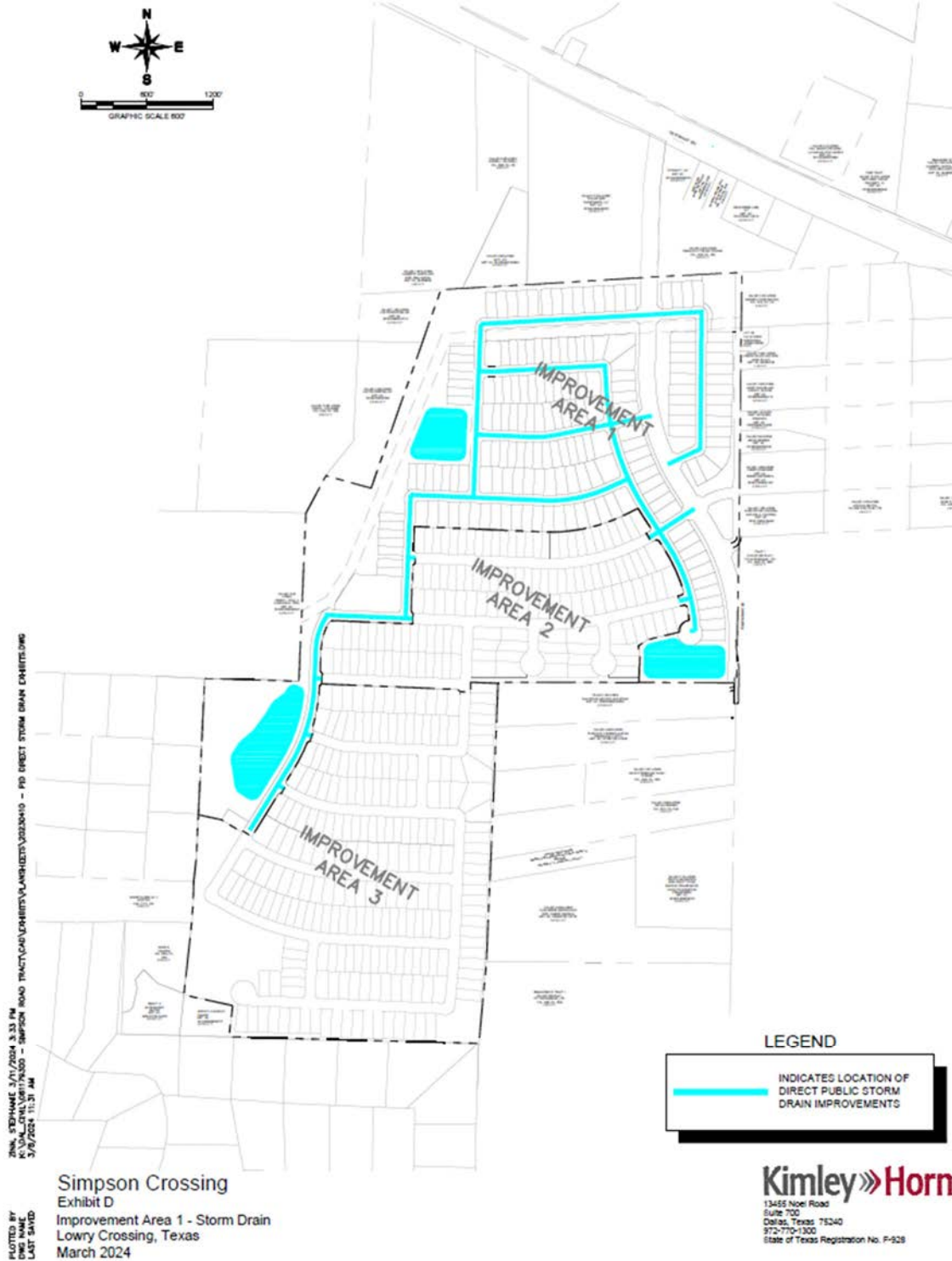
PRIVATE IMPROVEMENTS

January 22, 2025

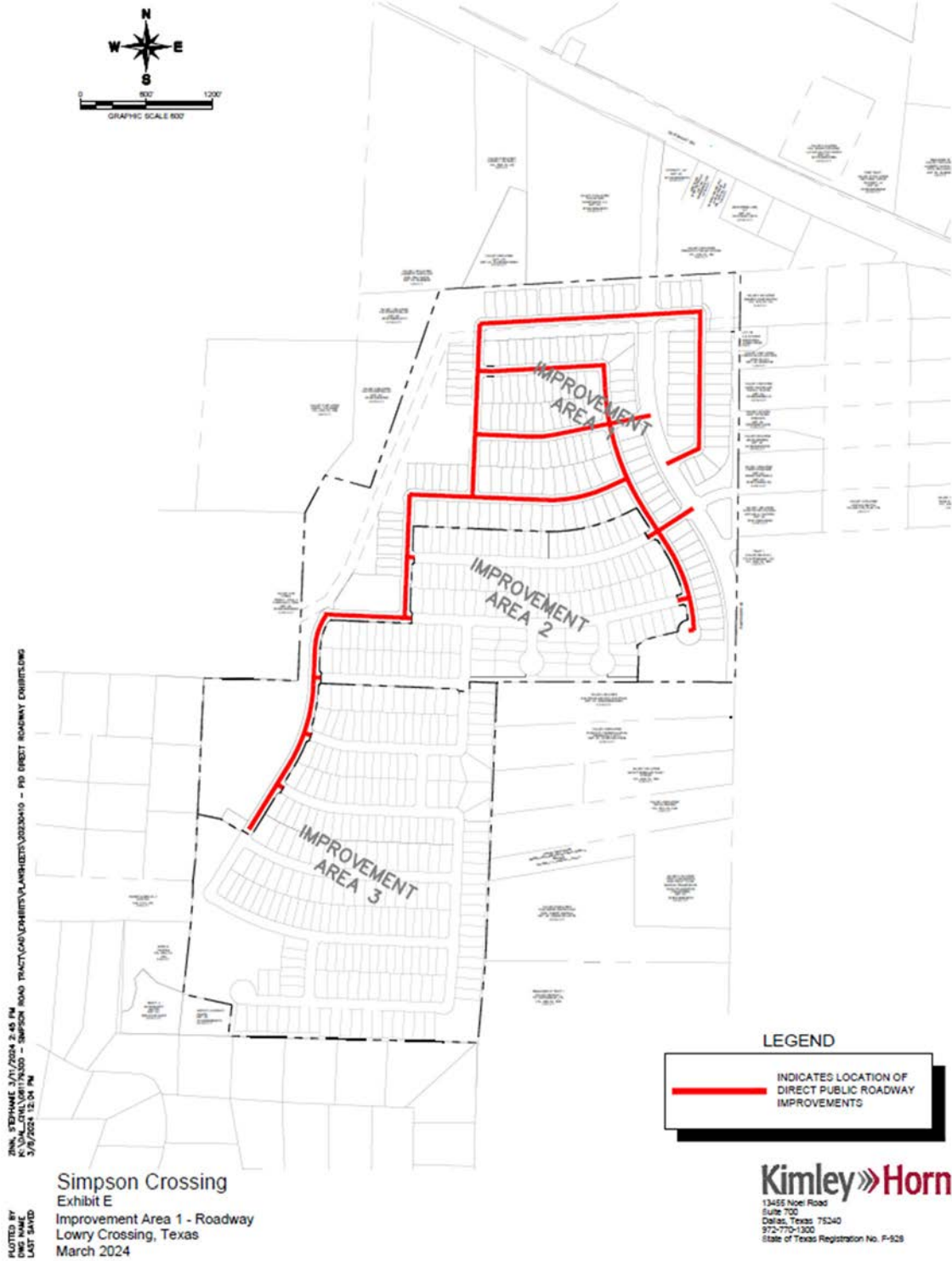
PROJECT NAME:	Simpson Crossing
CITY:	Lowry Crossing, Collins County, Texas
JOB NUMBER:	061179300

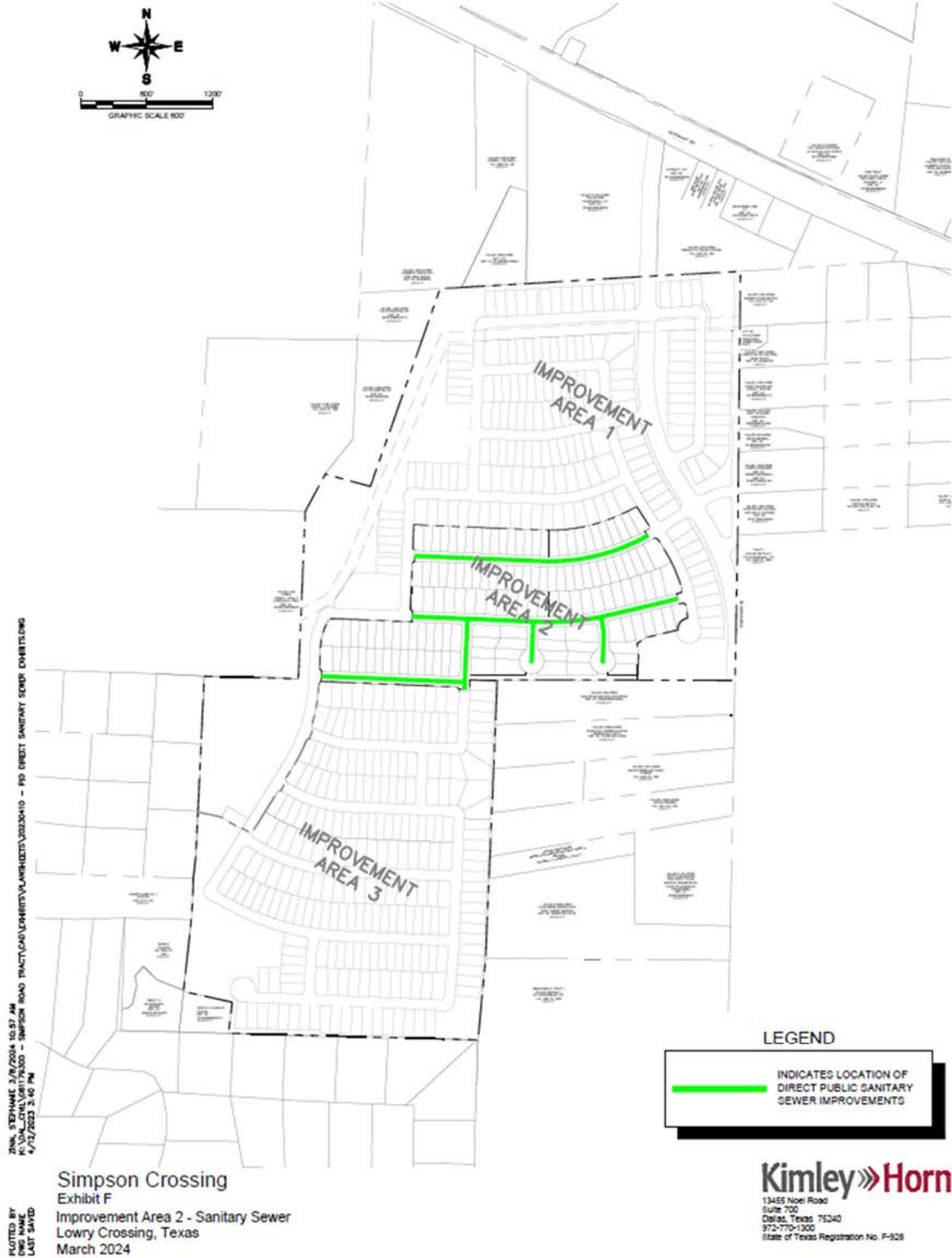
F. LANDSCAPE & HARDSCAPE IMPROVEMENTS				
DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	TOTAL
MAJOR ENTRY SIGN	EA	\$ 75,000.00	1	\$ 75,000.00
MINOR ENTRY SIGN	EA	\$ 18,500.00	1	\$ 18,500.00
ELECTRICAL SERVICE AND LIGHTING	EA	\$ 18,500.00	4	\$ 74,000.00
8'-0" HT. LOGO COLUMN	EA	\$ 4,250.00	5	\$ 21,250.00
7'-0" HT. MASONRY COLUMN	EA	\$ 2,785.00	35	\$ 97,475.00
6'0" HT. BOARD ON BOARD WOOD FENCE	LF	\$ 60.00	3,215	\$ 192,900.00
6' PARK BENCH	EA	\$ 2,850.00	5	\$ 14,250.00
TRASH RECEPTACLE	EA	\$ 2,250.00	3	\$ 6,750.00
PET WASTE STATION	EA	\$ 950.00	3	\$ 2,850.00
MISC. LANDSCAPE MATERIALS AND BED PREP	LS	\$ 10,000.00	1	\$ 10,000.00
6" CAL. SHADE TREES	EA	\$ 2,285.00	11	\$ 25,135.00
3" CAL. SHADE TREES	EA	\$ 525.00	122	\$ 64,050.00
2" CAL. ORNAMENTAL TREES	EA	\$ 425.00	68	\$ 28,900.00
SHRUBS AND GROUND COVER PLANTING	SF	\$ 12.00	9,195	\$ 110,340.00
COMMON BERMUDA SOD	SF	\$ 0.53	434,439	\$ 230,252.67
COMPLETE IRRIGATION SYSTEM	SF	\$ 0.75	564,199	\$ 423,149.25
RIVER ROCK HARDLINE	SF	\$ 6.00	1,180	\$ 7,080.00
NATIVE TRAIL MIX HYDROMULCH	SF	\$ 0.20	54,280	\$ 10,856.00
AMENITY CENTER IMPROVEMENTS	LS	\$ 1,500,000.00	1.00	\$ 1,500,000.00
TOTAL LANDSCAPE & HARDSCAPE IMPROVEMENTS				\$ 2,912,737.92





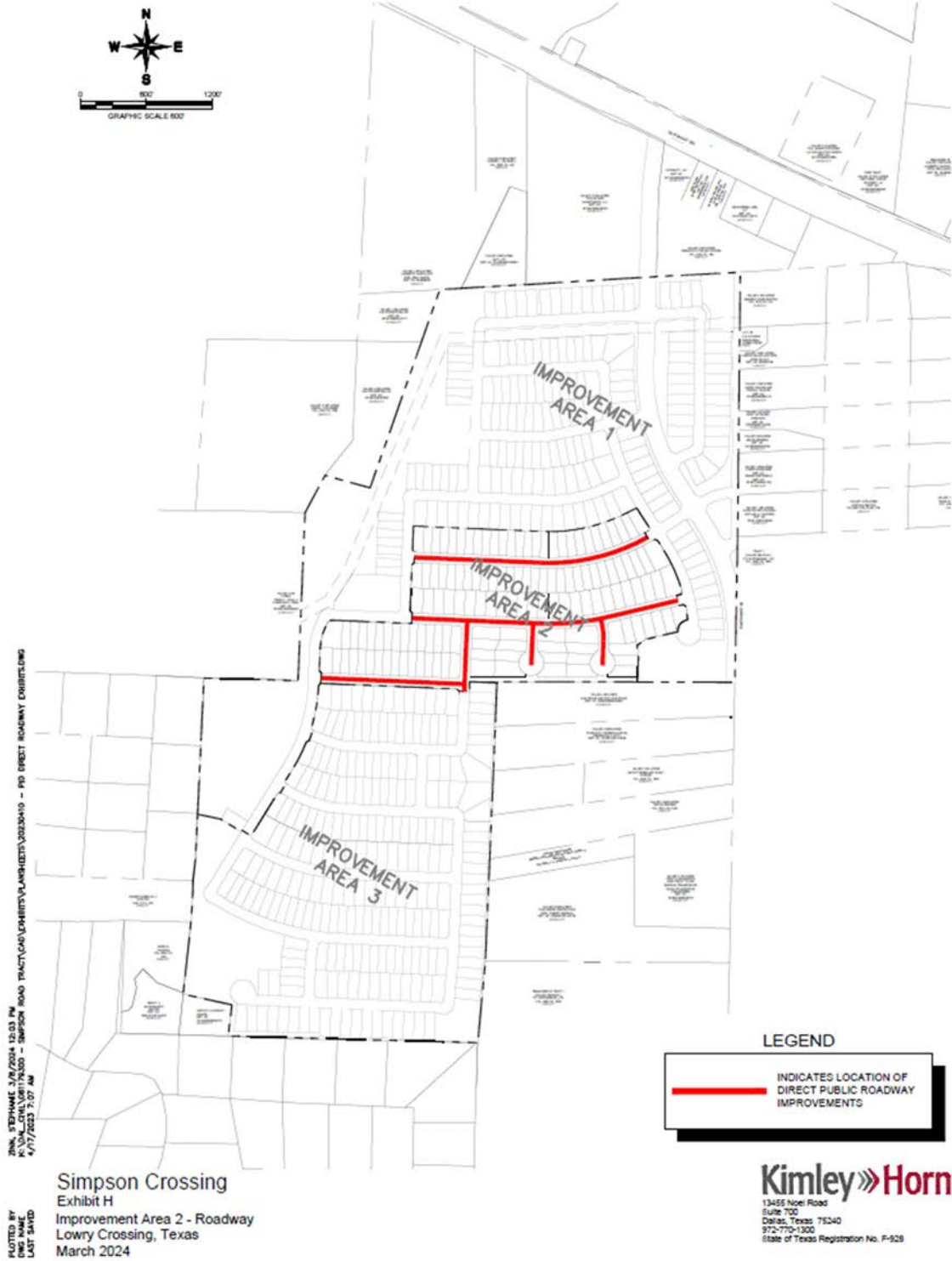




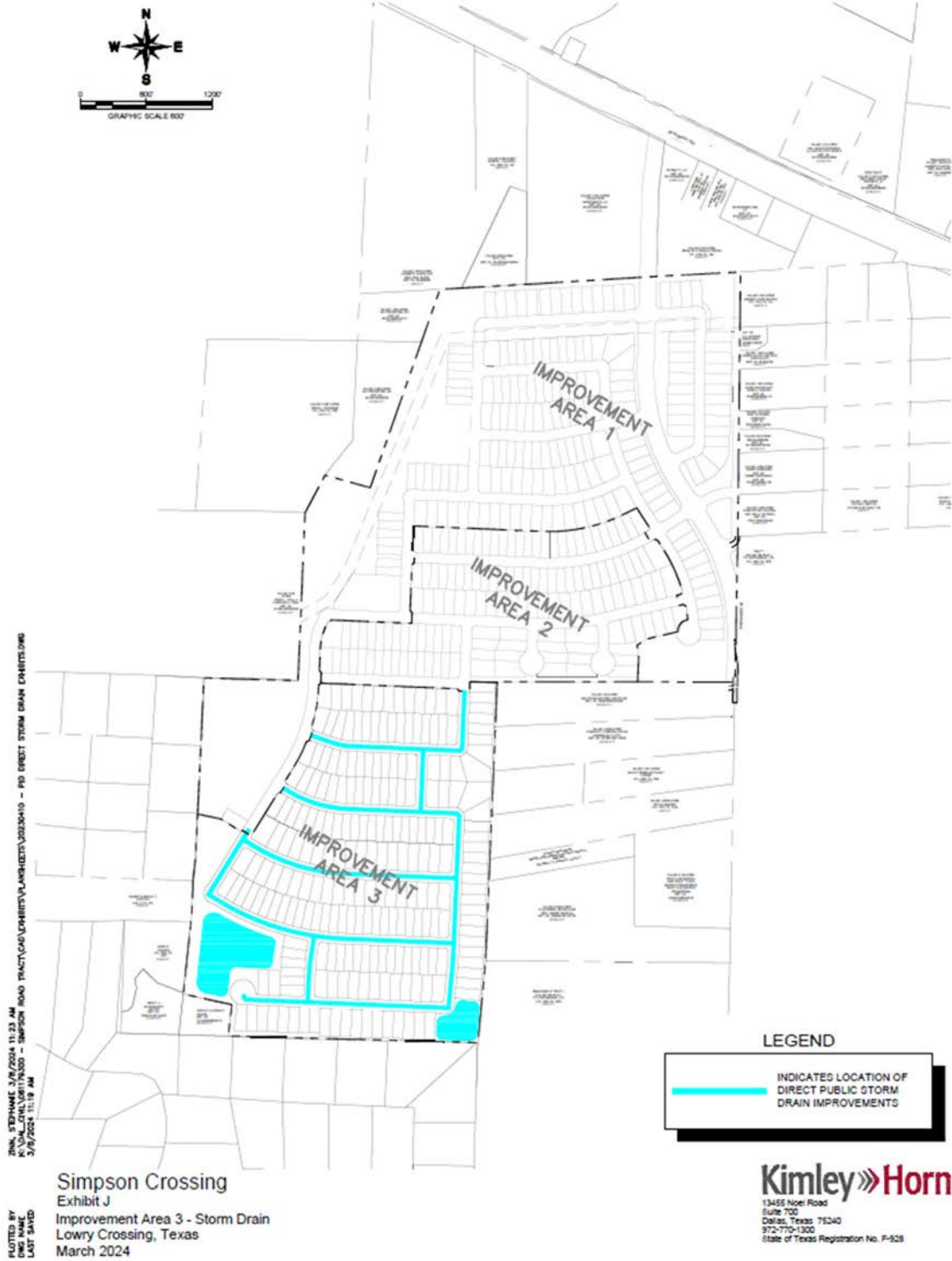


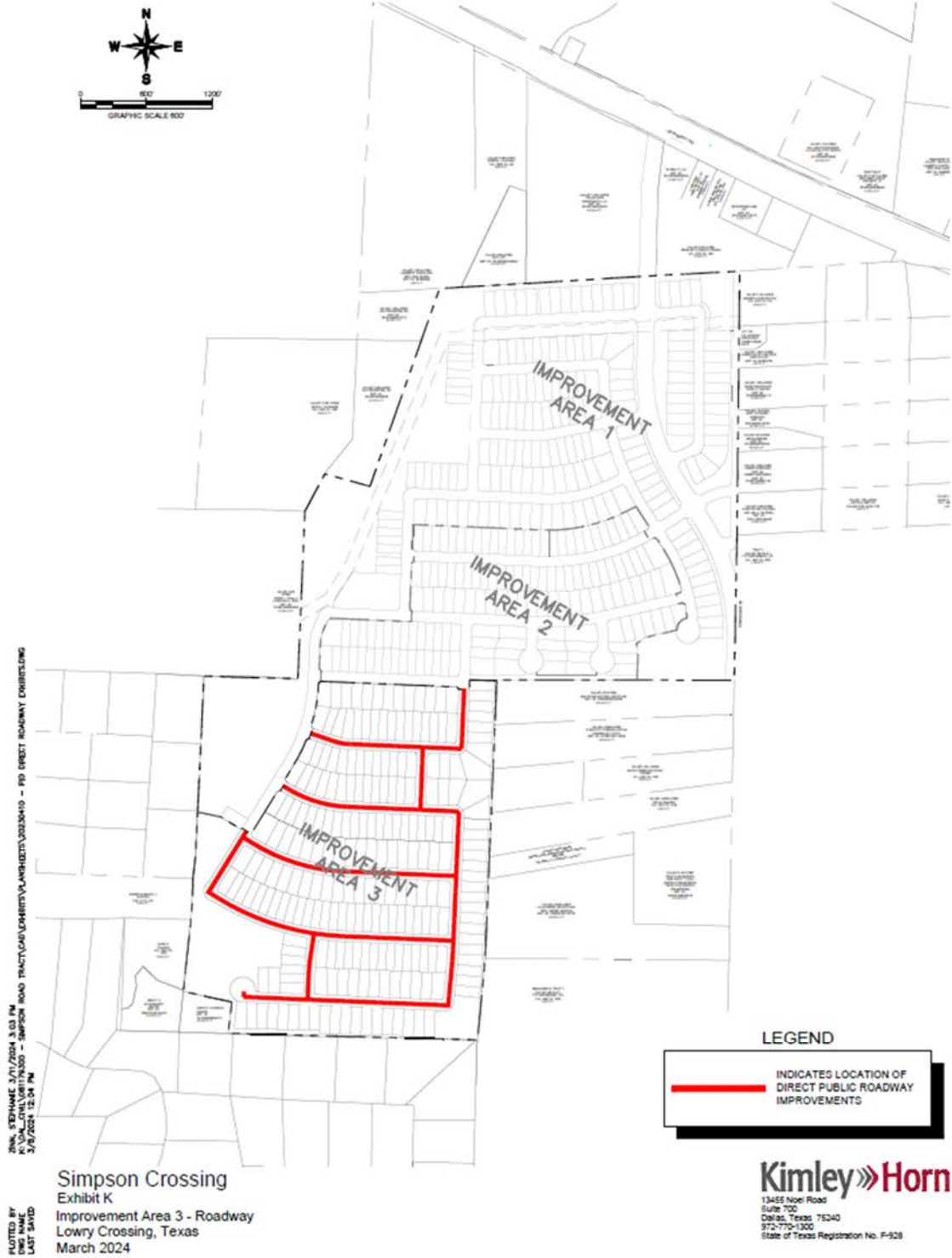




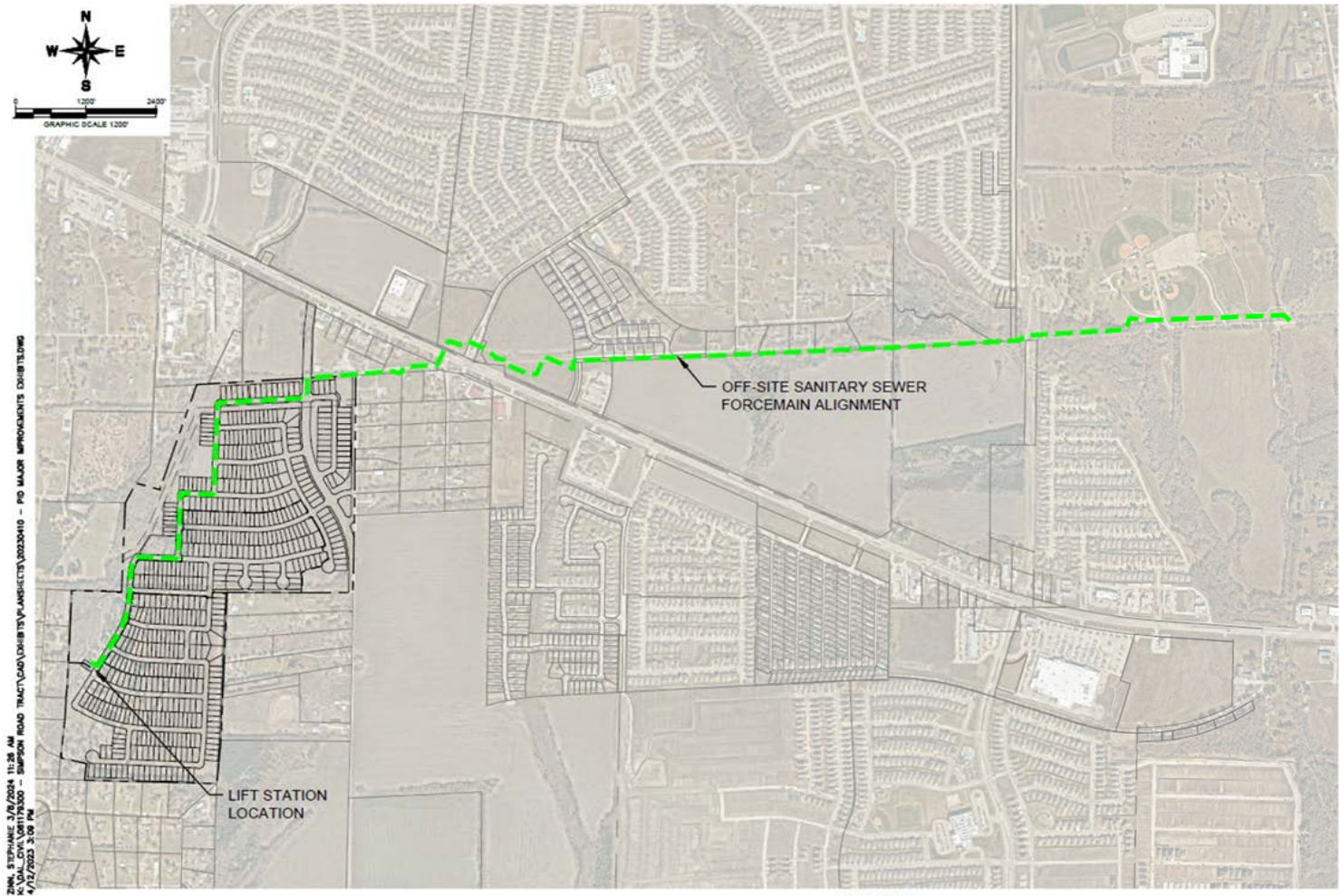












ZNN, STEPHANE 3/7/2024 11:28 AM  
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 4/17/2024 3:18 PM

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 DWG NAME  
 LAST SAVED

**Simpson Crossing**  
 Exhibit L  
 Major Improvements - Sanitary Sewer  
 Lowry Crossing, Texas  
 March 2024

**LEGEND**

--- INDICATES LOCATION OF MAJOR PUBLIC  
 SANITARY SEWER IMPROVEMENTS

**Kimley»Horn**  
 13455 Noel Road  
 Suite 700  
 Dallas, Texas 75240  
 972-770-1300  
 State of Texas Registration No. F-928













## **APPENDIX B – BUYER DISCLOSURES**

Forms of the buyer disclosures for the following Lot Types are found in this appendix:

- Improvement Area #1
  - Lot Type 1
  - Lot Type 2
- Improvement Area #2
  - Lot Type 3
  - Lot Type 4
- Improvement Area #3
  - Lot Type 5
  - Lot Type 6

## **SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE IMPROVEMENT AREA #1 - LOT TYPE 1**

### **NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT**

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING<sup>1</sup> RETURN TO:

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NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
CITY OF LOWRY CROSSING, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

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PROPERTY ADDRESS

**IMPROVEMENT AREA #1 LOT TYPE 1 PRINCIPAL ASSESSMENT: \$39,485.35**

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Lowry Crossing, 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 ***Simpson Road 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 Lowry Crossing. The exact amount of each annual installment will be approved each year by the Lowry Crossing 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 Lowry Crossing.

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.

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<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of 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]<sup>2</sup>

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<sup>2</sup> To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF COLLIN

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of 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 COLLIN

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

## ANNUAL INSTALLMENTS – IMPROVEMENT AREA #1 LOT TYPE 1

Annual Installment Due 1/31	District Bonds - Improvement Area #1			Annual Collection Costs	Total Annual Installment Due <sup>[b]</sup>
	Principal	Interest <sup>[a]</sup>	Additional Interest		
2026	\$ 585.61	\$ 2,369.12	\$ 197.43	\$ 227.72	\$ 3,379.88
2027	\$ 611.07	\$ 2,333.98	\$ 194.50	\$ 232.27	\$ 3,371.83
2028	\$ 641.62	\$ 2,297.32	\$ 191.44	\$ 236.92	\$ 3,367.31
2029	\$ 682.36	\$ 2,258.82	\$ 188.24	\$ 241.66	\$ 3,371.08
2030	\$ 723.10	\$ 2,217.88	\$ 184.82	\$ 246.49	\$ 3,372.30
2031	\$ 763.84	\$ 2,174.50	\$ 181.21	\$ 251.42	\$ 3,370.96
2032	\$ 809.67	\$ 2,128.66	\$ 177.39	\$ 256.45	\$ 3,372.17
2033	\$ 860.59	\$ 2,080.08	\$ 173.34	\$ 261.58	\$ 3,375.59
2034	\$ 911.51	\$ 2,028.45	\$ 169.04	\$ 266.81	\$ 3,375.81
2035	\$ 962.44	\$ 1,973.76	\$ 164.48	\$ 272.15	\$ 3,372.82
2036	\$ 1,023.54	\$ 1,916.01	\$ 159.67	\$ 277.59	\$ 3,376.81
2037	\$ 1,084.65	\$ 1,854.60	\$ 154.55	\$ 283.14	\$ 3,376.94
2038	\$ 1,150.85	\$ 1,789.52	\$ 149.13	\$ 288.80	\$ 3,378.30
2039	\$ 1,217.05	\$ 1,720.47	\$ 143.37	\$ 294.58	\$ 3,375.47
2040	\$ 1,293.43	\$ 1,647.45	\$ 137.29	\$ 300.47	\$ 3,378.64
2041	\$ 1,369.82	\$ 1,569.84	\$ 130.82	\$ 306.48	\$ 3,376.96
2042	\$ 1,456.39	\$ 1,487.65	\$ 123.97	\$ 312.61	\$ 3,380.62
2043	\$ 1,542.95	\$ 1,400.27	\$ 116.69	\$ 318.86	\$ 3,378.77
2044	\$ 1,639.71	\$ 1,307.69	\$ 108.97	\$ 325.24	\$ 3,381.61
2045	\$ 1,741.55	\$ 1,209.31	\$ 100.78	\$ 331.74	\$ 3,383.38
2046	\$ 1,848.49	\$ 1,104.82	\$ 92.07	\$ 338.38	\$ 3,383.75
2047	\$ 1,960.52	\$ 993.91	\$ 82.83	\$ 345.15	\$ 3,382.40
2048	\$ 2,082.73	\$ 876.28	\$ 73.02	\$ 352.05	\$ 3,384.08
2049	\$ 2,210.04	\$ 751.31	\$ 62.61	\$ 359.09	\$ 3,383.05
2050	\$ 2,347.53	\$ 618.71	\$ 51.56	\$ 366.27	\$ 3,384.07
2051	\$ 2,495.21	\$ 477.86	\$ 39.82	\$ 373.60	\$ 3,386.48
2052	\$ 2,653.07	\$ 328.14	\$ 27.35	\$ 381.07	\$ 3,389.63
2053	\$ 2,816.02	\$ 168.96	\$ 14.08	\$ 388.69	\$ 3,387.75
<b>Total<sup>[c]</sup></b>	<b>\$ 39,485.35</b>	<b>\$ 43,085.37</b>	<b>\$ 3,590.45</b>	<b>\$ 8,437.27</b>	<b>\$ 94,598.45</b>

**Footnotes:**

[a] Interest is calculated at a 6.00% for illustrative purposes, subject to change upon pricing.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, interest earnings, reserve fund, or other available offsets could increase or decrease the amounts shown.

[c] Totals may not sum due to rounding.



## **SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE IMPROVEMENT AREA #1 - LOT TYPE 2**

### **NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT**

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING<sup>1</sup> RETURN TO:

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NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
CITY OF LOWRY CROSSING, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

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PROPERTY ADDRESS

**IMPROVEMENT AREA #1 LOT TYPE 2 PRINCIPAL ASSESSMENT: \$48,715.69**

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Lowry Crossing, 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 ***Simpson Road 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 Lowry Crossing. The exact amount of each annual installment will be approved each year by the Lowry Crossing 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 Lowry Crossing.

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.

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<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of 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:

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SIGNATURE OF PURCHASER

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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:

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SIGNATURE OF SELLER

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SIGNATURE OF SELLER]<sup>2</sup>

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<sup>2</sup> To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF COLLIN

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of 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 COLLIN

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

## ANNUAL INSTALLMENTS – IMPROVEMENT AREA #1 LOT TYPE 2

Annual Installment Due 1/31	Improvement Area #1 Bonds			Annual Collection Costs	Total Annual Installment Due <sup>[b]</sup>
	Principal	Interest <sup>[a]</sup>	Additional Interest		
2026	\$ 722.51	\$ 2,922.94	\$ 243.58	\$ 280.95	\$ 4,169.98
2027	\$ 753.92	\$ 2,879.59	\$ 239.97	\$ 286.57	\$ 4,160.05
2028	\$ 791.61	\$ 2,834.36	\$ 236.20	\$ 292.30	\$ 4,154.47
2029	\$ 841.88	\$ 2,786.86	\$ 232.24	\$ 298.15	\$ 4,159.12
2030	\$ 892.14	\$ 2,736.35	\$ 228.03	\$ 304.11	\$ 4,160.62
2031	\$ 942.40	\$ 2,682.82	\$ 223.57	\$ 310.19	\$ 4,158.98
2032	\$ 998.94	\$ 2,626.27	\$ 218.86	\$ 316.40	\$ 4,160.47
2033	\$ 1,061.77	\$ 2,566.34	\$ 213.86	\$ 322.73	\$ 4,164.69
2034	\$ 1,124.59	\$ 2,502.63	\$ 208.55	\$ 329.18	\$ 4,164.96
2035	\$ 1,187.42	\$ 2,435.16	\$ 202.93	\$ 335.76	\$ 4,161.27
2036	\$ 1,262.81	\$ 2,363.91	\$ 196.99	\$ 342.48	\$ 4,166.20
2037	\$ 1,338.21	\$ 2,288.14	\$ 190.68	\$ 349.33	\$ 4,166.35
2038	\$ 1,419.88	\$ 2,207.85	\$ 183.99	\$ 356.32	\$ 4,168.03
2039	\$ 1,501.55	\$ 2,122.66	\$ 176.89	\$ 363.44	\$ 4,164.54
2040	\$ 1,595.79	\$ 2,032.56	\$ 169.38	\$ 370.71	\$ 4,168.45
2041	\$ 1,690.03	\$ 1,936.82	\$ 161.40	\$ 378.12	\$ 4,166.38
2042	\$ 1,796.84	\$ 1,835.41	\$ 152.95	\$ 385.69	\$ 4,170.89
2043	\$ 1,903.64	\$ 1,727.60	\$ 143.97	\$ 393.40	\$ 4,168.62
2044	\$ 2,023.01	\$ 1,613.39	\$ 134.45	\$ 401.27	\$ 4,172.12
2045	\$ 2,148.67	\$ 1,492.00	\$ 124.33	\$ 409.29	\$ 4,174.30
2046	\$ 2,280.60	\$ 1,363.08	\$ 113.59	\$ 417.48	\$ 4,174.76
2047	\$ 2,418.82	\$ 1,226.25	\$ 102.19	\$ 425.83	\$ 4,173.09
2048	\$ 2,569.61	\$ 1,081.12	\$ 90.09	\$ 434.35	\$ 4,175.16
2049	\$ 2,726.67	\$ 926.94	\$ 77.25	\$ 443.03	\$ 4,173.89
2050	\$ 2,896.30	\$ 763.34	\$ 63.61	\$ 451.89	\$ 4,175.15
2051	\$ 3,078.50	\$ 589.56	\$ 49.13	\$ 460.93	\$ 4,178.13
2052	\$ 3,273.26	\$ 404.85	\$ 33.74	\$ 470.15	\$ 4,182.01
2053	\$ 3,474.31	\$ 208.46	\$ 17.37	\$ 479.55	\$ 4,179.69
<b>Total<sup>[c]</sup></b>	<b>\$ 48,715.69</b>	<b>\$ 53,157.28</b>	<b>\$ 4,429.77</b>	<b>\$ 10,409.62</b>	<b>\$ 116,712.37</b>

### Footnotes:

[a] Interest is calculated at a 6.00% for illustrative purposes, subject to change upon pricing.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, interest earnings, reserve fund, or other available offsets could increase or decrease the amounts shown.

[c] Totals may not sum due to rounding.

## **SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE IMPROVEMENT AREA #2 - LOT TYPE 3**

### **NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT**

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING<sup>1</sup> RETURN TO:

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NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
CITY OF LOWRY CROSSING, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

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PROPERTY ADDRESS

**IMPROVEMENT AREA #2 LOT TYPE 3 PRINCIPAL ASSESSMENT: \$38,832.64**

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Lowry Crossing, 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 ***Simpson Road 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 Lowry Crossing. The exact amount of each annual installment will be approved each year by the Lowry Crossing 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 Lowry Crossing.

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.

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<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of 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:

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SIGNATURE OF PURCHASER

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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:

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SIGNATURE OF SELLER

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SIGNATURE OF SELLER]<sup>2</sup>

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<sup>2</sup> To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

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§

COUNTY OF COLLIN

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The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of 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

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§

COUNTY OF COLLIN

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

## ANNUAL INSTALLMENTS – IMPROVEMENT AREA #2 LOT TYPE 3

Annual Installment Due 1/31	District Bonds - Improvement Area #2			Annual Collection Costs	Total Annual Installment Due <sup>[b]</sup>
	Principal	Interest <sup>[a]</sup>	Additional Interest		
2026	\$ 605.29	\$ 2,330.38	\$ 194.20	\$ 255.19	\$ 3,385.06
2027	\$ 571.67	\$ 2,294.06	\$ 191.17	\$ 260.29	\$ 3,317.19
2028	\$ 605.29	\$ 2,259.76	\$ 188.31	\$ 265.50	\$ 3,318.87
2029	\$ 638.92	\$ 2,223.44	\$ 185.29	\$ 270.81	\$ 3,318.46
2030	\$ 679.27	\$ 2,185.11	\$ 182.09	\$ 276.23	\$ 3,322.70
2031	\$ 712.90	\$ 2,144.35	\$ 178.70	\$ 281.75	\$ 3,317.70
2032	\$ 753.25	\$ 2,101.58	\$ 175.13	\$ 287.39	\$ 3,317.35
2033	\$ 800.33	\$ 2,056.38	\$ 171.37	\$ 293.13	\$ 3,321.21
2034	\$ 840.68	\$ 2,008.36	\$ 167.36	\$ 299.00	\$ 3,315.41
2035	\$ 894.49	\$ 1,957.92	\$ 163.16	\$ 304.98	\$ 3,320.55
2036	\$ 941.57	\$ 1,904.25	\$ 158.69	\$ 311.08	\$ 3,315.58
2037	\$ 1,002.10	\$ 1,847.76	\$ 153.98	\$ 317.30	\$ 3,321.13
2038	\$ 1,055.90	\$ 1,787.63	\$ 148.97	\$ 323.64	\$ 3,316.14
2039	\$ 1,116.43	\$ 1,724.28	\$ 143.69	\$ 330.12	\$ 3,314.51
2040	\$ 1,183.68	\$ 1,657.29	\$ 138.11	\$ 336.72	\$ 3,315.80
2041	\$ 1,257.66	\$ 1,586.27	\$ 132.19	\$ 343.45	\$ 3,319.58
2042	\$ 1,331.64	\$ 1,510.81	\$ 125.90	\$ 350.32	\$ 3,318.68
2043	\$ 1,412.35	\$ 1,430.91	\$ 119.24	\$ 357.33	\$ 3,319.83
2044	\$ 1,493.06	\$ 1,346.17	\$ 112.18	\$ 364.47	\$ 3,315.88
2045	\$ 1,580.49	\$ 1,256.59	\$ 104.72	\$ 371.76	\$ 3,313.56
2046	\$ 1,681.37	\$ 1,161.76	\$ 96.81	\$ 379.20	\$ 3,319.14
2047	\$ 1,782.25	\$ 1,060.88	\$ 88.41	\$ 386.78	\$ 3,318.32
2048	\$ 1,889.86	\$ 953.94	\$ 79.50	\$ 394.52	\$ 3,317.82
2049	\$ 2,004.19	\$ 840.55	\$ 70.05	\$ 402.41	\$ 3,317.20
2050	\$ 2,125.25	\$ 720.30	\$ 60.02	\$ 410.46	\$ 3,316.03
2051	\$ 2,253.04	\$ 592.78	\$ 49.40	\$ 418.67	\$ 3,313.88
2052	\$ 2,394.27	\$ 457.60	\$ 38.13	\$ 427.04	\$ 3,317.05
2053	\$ 2,535.51	\$ 313.95	\$ 26.16	\$ 435.58	\$ 3,311.19
2054	\$ 2,696.92	\$ 161.82	\$ 13.48	\$ 444.29	\$ 3,316.51
<b>Total<sup>[c]</sup></b>	<b>\$ 38,839.64</b>	<b>\$ 43,876.89</b>	<b>\$ 3,656.41</b>	<b>\$ 9,899.40</b>	<b>\$ 96,272.33</b>

**Footnotes:**

[a] Interest is calculated at a 6.00% for illustrative purposes, subject to change upon pricing.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, interest earnings, reserve fund, or other available offsets could increase or decrease the amounts shown.

[c] Totals may not sum due to rounding.

## **SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE IMPROVEMENT AREA #2 - LOT TYPE 4**

### **NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT**

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING<sup>1</sup> RETURN TO:

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NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
CITY OF LOWRY CROSSING, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

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PROPERTY ADDRESS

**IMPROVEMENT AREA #2 LOT TYPE 4 PRINCIPAL ASSESSMENT: \$47,919.03**

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Lowry Crossing, 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 ***Simpson Road 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 Lowry Crossing. The exact amount of each annual installment will be approved each year by the Lowry Crossing 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 Lowry Crossing.

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.

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<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of 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:

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SIGNATURE OF PURCHASER

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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:

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SIGNATURE OF SELLER

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SIGNATURE OF SELLER]<sup>2</sup>

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<sup>2</sup> To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

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§

COUNTY OF COLLIN

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The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of 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

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COUNTY OF COLLIN

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The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

## ANNUAL INSTALLMENTS – IMPROVEMENT AREA #2 LOT TYPE 4

Annual Installment Due 1/31	District Bonds - Improvement Area #2			Annual Collection Costs	Total Annual Installment Due <sup>[b]</sup>
	Principal	Interest <sup>[a]</sup>	Additional Interest		
2026	\$ 746.79	\$ 2,875.14	\$ 239.60	\$ 314.85	\$ 4,176.37
2027	\$ 705.30	\$ 2,830.33	\$ 235.86	\$ 321.14	\$ 4,092.64
2028	\$ 746.79	\$ 2,788.02	\$ 232.33	\$ 327.56	\$ 4,094.71
2029	\$ 788.28	\$ 2,743.21	\$ 228.60	\$ 334.12	\$ 4,094.20
2030	\$ 838.06	\$ 2,695.91	\$ 224.66	\$ 340.80	\$ 4,099.43
2031	\$ 879.55	\$ 2,645.63	\$ 220.47	\$ 347.61	\$ 4,093.26
2032	\$ 929.34	\$ 2,592.86	\$ 216.07	\$ 354.57	\$ 4,092.83
2033	\$ 987.42	\$ 2,537.09	\$ 211.42	\$ 361.66	\$ 4,097.60
2034	\$ 1,037.21	\$ 2,477.85	\$ 206.49	\$ 368.89	\$ 4,090.44
2035	\$ 1,103.59	\$ 2,415.62	\$ 201.30	\$ 376.27	\$ 4,096.78
2036	\$ 1,161.67	\$ 2,349.40	\$ 195.78	\$ 383.79	\$ 4,090.65
2037	\$ 1,236.35	\$ 2,279.70	\$ 189.98	\$ 391.47	\$ 4,097.50
2038	\$ 1,302.73	\$ 2,205.52	\$ 183.79	\$ 399.30	\$ 4,091.35
2039	\$ 1,377.41	\$ 2,127.36	\$ 177.28	\$ 407.29	\$ 4,089.33
2040	\$ 1,460.39	\$ 2,044.71	\$ 170.39	\$ 415.43	\$ 4,090.93
2041	\$ 1,551.66	\$ 1,957.09	\$ 163.09	\$ 423.74	\$ 4,095.58
2042	\$ 1,642.94	\$ 1,863.99	\$ 155.33	\$ 432.21	\$ 4,094.47
2043	\$ 1,742.51	\$ 1,765.41	\$ 147.12	\$ 440.86	\$ 4,095.90
2044	\$ 1,842.08	\$ 1,660.86	\$ 138.41	\$ 449.68	\$ 4,091.03
2045	\$ 1,949.95	\$ 1,550.34	\$ 129.19	\$ 458.67	\$ 4,088.15
2046	\$ 2,074.42	\$ 1,433.34	\$ 119.44	\$ 467.84	\$ 4,095.04
2047	\$ 2,198.88	\$ 1,308.87	\$ 109.07	\$ 477.20	\$ 4,094.03
2048	\$ 2,331.64	\$ 1,176.94	\$ 98.08	\$ 486.74	\$ 4,093.41
2049	\$ 2,472.71	\$ 1,037.04	\$ 86.42	\$ 496.48	\$ 4,092.65
2050	\$ 2,622.06	\$ 888.68	\$ 74.06	\$ 506.41	\$ 4,091.21
2051	\$ 2,779.72	\$ 731.36	\$ 60.95	\$ 516.54	\$ 4,088.56
2052	\$ 2,953.97	\$ 564.57	\$ 47.05	\$ 526.87	\$ 4,092.46
2053	\$ 3,128.22	\$ 387.34	\$ 32.28	\$ 537.40	\$ 4,085.24
2054	\$ 3,327.36	\$ 199.64	\$ 16.64	\$ 548.15	\$ 4,091.80
<b>Total<sup>[c]</sup></b>	<b>\$ 47,919.03</b>	<b>\$ 54,133.82</b>	<b>\$ 4,511.15</b>	<b>\$ 12,213.55</b>	<b>\$ 118,777.55</b>

**Footnotes:**

[a] Interest is calculated at a 6.00% for illustrative purposes, subject to change upon pricing.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, interest earnings, reserve fund, or other available offsets could increase or decrease the amounts shown.

[c] Totals may not sum due to rounding.

**SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE  
IMPROVEMENT AREA #3 - LOT TYPE 5**

**NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT**

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING<sup>1</sup> RETURN TO:

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NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
CITY OF LOWRY CROSSING, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

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PROPERTY ADDRESS

**IMPROVEMENT AREA #3 LOT TYPE 5 PRINCIPAL ASSESSMENT: \$43,495.21**

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Lowry Crossing, 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 ***Simpson Road 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 Lowry Crossing. The exact amount of each annual installment will be approved each year by the Lowry Crossing 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 Lowry Crossing.

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.

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<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of 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:

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SIGNATURE OF PURCHASER

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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:

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SIGNATURE OF SELLER

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SIGNATURE OF SELLER]<sup>2</sup>

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<sup>2</sup> To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

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COUNTY OF COLLIN

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The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of 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 COLLIN

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

## ANNUAL INSTALLMENTS – IMPROVEMENT AREA #3 LOT TYPE 5

Annual Installment Due 1/31	District Bonds - Improvement Area #3			Annual Collection Costs	Total Annual Installment Due <sup>[b]</sup>
	Principal	Interest <sup>[a]</sup>	Additional Interest		
2026	\$ 542.18	\$ 2,609.71	\$ 217.48	\$ 82.32	\$ 3,451.68
2027	\$ 573.38	\$ 2,577.18	\$ 214.77	\$ 83.96	\$ 3,449.29
2028	\$ 608.49	\$ 2,542.78	\$ 211.90	\$ 85.64	\$ 3,448.81
2029	\$ 643.59	\$ 2,506.27	\$ 208.86	\$ 87.35	\$ 3,446.07
2030	\$ 682.60	\$ 2,467.65	\$ 205.64	\$ 89.10	\$ 3,444.99
2031	\$ 725.51	\$ 2,426.70	\$ 202.22	\$ 90.88	\$ 3,445.31
2032	\$ 768.41	\$ 2,383.17	\$ 198.60	\$ 92.70	\$ 3,442.88
2033	\$ 815.22	\$ 2,337.06	\$ 194.76	\$ 94.55	\$ 3,441.59
2034	\$ 862.03	\$ 2,288.15	\$ 190.68	\$ 96.45	\$ 3,437.30
2035	\$ 916.63	\$ 2,236.43	\$ 186.37	\$ 98.37	\$ 3,437.81
2036	\$ 971.24	\$ 2,181.43	\$ 181.79	\$ 100.34	\$ 3,434.80
2037	\$ 1,029.75	\$ 2,123.16	\$ 176.93	\$ 102.35	\$ 3,432.18
2038	\$ 1,092.16	\$ 2,061.37	\$ 171.78	\$ 104.40	\$ 3,429.71
2039	\$ 1,158.47	\$ 1,995.84	\$ 166.32	\$ 106.48	\$ 3,427.11
2040	\$ 1,228.68	\$ 1,926.33	\$ 160.53	\$ 108.61	\$ 3,424.15
2041	\$ 1,306.69	\$ 1,852.61	\$ 154.38	\$ 110.79	\$ 3,424.47
2042	\$ 1,384.70	\$ 1,774.21	\$ 147.85	\$ 113.00	\$ 3,419.76
2043	\$ 1,470.51	\$ 1,691.13	\$ 140.93	\$ 115.26	\$ 3,417.83
2044	\$ 1,564.13	\$ 1,602.90	\$ 133.57	\$ 117.57	\$ 3,418.17
2045	\$ 1,657.74	\$ 1,509.05	\$ 125.75	\$ 119.92	\$ 3,412.46
2046	\$ 1,763.06	\$ 1,409.59	\$ 117.47	\$ 122.32	\$ 3,412.42
2047	\$ 1,872.27	\$ 1,303.80	\$ 108.65	\$ 124.76	\$ 3,409.49
2048	\$ 1,989.29	\$ 1,191.47	\$ 99.29	\$ 127.26	\$ 3,407.30
2049	\$ 2,110.21	\$ 1,072.11	\$ 89.34	\$ 129.80	\$ 3,401.46
2050	\$ 2,242.83	\$ 945.50	\$ 78.79	\$ 132.40	\$ 3,399.51
2051	\$ 2,383.25	\$ 810.93	\$ 67.58	\$ 135.05	\$ 3,396.80
2052	\$ 2,535.37	\$ 667.93	\$ 55.66	\$ 137.75	\$ 3,396.71
2053	\$ 2,691.39	\$ 515.81	\$ 42.98	\$ 140.50	\$ 3,390.69
2054	\$ 2,863.02	\$ 354.33	\$ 29.53	\$ 143.31	\$ 3,390.18
2055	\$ 3,042.44	\$ 182.55	\$ 15.21	\$ 146.18	\$ 3,386.38
<b>Total<sup>[c]</sup></b>	<b>\$ 43,495.21</b>	<b>\$ 51,547.15</b>	<b>\$ 4,295.60</b>	<b>\$ 3,339.38</b>	<b>\$ 102,677.34</b>

### Footnotes:

[a] Interest is calculated at a 6.00% for illustrative purposes, subject to change.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, interest earnings, reserve fund, or other available offsets could increase or decrease the amounts shown.

[c] Totals may not sum due to rounding.



**SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE**  
**IMPROVEMENT AREA #3 - LOT TYPE 6**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING<sup>1</sup> RETURN TO:

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NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
CITY OF LOWRY CROSSING, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

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PROPERTY ADDRESS

**IMPROVEMENT AREA #3 LOT TYPE 6 PRINCIPAL ASSESSMENT: \$53,671.25**

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Lowry Crossing, 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 ***Simpson Road 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 Lowry Crossing. The exact amount of each annual installment will be approved each year by the Lowry Crossing 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 Lowry Crossing.

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.

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<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of 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:

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SIGNATURE OF PURCHASER

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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:

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SIGNATURE OF SELLER

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SIGNATURE OF SELLER]<sup>2</sup>

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<sup>2</sup> To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF COLLIN

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of 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 COLLIN

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

## ANNUAL INSTALLMENTS – IMPROVEMENT AREA #3 LOT TYPE 6

Annual Installment Due 1/31	District Bonds - Improvement Area #3			Annual Collection Costs	Total Annual Installment Due <sup>[b]</sup>
	Principal	Interest <sup>[a]</sup>	Additional Interest		
2026	\$ 669.03	\$ 3,220.27	\$ 268.36	\$ 101.57	\$ 4,259.23
2027	\$ 707.53	\$ 3,180.13	\$ 265.01	\$ 103.61	\$ 4,256.28
2028	\$ 750.85	\$ 3,137.68	\$ 261.47	\$ 105.68	\$ 4,255.68
2029	\$ 794.17	\$ 3,092.63	\$ 257.72	\$ 107.79	\$ 4,252.31
2030	\$ 842.30	\$ 3,044.98	\$ 253.75	\$ 109.95	\$ 4,250.97
2031	\$ 895.24	\$ 2,994.44	\$ 249.54	\$ 112.15	\$ 4,251.37
2032	\$ 948.19	\$ 2,940.73	\$ 245.06	\$ 114.39	\$ 4,248.36
2033	\$ 1,005.94	\$ 2,883.84	\$ 240.32	\$ 116.68	\$ 4,246.78
2034	\$ 1,063.70	\$ 2,823.48	\$ 235.29	\$ 119.01	\$ 4,241.48
2035	\$ 1,131.09	\$ 2,759.66	\$ 229.97	\$ 121.39	\$ 4,242.11
2036	\$ 1,198.47	\$ 2,691.79	\$ 224.32	\$ 123.82	\$ 4,238.40
2037	\$ 1,270.67	\$ 2,619.88	\$ 218.32	\$ 126.29	\$ 4,235.17
2038	\$ 1,347.68	\$ 2,543.64	\$ 211.97	\$ 128.82	\$ 4,232.11
2039	\$ 1,429.50	\$ 2,462.78	\$ 205.23	\$ 131.40	\$ 4,228.91
2040	\$ 1,516.14	\$ 2,377.01	\$ 198.08	\$ 134.02	\$ 4,225.26
2041	\$ 1,612.40	\$ 2,286.05	\$ 190.50	\$ 136.70	\$ 4,225.65
2042	\$ 1,708.66	\$ 2,189.30	\$ 182.44	\$ 139.44	\$ 4,219.84
2043	\$ 1,814.55	\$ 2,086.78	\$ 173.90	\$ 142.23	\$ 4,217.46
2044	\$ 1,930.07	\$ 1,977.91	\$ 164.83	\$ 145.07	\$ 4,217.87
2045	\$ 2,045.58	\$ 1,862.10	\$ 155.18	\$ 147.97	\$ 4,210.84
2046	\$ 2,175.54	\$ 1,739.37	\$ 144.95	\$ 150.93	\$ 4,210.79
2047	\$ 2,310.30	\$ 1,608.84	\$ 134.07	\$ 153.95	\$ 4,207.16
2048	\$ 2,454.70	\$ 1,470.22	\$ 122.52	\$ 157.03	\$ 4,204.47
2049	\$ 2,603.91	\$ 1,322.94	\$ 110.24	\$ 160.17	\$ 4,197.26
2050	\$ 2,767.55	\$ 1,166.70	\$ 97.23	\$ 163.37	\$ 4,194.86
2051	\$ 2,940.82	\$ 1,000.65	\$ 83.39	\$ 166.64	\$ 4,191.50
2052	\$ 3,128.54	\$ 824.20	\$ 68.68	\$ 169.98	\$ 4,191.40
2053	\$ 3,321.06	\$ 636.49	\$ 53.04	\$ 173.37	\$ 4,183.97
2054	\$ 3,532.84	\$ 437.23	\$ 36.44	\$ 176.84	\$ 4,183.34
2055	\$ 3,754.24	\$ 225.25	\$ 18.77	\$ 180.38	\$ 4,178.65
<b>Total<sup>[c]</sup></b>	<b>\$ 53,671.25</b>	<b>\$ 63,607.00</b>	<b>\$ 5,300.58</b>	<b>\$ 4,120.65</b>	<b>\$ 126,699.48</b>

### Footnotes:

[a] Interest is calculated at a 6.00% for illustrative purposes, subject to change.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, interest earnings, reserve fund, or other available offsets could increase or decrease the amounts shown.

[c] Totals may not sum due to rounding.

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 Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2025 (Simpson Road Public Improvement District Projects)” (the “Bonds”), dated June 30, 2025, in the principal amount of \$\_\_\_\_\_, we have examined the legality and validity of the issuance thereof by the City of Lowry Crossing, 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 BOKF, NA, as trustee (the “Trustee”), approved by the City Council of the City pursuant to an ordinance (the “Ordinance”) adopted by the City Council of the City authorizing the issuance of the Bonds, unless redeemed prior to maturity in accordance with the terms stated on the Bonds. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Indenture.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings had in connection with the issuance of the Bonds, including the Indenture, the Ordinance and an examination of the initial Bond executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the City; and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATION, we are of the opinion that, under applicable law of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Bonds have been authorized, issued, and delivered in accordance with law; that the Bonds are valid, legally binding, and enforceable limited obligations of the City in accordance with their terms payable solely from the Trust Estate, except to the extent the

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enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditors' rights generally.

2. Assuming continuing compliance after the date hereof by the City with the provisions of the Indenture and in reliance upon representations and certifications of the City made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, interest on the Bonds for federal income tax purposes (i) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date hereof, of the owners thereof pursuant to Section 103 of such Code, existing regulations, published rulings, and court decisions thereunder, and (ii) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

We express no opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER

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**CITY OF LOWRY CROSSING, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT PROJECTS)**

**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 among the City of Lowry Crossing (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 (Simpson Road Public Improvement District Projects)” (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.

“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 Meritage Homes of Texas, LLC, 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 Administrator 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.

“Special Assessments” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall mean BOKF, NA, 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 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 preceding 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 Special 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 Special 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 Special 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 numbers 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 the 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 losses, expenses 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 Special Assessments and the anticipated procedures for pursuing the collection of delinquent Special 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 Special 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 LOWRY CROSSING  
(as Issuer)

By: \_\_\_\_\_  
City Administrator

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 Lowry Crossing  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Simpson Road  
Public Improvement District Projects)

Date of Delivery \_\_\_\_\_, 20\_\_\_\_  
CUSIP Nos: [Insert CUSIP Nos]

NOTICE IS HEREBY GIVEN that the City of Lowry Crossing, 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 Lowry Crossing  
(solely in its capacity as Dissemination Agent)

By: \_\_\_\_\_

Title: \_\_\_\_\_

cc: City of Lowry Crossing

## EXHIBIT B

**CITY OF LOWRY CROSSING, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT PROJECTS)**

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**ANNUAL FINANCIAL INFORMATION\***

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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

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\* 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<sup>(1)</sup>**

<u>Property Owner</u>	<u>No. of</u> <u>Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Special</u> <u>Assessments</u>	<u>Percentage of</u> <u>Total Special</u> <u>Assessments</u>
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<sup>(1)</sup> Does not include those owing less than one percent (1%) of total Special 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 Special 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] <sup>(1)</sup>		\$			\$

<sup>(1)</sup> As of February 1, 20\_\_.

**Collection and Delinquency History of Special Assessments**

<u>Time Period</u>	<u>Total Assessment Levied</u>	<u>Parcels Levied<sup>(1)</sup></u>	<u>Delinquent Amount as of 3/1</u>	<u>Delinquent % as of 3/1</u>	<u>Delinquent Amount as of 9/1</u>	<u>Delinquent % as of 9/1</u>	<u>Total Special Assessments Collected<sup>(2)</sup></u>
[FISCAL YEAR END]	\$		\$	%	\$	%	\$
[FEB. 1 OF CURRENT YEAR] <sup>(3)</sup>	\$		\$	%	N/A	N/A	\$

<sup>(1)</sup> Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, 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.

<sup>(2)</sup> [Does/does not] include interest and penalties. Includes \$\_\_\_\_\_ attributable to Prepayments.

<sup>(3)</sup> Collected as of February 1, 20\_\_.

**History of Prepayment of Special 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] <sup>(1)</sup>		\$		\$

<sup>(1)</sup> 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 SECTIONS 4(a)(iv) - (vii)**

[Insert a line item for each applicable listing]

## EXHIBIT C

### BASIC TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES<sup>(1)</sup>

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Special Assessments are due.
February 1	1	<p>Special Assessments delinquent if not received.</p> <p>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.</p> <p>Issuer and/or Administrator should be aware of actual and specific delinquencies.</p> <p>Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. <b>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.</b></p> <p>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.</p>
March 15	43/44	<p>Issuer and/or Administrator should be aware of actual and specific delinquencies.</p> <p>Trustee pays bond interest payments to Owners.</p> <p>Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.</p>

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<sup>(1)</sup> Illustrates anticipated dates and procedures for pursuing the collection of delinquent Special 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 Special 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 LOWRY CROSSING, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT PROJECTS)**

**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 Meritage Homes of Texas, LLC, an Arizona 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 Improvement Area #1, Improvement Area #2, or Improvement Area #3, and is controlled by, controls, or is under common control with the Developer, or any Homebuilder.

“Amenities” shall mean a greenbelt, kid’s splash pad, playground, trails, cabana, and a resort-style pool.

“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.

“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 Meritage Homes of Texas, LLC, 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 Simpson Road 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.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Projects” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #2” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #2 Projects” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #3” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #3 Projects” shall have the meaning assigned to such term in the Indenture.

“Issuer” shall mean the City of Lowry Crossing, Texas.

“Listed Events” shall mean, collectively, Developer Listed Events and Significant Homebuilder Listed Events.

“Lot Purchase Agreement” shall mean, with respect to lots or land within Improvement Area #1, Improvement Area #2, or Improvement Area #3, 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 ten percent (10%) 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.

“Special Assessments” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall have the meaning assigned to such term in the Indenture.

### SECTION 3. Quarterly Reports.

(a) The 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 Special Assessments levied within Improvement Area #1, Improvement Area #2, or Improvement Area #3 on a parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Area #1, Improvement Area #2, or Improvement Area #3 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within Improvement Area #1, Improvement Area #2, or Improvement Area #3, 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 Improvement Area #1, Improvement Area #2, or Improvement Area #3 owned by the Developer or any of the Developer's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages in excess of \$1,000,000 against the Developer or any of the Developer's Affiliates that may adversely affect the completion of development of Improvement Area #1, Improvement Area #2, or Improvement Area #3, or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any 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 Special Assessments levied within Improvement Area #1, Improvement Area #2, and Improvement Area #3 on a lot or parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #1, Improvement Area #2, and Improvement Area #3 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, 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 Improvement Area #1, Improvement Area #2, or Improvement Area #3 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 ten percent (10%) 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 ten percent (10%) 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 updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, Improvement Area #2, or Improvement Area #3, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of 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: Meritage Homes of Texas, LLC  
Attn: Frank Su  
8840 Cypress Waters Blvd., Suite 100  
Dallas, Texas 75019  
Email: frank.su@meritagehomes.com

With a copy to: Winstead PC  
Attn: Sarah Landiak  
500 Winstead Building  
2728 N. Harwood Street  
Dallas, Texas 75201  
E-mail: slandiak@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: BOKF, NA  
Attention: Corporate Trust  
5956 Sherry Lane, Suite 900  
Dallas, TX 75225  
E-mail: dayna.smith@bankoftexas.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 Lowry Crossing  
Attn: Janis Cable  
1405 Bridgefarmer Road  
Lowry Crossing, Texas 75069  
Email: jcable@lowrycrossingtx.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:

Meritage Homes of Texas, LLC,  
an Arizona limited liability company

By: \_\_\_\_\_  
Frank Su  
Vice President of Land Acquisition

P3 Works, LLC,  
Administrator

By:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

**EXHIBIT A**

**CITY OF LOWRY CROSSING, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025**

**(SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT PROJECTS)**

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**DEVELOPER QUARTERLY REPORT**  
*[INSERT QUARTERLY ENDING DATE]*

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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:

**A. IMPROVEMENT AREA #1 PROJECTS**

**I. Expenditures Paid from Accounts under Indenture**

1. TOTAL BUDGETED COSTS REQUIRED TO COMPLETE IMPROVEMENT AREA #1 PROJECTS: \$ \_\_\_\_\_
2. Of the budgeted costs for Improvement Area #1 Projects shown in the Service and Assessment Plan:
  - (a) Actual costs drawn from the Improvement Area #1 Projects Account<sup>1</sup>:  
\$ \_\_\_\_\_

**II. Status of Improvement Area #1 Projects**

Projected/actual completion date of the Improvement Area #1 Projects:

3. [Actual/Expected] date of completion of the Improvement Area #1 Projects:  
[\_\_\_\_\_]

---

<sup>1</sup> Improvement Area #1 Projects Account means the account titled Authorized Improvements Account of the Project Fund in the Indenture.

4. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [\_\_\_\_\_]

**III. Unit Mix in Improvement Area #1**

<b>Product Type</b>	<b>Number of Units</b>
Single Family 40'	73
Single Family 50'	101

**IV. Lot Status in Improvement Area #1**

Of the 174 lots in Improvement Area #1, what is the status:

5. Planned lots as of the date of issuance of the Bonds: \_\_\_\_\_  
6. Planned lots as of the date of this Quarterly Report: \_\_\_\_\_  
7. Lots developed: \_\_\_\_\_  
8. Lots platted: \_\_\_\_\_  
9. Expected completion date of all lots in Improvement Area #1 (if incomplete): \_\_\_\_\_

**V. Ownership of Lots/Units in Improvement Area #1**

PLANNED LOTS IN IMPROVEMENT AREA #1: 174

Of the lots in Improvement Area #1:

10. Number of lots owned by the Developer: \_\_\_\_\_  
11. Number of lots under contract but not closed to Homebuilder(s): \_\_\_\_\_  
12. Number of lots owned by all Homebuilder(s): \_\_\_\_\_<sup>2</sup>  
    (a) Number of lots owned by [insert name of Homebuilder]: \_\_\_\_\_<sup>3</sup>  
    (b) Number of lots owned by [insert name of Homebuilder]: \_\_\_\_\_  
13. Number of units owned by homeowners: \_\_\_\_\_

**VI. Home Sales Information in Improvement Area #1**

PLANNED HOMES IN IMPROVEMENT AREA #1: 174

Of the 174 homes planned for Improvement Area #1:

14. How many total building permits were issued during the current quarter? \_\_\_\_\_  
    (a) Number of building permits issued during the current quarter for [insert name of Homebuilder]: \_\_\_\_\_<sup>2</sup>  
    (b) Number of building permits issued during the current quarter for [insert name of Homebuilder]: \_\_\_\_\_<sup>2</sup>

<sup>2</sup> If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

<sup>3</sup> Include a line item for each individual Homebuilder.

15. How many total homes have closed with homebuyers during the current quarter?

- \_\_\_\_\_
- (a) Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>2</sup>
- (b) Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>4</sup>
16. How many total homes have closed with homebuyers **cumulatively**? \_\_\_\_\_
- (a) Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>3</sup>
- (b) Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>3</sup>

**B. IMPROVEMENT AREA #2 PROJECTS**

**I. Expenditures Paid from Accounts under Indenture**

1. TOTAL BUDGETED COSTS REQUIRED TO COMPLETE IMPROVEMENT AREA #2 PROJECTS: \$ \_\_\_\_\_
2. Of the budgeted costs for Improvement Area #2 Projects shown in the Service and Assessment Plan:
- a. Actual costs drawn from the Improvement Area #2 Projects Account<sup>5</sup>:  
\$ \_\_\_\_\_

**II. Status of Improvement Area #2 Projects**

Projected/actual completion date of the Improvement Area #2 Projects:

3. [Actual/Expected] date of completion of the Improvement Area #2 Projects:  
[\_\_\_\_\_]
4. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [\_\_\_\_\_]

**III. Unit Mix in Improvement Area #2**

<b><u>Product Type</u></b>	<b><u>Number of Units</u></b>
Single Family 40'	87
Single Family 50'	50

**IV. Lot Status in Improvement Area #2**

\_\_\_\_\_

<sup>4</sup> Include a line item for each individual Homebuilder.

<sup>5</sup> Improvement Area #1 Projects Account means the account titled Authorized Improvements Account of the Project Fund in the Indenture.

Of the 137 lots in Improvement Area #2, what is the status:

5. Planned lots as of the date of issuance of the Bonds: \_\_\_\_\_
6. Planned lots as of the date of this Quarterly Report: \_\_\_\_\_
7. Lots developed: \_\_\_\_\_
8. Lots platted: \_\_\_\_\_
9. Expected completion date of all lots in Improvement Area #2 (if incomplete): \_\_\_\_\_

## **V. Ownership of Lots/Units in Improvement Area #2**

PLANNED LOTS IN IMPROVEMENT AREA #2: 137

Of the 137 lots in Improvement Area #2:

10. Number of lots owned by the Developer: \_\_\_\_\_
11. Number of lots under contract but not closed to Homebuilder(s): \_\_\_\_\_
12. Number of lots owned by all Homebuilder(s): \_\_\_\_\_<sup>6</sup>
  - a. Number of lots owned by [*insert name of Homebuilder*]: \_\_\_\_\_<sup>7</sup>
  - b. Number of lots owned by [*insert name of Homebuilder*]: \_\_\_\_\_
13. Number of units owned by homeowners: \_\_\_\_\_

## **VI. Home Sales Information in Improvement Area #2**

PLANNED HOMES IN IMPROVEMENT AREA #2: 137

Of the 137 homes planned for Improvement Area #2:

14. How many total building permits were issued during the current quarter? \_\_\_\_\_
  - (c) Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>2</sup>
  - (d) Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>2</sup>
15. How many total homes have closed with homebuyers during the current quarter?  
\_\_\_\_\_
  - (c) Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>2</sup>
  - (d) Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>8</sup>
16. How many total homes have closed with homebuyers **cumulatively**? \_\_\_\_\_
  - (c) Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>3</sup>
  - (d) Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>3</sup>

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<sup>6</sup> If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

<sup>7</sup> Include a line item for each individual Homebuilder.

<sup>8</sup> Include a line item for each individual Homebuilder.

### **C. IMPROVEMENT AREA #3 PROJECTS**

#### **I. Expenditures Paid from Accounts under Indenture**

1. TOTAL BUDGETED COSTS REQUIRED TO COMPLETE IMPROVEMENT AREA #3 PROJECTS: \$ \_\_\_\_\_
2. Of the budgeted costs for Improvement Area #3 Projects shown in the Service and Assessment Plan:
  - (a) Actual costs drawn from the Improvement Area #3 Projects Account<sup>9</sup>:  
\$ \_\_\_\_\_

#### **II. Status of Improvement Area #3 Projects**

Projected/actual completion date of the Improvement Area #3 Projects:

3. [Actual/Expected] date of completion of the Improvement Area #3 Projects:  
[\_\_\_\_\_]
4. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [\_\_\_\_\_]

#### **III. Unit Mix in Improvement Area #3**

<b><u>Product Type</u></b>	<b><u>Number of Units</u></b>
Single Family 40'	112
Single Family 50'	117

#### **IV. Lot Status in Improvement Area #3**

Of the 229 lots in Improvement Area #3, what is the status:

5. Planned lots as of the date of issuance of the Bonds: \_\_\_\_\_
6. Planned lots as of the date of this Quarterly Report: \_\_\_\_\_
7. Lots developed: \_\_\_\_\_
8. Lots platted: \_\_\_\_\_
9. Expected completion date of all lots in Improvement Area #3 (if incomplete): \_\_\_\_\_

#### **V. Ownership of Lots/Units in Improvement Area #3**

PLANNED LOTS IN IMPROVEMENT AREA #3: 229

Of the 229 lots in Improvement Area #3:

10. Number of lots owned by the Developer: \_\_\_\_\_

---

<sup>9</sup> Improvement Area #1 Projects Account means the account titled Authorized Improvements Account of the Project Fund in the Indenture.

11. Number of lots under contract but not closed to Homebuilder(s): \_\_\_\_\_
12. Number of lots owned by all Homebuilder(s): \_\_\_\_\_<sup>10</sup>
- (a) Number of lots owned by [insert name of Homebuilder]: \_\_\_\_\_<sup>11</sup>
- (b) Number of lots owned by [insert name of Homebuilder]: \_\_\_\_\_
13. Number of units owned by homeowners: \_\_\_\_\_

## **VI. Home Sales Information in Improvement Area #3**

### **PLANNED HOMES IN IMPROVEMENT AREA #3: 229**

Of the 229 homes planned for Improvement Area #3:

14. How many total building permits were issued during the current quarter? \_\_\_\_\_
- (e) Number of building permits issued during the current quarter for [insert name of Homebuilder]: \_\_\_\_\_<sup>2</sup>
- (f) Number of building permits issued during the current quarter for [insert name of Homebuilder]: \_\_\_\_\_<sup>2</sup>
15. How many total homes have closed with homebuyers during the current quarter?
- \_\_\_\_\_
- (e) Number of homes closed with homebuyers during the current quarter for [insert name of Homebuilder]: \_\_\_\_\_<sup>2</sup>
- (f) Number of homes closed with homebuyers during the current quarter for [insert name of Homebuilder]: \_\_\_\_\_<sup>12</sup>
16. How many total homes have closed with homebuyers **cumulatively**? \_\_\_\_\_
- (e) Number of homes closed with homebuyers cumulatively for [insert name of Homebuilder]: \_\_\_\_\_<sup>3</sup>
- (f) Number of homes closed with homebuyers cumulatively for [insert name of Homebuilder]: \_\_\_\_\_<sup>3</sup>

### **D. AMENITIES<sup>13</sup>**

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: [\_\_\_\_\_]

<sup>10</sup> If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

<sup>11</sup> Include a line item for each individual Homebuilder.

<sup>12</sup> Include a line item for each individual Homebuilder.

<sup>13</sup> "Amenities" means \_\_\_\_\_.



## **E. 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 Special 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 Special 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 Special 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 Special Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgement pursuant to the Disclosure Agreement?
5. **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 Lowry Crossing, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025  
(SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT  
PROJECTS) (the “Bonds”)  
CUSIP Numbers: [insert CUSIP Numbers]  
Date of Delivery: \_\_\_\_\_, 20\_\_

NOTICE IS HEREBY GIVEN that \_\_\_\_\_, a  
\_\_\_\_\_ (the [“Developer”<sup>14</sup>] [“Significant Homebuilder”]) has not provided the  
[Quarterly Information][Quarterly Report] [the [Quarterly Information][Quarterly Report] was not  
filed in a timely manner due to [\_\_\_\_\_] for the period ending on [*Insert  
Quarterly Ending Date*] with respect to the Bonds as required by the Continuing Disclosure  
Agreement of Developer related to such Bonds, by and among Meritage Homes of 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 Lowry Crossing, Texas

<sup>14</sup> If applicable, replace with applicable successor(s)/assign(s).

## EXHIBIT C

### TERMINATION NOTICE

[DATE]

Name of Issuer: City of Lowry Crossing, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Simpson Road Public Improvement District Projects) (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 Lowry Crossing, Texas  
200 S. Main Street  
Lowry Crossing, Texas 75424

Meritage Homes of Texas, LLC

[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 Meritage Homes of Texas, LLC (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 Meritage Homes of Texas, LLC  
[Significant Homebuilder],  
as Administrator

By: \_\_\_\_\_

Title: \_\_\_\_\_

<sup>1</sup> If applicable, replace with applicable successor(s)/assign(s).

## EXHIBIT D

### CERTIFICATION LETTER

[DATE]

Name of Issuer: City of Lowry Crossing, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025  
(Simpson Road Public Improvement District Projects)  
CUSIP Numbers: [insert CUSIP Numbers]  
Quarterly Ending Date: \_\_\_\_\_, 20\_\_

Re: Quarterly Report for the City of Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2025 (Simpson Road Public Improvement District Projects)

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among Meritage Homes of Texas, LLC<sup>1</sup> (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.

Meritage Homes of Texas, LLC,  
an Arizona limited liability company

By: \_\_\_\_\_  
\_\_\_\_\_

[OR

SIGNIFICANT HOMEBUILDER  
(as Significant Homebuilder)

By: \_\_\_\_\_  
Title: \_\_\_\_\_]

---

<sup>1</sup> If applicable, replace with applicable successor(s)/assign(s).

**EXHIBIT E**

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT  
OF DEVELOPER REPORTING OBLIGATIONS**

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: City of Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2025 (Simpson Road Public Improvement District Projects) – 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 Simpson Road Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the “Disclosure Agreement of Developer”) by and among Meritage Homes of Texas, LLC (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 Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2025 (Simpson Road Public Improvement District Projects),” 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,

Meritage Homes of Texas, LLC,  
an Arizona limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT F**

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT  
OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS**

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

Re: City of Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2025 (Simpson Road Public Improvement District Projects) – Continuing Disclosure Obligation

Dear \_\_\_\_\_,

As of \_\_\_\_\_, 20\_\_, you own \_\_\_\_ lots within the Simpson Road 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 Meritage Homes of Texas, LLC (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 Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2025 (Simpson Road Public Improvement District Projects),” any entity that owns ten percent (10%) 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,

Meritage Homes of Texas, LLC,  
an Arizona limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: \_\_\_\_\_  
Title: \_\_\_\_\_

APPENDIX F  
DEVELOPMENT AGREEMENT

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## **DEVELOPMENT AGREEMENT**

This Development Agreement (this "Agreement") is entered into by and between MERITAGE HOMES OF TEXAS, LLC (the "Developer") and the CITY OF LOWRY CROSSING (the "City"), to be effective on the date upon which the Developer acquires fee simple title to the Property (hereinafter defined) ("Effective Date"), subject to termination as provided in Section 5.2 below.

### **RECITALS**

**WHEREAS**, certain capitalized terms used herein are defined in Article I; and

**WHEREAS**, the City is a Type A General Law municipality of the State of Texas located within Collin County; and

**WHEREAS**, the Developer and the City (which are sometimes individually referred to as a "Party" and collectively as the "Parties") desire to enter into this Agreement; and

**WHEREAS**, on the date the City Council voted to approve this Agreement, landowners Harjodh Singh Puar, Ravinder K. Puar, Vaqar Dar, Farah Naz, and Patty L. Niemeyer, trustee of the James M. Niemeyer Family Trust own 134.898 acres of land, which lies partially within the municipal boundaries and partially within the extraterritorial jurisdiction of the City ("ETJ"), entirely within Collin County, Texas and described by metes and bounds on **Exhibit A** (the "Property"); and

**WHEREAS**, the Developer intends to purchase the Property and to develop the Property pursuant to the terms of this Agreement; and

**WHEREAS**, the Parties intend that this Agreement will apply to the Property upon the Developer acquiring fee simple title to the Property; and

**WHEREAS**, the Developer intends to develop the Property as a planned residential development (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 Parties intend that the Property will be developed in accordance with the concept plan attached hereto as **Exhibit B** (the "Concept Plan"), the development standards attached hereto as **Exhibit C** (the "Development Standards"); and the zoning standards to be established over the Property in accordance with Section 3.2 of this Agreement; 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

**WHEREAS**, the Parties desire for the creation of a PID or PID(s) over the Property; and

**WHEREAS**, in consideration of Developer's agreements contained herein and upon the creation of the PID(s), the City shall exercise its powers under Chapter 372, Texas Local Government Code, to provide financing arrangements that will enable: (1) Developer to do the following in accordance with the procedures and requirements of the PID Act and this Agreement: (a) receive funding or reimbursement for all or a portion of the PID Projects using the PID Bond Proceeds; or (b) receive funding or reimbursement for all or a portion of the PID Projects, the source of which reimbursement will be installment payments from assessments on the Property within the PID(s); and (2) City to use maintenance and operations PID assessments for the perpetual and ongoing maintenance of the City Public Improvements and offsite roadways as described in Section 2.4(b).

**WHEREAS**, the City shall use good faith efforts to: (i) adopt a service and assessment plan under the PID Act; (ii) adopt one or more assessment ordinances to reimburse Developer for all or a portion of the PID Projects Costs and the costs associated with the administration of the PID and the issuance of the PID Bonds, and for repayment of PID Bonds; and (iii) issue, in multiple series, PID Bonds for the purpose of financing the PID Projects in accordance with the service and assessment plan and reimbursing Developer for certain associated costs as described herein; and

**WHEREAS**, the City of Princeton ("Princeton") holds the certificate of convenience and necessity to provide retail wastewater treatment service to the Property (the "Wastewater CCN"), and the Parties intend for Princeton to provide retail wastewater treatment service to the Property; and

**WHEREAS**, Milligan Water Supply Corporation ("Milligan") holds the certificate of convenience and necessity to provide retail treated water service to the Property (the "Water CCN"), and the Parties intend for Milligan to provide retail water service to the Property; and

**WHEREAS**, the development of the Property will require Developer to build and /or dedicate land for certain onsite and offsite infrastructure, including streets and roads; drainage; water and sanitary sewer systems; parks, open space, landscaping, and trail systems to serve and benefit the Property (collectively, "Public Improvements"); and

**WHEREAS**, due to the location and other natural features of the Property, the cost of the Public Improvements does not allow for the intended Development in a cost-effective and market-competitive manner without participation by 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**, to the extent the Property is within the City's extraterritorial jurisdiction, the Parties have the authority to enter into this Agreement pursuant to Chapter 43 and Section 212.171 *et seq* of the Texas Local Government Code, and to the extent the Property is within the City, the Parties have the authority to enter into this Agreement pursuant to other applicable law; and

**WHEREAS**, the Parties intend that this Agreement shall be a permit under Chapter 245, Texas Local Government Code.

**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, the Parties agree as follows:

**ARTICLE I**  
**GENERAL TERMS AND DEFINITIONS**

1.1 Recitals. The recitals to this Agreement are incorporated herein for all purposes.

1.2 Definitions. Unless the context requires otherwise, the following terms shall have the meanings hereinafter set forth:

Agreement is defined in the introductory paragraph.

Bank Qualified Debt Fee is defined in Section 6.2(a).

City is defined in the introductory paragraph.

City Assignee is defined in Section 8.2.

City Council means the city council of the City.

City Public Improvements means all Public Improvements (including but not limited to parks and roadway Public Improvements, wherever located) other than the Water Improvements and the Wastewater Improvements.

City Regulation(s) means any ordinance, rule, regulation, standard, policy, order, guideline or other City-adopted or City-enforced requirement, as they may be subsequently amended and adopted by the City for uniform application (except as altered by an agreement) throughout the corporate limits and/ or ETJ, and as are applicable to the Development.

Claims is defined in Section 4.1.

Concept Plan means the concept plan as shown in **Exhibit B**, as amended in accordance with this Agreement.

Developer is defined in the introductory paragraph.

Developer Assignee is defined in Section 8.1.

Development is defined in the Recitals.

Development Standards means the development standards for the Property, which are set forth on **Exhibit C**, and which shall rule in the event of a conflict with the City Regulations.

Effective Date is the date in the introductory paragraph.

End-Buyer is defined in Section 9.1.

ETJ is defined in the recitals.

Force Main means a sanitary sewer force main line commencing at the proposed 1.0 MGD lift station and extending approximately 2 miles where it will connect to an existing sanitary sewer main line running adjacent to Tickey Creek.

HOA means the Simpson Crossing Home Owner's Association, or such similarly-named owner's association as is established by the Developer to cover and include the Property.

Indemnified Party is defined in Section 4.1.

Lift Station means an approximately 1.0 MGD lift station located within the Property.

Milligan is defined in the recitals.

Oversized Wastewater Improvements is defined in Section 2.1(b)(i).

Parties means the Developer and the City.

Party means the Developer or the City.

PID means a public improvement district created by the City for the benefit of the Property pursuant to the PID Act.

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

PID Bonds means the assessment revenue bonds secured solely by PID assessments.

PID Fee is defined in Section 6.4.

PID Projects is defined in Section 6.1.

PID Project Costs is defined in Section 6.1.

PID Property is that portion of the Property lying within the PID to be created by the City, which PID is planned to, but shall not be required to, exclude the portion of the Property designated for commercial use in the Concept Plan.

Princeton is defined in the recitals.

Property is defined in the recitals and is as described in Exhibit A.

Public Improvements is defined in the Recitals.

Service Area means the Property and approximately 45 acres of land lying outside the Property, which are intended to receive wastewater treatment service through the Lift Station and Force Main.

Tax Certificate is defined in Section 6.6.

TxDOT is the Texas Department of Transportation.

Water CCN is defined in the recitals.

Water Improvements are the water Public Improvements necessary to serve the Property with treated water service, which will be constructed in accordance with Milligan standards and owned and operated by Milligan.

Wastewater CCN is defined in the recitals.

Wastewater Improvements are the wastewater Public Improvements necessary to serve the Property with treated water service, which will be constructed in accordance with Princeton standards, conveyed by the Developer to the City, and conveyed by the City to Princeton, for ownership and operation by Princeton.

## ARTICLE II PUBLIC INFRASTRUCTURE

### 2.1 Public Improvements.

(a) Standards. Except as otherwise expressly provided for in this Agreement, all Public Improvements shall be designed, constructed and installed by the Developer in compliance with the regulations set forth by the applicable approving authority, whether it be the City, for City Public Improvements; Milligan, for Water Improvements; Princeton, for Wastewater Improvements and Oversized Wastewater Improvements; or otherwise, except to the extent that Milligan's regulations do not require fire flow considered adequate for fire department operations, as determined by the Fire Marshal or similar position under an international code, the Water Improvements shall also comply with the applicable standards designated by the Fire Marshal. Construction and/or installation of City Public Improvements shall not begin until complete and accurate plans and specifications have been approved by the applicable approving authority. Each contract for construction of City Public Improvements shall require a two-year maintenance bond following completion of such City Public Improvements, which bond shall run in favor of the City. To the extent easements or rights-of-way are needed within the Property for City Public Improvements, they shall be dedicated by the Developer to the City pursuant to the terms of this Agreement, but the City shall have no obligation to pay for such dedications with any funds, other than the reimbursement of the Developer through PID Bonds and/or PID assessments.

### (b) Wastewater Improvements and Oversizing.

(i) The City has requested oversizing of certain wastewater infrastructure to serve property other than the Development, and the Developer has agreed to provide such oversizing (the "Oversized Wastewater Improvements"). The Developer has or intends to enter into an agreement with Princeton for the construction of the Wastewater Improvements and provision of wastewater services to the Property as well as the Oversized Wastewater Improvements to serve an additional approximately 45 acres (together with the Property, the "Service Area"). The Wastewater Improvements and Oversized Wastewater Improvements to be constructed include (i) those internal improvements necessary to serve the Property; (ii) an approximately 1.0 MGD lift station

located within the Property, sized to accommodate the Service Area (the “Lift Station”); and (iii) a sanitary sewer force main line commencing at the proposed 1.0 MGD lift station, and extending approximately 2 miles where it will connect to an existing sanitary sewer main line running adjacent to Tickey Creek (the “Force Main”). The City (or its residents) shall be responsible for entering into its own service contract with Princeton for wastewater services through the Lift Station and Force Main. The Developer shall be responsible for dedicating the lands to contain the lift station, which dedication of land shall be reimbursable through the PID to the maximum extent permitted by law. The land costs and/or acquisition costs necessary to obtain or dedicate wastewater easements necessary to serve the Property shall be reimbursable through the PID to the maximum extent permitted by law.

(ii) To the extent that wastewater treatment service is required within the Property prior to the completion of the wastewater improvements contemplated herein, including the Lift Station, the City agrees to allow Princeton to provide alternative wastewater transportation services within the Property, if and in the manner allowed under applicable law, including applicable regulations of the Texas Commission on Environmental Quality, or to make such other arrangements as are compatible with applicable law and regulations in order to adequately provide and address necessary wastewater treatment services until the completion of the Wastewater Improvements and Oversized Wastewater Improvements if a contract for construction of the Wastewater Improvements and Oversized Wastewater Improvements has been entered by the Developer and the construction is at least fifty percent (50%) complete. The City shall not withhold plat or plan approvals or refuse to issue building permits due to the timeliness of the Lift Station Construction, so long as the Developer or City has made arrangements for alternative wastewater transportation solutions.

(c) Roadway Public Improvements. The roadway improvements serving the Property shall be developed in accordance with the Traffic Impact Analysis No. 061179300 for Simpson Single-Family Development prepared by Kimley Horn for the Property dated July 30, 2021. Specifically, the Developer shall have the following obligations:

(i) U.S. 380. The Developer shall provide access to the Development through a connection to U.S. 380 in a manner that is acceptable, to the extent of each entity’s legal right to oversee or approve such connections, the City, Princeton, and the Texas Department of Transportation (“TxDOT”). The City agrees to cooperate with the Developer in the Developer’s interactions with TxDOT concerning the connection to U.S. 380. The costs of any easement or right of way acquisition for the portion of U.S. 380 that is to be constructed by the Developer outside of the Property shall be considered a reimbursable item through the PID.

(ii) Internal Roadways. The Developer shall design and construct all internal roadways needed to serve and benefit the Property. The Developer shall dedicate such easements and/or rights of way as are necessary to construct the roadways within the Property.



(iii) Reimbursement Eligibility. The City agrees that all Developer's costs in land dedication, whether through rights of way, easements, or otherwise, for the roadway Public Improvements shall be reimbursable items through the PID to the maximum extent permitted by law but the City shall have no obligation to pay for such dedications with any with any funds, other than the reimbursement of the Developer through PID Bonds and/or PID assessments.

## 2.2 Inspections, Acceptance of Public Improvements.

### (a) Inspection.

(i) The City shall have the right to inspect, at any time, the construction of all City Public Improvements necessary to support the Development, which shall be inspected, designed and constructed in compliance with all statutory and regulatory requirements, including design and construction criteria, and the City Regulations. The City's inspections shall not release the Developer from its responsibility to construct, or ensure the construction of, adequate City Public Improvements in accordance with approved engineering plans, construction plans, and other approved plans related to the Development provided the City satisfies its obligations under this Agreement. The responsibility for the inspection of the Water Improvements and Wastewater Improvements shall be borne by Milligan or Princeton, respectively, or the appropriate entity having authority.

(ii) A reasonable fee may be charged to fund the City's reasonable costs of hiring a third party to review engineering plans in connection with the design and construction of drainage, roadway improvements, open space, parks, signs and entry features. These review fees and all permit fees for such improvements and/or features will be uniformly and consistently charged by the City to all developers, excluding those altered by a contract. Furthermore, the inspection fees for the City Public Improvements charged by the City to Developer will equal 3% of the actual costs for the City Public Improvements. Inspection fees charged by any entity having authority shall be considered a cost eligible for PID reimbursement to the extent permitted under law.

### (b) Ownership.

(i) City Public Improvements. From and after the inspection and acceptance by the City of the City Public Improvements, and any other dedications required under this Agreement, such improvements and dedications shall be owned by the City. Operation and maintenance of the City Public Improvements shall be as set forth in Section 2.4 below. The Developer will transfer to the City by final plat or separate instrument any onsite rights-of-way and onsite easements necessary for the onsite City Public Improvements.

(ii) Non-City Public Improvements. The Water Improvements shall be owned by Milligan in accordance with Developer's agreement with Milligan. The Wastewater Improvements shall be owned by Princeton in accordance with Developer's agreement with Princeton. However, if it may be required or requested by Developer in order to preserve Developer's rights to receive reimbursements for the costs of the Water Improvements and Wastewater Improvements, the City agrees to accept conveyance of the

Water Improvements and the Wastewater Improvements and then to convey the Water Improvements and Wastewater Improvements to Milligan and Princeton, respectively. The form of such conveyance shall be one that protects City from any liability that may arise from such temporary ownership and, in Developer's discretion, preserves its right to reimbursement for the costs of such Public Improvements through the PID.

(c) 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.

(d) Permitting. The Parties agree that the City shall issue building permits over the entire Property. The City agrees to allow the Developer early grading permits prior to plan approval by the City, so long as such grading is in conformance with this Agreement. The City agrees that upon completion of the paving improvements and wet utilities for a given phase of the development, it shall release up to ten (10) early building permits for such phase, excluding model homes, regardless of the status of other improvements or plats within the Property.

2.3 Eminent Domain. The Developer agrees to use commercially reasonable efforts to obtain all third-party rights-of-way or easements, if any, required for the Public Improvements, including offsite Public Improvements. If, however, Developer is unable to obtain such third-party rights-of-way, consents, or easements within ninety (90) days of commencing efforts to obtain the needed easements and right-of-way, the City agrees to take reasonable steps to secure same through the use of the City's power of eminent domain. Developer shall be responsible for funding all reasonable and necessary legal proceeding/litigation costs, attorney's fees and related expenses, and appraiser and expert witness fees (collectively, "Eminent Domain Fees") actually incurred by the City in the exercise of its eminent domain powers and shall escrow with a mutually agreed upon escrow agent the City's reasonably estimated Eminent Domain Fees both in advance of the initiation of each eminent domain proceeding and as funds are needed by the City. Provided that the escrow fund remains appropriately funded in accordance with this Agreement, the City will use all reasonable efforts to expedite such condemnation procedures so that the Public Improvements can be constructed as soon as reasonably practicable. If the City's Eminent Domain Fees exceed the amount of funds escrowed in accordance with this paragraph, Developer shall deposit additional funds as requested by the City into the escrow account within thirty (30) days after written notice from the City. Any unused escrow funds will be refunded to Developer with thirty (30) days after any condemnation award or settlement becomes final and non-appealable. All Eminent Domain Fees paid by the Developer shall be considered Public Improvements Costs to the extent permitted by law. 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.

#### 2.4 Operation and Maintenance.

(a) Upon inspection, approval, and acceptance of the City Public Improvements or any portion thereof, the City may maintain and operate the accepted City Public Improvements or any accepted portion thereof using assessment revenue from the maintenance and operations PID assessment to be levied/assessed upon the Property pursuant to the PID Act.

(b) All roadway Public Improvements constructed pursuant to this Agreement shall be conveyed to the City for operation and maintenance as set forth in subsection (a), and the City agrees to accept all roadway Public Improvements for operation and maintenance. However, the Developer agrees and acknowledges that the City may utilize a portion of the PID assessments in the operation and maintenance of (i) all roadway Public Improvements lying within the PID Property and (ii) such proportion of offsite roadways as benefits the Property, as shown by the Traffic Impact Analysis No. 061179300 for Simpson Single-Family Development prepared by Kimley Horn for the Property dated July 30, 2021. Such assessments to be utilized by the City in the operation and maintenance of the roadway Public Improvements, which shall be levied at a tax rate equivalent of \$0.0734 per \$100 assessed valuation, which shall not be exceeded on an annual basis unless necessary to generate sufficient revenue needed for maintenance costs after utilizing all reserves except the equivalent of a one-year annual levy, until the earlier to occur of (i) the expiration of ten (10) years from the initial levy of such assessment or (ii) the issuance of all PID Bonds necessary to reimburse the Developer for the PID Projects Cost as contemplated hereunder. After such time, the tax rate equivalent may be that determined by the City in its discretion and in accordance with applicable law. The Parties agree and acknowledge that the dedication of such proportion of PID assessments is fair and equitable based upon the traffic to be generated by the Development, as reflected in Traffic Impact Analysis No. 061179300 for Simpson Single-Family Development prepared by Kimley Horn for the Property dated July 30, 2021. The City may continue to maintain and utilize the PID past the term of this Agreement and the reimbursement of the Developer for its costs related to the Public Improvements in order to operate and maintain the roadway Public Improvements as set forth herein.

(c) Maintenance and operation of open spaces, trails, common areas, right-of-way irrigation systems, right-of-way landscaping, screening walls, and any other common improvements or appurtenances is addressed in the Development Standards, and to the extent not addressed shall be maintained and operated by the HOA in accordance with the City Regulations. Developer shall dedicate a portion, as requested by the City, of HOA Lot 15x, Block A (as such lot and block is shown on the preliminary plat) as a City public park, which park shall be dedicated as a park by final plat with a maintenance easement granted to the HOA. The HOA shall be responsible for maintenance of the City public park and the City shall have the right, but not the obligation, to perform maintenance should the HOA fail to do so using a portion of the PID assessment that is for maintenance and operation of the City Public Improvements.

**ARTICLE III**  
**DEVELOPMENT REGULATIONS**

3.1 Full Compliance with City Standards.

(a) Development of the Property shall be subject to the applicable City Regulations, as amended by the Development Standards.

(b) The Parties agree the Concept Plan was created by the Developer for illustrating the boundary, lot mix and general layout of the Development. Any amendment to the Concept Plan shall be considered an amendment to this Agreement and shall replace the attached Concept Plan and become a part of this Agreement. The City shall administratively approve or deny any amendments to the Concept Plan for portions of the Property in the ETJ that the City deems to be minor in nature. Any change in the Concept Plan that does not materially alter the amenities to be included in the Development, alter the size of perimeter buffers or perimeter lots, increase the number of residential lots in the City limits, or increase the number of residential lots in the ETJ by more than ten percent (10%) shall be deemed minor in nature. If an amendment is not minor in nature, the Concept Plan may be amended as set forth in the Development Standards attached as **Exhibit C**.

(c) All roads constructed pursuant to this Agreement shall be constructed in compliance with the cross-sections illustrated in **Exhibit D** to this Agreement. The City consents to the construction of the roadways as set forth in **Exhibit D**; to the extent of a conflict between any City Regulations and **Exhibit D**, the standards in **Exhibit D** shall rule.

3.2 Zoning of Property.

(a) ETJ Property. The Parties agree that the Concept Plan, the Development Standards, and the applicable provisions of this Agreement memorialize the plan for development of the portion of the Property within the ETJ as provided for in Section 212.172 of the Texas Local Government Code and other applicable law.

(b) In-City Property. The City shall consider zoning the portion of the Property within the municipal boundaries of the City consistent with the Development Standards, Concept Plan, and applicable provisions of this Agreement contemporaneously with or as soon as practicable following the execution of this Agreement. 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 Property, the Parties agree that this Agreement shall control. The Developer agrees that nothing in this Agreement shall prevent **Exhibit C** and the City Regulations, including but not limited to zoning, from being enforced against an end-buyer.

3.3 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 this executed Agreement is filed in the land records of Collin County. The Developer does not, by entering into this Agreement, waive any rights or obligations arising under Chapter 245 of the Texas Local Government Code. Upon an administratively complete application for a preliminary plat for any portion of the Property, Developer may claim vested rights as to the portion of the

Property contained in the preliminary plat based upon ordinances in effect at the time of preliminary plat application.

3.4 Amenity Center with Pool. Developer shall construct the amenities set forth in Exhibit E to be owned and operated by the HOA. In exchange for the construction of the amenities set forth in Exhibit E, the Developer shall be deemed to have fulfilled any and all park dedication requirements and shall owe no park dedication fees or park development fees to the City for the Development, whether assessed by the City currently or in the future. The amenities set forth in Exhibit E shall be constructed prior to PID Bonds being sold or PID assessments being levied over the second improvement area within the PID.

3.5 Impact Fees. The City does not currently impose any water, wastewater, roadway, park, or other impact fees. The Parties agree that for the duration of this Agreement, no water, wastewater, roadway, park, or other impact fees shall be assessed against the Property by the City.

3.6 Police, Fire, and Emergency Medical Services. The City agrees to provide the portion of the Property within the City's corporate boundaries with the same police, fire, and emergency medical services, and in the same manner, as within the rest of the corporate boundary.

#### **ARTICLE IV** **INDEMNIFICATION**

##### **4.1 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 BY REASON OF, OR RESULTING FROM (I) 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 PUBLIC IMPROVEMENTS ACQUIRED FROM THE DEVELOPER HEREUNDER; (III) THE DEVELOPER'S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION AND/OR CONSTRUCTION OF THE PUBLIC IMPROVEMENTS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE PUBLIC IMPROVEMENTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES, AND/OR TRUSTEES, REGARDING OR RELATED TO THE PUBLIC IMPROVEMENTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE PUBLIC IMPROVEMENTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY, EXCEPT TO THE EXTENT ANY SUCH CLAIMS ARISE FROM THE CITY'S OPERATION AND/OR MAINTENANCE OF THE CITY PUBLIC IMPROVEMENTS (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 OR CONCURRENT**

NEGLIGENCE OF ANY INDEMNIFIED PARTY. DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

(b) CITY SHALL HAVE THE RIGHT TO APPROVE 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; SUCH APPROVAL SHALL NOT BE UNREASONABLY WITHHELD, CONDITIONED, OR DELAYED. 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 OR INDEMNIFY INDEMNIFIED PARTIES PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN DEFENSE COUNSEL WITHIN TEN (10) 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 COUNSEL TO THE CONTRARY, TO ASSERT ITS IMMUNITY FROM LIABILITY AND IMMUNITY FROM SUIT AND/OR OTHER AVAILABLE AFFIRMATIVE DEFENSES.

(c) THIS SECTION 4.1 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.

**4.2 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 ACKNOWLEDGES AND AGREES THAT, PROVIDED THERE ARE NO CITY DEFAULTS UNDER THIS AGREEMENT:

(i) THE PUBLIC IMPROVEMENTS 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 IMPROVEMENTS EXPRESSLY SET FORTH IN 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.

(iii) THE DEVELOPER HEREBY AGREES, STIPULATES AND ACKNOWLEDGES THAT: (A) ANY PROPERTY THAT IT CONVEYS TO THE CITY OR ACQUIRES FOR THE CITY PURSUANT TO THIS AGREEMENT 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 AGREES TO WAIVE AND RELEASE 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 IMPROVEMENTS.

(b) Nothing in this Agreement, including this Section 4.2, waives (and Developer expressly reserves) any right the Developer may now or hereafter have with respect to any claim that the application of amendments to the City Regulations, enacted after the Effective Date, to the Property violates any state or federal law, so long as such claim does not relate to any express obligation of Developer set forth in this Agreement.

(c) THIS SECTION 4.2 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

#### **ARTICLE V** **TERM**

The term of this Agreement shall be for a period of twenty (20) years after the Effective Date. The Parties may extend the term of this Agreement if they execute an agreement in writing. Notwithstanding anything to the contrary in this Agreement, this Agreement shall automatically terminate, be *void ab initio* and shall be of no further force or effect if the Developer does not purchase the Property by March 31, 2022 or if Developer notifies the City in writing prior to March 31, 2022 that it will not purchase the Property. Developer shall notify City it has become the owner of the Property within ten (10) days of closing on the Property.

#### **ARTICLE VI** **INFRASTRUCTURE FINANCING**

6.1 PID Financing. The City proposes to create the PID over the Property to fund, in part, the design, construction, and acquisition of the Public Improvements that will confer a special



benefit upon the PID Property. As soon as reasonably practicable following a request by the Developer, and provided the City's financial advisor confirms the bonds are credit worthy and marketable to third party institutional investors, accredited investors, or qualified institutional buyers the City agrees to issue PID Bonds, subject to City Council approval. The process to create the PID and finance the PID Projects shall be as follows:

(a) A PID creation petition will be submitted by the Developer to the City.

(b) PID funding of certain Public Improvements as authorized by the PID Act and approved by the City will include, to the maximum extent authorized by State law, one or more of the following: (i) annual payments by the City to the Developer of PID assessments not pledged to the repayment of PID Bonds; (ii) the issuance by the City of PID Bonds secured by PID assessments and/or other security; (iii) any other method approved by the Parties. The total amount of PID Bonds secured by assessments from the PID Property shall not exceed the amount stated in the PID creation petition, which amount shall not exceed \$45,000,000. In addition, PID funding of the maintenance and operation of the City Public Improvements and offsite roadways as authorized by the PID Act and approved by the City will include, to the maximum extent authorized by State law but subject to the limitation set forth in Section 2.4(b) hereof, a maintenance and operations PID assessment dedicated for such use by the City.

(c) The Public Improvements to be funded by the PID will be described in the PID Service and Assessment Plan, which Public Improvements are described in this Agreement and confer a special benefit on the Property (the "PID Projects"). The Parties agree that Service and Assessment Plan shall provide that payment of the City's cost to administer the PID shall have first priority for payment using PID assessments.

(d) The total estimated cost of the PID Projects (the "PID Project Costs") will be as stated in the PID Service and Assessment Plan, as amended. The PID Project Costs will include the cost of two-year maintenance bonds for the PID Projects, the cost of which bonds will be considered an item eligible for reimbursement through the PID.

(e) The City and the Developer will jointly determine the PID Project Costs, which PID Project Costs shall include the costs of lands acquired or dedicated as rights of way for roadway purposes, and prepare a Service and Assessment Plan for the PID. 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 for the City for public inspection, the City will levy special 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. As needed for consistency with the updated Service and Assessment Plan and consistent with the requirements of Sections 372.019 and 372.020 of the PID Act, the City shall make supplemental assessments, reassessments or new assessments such that assessments reflect the updated PID Project Costs. 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 Projects and the City's reimbursement to the Developer of certain PID Project Costs. It is the intention of the Parties to this Agreement that the Developer be reimbursed

through PID assessments and/or the issuance of PID Bonds as allowed by law, regardless of the timing of the reimbursement agreement. Failure to enter into a PID Reimbursement Agreement does not absolve the City of payment or of reimbursement of PID Project Costs if authorized Public Improvements have been conveyed to the City.

(g) The City will use its reasonable efforts to issue one or more series of PID Bonds secured, in whole or in part, by assessments levied against benefited property within the PID. PID Bonds may also be secured by any other revenue authorized by the PID Act or other State law and approved by the City Council of the City. 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 adequacy of the bond security and the financial obligation of the Developer to pay the amount, if any, by which PID Project Costs exceed the net proceeds from the sale of PID Bonds and the amount, if any, of cost overruns. If the PID Bonds to be issued are to fund PID Projects to be constructed after the issuance of the PID Bonds, the City may require the Developer to secure its obligation to pay any deficit between the amount of the PID Bonds and the costs of construction of the relevant improvements by providing a performance bond, letter of credit, or other security acceptable to the City, in its sole discretion, prior to the issuance of the PID Bonds. 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.

(h) The maximum maturity for any sales of PID Bonds shall not exceed 30 years from the date of delivery thereof and PID assessments to be utilized to secure PID Bonds shall not be levied for any period exceeding 40 years from the Effective Date of this Agreement.

(i) The PID Bonds shall be offered and sold and may be transferred or assigned only (A) upon compliance with applicable securities laws; and (B) unless otherwise agreed to by the City, (i) to qualified institutional buyers, investors or accredited investors as such buyers/investors are defined in compliance with applicable securities laws, and (ii) in minimum denominations of \$100,000 or integral multiples of \$1,000 in excess thereof.

(j) No information regarding the City, including without limitation financial information, shall be included in any offering document relating to PID Bonds without the consent of the City.

(k) Developer agrees to provide periodic information and notices of certain events regarding Developer and Developer's development of the Property within the PID in accordance with Securities and Exchange Commission Rule 15c2-12 and any Developer continuing disclosure agreement related to PID Bonds.

## **6.2 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 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 developers 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 developers 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 arbitrage 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 developers (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 developers 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.

6.3 PID Notices. When selling any of the PID Property after the PID is created, the Developer shall provide notices in a form required by Section 5.014 of the Texas Property Code, as amended, to anyone who purchases property within the PID notifying the purchaser: (a) that the property is located in the PID; (b) that the City has issued or may issue PID bonds; (c) that the City has levied or may levy PID assessments; (d) of the unpaid reimbursement amount of the PID assessment against the Property; (e) of the estimated annual installments if PID assessments are not paid in full; and (f) of the estimated duration of the PID assessment and annual installments. Further, the Developer shall provide an explanation of the PID assessments in written brochures and promotional materials given to each prospective purchaser. This section applies to all owners of all or any portion of the PID Property.

6.4 PID Fee. The Parties agree and acknowledge that at the time PID Bonds are issued by the City, the Developer shall remit to the City the sum of \$2,500 per lot for each residential lot



burdened by assessments securing the PID Bonds issued (the “PID Fee”). The PID Fee shall be paid by the Developer if, and only if, PID Bonds are issued and only on such lots as are burdened by assessment securing the PID Bonds. The PID Fee may be payable, at the option of the Developer, through the proceeds of the PID Bonds or other proceeds of the Developer. Should the City fail or refuse to issue PID Bonds for any phase, no PID Fee shall be owed by the Developer for the lots in such phase.

6.5 Disclosure Information. Prior to the issuance of a series of PID Bonds by the City, Developer agrees to provide all relevant information, including financial information that is reasonably necessary in order to provide potential bond investors with a true and accurate offering document for any PID Bonds. Developer agrees, represents, and warrants that any information provided by Developer for inclusion in a disclosure document for an issue of PID Bonds will not contain any untrue statement of a material fact or omit any statement of material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and Developer further agrees that it will provide a certification to such effect as of the date of the closing of any PID Bonds.

6.6 Tax Certificate. If, in connection with the issuance of a series of PID Bonds, the City is required to deliver a certificate as to tax exemption (a “Tax Certificate”) to satisfy requirements of the Internal Revenue Code of 1986, Developer agrees to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. Developer represents that such facts and estimates will be based on its reasonable expectations as of the date of issuance of the PID Bonds and will be, to the best of the knowledge of the officers of Developer providing such facts and estimates, true, correct and complete as of such date. To the extent that it exercises control or direction over the use or investment of the proceeds of PID Bonds, including, but not limited to, the use of the Public Infrastructure, Developer further agrees that it will not knowingly make, or permit to be made, any use or investment of such funds that would cause any of the covenants or agreements of the City contained in a Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the PID Bonds for federal income tax purposes.

6.7 Legislative Discretion. The City shall use its best efforts to initiate and approve all necessary documents and ordinances required to effectuate this Agreement including, but not limited to, the creation of the PID, the levying of assessments and the issuance of PID Bonds. Nothing contained in this Agreement, however, shall be construed as creating a contractual obligation that controls, waives, or supplants the City Council’s legislative discretion.

## **ARTICLE VII**

### **EVENTS OF DEFAULT; REMEDIES**

7.1 Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given in writing (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given thirty (30) days to cure the alleged failure. 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.

7.2 Remedies. If a Party is in default, the aggrieved Party may, at its option and without prejudice to any other right or remedy under this Agreement, seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, or actions for specific performance, mandamus, or injunctive relief. 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.

## **ARTICLE VIII** **ASSIGNMENT AND ENCUMBRANCE**

### **8.1 Assignment by Developer to Successors.**

(a) The Developer has the right (from time to time without the consent of the City, but upon prior written notice to the City) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the Developer under this Agreement, to any person or entity (an "Developer Assignee") that (i) is or will become an owner of any portion of the Property, (ii) is controlled by or under common control by the Developer and becomes an owner of any portion of the Property, or (iii) is a land bank entity or other entity that facilitates the acquisition, development, or disposition of the Property, provided that the Developer is not in breach of this Agreement at the time of such assignment. A Developer Assignee is considered the "Developer" and a "Party," under this Agreement for purposes of the obligations, rights, title, and interest assigned to the Developer Assignee. Notice of each proposed assignment to a Developer Assignee shall be provided to the City at least fifteen (15) days prior to the effective date of the assignment, which notice shall include a copy of the proposed assignment document together with the name, address, telephone number, and e-mail address (if available) of a contact person representing the Developer Assignee.

(b) Each assignment shall be in writing executed by the Developer and the Developer Assignee and shall obligate the Developer 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 fully executed assignment to a Developer Assignee shall be provided to all Parties within fifteen (15) days after execution. From and after such assignment, the City agrees to look solely to the Developer Assignee for the performance of all obligations assigned to the Developer Assignee and agrees that the Developer shall be released from subsequently performing the assigned obligations and from any liability that results from the Developer 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, Developer shall not be released until the City receives such copy of the assignment.

(c) No assignment by Developer shall release Developer from any liability that resulted from an act or omission by Developer that occurred prior to the effective date of the assignment unless the City approves the release in writing.

(d) The Developer shall maintain written records of all assignments made to Developer Assignees, including a copy of each executed assignment and the Developer Assignee's Notice information as required by this Agreement, and, upon written request from another Party, shall provide a copy of such records to the requesting person or entity.

8.2 Assignment by the City. The City has the right (from time to time without the consent of another Party, but upon prior written Notice to each other Party) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the City under this Agreement, to any agency, authority, or political subdivision of the state (a "City Assignee"). Notice of each proposed assignment to a City Assignee shall be provided to each other Party at least 15 days prior to the effective date of the assignment, which Notice shall include a copy of the proposed assignment document together with the name, address, telephone number, and e-mail address of a contact person representing the City Assignee who the other Party may contact for additional information. Each assignment shall be in writing executed by the City and the City Assignee and shall obligate the City 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 fully executed assignment to a City Assignee shall be provided to all Parties within 15 days after execution. From and after such assignment, all Parties agrees to look solely to the City Assignee for the performance of all obligations assigned to the City Assignee and agrees that the City shall be released from subsequently performing the assigned obligations and from any liability that results from the City Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the other Parties within 15 days after execution, the City shall not be released until the other Parties receive such copy of the assignment. No assignment by the City shall release the City from any liability that resulted from an act or omission by the City that occurred prior to the effective date of the assignment unless the other Parties approve the release in writing. The City shall maintain written records of all assignments made by the City to City Assignees, including a copy of each executed assignment and the City Assignee's Notice information as required by this Agreement, and, upon written request from another Party, shall provide a copy of such records to the requesting person or entity.

8.3 Collateral Assignments. The Developer and Developer 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 without the consent of, but with prompt written Notice to, the City. 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 accept 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 and 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.

8.4 Transfer of Warranties. Any Public Improvements that are transferred to the City, Princeton or Milligan shall be accompanied by all applicable third-party bonds and warranties related to construction and maintenance of such Public Improvements.

8.5 Assignees as Parties. An assignee authorized in accordance with this Agreement and for which notice of assignment has been provided in accordance with this Agreement shall be considered a "Party" for the purposes of this Agreement. With the exception of the End-Buyer of a lot within the Property, any person or entity upon becoming an owner of land or upon obtaining an ownership interest in any part of the Property shall be deemed to be a "Developer" and have all of the obligations of the Developer as set forth in this Agreement and all related documents to the extent of said ownership or ownership interest.

8.6 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.

8.7 Obligated Person. No conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made by the Developer or any successor or assignee of the Developer of this Agreement or any PID reimbursement agreement 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. No conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made by the Developer or any successor or assignee of the Developer of or related to payments received pursuant to this Agreement or any PID reimbursement agreement as security for or the payment of bonds or other securities issued by any entity other than the City.

## **ARTICLE IX**

### **RECORDATION AND ESTOPPEL CERTIFICATES**

9.1 Binding Obligations. This Agreement and all amendments hereto (including amendments to the Concept Plan as allowed in this Agreement) and assignments hereof shall be recorded in the deed records of Collin County on the date Developer becomes the owner of all of the Property, and Developer shall cause this Agreement to be filed simultaneously with the deed conveying ownership of the Property to Developer. City shall provide all wet signature pages immediately upon execution to enable Developer to timely file this Agreement. Developer shall provide a file-stamped copy within fourteen (14) days of such recording in the manner provided for providing notices in Section 10.2. After recording, this Agreement touches the Property and constitutes a covenant running with the Property. Upon recording, this Agreement shall be binding upon the Parties and their successors and assigns permitted by this Agreement and forms a part of any other requirements for Development within the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any end-buyer/homebuyer of a fully developed and improved lot (an "End-Buyer") and shall not negate the End-Buyer's

obligation to comply with the City's Regulations, including but not limited to zoning ordinances, as they currently exist or may be amended.

9.2 Estoppel Certificates. From time to time upon written request of the Developer, if needed to facilitate a sale of all or a portion of the Property or a loan secured by all or a portion of the Property, the City will execute a written estoppel certificate in a form and substance satisfactory to the City, to its reasonable knowledge and belief, identifying any obligations of the Developer under this Agreement that are in default. The Developer shall pay the City \$1,000 at the time of the Developer's request for an estoppel certificate for each request in excess of one per calendar year.

## **ARTICLE X**

### **ADDITIONAL PROVISIONS**

10.1 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 of the City; 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, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

10.2 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 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: City Secretary City of Lowry Crossing 1405 S. Bridgefarmer Road Lowry Crossing, Texas 75069
With a copy to:	Attn: Julie Fort Messer, Fort & McDonald, PLLC 6371 Preston Road, Suite 200 Frisco, Texas 75034



To the Developer: Meritage Homes of Texas, LLC  
8840 Cypress Waters Blvd, Suite 100  
Dallas, Texas 75019  
Attention: David Aughinbaugh

And

Meritage Homes Corporation  
8800 E. Raintree, Suite 300  
Scottsdale, Arizona 85260  
Attention: Ryan Hamilton

With a copy to: Attn: Ross S. Martin  
Winstead PC  
2728 N. Harwood Street, 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 party.

10.3 Interpretation. The Parties acknowledge that each 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 nor against any Party, regardless of which Party originally drafted the provision.

10.4 Time. In this Agreement, time is of the essence and compliance with the times for performance herein is required.

10.5 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by official action by the City Council of the City in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. The Developer represents and warrants that this Agreement has been approved by appropriate action of the Developer, and that the individual executing this Agreement on behalf of the Developer has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions and to the extent provided by law.

10.6 Entire Agreement. 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.

10.7 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision

shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible and upon mutual agreement of the parties, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

10.8 Applicable Law; Venue. This Agreement is entered into pursuant to, and is to be construed and enforced in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Collin County. Exclusive venue for any action to enforce or construe this Agreement shall be in the Collin County District Court.

10.9 Non-Waiver. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

10.10 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.

10.11 Further Documents. The Parties agree that at any time after execution of this Agreement, they will, upon request of another Party, execute and deliver such further documents and do such further acts and things as the other Party may reasonably request in order to effectuate the terms of this Agreement. This provision shall not be construed as limiting or otherwise hindering the legislative discretion of the City Council seated at the time that this Agreement is executed or any future City Council.

10.12 Exhibits. The following exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Description of the Property
Exhibit B	Concept Plan
Exhibit C	Development Standards
Exhibit D	Roadway Cross Sections
Exhibit E	Amenities

10.13 Governmental Powers; 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 under this Agreement. This is an agreement for the provision of goods or services to the City under Section 271.151 et seq. of the Texas Local Government Code.

10.14 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the

essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within three business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care.

10.15 Amendments. This Agreement cannot be modified, amended, or otherwise varied, except in writing signed by the City and the Developer expressly amending the terms of this Agreement.

10.16 Consideration. This Agreement is executed by the Parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is hereby acknowledged.

EXECUTED by the City and the Developer on the respective dates stated below after approval of the City Council of the City on 9/14/21

Date: 12/1/2021

CITY OF LOWRY CROSSING

By: [Signature]

Mayor

ATTEST:

[Signature]  
City Secretary

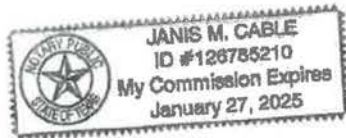


STATE OF TEXAS  
COUNTY OF COLLIN

§  
§  
§

This instrument was acknowledged before me on the 1 day of Dec, 2021, by Rob Pettit, the Mayor of the City of Lowry Crossing, Texas, on behalf of said City.

(SEAL)



Janis M. Cable  
Notary Public, State of Texas

Janis M. Cable  
Name printed or typed

Commission Expires: 1/27/25

**DEVELOPER**

**MERITAGE HOMES OF TEXAS, LLC,**

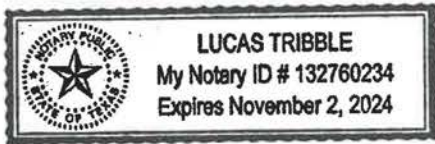
an Arizona limited liability company

By: [Signature]  
Name: DAVID AUGHINBAUGH  
Title: DIVISION VICE PRESIDENT  
Date: NOVEMBER 30, 2021

STATE OF TEXAS §  
COUNTY OF Dallas §

BEFORE ME, the undersigned authority, on this day personally appeared David Aughinbaugh known to me to be one of the persons whose names are subscribed to the foregoing instrument; he/she acknowledged to me that he/she is the Division VP and duly authorized representative of MERITAGE HOMES OF TEXAS, LLC, an Arizona limited liability company, and that he/she executed said instrument for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 30<sup>th</sup> day of November, 2021.



[Signature]  
Notary Public, State of Texas  
My Commission Expires: 11/2/2024

**EXHIBIT "A"**

**DESCRIPTION OF THE PROPERTY**





**EXHIBIT "B"**

**CONCEPT PLAN**





<b>Shelton Road Tract Area Summary</b>	
Open Space & Paved Plaza	96.9
Residential Density	5.5
Lot Yield	0.5
Standard Storage Units	0.8
Potential Lots / Units of Use	540.0
Total	540.0
<b>Open Space Area Summary</b>	
Open Space & Paved Plaza	96.9
Acres	2.24
Total Percent Open Space	22.3%
<b>Lot Yield Summary</b>	
40'x120'	272
50'x120'	268
Total	540
<b>Overall Summary (Units per acre)</b>	
Units	5.0

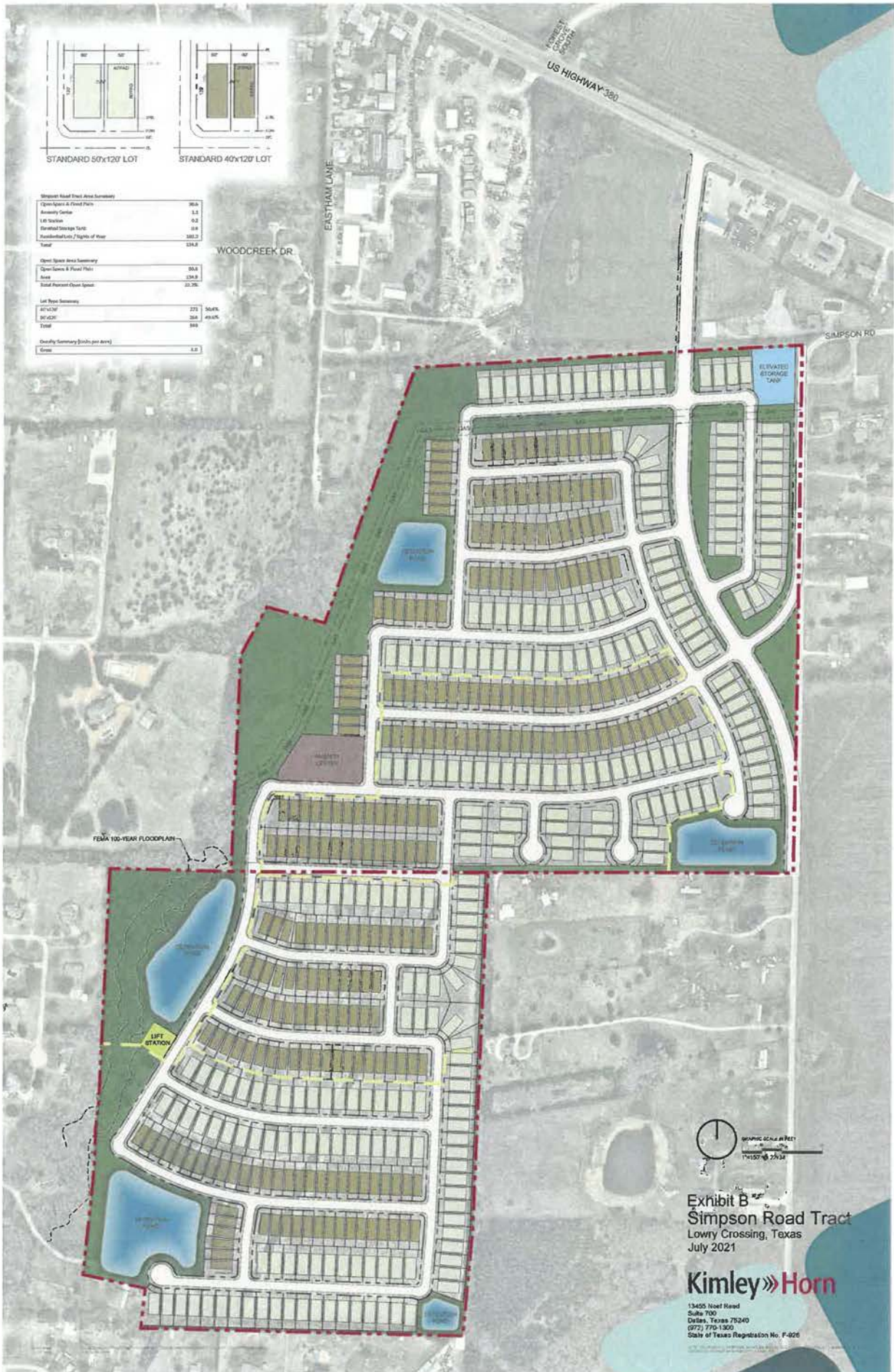


Exhibit B  
Simpson Road Tract  
Lowry Crossing, Texas  
July 2021

**Kimley»Horn**

13450 Noel Road  
Suite 700  
Dallas, Texas 75240  
(972) 770-1800  
State of Texas Registration No. F-026

**EXHIBIT “C”**

**DEVELOPMENT STANDARDS**



**- EXHIBIT C -**  
**DEVELOPMENT STANDARDS**

1. Concept Plan

The property shall generally be developed in accordance with Exhibit B, with certain deviations permitted to address civil engineering, environmental issues, quality of life design improvements and City staff comments regarding such that arise during design. The total number of single-family residential lots shall not exceed 540 lots. The lot mix breakdown for each type of lot is as follows:

- 40' Residential Lots – Maximum 280 lots
- 50' Residential Lots – Minimum 260 lots

2. Lot Regulations

The Development shall meet the standards in the Subdivision Regulations and the Zoning Ordinance, as may be amended, except as follows:

- Base Zoning: R-4

	<b>40' Lots</b>	<b>50' Lots</b>
<b>Minimum Lot Area</b>	4,400 square feet	5,500 square feet
<b>Minimum Lot Width *</b>	40 feet	50 feet
<b>Minimum Lot Depth</b>	110 feet	110 feet
<b>Minimum Front Yard</b>	20 feet	20 feet
<b>Minimum Rear Yard</b>	10 feet	10 feet
<b>Minimum Side Yard on Interior Lots **</b>	5 feet	5 feet
<b>Minimum Side Yard at Corner ***</b>	10 feet	10 feet
<b>Maximum Lot Coverage****</b>	60%	60%
<b>Maximum Building Height</b>	35 feet	35 feet
<b>Minimum Dwelling Area</b>	1,600 square feet	1,600 square feet
<b>Off-Street Parking *****</b>	2 per lot	2 per lot

\* Lot widths shall be measured at the platted front building line. Along arcs, the front building line is measured as the length of the tangent at the platted front building line.

\*\* Air conditioning units may be installed within side yard setback.

\*\*\* Except for key lots, which shall match the front yard of the adjacent lot.

\*\*\*\* Exclusive of sidewalks, driveways and secondary structures.

\*\*\*\*\* Off-Street Parking requirement may be satisfied by garage parking.

### 3. Landscape & Open Space Requirements

Landscaping shall conform to the provisions set forth in the Subdivision Regulations and the Zoning Ordinance, as may be amended, except as follows:

- Residential Lot Landscaping
  - At least one (1) large canopy tree (min 3" caliper at planting as defined below) shall be provided in the front yard of every lot. Corner Lots shall have one (1) additional large canopy tree (min 3" caliper at planting) in the side yard.
  - Fencing shall be of consistent design patterns throughout the development. The fence type shall be a 6-foot spruce stained wood fence with wood posts.
- Interior Open Space
  - The Property shall provide a minimum total open space area of 30.6 acres as generally reflected in the Exhibit B. The provided open space shall satisfy all parkland dedication requirements of the development.
- Perimeter Open Space
  - A minimum 15-foot landscape buffer shall be provided along Simpson Road between the Right-of-Way and the property line of any adjacent residential lots. The 15' landscape buffer shall include one (1) large canopy tree (min 3" caliper at planting as defined below) generally placed every 40 feet.
  - A 6' board-on-board cedar stained fence with masonry columns shall be required where residential lots are adjacent to Simpson Road. The smooth side of the fence shall be placed on the exterior facing away from the homes. All private lots backing to an exterior property line shall include a fence maintenance easement to the benefit of the Home Owners' Association allowing for regular maintenance and re-staining.
- Amenity Center
  - The Developer shall provide an amenity center that includes a pool, lawn area, playground, bathrooms, head-in parking, and a trail that is a minimum 5' wide concrete.

### 4. Tree Mitigation

- Existing tree stands preserved within open spaces and the floodplain area shall satisfy all tree preservation and mitigation requirements for the development and no other planting requirements or fees shall apply. Trees within open space areas may be removed and cleared for roadways, drainage, utilities, and open space improvements as required. Pruning, understory clearing, and maintenance is allowed to occur within the preservation areas as well.
- A large canopy tree includes: Live Oak, Red Oak, Bur Oak, Chinquapin Oak, Bald Cypress, Cedar Elm, Southern Magnolia, Chinese Pistache, Pecan Texas Ash, Eastern Red Cedar, or otherwise as approved by the City Manager or designee.

## 5. Subdivision Regulations

Subdivision design shall conform to the provisions set forth in the subdivision regulations, as they exist or as amended from time to time, except as set forth herein:

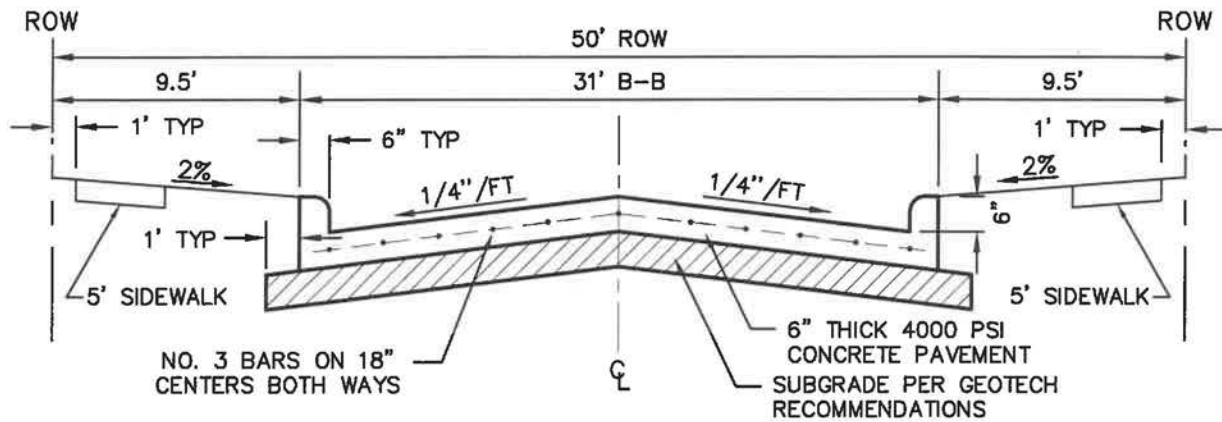
- Interior Right-of-Way. All interior public streets shall be considered Residential Streets. Residential Street right-of-way shall be 50' wide with a minimum of 31' B-to-B concrete paving.
- Simpson Road Right-of-Way. The right-of-way for the realignment of Simpson Road through the Project, as shown on Exhibit B, shall be 80' wide with two lane divided 25' B-B concrete paving. The developer shall provide a 25' wide right-of-way dedication for the existing portion Simpson Road to remain. The developer shall not be obligated to escrow, construct, or improve this existing portion of Simpson Road.
- Sidewalks. All sidewalks shall be a minimum 5' in width.
- Fire Hydrant Spacing. Fire hydrants may be spaced up to 500' as measured along street centerline.
- Drainage. Stormwater runoff may be drained from lot-to-lot. Runoff may only be conveyed through one downstream lot before entering a public Right-of-Way or receiving body of water.
- Detention. The Property shall provide on-site detention facilities sized to prevent an increase in downstream storm water flows above existing conditions for the 100-year storm event.
- Street Lighting. All street lights shall be placed no greater than 500' apart as measured along street centerline.

**EXHIBIT "D"**

**ROADWAY CROSS SECTIONS**

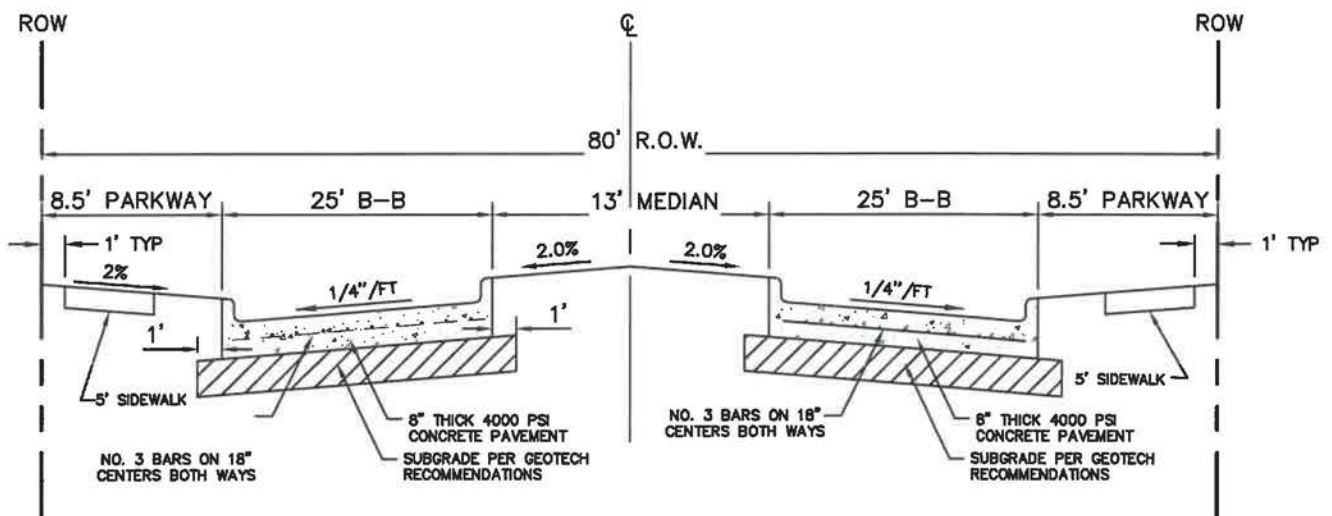
**-EXHIBIT D-**

**SIMPSON CROSSING  
TYPICAL STREET CROSS SECTIONS**



**RESIDENTIAL**

NTS



**SIMPSON ROAD**

NTS

**EXHIBIT “E”**

**AMENITIES**

## **EXHIBIT “E”**

### **AMENITIES**

The Developer shall construct an amenity center that includes a pool, lawn area, playground, bathrooms, head-in parking, and a concrete trail that is a minimum of five (5) feet wide.

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APPENDIX G

REIMBURSEMENT AGREEMENTS

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**AGREEMENT FOR THE CONSTRUCTION AND FUNDING OF AUTHORIZED  
IMPROVEMENTS AND REIMBURSEMENT OF ADVANCES  
IMPROVEMENT AREA #1 PROJECTS**

This Agreement for the Construction and Funding of Authorized Improvements and Reimbursement of Advances (the "Agreement") is made and entered into as of August 8, 2023 by and between the City of Lowry Crossing, a Texas home-rule city (the "City") and Meritage Homes of Texas, LLC, an Arizona limited liability corporation and its successors and assigns (the "Developer").

**RECITALS**

WHEREAS, the Developer, as the developer of approximately 134.906 acres of real property located partially within the corporate limits of the City and partially within the extraterritorial jurisdiction of the City and wholly within Collin County, Texas (the "Property"), desires to develop such Property;

WHEREAS, the City has received a "PETITION FOR THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT BY THE CITY OF LOWRY CROSSING, TEXAS, FOR THE SIMPSON CROSSING DEVELOPMENT" (the "Petition") requesting the formation of the Simpson Road Public Improvement District (the "PID") pursuant to Chapter 372, Texas Local Government Code, as amended (the "PID Act"); and

WHEREAS, the City has accepted the Petition and has created the PID in accordance with the provisions of the PID Act;

WHEREAS, the PID includes the Property; which Property is intended to comprise Improvement Area #1 of the PID, as illustrated in the service and assessment plan ("SAP") to be prepared and approved by the City; and

WHEREAS, the Developer intends to make certain authorized improvements to "Improvement Area #1", which improvements include water and wastewater system improvements, drainage improvements, streets, roadway improvements, sidewalks, right-of-way acquisition, utility easement acquisition, and other improvement projects, all of which are designated as "authorized improvements" under the PID Act (collectively, the "Authorized Improvements"); and

WHEREAS, the purpose of the PID is to finance the Authorized Improvements; and

WHEREAS, development within the PID is expected to be governed by the terms of the Development Agreement between the City and Developer dated December 1, 2021 (as may be amended or otherwise modified, the "Development Agreement"); and

WHEREAS, the SAP shall be prepared and approved by the City in accordance with the PID Act, and shall establish, among other matters, the projected cost of the Authorized Improvements, including the Actual Costs (as defined herein) and PID creation costs as provided in the PID Act (collectively, the "PID Costs"); and

WHEREAS, the SAP shall allocate the PID Costs to the benefitted Property within Improvement Area #1; and

WHEREAS, assessments to be levied against lots within the PID ("PID Assessments") will be

reflected on an assessment roll(s) to be approved by the City Council; and

WHEREAS, the City shall by ordinance approve the SAP (including the assessment roll(s)) levy assessments, and establish the dates upon which interest on PID Assessments will begin to accrue and collection of PID Assessments will begin; and

WHEREAS, all Assessment Revenues (as defined herein) received and collected by the City shall be deposited, as required by the PID Act, into an assessment fund that is segregated from all other funds of the City (the "Assessment Fund") or, in the event of the issuance of bonds to finance the Authorized Improvements ("PID Bonds"), into funds held under an indenture pursuant to which the PID Bonds are issued (the "PID Bond Indenture"); and

WHEREAS, Assessment Revenue deposited into the Assessment Fund or the PID Bond Reimbursement Fund (as defined herein) shall be used solely to reimburse Developer and its assigns for PID Costs advanced by the Developer, plus interest and proceeds from PID Bonds, if issued, shall be used to pay the PID Costs, including costs previously paid by the Developer, and for the purposes set forth in the PID Bond Indenture; and

WHEREAS, the Developer intends to make Developer Advances (as defined herein) for the permitting, design, and construction of the Authorized Improvements and the City intends to acquire and/or receive the Authorized Improvements constructed by the Developer or otherwise authorize the dedication of the Authorized Improvements to another authorized third-party and to reimburse the Developer for the Developer Advances; and

WHEREAS, the City and the Developer desire to enter into this Agreement to memorialize the City's intent to reimburse the Developer for the Developer Advances made for the construction and financing of the Authorized Improvements; and

WHEREAS, the City's obligations to reimburse the Developer for Developer Advances paid related to the Authorized Improvements constructed for the benefit of the PID shall (i) only be paid from the PID Assessments and/or annual installments collected from property within the PID once such PID Assessments are levied, (ii) are contingent upon the City levying such PID Assessments, and (iii) will not be due and owing unless and until the City actually levies such PID Assessments;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the mutual promises, covenants, obligations, and benefits hereinafter set forth, the City and the Developer hereby contract and agree as follows:

#### DEFINITIONS

As used herein, the following terms have the following meanings:

"Assessment Ordinance" shall mean any ordinance adopted by the City Council approving the SAP and levying PID Assessments.

"Closing Disbursement Request" means a request for payment of Actual Costs related to the Authorized Improvements from the proceeds of a series of PID Bonds in a form approved by the City and the Developer.

"Developer Advances" mean advances made by the Developer to pay Actual Costs.

"Developer Improvement Account" means an account of the PID Project Fund which may be created and established under the applicable PID Bond Indenture (and segregated from all other funds contained in the PID Project Fund) into which the City deposits or directs the applicable trustee to deposit any funds received from the Developer as required under such PID Bond Indenture.

"Maturity Date" is the date one year after the last Annual Installment is collected.

"PID Pledged Revenue Fund" means, collectively, the fund established by the City under each applicable PID Bond Indenture (and segregated from all other funds of the City) into which the City deposits Assessment Revenue in accordance with each applicable PID Bond Indenture related to a series of PID Bonds issued and still outstanding.

"PID Project Fund" means, collectively, the fund, including all accounts created within such fund, established by the City under each applicable PID Bond Indenture (and segregated from all other funds of the City) into which the City deposits PID Bond Proceeds in the amounts and as described in the applicable PID Bond Indenture.

"PID Bond Reimbursement Fund" means a fund which may be established by the City under the applicable PID Bond Indenture (and segregated from all other funds of the City) into which the City transfers Assessment Revenues from the applicable PID Pledged Revenue Fund for the purpose of paying amounts due to the Developer under this Agreement or a separate reimbursement agreement and/or Actual Costs of Authorized Improvements that are not paid from PID Bond Proceeds deposited in the applicable account of the PID Project Fund in accordance with each applicable PID Bond Indenture related to a series of PID Bonds issued and still outstanding.

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

## ARTICLE 1

### Construction of the Authorized Improvements

1.01. Design of the Authorized Improvements. All physical facilities to be constructed or acquired as a part of the Authorized Improvements shall be approved by the governmental entity having authority.

#### 1.02. Construction and Acquisition of Authorized Improvements.

(a) The Authorized Improvements shall be constructed and all easements, equipment, materials, and supplies required in connection therewith may be acquired in the name of the City, the retail service provider, or the Developer; provided, however, all construction contracts, easements and other agreements shall contain provisions, in a form reasonably satisfactory to the City's attorneys for improvements to be owned and maintained by the City or an authorized third-party, to the effect that any contractor, materialman or other party to a construction contract, easement or other agreement awarded or entered into by the Developer on behalf of the City shall look solely to the Developer for payment of all sums coming due thereunder and that the City shall have no obligation whatsoever to any such party. Prior to or at the time of reimbursement of the Developer with funds from the Assessment Fund or PID Bonds, as applicable, the Developer shall convey the Authorized Improvements to the City or third-party retail

provider, as applicable, in accordance with Section 3.02 below.

(b) Construction of the Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a) (9) of the Texas Local Government Code, as amended. All plans and specifications for Authorized Improvements to be owned by the City, but not construction contracts, shall be reviewed and approved, in writing, by the City prior to Developer selecting the contractor.

(c) The Authorized Improvements shall be constructed in a good and workmanlike manner and all material used in such construction shall be fit for their intended purpose. In performing this Agreement, the Developer is not the agent or employee of the City.

(d) Upon completion of construction of Authorized Improvements to be owned by the City or an authorized third-party constructed in the name of the Developer, the Developer shall provide the City or such third-party with final "record" drawings of the Authorized Improvements approved by the City's or such third- engineers.

(e) Upon completion of the Authorized Improvements, the Developer shall present to a representative of the City ("City Representative") invoices or other evidences of payment of costs of the Authorized Improvements for review and approval. The City agrees, subject to the provisions of Sections 1.05 and 2.01 hereof, to pay the Developer, and the Developer shall be entitled to receive from the City, the amount equal to the PID Costs and the Actual Costs (as such term is defined herein) paid by the Developer for Authorized Improvement, or overrun costs, allowed hereunder and as described in the SAP, that were paid by the Developer, plus interest, as provided in Article II hereof.

(f) All Authorized Improvements shall be constructed by or at the direction of the Developer in accordance with the plans, the Development Agreement, applicable City ordinances and regulations, including regulations of a third-party receiving any of the Authorized Improvements, and this Agreement and any other agreement between the parties related to property in the PID and/or the Authorized Improvements. 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 has sole responsibility of ensuring that all Authorized Improvements are constructed in accordance with the Development Agreement and 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 or authorized third-party from the Developer. If any Authorized Improvements are or will be on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Authorized Improvements. Inspection and acceptance of Authorized Improvements will be in accordance with applicable City ordinances and regulations.

1.03. Cost of Authorized Improvements. To the extent that the City has not issued PID Bonds, the Developer shall promptly pay the costs of the Authorized Improvements as the same become due

pursuant to an approved Payment Request (as defined herein), including, without limitation, all costs of design, engineering, materials, labor, construction, and inspection arising in connection with the Authorized Improvements; all payments arising under any contracts entered into for the construction of the Authorized Improvements; all costs incurred in connection with obtaining governmental approvals, certificates, permits, easements, rights-of-way, or sites required as a part of the construction of the Authorized Improvements, including, without limitation, any on-site or off-site mitigation costs; and all expenses incurred in connection with the construction of the Authorized Improvements (the "Actual Costs"). The City shall not be liable to any contractor, engineer, attorney, materialman or other party employed or contracted with in connection with the construction of the Authorized Improvements, but shall only be obligated to acquire the Authorized Improvements designated in the Development Agreement as to be owned by the City and/or reimburse the Developer in the manner and to the extent provided in Article II of this Agreement, and for the avoidance of any doubt, solely from Assessments or proceeds of PID Bonds ("PID Bond Proceeds"), if issued.

1.04 Timing of Authorized Improvements. Notwithstanding anything herein to the contrary, the Developer may advance funds and/or construct and install Authorized Improvements as Developer deems appropriate in its sole and absolute discretion, including the construction and installation of Authorized Improvements to serve portions of the Property and in different phases and sections over a period of time. The Developer may exercise its sole discretion on all aspects of the phasing and timing of development and shall not be obligated to advance funds and/or construct and install the Authorized Improvements for the entire Property at one time.

1.05 City's Obligation Limited. The Parties agree the City's obligations to reimburse the Developer for costs paid related to the Authorized Improvements constructed for the benefit of Improvement Area #1 shall only be paid from (A) PID Bonds, if issued and/or (B) the PID Assessments and/or Annual Installments collected from the portion of Improvement Area #1 subject to the PID Assessments (the "Assessed Property") (such PID Assessments or Annual Installments thereof collected on such Assessed Property, the "Assessment Revenue"), and such obligation (i) is contingent upon the City levying such Assessments or issuing PID Bonds related to the Authorized Improvements constructed for the benefit of Improvement Area #1, and (ii) will not be due and owing unless and until the City actually levies such PID Assessments or issues such PID Bonds related to the Authorized Improvements constructed for the benefit of Improvement Area #1. The Parties agree that the levying of the Assessments will create the fund out of which the City will pay its obligation under this Agreement and until such time, this Agreement does not create an obligation of the City.

## ARTICLE II

### Reimbursement for Funds Advanced; Funding of Authorized Improvements

2.01. Obligation to Reimburse; Obligations Limited. The City and Developer agree that the City shall levy Assessments and may, at the discretion of the City issue and sell, from time to time, PID Bonds to fund the Actual Costs. It is the mutual intent and agreement of the City and Developer to provide for future reimbursement of funds advanced for Actual Costs, including PID Costs, by the Developer through the levy of PID Assessments and/or issuance of PID Bonds and use of Assessment Revenues and/or PID Bond Proceeds. The City is obligated, subject to the provisions of Section 1.05 hereof, to reimburse the Developer for all funds advanced by the Developer for the acquisition, construction, and management of any Actual Costs of the Authorized Improvements authorized under Chapter 372, Texas Local Government Code and in accordance with the provisions of the SAP. If the Developer is in substantial compliance with its obligations under the Development Agreement and this Agreement, then following the inspection and

approval of any portion of Authorized Improvements to be owned by the City or an authorized third-party pursuant to the provisions of the PID Act for which Developer seeks reimbursement or payment of the PID Costs by submission of a request for reimbursement or payment (a "Payment Request"), the obligations of the City under this Agreement to pay from Assessment Revenue or the net PID Bond Proceeds, as applicable, disbursements (whether to the Developer or to any person designated by the Developer) identified in any approved Payment Request and to pay debt service on PID Bonds are unconditional and not subject to any defenses or rights of offset except as may be provided by law or in any Indenture; provided, in no event shall the City Representative be authorized to approve a Payment Request if the City has not previously levied Assessments against Assessed Property within the development related to the Authorized Improvements for which such Payment Request has been submitted. To the extent that the City does not issue PID Bonds, and subject to the provisions for Section 1.05, the City agrees to reimburse the Developer from monies available in the Assessment Fund.

Upon the levy of the PID Assessments, the Actual Costs advanced by the Developer and approved pursuant to a Payment Request, but not reimbursed by the City pursuant to the terms of this Agreement, shall bear simple interest per annum at the rates specified in the SAP. The PID Assessments shall accrue interest in accordance with the SAP. Interest shall continue on the unpaid principal amount of the PID Assessments for a lot for 30 years or until the PID Assessments are paid in full, unless otherwise provided in the SAP and/or Assessment Ordinance.

For the avoidance of doubt, the City's obligation to reimburse shall be solely from funds in the Assessment Fund and/or from the PID Bond Proceeds, the Developer agrees to look solely to such sources for reimbursement. The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than the Assessment Fund, or the PID Bond Proceeds if applicable. The Parties further agree that the City's obligation under this agreement with respect to the PID Costs of Authorized Improvements within Improvement Area #1 shall be contingent upon the City levying PID Assessments against Improvement Area #1 related to the Authorized Improvements which will benefit Improvement Area #1. The levying of the PID Assessments against Improvement Area #1 will create the fund out of which the City will pay its obligation and until such time, this Agreement does not create an obligation of the City. Unless approved by the City, no other City funds, revenues, taxes, or income of any kind shall be used to pay: (1) the Actual Costs of the Authorized Improvements; (2) amounts due and owing under this Agreement; or (3) debt service on any PID Bonds. None of the City or any of its elected or appointed officials or any of its officers, employees, consultants or representatives shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

**2.03. Time and Amount of Reimbursement.** The City shall reimburse the Developer for payment of costs related to the Authorized Improvements of construction solely from (i) the proceeds of PID Bonds issued for such phase(s) and/or (ii) Assessment Revenue collected pursuant to PID Assessments levied on Improvement Area #1.

In regards to reimbursement from PID Bonds, the City shall reimburse the Developer for those Actual Costs that have been paid or advanced by the Developer pursuant to Sections 1.03, 1.06, and 2.01 hereof and in accordance with the terms of the PID Bond Indenture.

Additionally, the Developer may request reimbursements directly from Assessment Revenue levied against property within Improvement Area #1. The invoices included with the Payment Request shall identify the payee, the goods, services and/or materials provided by such payee and the total amount paid



with respect to such goods, services and/or materials. If the City timely disapproves of the Payment Request by delivering a detailed notice to the Developer, then payment with respect to the disputed portion(s) of the Payment Request shall not be made until the Developer and the City settle the dispute. The Parties agree to meet promptly and resolve any dispute within 60 days from the date of the initial submittal of the Payment Request for payment is authorized to be approved by a City Representative.

With respect to any Payment Request by the Developer, in no event shall the City Representative be authorized to approve such request if the City has not previously levied Assessments against Assessed Property.

2.05 Fund Deposits. Until PID Bonds payable from Assessment Revenues collected from Improvement Area #1 are issued, the City shall bill, collect, and immediately deposit into the Assessment Fund all Assessment Revenue consisting of: (1) revenue collected from the payment of Assessments (including pre-payments and amounts received from the foreclosure of liens but excluding costs and expenses related to collection); and (2) any additional revenue collected from the payment of Annual Installments, as defined in the SAP (excluding Annual Collection Costs and Delinquent Collection Costs, each as defined in the SAP). Funds in the Assessment Fund shall only be used to pay Actual Costs of the Authorized Improvements or all or any portion of the Reimbursement Agreement Balance in accordance with this Agreement. Once PID Bonds payable from Assessment Revenue are issued, the City shall bill, collect, and immediately deposit all Assessment Revenue securing such series of PID Bonds in the manner set forth in the applicable PID Bond Indenture; and if applicable, the City shall continue to deposit all Assessment Revenue or payments thereof not securing a series of PID Bonds into the Assessment Fund.

Once PID Bonds payable from Assessment Revenue are issued, the City shall also deposit PID Bond Proceeds and any other funds authorized or required by the applicable PID Bond Indenture into the funds established by the applicable PID Bond Indenture in the manner set forth in the applicable PID Bond Indenture. Annual Installments shall be billed and collected by the City (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as City ad valorem taxes are billed and collected. Funds in the PID Project Fund shall only be used in accordance with the applicable PID Bond Indenture; provided that funds disbursed from the applicable PID Project Fund shall be made first from PID Bond Proceeds held in the applicable accounts within such PID Project Fund until such accounts are fully depleted and then from the Developer Improvement Account of the applicable PID Project Fund, if applicable. Funds in the PID Bond Reimbursement Fund shall only be used to pay Actual Costs of the Authorized Improvements not paid from the PID Project Fund in accordance with the applicable PID Bond Indenture.

Notwithstanding any other provision in this Agreement, the Actual Costs of Authorized Improvements shall be paid from: (1) the Assessment Revenue, or (2) net PID Bond Proceeds or other amounts deposited in an account of the PID Project Fund created under an PID Bond Indenture related to PID Bonds secured by the Assessment Revenue. The City will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens related to such Assessments to be enforced continuously, in the manner and to the maximum extent permitted by the Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments for so long as any PID Bonds are outstanding or a Reimbursement Agreement Balance remains outstanding. The City shall determine or cause to be determined, no later than February 15 of each year whether any Annual Installment is delinquent. If delinquencies exist, then 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 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 or to use any City funds, revenues, taxes, income, or property other than moneys collected from the Assessments. Once PID Bonds are issued, the applicable PID Bond Indenture shall control in the event of any conflict with this Agreement.

2.06 Payment of Actual Costs. If PID Bonds are not issued (or prior to such issuance) to pay the Actual Costs, the Developer may elect to make Developer Advances to pay Actual Costs. If PID Bonds are issued, the PID Bond Proceeds shall be used in the manner provided in the applicable PID Bond Indenture; and, except as may be required under the Development Agreement and/or an applicable PID Bond Indenture, the Developer shall have no obligation to make Developer Advances for the related Authorized Improvements, unless the PID Bond Proceeds, together with any other funds in the PID Project Fund, are insufficient to pay the Actual Costs of such Authorized Improvements, in which case the Developer shall make Developer Advances to pay the deficit. If Developer Advances are required in connection with the issuance of a series of PID Bonds, then such Developer Advances may be reduced by the amount of payments of Actual Costs of the Authorized Improvements (or portions thereof) to be financed by such PID Bonds that the Developer has previously paid if (i) the Developer submits to the City all information related to such costs that would be required by a Closing Disbursement Request at least fifteen (15) business days prior to the scheduled closing date of such PID Bonds, and (ii) the City approves such Actual Costs in writing. The Developer shall also make Developer Advances to pay for cost overruns (after applying cost savings). The lack of PID Bond Proceeds or other funds in the PID Project Fund shall not diminish the obligation of the Developer to pay Actual Costs of the Authorized Improvements.

2.07 Payment of Reimbursement Agreement Balance. The City agrees to pay to the Developer, and the Developer shall be entitled to receive payments from the City (subject to the provisions of Sections 1.05 and 2.01 hereof) , until the Maturity Date, for amounts shown on each approved Payment Request (which amounts include all Actual Costs paid by or at the direction of the Developer) plus simple interest on the unpaid principal balance at the rate identified in the SAP approved at the time the City levies the PID Assessments together with accrued but unpaid interest, owed the Developer for all approved Payment Requests is referred to as the "Reimbursement Agreement Balance"); provided, however, upon the issuance of PID Bonds, the interest rate due and unpaid on amounts shown on each Payment Request to be paid to the Developer shall be the lower of: (1) the interest rate on the applicable series of PID Bonds issued to finance the costs of the Authorized Improvements for which the Payment Request was filed, or (2) the interest rate approved by the City Council of the City in the Assessment Ordinance levying the Assessments from which such PID Bonds shall be paid. The interest rates set forth in this section have been approved by the City Council and are authorized by the Act. The principal amount of each portion of the Reimbursement Agreement Balance to be paid under each Assessment Ordinance shall be set forth in the SAP. The City's obligations to pay the Reimbursement Agreement Balance related to the Authorized Improvements constructed for the benefit of Improvement Area #1 shall (i) only be paid from the PID Assessments and/or annual installments collected from property within the PID once such PID Assessments are levied, (ii) are contingent upon the City levying such PID Assessments, and (iii) will not be due and owing unless and until the City actually levies such PID Assessments. Interest will not accrue on Payment Requests until such time as they have been approved pursuant to the terms of this Agreement.

The Reimbursement Agreement Balance is payable solely from: (1) the Assessment Fund if no PID Bonds are issued for the purpose of paying the Authorized Improvements related to such Reimbursement Agreement Balance, or (2) from PID Bond Proceeds and the PID Bond Reimbursement Fund, if applicable, if PID Bonds are issued for the purpose of paying the Authorized Improvements related to such Reimbursement Agreement Balance. No other City funds, revenues, taxes, income, or property shall be used even if the Reimbursement Agreement Balance is not paid in full by the Maturity Date. Payments

made from PID Bond Proceeds deposited in the PID Project Fund and payments made from the PID Bond Reimbursement Fund, if applicable, shall be made in the manner set forth in the applicable PID Bond Indenture.

So long as no PID Bonds are issued and the City has received and approved a Payment Request, the City shall make a payment to the Developer from the Assessment Fund for an amount of the Reimbursement Agreement Balance at least annually, and no later than 60 days after the date payment of the Annual Installments are due, not to exceed the Assessment Revenue collected by and payable to the City. In the event that a Prepayment of an Assessment is made prior to the issuance of PID Bonds, the City shall remit payment to the Developer of an amount of the Reimbursement Agreement Balance then due and payable not to exceed the Assessment Revenue related to such Prepayment from the Assessment Revenue deposited into the Assessment Fund within 60 days after the Prepayment is made. Payments made from the Assessment Fund toward any outstanding Reimbursement Agreement Balance, shall first be applied to unpaid interest on such Reimbursement Agreement Balance owed to the Developer, and second to unpaid principal of the Reimbursement Agreement Balance owed to the Developer. Each payment from the Assessment Fund shall be accompanied by an accounting that certifies the Reimbursement Agreement Balance as of the date of the payment and that itemizes all deposits to and disbursements from the fund since the last payment.

2.08 Disbursements and Transfers at and after Bond Closing. The City and the Developer agree that from the proceeds of the PID Bonds, and upon the presentation of evidence satisfactory to the City Representative, the City will cause the trustee under the applicable PID Bond Indenture to pay at closing of the PID Bonds approved amounts from the appropriate account to the persons entitled to payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the PID and any other eligible costs incurred by the Developer and the City as of the time of the delivery of the PID Bonds as described in the SAP. In order to receive disbursement, the Developer shall execute a Closing Disbursement Request to be delivered to the City no less than fifteen (15) business days prior to the scheduled closing date for the applicable series of PID Bonds for payment in accordance with the provisions of the PID Bond Indenture. In order to receive additional disbursements from any applicable fund under a PID Bond Indenture, the Developer shall execute a Payment Request, no more frequently than monthly, to be delivered to the City for payment in accordance with the provisions of the applicable PID Bond Indenture and this Agreement. Upon receipt of a Payment Request (along with all accompanying documentation required by the City) from the Developer, the City shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all Applicable Laws and applicable plans therefore and with the terms of this Agreement and any other agreement between the parties related to property in the PID, and to verify and approve the Actual Costs of such work specified in such Payment Request. The City shall also conduct such review as is required in its discretion to confirm the matters certified in the Payment Request. The Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. The Developer further agrees that if the City provides to the Developer a sales tax exemption certificate then sales tax will not be approved for payment under a Payment Request. Within fifteen (15) business days following receipt of any Payment Request after the issuance of a series of PID Bonds, the City shall either: (1) approve the Payment Request and forward it to the trustee for payment, or (2) provide the Developer with written notification of disapproval of all or part of a Payment Request, specifying the basis for any such disapproval. Any disputes shall be resolved as required herein. The City shall deliver the approved or partially approved Payment Request to the trustee for payment, and the trustee shall make the disbursements as quickly as practicable thereafter.

### ARTICLE III

#### Acquisition of Authorized Improvements

**3.01. Acquisition of Improvements.** At or prior to the time of reimbursement of the Developer for the Actual Costs or a portion of the Actual Costs, the City will acquire or cause to be acquired such Authorized Improvements that are to be owned by the City, as set forth in the Development Agreement, from the Developer as have been constructed in the name of the Developer for the benefit of the City, including off-site Authorized Improvements. At or prior to the time of reimbursement of the Developer for the Actual Costs or a portion of the Actual Costs related to Authorized Improvements to be owned by an authorized third-party pursuant to the provisions of the PID Act, such entity will acquire or cause to be acquired such Authorized Improvements from the Developer as have been constructed in the name of the Developer for the benefit of such entity, including off-site Authorized Improvements.

**3.02. Conveyance Requirements.** The Developer shall convey the Authorized Improvements to be owned by the City to the City by deed or other appropriate instrument of conveyance, with full warranties, free and clear of any liens, claims, encumbrance, options, charges, assessments, restrictions, laminations or reservations, including liens for ad valorem taxes for past and current years, and payments due to construction contractors, laborers, or materialmen, unless otherwise waived by the City. The Developer may also convey the Authorized Improvements to be owned by the City to the City by plat or other instrument on behalf of or benefiting the City. The Developer shall convey the Authorized Improvements to be owned by an authorized third-party pursuant to the provisions of the PID Act to such entity by deed or other appropriate instrument of conveyance, with full warranties, free and clear of any liens, claims, encumbrance, options, charges, assessments, restrictions, laminations or reservations, including liens for ad valorem taxes for past and current years, and payments due to construction contractors, laborers, or materialmen, unless otherwise waived by such entity. The Developer shall provide reasonable proof of title and proof of no liens, claims, or encumbrances. Conveyance of any Authorized Improvements to be owned by the City at any time shall be subject to the reimbursement obligations created in this Agreement. Each conveyance shall include all easements within which the Authorized Improvements are located, unless such easements have been dedicated to the public, and all easements necessary to own, operate and maintain the Authorized Improvements. Each conveyance shall additionally include fee simple title to any and all plant sites, together with necessary rights of way where such site or sites are not directly accessible by a dedicated public street, and all licenses, franchises and permits for the Authorized Improvements. The Developer shall also assign, in writing, all of its contractors' and materialmen's warranties relating to the Authorized Improvements to be owned by the City. All documents or instruments of conveyance, transfer, or assignment hereunder of Authorized Improvements to be owned by the City shall be in a form and content acceptable to the City's attorneys. The Developer, at the time of reimbursement by the City for Authorized Improvements to be owned by the City, shall deliver to the City a release of all liens upon the bonded Authorized Improvements securing the costs of construction of the bonded Authorized Improvements advanced by a third party lender. Any conveyance of Authorized Improvements to the City by plat shall not be considered effective until the City has provided a letter of acceptance for such Authorized Improvements. Any conveyance of Authorized Improvements to the City by deed or similar instrument shall not be considered effective until such deed or other instrument is recorded in the property records of Collin County.

Prior to completion and conveyance to the City of any Authorized Improvements to be owned by the City, the Developer shall cause to be provided to the City a maintenance bond in the amount required by the City's subdivision regulations for applicable Authorized Improvements, which maintenance bond shall be for a term of two years from the date of final acceptance of the applicable Authorized

Improvements. Any surety company through which a bond is written shall be a surety company duly authorized to do business in the State of Texas, provided that legal counsel for the City has the right to reject any surety company regardless of such company's authorization to do business in Texas. Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto so long as such delay in performance shall not subject the Authorized Improvements to foreclosure, forfeiture, or sale. In the event that any such lien and/or judgment with respect to the Authorized Improvements is contested, the Developer shall be required to post or cause the delivery of a surety bond or letter of credit, whichever is preferred by the City, in an amount reasonably determined by the City, not to exceed 120 percent of the disputed amount.

3.03. Correction of Defects. Conveyance of any Authorized Improvements to the City shall not relieve the Developer of liability for the correction of any existing engineering or construction defects then existing in the Authorized Improvements to be owned by the City or for satisfaction of any unpaid claim for materials or labor. The City shall be under no obligation to contest or challenge any claim for labor or materials; provided, however, that in the event the Developer fails to promptly correct any such defect or satisfy any such claim, the City may elect to do so and, in such event, shall have full rights of subrogation. Subject to any applicable statutes of limitation, the Developer shall pay the City for the City's costs in correcting any defect or satisfying any claim including, but not limited to, construction costs, engineering fees, attorneys' fees, building or construction permits, filing fees or court costs.

3.04. Survival or Representations. All representations, warranties and agreements of the City and the Developer hereunder shall survive the conveyance of the Authorized Improvements to the City.

#### ARTICLE IV

##### Representations

4.01. Representations by the Developer. The Developer hereby represents to the City that:

- (a) The execution and delivery of this Agreement and the transactions contemplated hereby have been duly authorized by the Developer;
- (b) This Agreement, the representations and covenants contained herein, and the consummation of the transactions contemplated hereby shall not violate or constitute a breach of any contract or other agreement to which the Developer is a party;
- (c) The Developer has made financial arrangements sufficient to assure its ability to perform its obligations hereunder; and
- (d) The Developer will send a representative to all meetings of the City Council of the City at which such presence may be requested.

4.02. Representations by the City. The City hereby represents and covenants to the Developer that it shall use its good faith efforts:

- (a) To, if decided by the City, Issue PID Bonds pursuant to the PID Act and other applicable law; and

- (b) To levy and collect the PID Assessments.

## ARTICLE V

### Remedies

5.01. Default by the Developer. In the event of uncured default by the Developer hereunder after notice and a reasonable opportunity to cure, the City shall have the right:

- (a) To terminate this Agreement without thereby incurring any liability to the Developer whatsoever;
- (b) To pursue all other legal or equitable remedies;
- (c) To recover from the Developer all expenses incurred in pursuing its legal rights hereunder, including reasonable attorneys' fees.

An event of default by the Developer does not release the City from the obligation to reimburse the Developer for Actual Costs advanced or incurred by the Developer on behalf of the City prior to the date of default by the Developer or to reimburse the Developer for Authorized Improvements previously acquired by or conveyed to the City or applicable retail provider.

5.02. Default by City. In the event of default by the City hereunder, the Developer shall be entitled to seek a writ of mandamus from a court of competent jurisdiction compelling and requiring the City and its officers to observe and perform the covenants, obligations and conditions hereof.

5.03. Future Performance. The failure of either party hereto to insist, in any one or more instances, upon performance of any of the terms, covenants, and conditions of this Agreement, shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant, or condition by the other party hereto, but the obligation of such other party with respect to such future performance shall continue in full force and effect.

## ARTICLE VI

### Miscellaneous

6.01. Severability. In case any one or more provision contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.02. Modification. This Agreement may be modified or varied only by a written instrument subscribed by both of the parties hereto including a reimbursement agreement entered into for a phase of development or issuance of PID Bonds.

6.03. Assignability. This Agreement may be assigned in whole or in part by the Developer upon the delivery to the City of a written instrument evidencing such assignment and consent or acknowledgment of the City to such written instrument. Notwithstanding the foregoing, the City hereby authorizes the Developer to grant a security interest in the Developers' rights hereunder and to all sums to be paid to the

Developer by the City pursuant to this Agreement to any bank or lending institution making a construction or development loan to the Developer for payment of Actual Costs without City consent and to the extent permitted by State law.

6.04. Captions. The captions used in connection with the paragraphs of this Agreement are for convenience only and shall not be deemed to construe or limit the meaning of the language contained in this Agreement, or used as interpreting the meanings and provisions hereof.

6.05. Applicable Law. This Agreement shall be construed and interpreted under the laws of the State of Texas and all obligations of the parties created hereunder are performable in Collin County, Texas.

6.06. Parties at Interest. This Agreement shall be for the sole and exclusive benefit of the parties hereto and shall never be construed to confer any benefit on any third party. This Agreement shall be binding upon each party, its successors and assigns.

6.08. Term. The term of this Agreement shall begin on the Effective Date and shall continue until the earlier to occur of the issuance of PID Bonds or the date on which the amounts due under this Agreement are paid in full. Upon the issuance of the first series of PID Bonds secured by Assessments levied against property located within the PID, this Agreement shall terminate without any further act of the City or the Developer.

6.09. Force Majeure. If the City or the Developer is rendered unable, in whole or in part, by force majeure to carry out any of its obligations under this Agreement, then the obligations of such party, to the extent affected by such force majeure and to the extent that due diligence is being used to remedy such inability and to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. The term "force majeure", as used herein, shall include, without limitation, acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemy; order of any kind of the Government of the United States or the State of Texas or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accidents to machinery; pipelines or canals; partial or total failure of water supply and inability to provide water necessary for operation of the sewer system, or to receive waste; and any other inability of the party, whether similar to those enumerated or otherwise, which are not within the control of the party, which the party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of such party, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of such party.

6.10 Non-Waiver. The failure by a Party to insist upon the strict performance of any provision of this Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Agreement.

6.11 Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the City and the Developer any rights under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the City and the Developer.

6.12 Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

6.13 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 incentives 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.

6.14 No 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 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 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.

6.15 Iran, Sudan, and Foreign Terrorist Organizations. 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/iran-list.pdf>, or  
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable to City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law or Texas 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.

6.16 No Discrimination Against Fossil Fuel Companies. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott energy companies," a term defined in Section



2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

6.17 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."

Affiliate. As used in Sections 4.19 through 4.23, 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.

6.18 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.

6.19 Notice. Any notice referenced in this Agreement must be in writing and shall be deemed given at the addresses shown below: (1) when delivered by a nationally recognized delivery service such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person is the named addressee; or (2) 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the City:                      Attn: City Secretary  
City of Lowry Crossing, Texas  
1405 S. Bridgefarmer Road  
Lowry Crossing, Texas 75069  
E-mail: jcable@lowrycrossingtx.com  
TEL: 972-542-8678

With a copy to:                      Attn: Julie Fort  
Messer, Fort & McDonald, PLLC  
6371 Preston Road, Suite 200  
Frisco, Texas 75034  
E-mail: julie@txmunicipallaw.com  
TEL: 855-668-6400

To the Developer:      Attn: Frank Su  
Meritage Homes of Texas, LLD  
8840 Cypress Waters Boulevard, Suite 100  
Coppell, Texas 76092  
E-mail: [frank.su@meritagehomes.com](mailto:frank.su@meritagehomes.com)  
TEL: (972) 580-6375  
FAX: (972) 534-1532

With a copy to:      Attn: Ross Martin  
Winstead PC  
2728 N. Harwood Street, Suite 500  
Dallas, Texas 75201  
E-mail: [ramartin@winstead.com](mailto:ramartin@winstead.com)  
TEL: (214) 745-5353  
FAX: (214) 745-5390

[Signatures to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple counterparts, each of equal dignity, to be effective as of the date first written above.

**CITY:**

CITY OF Leproy Crossing, TEXAS

By: [Signature]  
Name: Bob Pettitt  
Title: MAYOR

[Signature]  
Janis Cable  
City Secretary

**DEVELOPER:**

**MERITAGE HOMES OF TEXAS, LLC,**  
an Arizona limited liability company

By: 

Name: Frank Su

Title: Vice President, Land Acquisition

Date: August 8, 2023

**AGREEMENT FOR THE CONSTRUCTION AND FUNDING OF AUTHORIZED  
IMPROVEMENTS AND REIMBURSEMENT OF ADVANCES  
IMPROVEMENT AREA #2 (MAJOR IMPROVEMENTS)**

This Agreement for the Construction and Funding of Authorized Improvements and Reimbursement of Advances (the "Agreement") is made and entered into as of August 8, 2023 by and between the City of Lowry Crossing, a Texas Type A general law city (the "City") and Meritage Homes of Texas, LLC, an Arizona limited liability corporation and its successors and assigns (the "Developer").

**RECITALS**

WHEREAS, the Developer, as the developer of certain real property located partially within the corporate limits of the City and partially within the extraterritorial jurisdiction of the City and wholly within Collin County, Texas (the "Property"), desires to develop such Property;

WHEREAS, the City has received a "PETITION FOR THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT BY THE CITY OF LOWRY CROSSING, TEXAS, FOR THE SIMPSON CROSSING DEVELOPMENT" (the "Petition") requesting the formation of the Simpson Road Public Improvement District (the "PID") pursuant to Chapter 372, Texas Local Government Code, as amended (the "PID Act"); and

WHEREAS, the City has accepted the Petition and has created the PID in accordance with the provisions of the PID Act;

WHEREAS, the PID includes the Property; which Property is intended to comprise "Improvement Area #2" of the PID, as illustrated in the service and assessment plan ("SAP") to be prepared and approved by the City; and

WHEREAS, the Developer intends to make certain authorized improvements to the Improvement Area #2, which improvements include water and wastewater system improvements, drainage improvements, streets, roadway improvements, sidewalks, right-of-way acquisition, utility easement acquisition, and other improvement projects, all of which are designated as "authorized improvements" under the PID Act (collectively, the "Authorized Improvements"); and

WHEREAS, the purpose of the PID is to finance the Authorized Improvements; and

WHEREAS, development within the PID is expected to be governed by the terms of the Development Agreement between the City and Developer dated December 1, 2021 (as may be amended or otherwise modified, the "Development Agreement"); and

WHEREAS, SAP shall be prepared and approved by the City in accordance with the PID Act, and shall establish, among other matters, the projected cost of the Authorized Improvements, including the Actual Costs (as defined herein) and PID creation costs as provided in the PID Act (collectively, the "PID Costs"); and

WHEREAS, the SAP shall allocate the PID Costs to the benefitted Property within the PID; and

WHEREAS, assessments to be levied against lots within Improvement Area #2 ("PID

Assessments”) will be reflected on an assessment roll(s) to be approved by the City Council; and

WHEREAS, the City shall by ordinance approve the SAP (including the assessment roll(s)), levy assessments, and establish the dates upon which interest on PID Assessments will begin to accrue and collection of PID Assessments will begin; and

WHEREAS, all Assessment Revenues (as defined herein) received and collected by the City shall be deposited, as required by the PID Act, into an assessment fund that is segregated from all other funds of the City (the “Assessment Fund”) or, in the event of the issuance of bonds to finance the Authorized Improvements (“PID Bonds”), into funds held under an indenture pursuant to which the PID Bonds are issued (the “PID Bond Indenture”); and

WHEREAS, Assessment Revenue deposited into the Assessment Fund or the PID Bond Reimbursement Fund (as defined herein) shall be used solely to reimburse Developer and its assigns for PID Costs advanced by the Developer, plus interest and proceeds from PID Bonds, if issued, shall be used to pay the PID Costs, including costs previously paid by the Developer, and for the purposes set forth in the PID Bond Indenture; and

WHEREAS, the Developer intends to make Developer Advances (as defined herein) for the permitting, design, and construction of the Authorized Improvements and the City intends to acquire and/or receive the Authorized Improvements constructed by the Developer or otherwise authorize the dedication of the Authorized Improvements to another authorized third-party and to reimburse the Developer for the Developer Advances; and

WHEREAS, the City and the Developer desire to enter into this Agreement to memorialize the City’s intent to reimburse the Developer for the Developer Advances made for the construction and financing of the Authorized Improvements; and

WHEREAS, the City’s obligations to reimburse the Developer for Developer Advances paid related to the Authorized Improvements constructed for the benefit of the PID shall (i) only be paid from the PID Assessments and/or annual installments collected from property within the PID once such PID Assessments are levied, (ii) are contingent upon the City levying such PID Assessments, and (iii) will not be due and owing unless and until the City actually levies such PID Assessments;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the mutual promises, covenants, obligations, and benefits hereinafter set forth, the City and the Developer hereby contract and agree as follows:

#### DEFINITIONS

As used herein, the following terms have the following meanings:

“Assessment Ordinance” shall mean any ordinance adopted by the City Council approving the SAP and levying PID Assessments.

“Closing Disbursement Request” means a request for payment of Actual Costs related to the Authorized Improvements from the proceeds of a series of PID Bonds in a form approved by the City and the Developer.

“Developer Advances” mean advances made by the Developer to pay Actual Costs.

“Developer Improvement Account” means an account of the PID Project Fund which may be created and established under the applicable PID Bond Indenture (and segregated from all other funds contained in the PID Project Fund) into which the City deposits or directs the applicable trustee to deposit any funds received from the Developer as required under such PID Bond Indenture.

“Maturity Date” is the date one year after the last Annual Installment is collected.

“PID Pledged Revenue Fund” means, collectively, the fund established by the City under each applicable PID Bond Indenture (and segregated from all other funds of the City) into which the City deposits Assessment Revenue in accordance with each applicable PID Bond Indenture related to a series of PID Bonds issued and still outstanding.

“PID Project Fund” means, collectively, the fund, including all accounts created within such fund, established by the City under each applicable PID Bond Indenture (and segregated from all other funds of the City) into which the City deposits PID Bond Proceeds in the amounts and as described in the applicable PID Bond Indenture.

“PID Bond Reimbursement Fund” means a fund which may be established by the City under the applicable PID Bond Indenture (and segregated from all other funds of the City) into which the City transfers Assessment Revenues from the applicable PID Pledged Revenue Fund for the purpose of paying amounts due to the Developer under this Agreement or a separate reimbursement agreement and/or Actual Costs of Authorized Improvements that are not paid from PID Bond Proceeds deposited in the applicable account of the PID Project Fund in accordance with each applicable PID Bond Indenture related to a series of PID Bonds issued and still outstanding.

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

## ARTICLE 1

### Construction of the Authorized Improvements

1.01. Design of the Authorized Improvements. All physical facilities to be constructed or acquired as a part of the Authorized Improvements shall be approved by the governmental entity having authority.

1.02. Construction and Acquisition of Authorized Improvements.

(a) The Authorized Improvements shall be constructed and all easements, equipment, materials, and supplies required in connection therewith may be acquired in the name of the City, the retail service provider, or the Developer; provided, however, all construction contracts, easements and other agreements shall contain provisions, in a form reasonably satisfactory to the City’s attorneys for improvements to be owned and maintained by the City or an authorized third-party, to the effect that any contractor, materialman or other party to a construction contract, easement or other agreement awarded or entered into by the Developer on behalf of the City shall look solely to the Developer for payment of all sums coming due thereunder and that the City shall have no obligation whatsoever to any such party. Prior



to or at the time of reimbursement of the Developer with funds from the Assessment Fund or PID Bonds, as applicable, the Developer shall convey the Authorized Improvements to the City or third-party retail provider, as applicable, in accordance with Section 3.02 below.

(b) Construction of the Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a) (9) of the Texas Local Government Code, as amended. All plans and specifications for Authorized Improvements to be owned by the City, but not construction contracts, shall be reviewed and approved, in writing, by the City prior to Developer selecting the contractor.

(c) The Authorized Improvements shall be constructed in a good and workmanlike manner and all material used in such construction shall be fit for their intended purpose. In performing this Agreement, the Developer is not the agent or employee of the City.

(d) Upon completion of construction of Authorized Improvements to be owned by the City or an authorized third-party constructed in the name of the Developer, the Developer shall provide the City or such third-party with final "record" drawings of the Authorized Improvements approved by the City's or such third-party's engineers.

(e) Upon completion of the Authorized Improvements, the Developer shall present to a representative of the City ("City Representative") invoices or other evidences of payment of costs of the Authorized Improvements for review and approval. The City agrees, subject to the provisions of Sections 1.05 and 2.01 hereof, to pay the Developer, and the Developer shall be entitled to receive from the City, the amount equal to the PID Costs and the Actual Costs (as such term is defined herein) paid by the Developer for Authorized Improvement, or overrun costs, allowed hereunder and as described in the SAP, that were paid by the Developer, plus interest, as provided in Article II hereof.

(f) All Authorized Improvements shall be constructed by or at the direction of the Developer in accordance with the plans, the Development Agreement, applicable City ordinances and regulations, including regulations of a third-party receiving any of the Authorized Improvements, and this Agreement and any other agreement between the parties related to property in the PID and/or the Authorized Improvements. 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 has sole responsibility of ensuring that all Authorized Improvements are constructed in accordance with the Development Agreement and 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 or authorized third-party from the Developer. If any Authorized Improvements are or will be on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Authorized Improvements. Inspection and acceptance of Authorized Improvements will be in accordance with applicable City ordinances and regulations.

1.03. Cost of Authorized Improvements. To the extent that the City has not issued PID Bonds, the Developer shall promptly pay the costs of the Authorized Improvements as the same become due pursuant to an approved Payment Request (as defined herein), including, without limitation, all costs of design, engineering, materials, labor, construction, and inspection arising in connection with the Authorized Improvements; all payments arising under any contracts entered into for the construction of the Authorized Improvements; all costs incurred in connection with obtaining governmental approvals, certificates, permits, easements, rights-of-way, or sites required as a part of the construction of the Authorized Improvements, including, without limitation, any on-site or off-site mitigation costs; and all expenses incurred in connection with the construction of the Authorized Improvements (the "Actual Costs"). The City shall not be liable to any contractor, engineer, attorney, materialman or other party employed or contracted with in connection with the construction of the Authorized Improvements, but shall only be obligated to acquire the Authorized Improvements designated in the Development Agreement as to be owned by the City and/or reimburse the Developer in the manner and to the extent provided in Article II of this Agreement, and for the avoidance of any doubt, solely from Assessments or proceeds of PID Bonds ("PID Bond Proceeds"), if issued.

1.04 Timing of Authorized Improvements. Notwithstanding anything herein to the contrary, the Developer may advance funds and/or construct and install Authorized Improvements as Developer deems appropriate in its sole and absolute discretion, including the construction and installation of Authorized Improvements to serve portions of the Property and in different phases and sections over a period of time. The Developer may exercise its sole discretion on all aspects of the phasing and timing of development and shall not be obligated to advance funds and/or construct and install the Authorized Improvements for the entire Property at one time.

1.05 City's Obligation Limited. The Parties agree the City's obligations to reimburse the Developer for costs paid related to the Authorized Improvements constructed for the benefit of Improvement Area #2 shall only be paid from (A) PID Bonds, if issued and/or (B) the PID Assessments and/or Annual Installments collected from the portion Improvement Area #2 subject to the PID Assessments (the "Assessed Property") (such PID Assessments or Annual Installments thereof collected on such Assessed Property, the "Assessment Revenue"), and such obligation (i) is contingent upon the City levying such Assessments or issuing PID Bonds related to the Authorized Improvements constructed for the benefit of Improvement Area #2, and (ii) will not be due and owing unless and until the City actually levies such PID Assessments or issues such PID Bonds related to the Authorized Improvements constructed for the benefit of Improvement Area #2. The Parties agree that the levying of the Assessments will create the fund out of which the City will pay its obligation under this Agreement and until such time, this Agreement does not create an obligation of the City.

## ARTICLE II

### Reimbursement for Funds Advanced; Funding of Authorized Improvements

2.01. Obligation to Reimburse; Obligations Limited. The City and Developer agree that the City shall levy Assessments and may, at the discretion of the City issue and sell, from time to time, PID Bonds to fund the Actual Costs. It is the mutual intent and agreement of the City and Developer to provide for future reimbursement of funds advanced for Actual Costs, including PID Costs, by the Developer through the levy of PID Assessments and/or issuance of PID Bonds and use of Assessment Revenues and/or PID Bond Proceeds. The City is obligated, subject to the provisions of Section 1.05 hereof, to reimburse the

Developer for all funds advanced by the Developer for the acquisition, construction, and management of any Actual Costs of the Authorized Improvements authorized under Chapter 372, Texas Local Government Code and in accordance with the provisions of the SAP. If the Developer is in substantial compliance with its obligations under the Development Agreement and this Agreement, then following the inspection and approval of any portion of Authorized Improvements to be owned by the City or an authorized third-party pursuant to the provisions of the PID Act for which Developer seeks reimbursement or payment of the PID Costs by submission of a request for reimbursement or payment (a "Payment Request"), the obligations of the City under this Agreement to pay from Assessment Revenue or the net PID Bond Proceeds, as applicable, disbursements (whether to the Developer or to any person designated by the Developer) identified in any approved Payment Request and to pay debt service on PID Bonds are unconditional and not subject to any defenses or rights of offset except as may be provided by law or in any Indenture; provided, in no event shall the City Representative be authorized to approve a Payment Request if the City has not previously levied Assessments against Assessed Property within the development related to the Authorized Improvements for which such Payment Request has been submitted. To the extent that the City does not issue PID Bonds, and subject to the provisions for Section 1.05, the City agrees to reimburse the Developer from monies available in the Assessment Fund.

Upon the levy of the PID Assessments, the Actual Costs advanced by the Developer and approved pursuant to a Payment Request, but not reimbursed by the City pursuant to the terms of this Agreement, shall bear simple interest per annum at the rates specified in the SAP. The PID Assessments shall accrue interest in accordance with the SAP. Interest shall continue on the unpaid principal amount of the PID Assessments for a lot for 30 years or until the PID Assessments are paid in full, unless otherwise provided in the SAP and/or Assessment Ordinance.

For the avoidance of doubt, the City's obligation to reimburse shall be solely from funds in the Assessment Fund and/or from the PID Bond Proceeds, the Developer agrees to look solely to such sources for reimbursement. The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than the Assessment Fund, or the PID Bond Proceeds if applicable. The Parties further agree that the City's obligation under this agreement with respect to the PID Costs of Authorized Improvements within Improvement Area #2 shall be contingent upon the City levying PID Assessments against Improvement Area #2 related to the Authorized Improvements which will benefit Improvement Area #2. The levying of the PID Assessments against Improvement Area #2 will create the fund out of which the City will pay its obligation and until such time, this Agreement does not create an obligation of the City. Unless approved by the City, no other City funds, revenues, taxes, or income of any kind shall be used to pay: (1) the Actual Costs of the Authorized Improvements; (2) amounts due and owing under this Agreement; or (3) debt service on any PID Bonds. None of the City or any of its elected or appointed officials or any of its officers, employees, consultants or representatives shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

**2.03. Time and Amount of Reimbursement.** The City shall reimburse the Developer for payment of costs related to the Authorized Improvements of construction solely from (i) the proceeds of PID Bonds and/or (ii) Assessment Revenue collected pursuant to PID Assessments levied on Improvement Area #2.

In regards to reimbursement from PID Bonds, the City shall reimburse the Developer for those Actual Costs that have been paid or advanced by the Developer pursuant to Sections 1.03, 1.06, and 2.01 hereof and in accordance with the terms of the PID Bond Indenture.

Additionally, the Developer may request reimbursements directly from Assessment Revenue levied against property within Improvement Area #2. The invoices included with the Payment Request shall identify the payee, the goods, services and/or materials provided by such payee and the total amount paid with respect to such goods, services and/or materials. If the City timely disapproves of the Payment Request by delivering a detailed notice to the Developer, then payment with respect to the disputed portion(s) of the Payment Request shall not be made until the Developer and the City settle the dispute. The Parties agree to meet promptly and resolve any dispute within 60 days from the date of the initial submittal of the Payment Request for payment is authorized to be approved by a City Representative.

With respect to any Payment Request by the Developer, in no event shall the City Representative be authorized to approve such request if the City has not previously levied Assessments against the Assessed Property.

2.05 Fund Deposits. Until PID Bonds payable from Assessment Revenues collected from Improvement Area #2 are issued, the City shall bill, collect, and immediately deposit into the Assessment Fund all Assessment Revenue consisting of: (1) revenue collected from the payment of Assessments (including pre-payments and amounts received from the foreclosure of liens but excluding costs and expenses related to collection); and (2) any additional revenue collected from the payment of Annual Installments, as defined in the SAP (excluding Annual Collection Costs and Delinquent Collection Costs, each as defined in the SAP). Funds in the Assessment Fund shall only be used to pay Actual Costs of the Authorized Improvements or all or any portion of the Reimbursement Agreement Balance in accordance with this Agreement. Once PID Bonds payable from Assessment Revenue are issued, the City shall bill, collect, and immediately deposit all Assessment Revenue securing such series of PID Bonds in the manner set forth in the applicable PID Bond Indenture; and if applicable, the City shall continue to deposit all Assessment Revenue or payments thereof not securing a series of PID Bonds into the Assessment Fund.

Once PID Bonds payable from Assessment Revenue are issued, the City shall also deposit PID Bond Proceeds and any other funds authorized or required by the applicable PID Bond Indenture into the funds established by the applicable PID Bond Indenture in the manner set forth in the applicable PID Bond Indenture. Annual Installments shall be billed and collected by the City (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as City ad valorem taxes are billed and collected. Funds in the PID Project Fund shall only be used in accordance with the applicable PID Bond Indenture; provided that funds disbursed from the applicable PID Project Fund shall be made first from PID Bond Proceeds held in the applicable accounts within such PID Project Fund until such accounts are fully depleted and then from the Developer Improvement Account of the applicable PID Project Fund, if applicable. Funds in the PID Bond Reimbursement Fund shall only be used to pay Actual Costs of the Authorized Improvements not paid from the PID Project Fund in accordance with the applicable PID Bond Indenture.

Notwithstanding any other provision in this Agreement, the Actual Costs of Authorized Improvements shall be paid from: (1) the Assessment Revenue, or (2) net PID Bond Proceeds or other amounts deposited in an account of the PID Project Fund created under an PID Bond Indenture related to PID Bonds secured by the Assessment Revenue. The City will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens related to such Assessments to be enforced continuously, in the manner and to the maximum extent permitted by the Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments for so long as any PID Bonds are outstanding or a Reimbursement Agreement Balance remains

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outstanding. The City shall determine or cause to be determined, no later than February 15 of each year whether any Annual Installment is delinquent. If delinquencies exist, then 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 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 or to use any City funds, revenues, taxes, income, or property other than moneys collected from the Assessments. Once PID Bonds are issued, the applicable PID Bond Indenture shall control in the event of any conflict with this Agreement.

2.06 Payment of Actual Costs. If PID Bonds are not issued (or prior to such issuance) to pay the Actual Costs, the Developer may elect to make Developer Advances to pay Actual Costs. If PID Bonds are issued, the PID Bond Proceeds shall be used in the manner provided in the applicable PID Bond Indenture; and, except as may be required under the Development Agreement and/or an applicable PID Bond Indenture, the Developer shall have no obligation to make Developer Advances for the related Authorized Improvements, unless the PID Bond Proceeds, together with any other funds in the PID Project Fund, are insufficient to pay the Actual Costs of such Authorized Improvements, in which case the Developer shall make Developer Advances to pay the deficit. If Developer Advances are required in connection with the issuance of a series of PID Bonds, then such Developer Advances may be reduced by the amount of payments of Actual Costs of the Authorized Improvements (or portions thereof) to be financed by such PID Bonds that the Developer has previously paid if (i) the Developer submits to the City all information related to such costs that would be required by a Closing Disbursement Request at least fifteen (15) business days prior to the scheduled closing date of such PID Bonds, and (ii) the City approves such Actual Costs in writing. The Developer shall also make Developer Advances to pay for cost overruns (after applying cost savings). The lack of PID Bond Proceeds or other funds in the PID Project Fund shall not diminish the obligation of the Developer to pay Actual Costs of the Authorized Improvements.

2.07 Payment of Reimbursement Agreement Balance. The City agrees to pay to the Developer, and the Developer shall be entitled to receive payments from the City (subject to the provisions of Sections 1.05 and 2.01 hereof), until the Maturity Date, for amounts shown on each approved Payment Request (which amounts include all Actual Costs paid by or at the direction of the Developer) plus simple interest on the unpaid principal balance at the rate identified in the SAP approved at the time the City levies the PID Assessments, together with accrued but unpaid interest, owed the Developer for all approved Payment Requests is referred to as the "Reimbursement Agreement Balance"); provided, however, upon the issuance of PID Bonds, the interest rate due and unpaid on amounts shown on each Payment Request to be paid to the Developer shall be the lower of: (1) the interest rate on the applicable series of PID Bonds issued to finance the costs of the Authorized Improvements for which the Payment Request was filed, or (2) the interest rate approved by the City Council of the City in the Assessment Ordinance levying the Assessments from which such PID Bonds shall be paid. The interest rates set forth in this section have been approved by the City Council and are authorized by the Act. The principal amount of each portion of the Reimbursement Agreement Balance to be paid under each Assessment Ordinance shall be set forth in the SAP. The City's obligations to pay the Reimbursement Agreement Balance related to the Authorized Improvements constructed for the benefit of the PID shall (i) only be paid from the PID Assessments and/or annual installments collected from property within Improvement Area #2 once such PID Assessments are levied, (ii) are contingent upon the City levying such PID Assessments, and (iii) will not be due and owing unless and until the City actually levies such PID Assessments. Interest will not accrue on Payment Requests until such time as they have been approved pursuant to the terms of this Agreement.

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The Reimbursement Agreement Balance is payable solely from: (1) the Assessment Fund if no PID Bonds are issued for the purpose of paying the Authorized Improvements related to such Reimbursement Agreement Balance, or (2) from PID Bond Proceeds and the PID Bond Reimbursement Fund, if applicable, if PID Bonds are issued for the purpose of paying the Authorized Improvements related to such Reimbursement Agreement Balance. No other City funds, revenues, taxes, income, or property shall be used even if the Reimbursement Agreement Balance is not paid in full by the Maturity Date. Payments made from PID Bond Proceeds deposited in the PID Project Fund and payments made from the PID Bond Reimbursement Fund, if applicable, shall be made in the manner set forth in the applicable PID Bond Indenture.

So long as no PID Bonds are issued and the City has received and approved a Payment Request, the City shall make a payment to the Developer from the Assessment Fund for an amount of the Reimbursement Agreement Balance at least annually, and no later than 60 days after the date payment of the Annual Installments are due, not to exceed the Assessment Revenue collected by and payable to the City. In the event that a Prepayment of an Assessment is made prior to the issuance of PID Bonds, the City shall remit payment to the Developer of an amount of the Reimbursement Agreement Balance then due and payable not to exceed the Assessment Revenue related to such Prepayment from the Assessment Revenue deposited into the Assessment Fund within 60 days after the Prepayment is made. Payments made from the Assessment Fund toward any outstanding Reimbursement Agreement Balance, shall first be applied to unpaid interest on such Reimbursement Agreement Balance owed to the Developer, and second to unpaid principal of the Reimbursement Agreement Balance owed to the Developer. Each payment from the Assessment Fund shall be accompanied by an accounting that certifies the Reimbursement Agreement Balance as of the date of the payment and that itemizes all deposits to and disbursements from the fund since the last payment.

2.08 Disbursements and Transfers at and after Bond Closing. The City and the Developer agree that from the proceeds of the PID Bonds, and upon the presentation of evidence satisfactory to the City Representative, the City will cause the trustee under the applicable PID Bond Indenture to pay at closing of the PID Bonds approved amounts from the appropriate account to the persons entitled to payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the PID and any other eligible costs incurred by the Developer and the City as of the time of the delivery of the PID Bonds as described in the SAP. In order to receive disbursement, the Developer shall execute a Closing Disbursement Request to be delivered to the City no less than fifteen (15) business days prior to the scheduled closing date for the applicable series of PID Bonds for payment in accordance with the provisions of the PID Bond Indenture. In order to receive additional disbursements from any applicable fund under a PID Bond Indenture, the Developer shall execute a Payment Request, no more frequently than monthly, to be delivered to the City for payment in accordance with the provisions of the applicable PID Bond Indenture and this Agreement. Upon receipt of a Payment Request (along with all accompanying documentation required by the City) from the Developer, the City shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all Applicable Laws and applicable plans therefore and with the terms of this Agreement and any other agreement between the parties related to property in the PID, and to verify and approve the Actual Costs of such work specified in such Payment Request. The City shall also conduct such review as is required in its discretion to confirm the matters certified in the Payment Request. The Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. The Developer further agrees that if the City provides to the Developer a sales tax exemption certificate then sales tax will not be approved for payment under a Payment Request. Within fifteen (15) business days following receipt of any

Payment Request after the issuance of a series of PID Bonds, the City shall either: (1) approve the Payment Request and forward it to the trustee for payment, or (2) provide the Developer with written notification of disapproval of all or part of a Payment Request, specifying the basis for any such disapproval. Any disputes shall be resolved as required herein. The City shall deliver the approved or partially approved Payment Request to the trustee for payment, and the trustee shall make the disbursements as quickly as practicable thereafter.

### ARTICLE III

#### Acquisition of Authorized Improvements

3.01. Acquisition of Improvements. At or prior to the time of reimbursement of the Developer for the Actual Costs or a portion of the Actual Costs, the City will acquire or cause to be acquired such Authorized Improvements that are to be owned by the City, as set forth in the Development Agreement, from the Developer as have been constructed in the name of the Developer for the benefit of the City, including off-site Authorized Improvements. At or prior to the time of reimbursement of the Developer for the Actual Costs or a portion of the Actual Costs related to Authorized Improvements to be owned by an authorized third-party pursuant to the provisions of the PID Act, such entity will acquire or cause to be acquired such Authorized Improvements from the Developer as have been constructed in the name of the Developer for the benefit of such entity, including off-site Authorized Improvements.

3.02. Conveyance Requirements. The Developer shall convey the Authorized Improvements to be owned by the City to the City by deed or other appropriate instrument of conveyance, with full warranties, free and clear of any liens, claims, encumbrance, options, charges, assessments, restrictions, laminations or reservations, including liens for ad valorem taxes for past and current years, and payments due to construction contractors, laborers, or materialmen, unless otherwise waived by the City. The Developer may also convey the Authorized Improvements to be owned by the City to the City by plat or other instrument on behalf of or benefiting the City. The Developer shall convey the Authorized Improvements to be owned by an authorized third-party pursuant to the provisions of the PID Act to such entity by deed or other appropriate instrument of conveyance, with full warranties, free and clear of any liens, claims, encumbrance, options, charges, assessments, restrictions, laminations or reservations, including liens for ad valorem taxes for past and current years, and payments due to construction contractors, laborers, or materialmen, unless otherwise waived by such entity. The Developer shall provide reasonable proof of title and proof of no liens, claims, or encumbrances. Conveyance of any Authorized Improvements to be owned by the City at any time shall be subject to the reimbursement obligations created in this Agreement. Each conveyance shall include all easements within which the Authorized Improvements are located, unless such easements have been dedicated to the public, and all easements necessary to own, operate and maintain the Authorized Improvements. Each conveyance shall additionally include fee simple title to any and all plant sites, together with necessary rights of way where such site or sites are not directly accessible by a dedicated public street, and all licenses, franchises and permits for the Authorized Improvements. The Developer shall also assign, in writing, all of its contractors' and materialmen's warranties relating to the Authorized Improvements to be owned by the City. All documents or instruments of conveyance, transfer, or assignment hereunder of Authorized Improvements to be owned by the City shall be in a form and content acceptable to the City's attorneys. The Developer, at the time of reimbursement by the City for Authorized Improvements to be owned by the City, shall deliver to the City a release of all liens upon the bonded Authorized Improvements securing the costs of construction of the bonded Authorized Improvements advanced by a third party lender. Any conveyance of Authorized Improvements to the City by plat shall not be considered effective until the City has provided a letter of

acceptance for such Authorized Improvements. Any conveyance of Authorized Improvements to the City by deed or similar instrument shall not be considered effective until such deed or other instrument is recorded in the property records of Collin County.

Prior to completion and conveyance to the City of any Authorized Improvements to be owned by the City, the Developer shall cause to be provided to the City a maintenance bond in the amount required by the City's subdivision regulations for applicable Authorized Improvements, which maintenance bond shall be for a term of two years from the date of final acceptance of the applicable Authorized Improvements. Any surety company through which a bond is written shall be a surety company duly authorized to do business in the State of Texas, provided that legal counsel for the City has the right to reject any surety company regardless of such company's authorization to do business in Texas. Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto so long as such delay in performance shall not subject the Authorized Improvements to foreclosure, forfeiture, or sale. In the event that any such lien and/or judgment with respect to the Authorized Improvements is contested, the Developer shall be required to post or cause the delivery of a surety bond or letter of credit, whichever is preferred by the City, in an amount reasonably determined by the City, not to exceed 120 percent of the disputed amount.

3.03. Correction of Defects. Conveyance of any Authorized Improvements to the City shall not relieve the Developer of liability for the correction of any existing engineering or construction defects then existing in the Authorized Improvements to be owned by the City or for satisfaction of any unpaid claim for materials or labor. The City shall be under no obligation to contest or challenge any claim for labor or materials; provided, however, that in the event the Developer fails to promptly correct any such defect or satisfy any such claim, the City may elect to do so and, in such event, shall have full rights of subrogation. Subject to any applicable statutes of limitation, the Developer shall pay the City for the City's costs in correcting any defect or satisfying any claim including, but not limited to, construction costs, engineering fees, attorneys' fees, building or construction permits, filing fees or court costs.

3.04. Survival or Representations. All representations, warranties and agreements of the City and the Developer hereunder shall survive the conveyance of the Authorized Improvements to the City.

#### ARTICLE IV

##### Representations

4.01. Representations by the Developer. The Developer hereby represents to the City that:

- (a) The execution and delivery of this Agreement and the transactions contemplated hereby have been duly authorized by the Developer;
- (b) This Agreement, the representations and covenants contained herein, and the consummation of the transactions contemplated hereby shall not violate or constitute a breach of any contract or other agreement to which the Developer is a party;
- (c) The Developer has made financial arrangements sufficient to assure its ability to perform its obligations hereunder; and



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- (d) The Developer will send a representative to all meetings of the City Council of the City at which such presence may be requested.

4.02. Representations by the City. The City hereby represents and covenants to the Developer that it shall use its good faith efforts:

- (a) To, if decided by the City, Issue PID Bonds pursuant to the PID Act and other applicable law; and
- (b) To levy and collect the PID Assessments.

## ARTICLE V

### Remedies

5.01. Default by the Developer. In the event of uncured default by the Developer hereunder after notice and a reasonable opportunity to cure, the City shall have the right:

- (a) To terminate this Agreement without thereby incurring any liability to the Developer whatsoever;
- (b) To pursue all other legal or equitable remedies;
- (c) To recover from the Developer all expenses incurred in pursuing its legal rights hereunder, including reasonable attorneys' fees.

An event of default by the Developer does not release the City from the obligation to reimburse the Developer for Actual Costs advanced or incurred by the Developer on behalf of the City prior to the date of default by the Developer or to reimburse the Developer for Authorized Improvements previously acquired by or conveyed to the City or applicable retail provider.

5.02. Default by City. In the event of default by the City hereunder, the Developer shall be entitled to seek a writ of mandamus from a court of competent jurisdiction compelling and requiring the City and its officers to observe and perform the covenants, obligations and conditions hereof.

5.03. Future Performance. The failure of either party hereto to insist, in any one or more instances, upon performance of any of the terms, covenants, and conditions of this Agreement, shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant, or condition by the other party hereto, but the obligation of such other party with respect to such future performance shall continue in full force and effect.

## ARTICLE VI

### Miscellaneous

6.01. Severability. In case any one or more provision contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if

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such invalid, illegal or unenforceable provision had never been contained herein.

6.02. Modification. This Agreement may be modified or varied only by a written instrument subscribed by both of the parties hereto including a reimbursement agreement entered into for a phase of development or issuance of PID Bonds.

6.03 Assignability. This Agreement may be assigned in whole or in part by the Developer upon the delivery to the City of a written instrument evidencing such assignment and consent or acknowledgment of the City to such written instrument. Notwithstanding the foregoing, the City hereby authorizes the Developer to grant a security interest in the Developers' rights hereunder and to all sums to be paid to the Developer by the City pursuant to this Agreement to any bank or lending institution making a construction or development loan to the Developer for payment of Actual Costs without City consent and to the extent permitted by State law.

6.04. Captions. The captions used in connection with the paragraphs of this Agreement are for convenience only and shall not be deemed to construe or limit the meaning of the language contained in this Agreement, or used as interpreting the meanings and provisions hereof.

6.05. Applicable Law. This Agreement shall be construed and interpreted under the laws of the State of Texas and all obligations of the parties created hereunder are performable in Collin County, Texas.

6.06. Parties at Interest. This Agreement shall be for the sole and exclusive benefit of the parties hereto and shall never be construed to confer any benefit on any third party. This Agreement shall be binding upon each party, its successors and assigns.

6.08. Term. The term of this Agreement shall begin on the Effective Date and shall continue until the earlier to occur of the issuance of PID Bonds or the date on which the amounts due under this Agreement are paid in full. Upon the issuance of the first series of PID Bonds secured by Assessments levied against property located within the PID, this Agreement shall terminate without any further act of the City or the Developer.

6.09. Force Majeure. If the City or the Developer is rendered unable, in whole or in part, by force majeure to carry out any of its obligations under this Agreement, then the obligations of such party, to the extent affected by such force majeure and to the extent that due diligence is being used to remedy such inability and to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. The term "force majeure", as used herein, shall include, without limitation, acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemy; order of any kind of the Government of the United States or the State of Texas or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accidents to machinery; pipelines or canals; partial or total failure of water supply and inability to provide water necessary for operation of the sewer system, or to receive waste; and any other incapacities of the party, whether similar to those enumerated or otherwise, which are not within the control of the party, which the party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of such party, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of such

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party.

**6.10 Non-Waiver.** The failure by a Party to insist upon the strict performance of any provision of this Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Agreement.

**6.11 Third Party Beneficiaries.** Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the City and the Developer any rights under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the City and the Developer.

**6.12 Counterparts.** This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

**6.13 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 incentives 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.

**6.14 No 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 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 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.

**6.15 Iran, Sudan, and Foreign Terrorist Organizations.** 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/iran-list.pdf>, or  
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable to City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law or Texas law and excludes the Developer and each of its parent company, wholly- or majority-owned

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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.

6.16 No Discrimination Against Fossil Fuel Companies. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

6.17 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."

Affiliate. As used in Sections 4.19 through 4.23, 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.

6.18 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.

6.19 Notice. Any notice referenced in this Agreement must be in writing and shall be deemed given at the addresses shown below: (1) when delivered by a nationally recognized delivery service such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person is the named addressee; or (2) 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the City:

Attn: City Secretary  
City of Lowry Crossing  
1405 S. Bridgfarmer Road  
Lowry Crossing, Texas 75069  
E-mail: jcable@lowrycrossingtx.com  
TEL: 972-542-8678

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With a copy to: Attn: Julie Fort  
Messer, Fort & McDonald, PLLC  
6371 Preston Road, Suite 200  
Frisco, Texas 75034  
E-mail: [julie@txmunicipallaw.com](mailto:julie@txmunicipallaw.com)  
TEL: 855-668-6400

To the Developer: Attn: Frank Su  
Meritage Homes of Texas, LLD  
8840 Cypress Waters Boulevard, Suite 100  
Coppell, Texas 76092  
E-mail: [frank.su@meritagehomes.com](mailto:frank.su@meritagehomes.com)  
TEL: (972) 580-6375  
FAX: (972) 534-1532

With a copy to: Attn: Ross Martin  
Winstead PC  
2728 N. Harwood Street, Suite 500  
Dallas, Texas 75201  
E-mail: [ramartin@winstead.com](mailto:ramartin@winstead.com)  
TEL: (214) 745-5353  
FAX: (214) 745-5390

[Signatures to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple counterparts, each of equal dignity, to be effective as of the date first written above.

**CITY:**

CITY OF LOWRY CROSSING, TEXAS

By: 

Name: Bob Pettit

Title: Mayor

ATTEST:

  
City Secretary

**DEVELOPER:**

**MERITAGE HOMES OF TEXAS, LLC,**  
an Arizona limited liability company

By: 

Name: Frank Su

Title: Vice President, Land Acquisition

Date: August 8, 2023



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**AGREEMENT FOR THE CONSTRUCTION AND FUNDING OF AUTHORIZED  
IMPROVEMENTS AND REIMBURSEMENT OF ADVANCES  
IMPROVEMENT AREA #3 (MAJOR IMPROVEMENTS)**

This Agreement for the Construction and Funding of Authorized Improvements and Reimbursement of Advances (the "Agreement") is made and entered into as of August 8, 2023 by and between the City of Lowry Crossing, a Texas Type A general law city (the "City") and Meritage Homes of Texas, LLC, an Arizona limited liability corporation and its successors and assigns (the "Developer").

**RECITALS**

WHEREAS, the Developer, as the developer of certain real property located partially within the corporate limits of the City and partially within the extraterritorial jurisdiction of the City and wholly within Collin County, Texas (the "Property"), desires to develop such Property;

WHEREAS, the City has received a "PETITION FOR THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT BY THE CITY OF LOWRY CROSSING, TEXAS, FOR THE SIMPSON CROSSING DEVELOPMENT" (the "Petition") requesting the formation of the Simpson Crossing Road Public Improvement District (the "PID") pursuant to Chapter 372, Texas Local Government Code, as amended (the "PID Act"); and

WHEREAS, the City has accepted the Petition and has created the PID in accordance with the provisions of the PID Act;

WHEREAS, the PID includes the Property; which Property is intended to comprise Improvement Area #3 of the PID, as illustrated in the service and assessment plan ("SAP") to be prepared and approved by the City; and

WHEREAS, the Developer intends to make certain authorized improvements to the Improvement Area #3, which improvements include water and wastewater system improvements, drainage improvements, streets, roadway improvements, sidewalks, right-of-way acquisition, utility easement acquisition, and other improvement projects, all of which are designated as "authorized improvements" under the PID Act (collectively, the "Authorized Improvements"); and

WHEREAS, the purpose of the PID is to finance the Authorized Improvements; and

WHEREAS, development within the PID is expected to be governed by the terms of the Development Agreement between the City and Developer dated December 1, 2021 (as may be amended or otherwise modified, the "Development Agreement"); and

WHEREAS, the SAP shall be prepared and approved by the City in accordance with the PID Act, and shall establish, among other matters, the projected cost of the Authorized Improvements, including the Actual Costs (as defined herein) and PID creation costs as provided in the PID Act (collectively, the "PID Costs"); and

WHEREAS, the SAP shall allocate the PID Costs to the benefitted Property within the PID; and

WHEREAS, assessments to be levied against lots within Improvement Area #3 ("PID Assessments") will be reflected on an assessment roll(s) to be approved by the City Council; and

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WHEREAS, the City shall by ordinance approve the SAP (including the assessment roll(s) levy assessments, and establish the dates upon which interest on PID Assessments will begin to accrue and collection of PID Assessments will begin; and

WHEREAS, all Assessment Revenues (as defined herein) received and collected by the City shall be deposited, as required by the PID Act, into an assessment fund that is segregated from all other funds of the City (the "Assessment Fund") or, in the event of the issuance of bonds to finance the Authorized Improvements ("PID Bonds"), into funds held under an indenture pursuant to which the PID Bonds are issued (the "PID Bond Indenture"); and

WHEREAS, Assessment Revenue deposited into the Assessment Fund or the PID Bond Reimbursement Fund (as defined herein) shall be used solely to reimburse Developer and its assigns for PID Costs advanced by the Developer, plus interest and proceeds from PID Bonds, if issued, shall be used to pay the PID Costs, including costs previously paid by the Developer, and for the purposes set forth in the PID Bond Indenture; and

WHEREAS, the Developer intends to make Developer Advances (as defined herein) for the permitting, design, and construction of the Authorized Improvements and the City intends to acquire and/or receive the Authorized Improvements constructed by the Developer or otherwise authorize the dedication of the Authorized Improvements to another authorized third-party and to reimburse the Developer for the Developer Advances; and

WHEREAS, the City and the Developer desire to enter into this Agreement to memorialize the City's intent to reimburse the Developer for the Developer Advances made for the construction and financing of the Authorized Improvements; and

WHEREAS, the City's obligations to reimburse the Developer for Developer Advances paid related to the Authorized Improvements constructed for the benefit of the PID shall (i) only be paid from the PID Assessments and/or annual installments collected from property within the PID once such PID Assessments are levied, (ii) are contingent upon the City levying such PID Assessments, and (iii) will not be due and owing unless and until the City actually levies such PID Assessments;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the mutual promises, covenants, obligations, and benefits hereinafter set forth, the City and the Developer hereby contract and agree as follows:

#### DEFINITIONS

As used herein, the following terms have the following meanings:

"Assessment Ordinance" shall mean any ordinance adopted by the City Council approving the SAP and levying PID Assessments.

"Closing Disbursement Request" means a request for payment of Actual Costs related to the Authorized Improvements from the proceeds of a series of PID Bonds in a form approved by the City and the Developer.

"Developer Advances" mean advances made by the Developer to pay Actual Costs.

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“Developer Improvement Account” means an account of the PID Project Fund which may be created and established under the applicable PID Bond Indenture (and segregated from all other funds contained in the PID Project Fund) into which the City deposits or directs the applicable trustee to deposit any funds received from the Developer as required under such PID Bond Indenture.

”Maturity Date” is the date one year after the last Annual Installment is collected.

”PID Pledged Revenue Fund” means, collectively, the fund established by the City under each applicable PID Bond Indenture (and segregated from all other funds of the City) into which the City deposits Assessment Revenue in accordance with each applicable PID Bond Indenture related to a series of PID Bonds issued and still outstanding.

”PID Project Fund” means, collectively, the fund, including all accounts created within such fund, established by the City under each applicable PID Bond Indenture (and segregated from all other funds of the City) into which the City deposits PID Bond Proceeds in the amounts and as described in the applicable PID Bond Indenture.

”PID Bond Reimbursement Fund” means a fund which may be established by the City under the applicable PID Bond Indenture (and segregated from all other funds of the City) into which the City transfers Assessment Revenues from the applicable PID Pledged Revenue Fund for the purpose of paying amounts due to the Developer under this Agreement or a separate reimbursement agreement and/or Actual Costs of Authorized Improvements that are not paid from PID Bond Proceeds deposited in the applicable account of the PID Project Fund in accordance with each applicable PID Bond Indenture related to a series of PID Bonds issued and still outstanding.

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

## ARTICLE 1

### Construction of the Authorized Improvements

1.01. Design of the Authorized Improvements. All physical facilities to be constructed or acquired as a part of the Authorized Improvements shall be approved by the governmental entity having authority.

1.02. Construction and Acquisition of Authorized Improvements.

(a) The Authorized Improvements shall be constructed and all easements, equipment, materials, and supplies required in connection therewith may be acquired in the name of the City, the retail service provider, or the Developer; provided, however, all construction contracts, easements and other agreements shall contain provisions, in a form reasonably satisfactory to the City’s attorneys for improvements to be owned and maintained by the City or an authorized third-party, to the effect that any contractor, materialman or other party to a construction contract, easement or other agreement awarded or entered into by the Developer on behalf of the City shall look solely to the Developer for payment of all sums coming due thereunder and that the City shall have no obligation whatsoever to any such party. Prior to or at the time of reimbursement of the Developer with funds from the Assessment Fund or PID Bonds, as applicable, the Developer shall convey the Authorized Improvements to the City or third-party retail provider, as applicable, in accordance with Section 3.02 below.

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(b) Construction of the Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a) (9) of the Texas Local Government Code, as amended. All plans and specifications for Authorized Improvements to be owned by the City, but not construction contracts, shall be reviewed and approved, in writing, by the City prior to Developer selecting the contractor.

(c) The Authorized Improvements shall be constructed in a good and workmanlike manner and all material used in such construction shall be fit for their intended purpose. In performing this Agreement, the Developer is not the agent or employee of the City.

(d) Upon completion of construction of Authorized Improvements to be owned by the City or an authorized third-party constructed in the name of the Developer, the Developer shall provide the City or such third-party with final "record" drawings of the Authorized Improvements approved by the City's or such third-party's engineers.

(e) Upon completion of the Authorized Improvements, the Developer shall present to a representative of the City ("City Representative") invoices or other evidences of payment of costs of the Authorized Improvements for review and approval. The City agrees, subject to the provisions of Sections 1.05 and 2.01 hereof, to pay the Developer, and the Developer shall be entitled to receive from the City, the amount equal to the PID Costs and the Actual Costs (as such term is defined herein) paid by the Developer for Authorized Improvement, or overrun costs, allowed hereunder and as described in the SAP, that were paid by the Developer, plus interest, as provided in Article II hereof.

(f) All Authorized Improvements shall be constructed by or at the direction of the Developer in accordance with the plans, the Development Agreement, applicable City ordinances and regulations, including regulations of a third-party receiving any of the Authorized Improvements, and this Agreement and any other agreement between the parties related to property in the PID and/or the Authorized Improvements. 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 has sole responsibility of ensuring that all Authorized Improvements are constructed in accordance with the Development Agreement and 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 or authorized third-party from the Developer. If any Authorized Improvements are or will be on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Authorized Improvements. Inspection and acceptance of Authorized Improvements will be in accordance with applicable City ordinances and regulations.

1.03. Cost of Authorized Improvements. To the extent that the City has not issued PID Bonds, the Developer shall promptly pay the costs of the Authorized Improvements as the same become due pursuant to an approved Payment Request (as defined herein), including, without limitation, all costs of

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design, engineering, materials, labor, construction, and inspection arising in connection with the Authorized Improvements; all payments arising under any contracts entered into for the construction of the Authorized Improvements; all costs incurred in connection with obtaining governmental approvals, certificates, permits, easements, rights-of-way, or sites required as a part of the construction of the Authorized Improvements, including, without limitation, any on-site or off-site mitigation costs; and all expenses incurred in connection with the construction of the Authorized Improvements (the "Actual Costs"). The City shall not be liable to any contractor, engineer, attorney, materialman or other party employed or contracted with in connection with the construction of the Authorized Improvements, but shall only be obligated to acquire the Authorized Improvements designated in the Development Agreement as to be owned by the City and/or reimburse the Developer in the manner and to the extent provided in Article II of this Agreement, and for the avoidance of any doubt, solely from Assessments or proceeds of PID Bonds ("PID Bond Proceeds"), if issued.

1.04 Timing of Authorized Improvements. Notwithstanding anything herein to the contrary, the Developer may advance funds and/or construct and install Authorized Improvements as Developer deems appropriate in its sole and absolute discretion, including the construction and installation of Authorized Improvements to serve portions of the Property and in different phases and sections over a period of time. The Developer may exercise its sole discretion on all aspects of the phasing and timing of development and shall not be obligated to advance funds and/or construct and install the Authorized Improvements for the entire Property at one time.

1.05 City's Obligation Limited. The Parties agree the City's obligations to reimburse the Developer for costs paid related to the Authorized Improvements constructed for the benefit of Improvement Area #3 shall only be paid from (A) PID Bonds, if issued and/or (B) the PID Assessments and/or Annual Installments collected from the portion Improvement Area #3 subject to the PID Assessments (the "Assessed Property") (such PID Assessments or Annual Installments thereof collected on such Assessed Property, the "Assessment Revenue"), and such obligation (i) is contingent upon the City levying such Assessments or issuing PID Bonds related to the Authorized Improvements constructed for the benefit of Improvement Area #3, and (ii) will not be due and owing unless and until the City actually levies such PID Assessments or issues such PID Bonds related to the Authorized Improvements constructed for the benefit of Improvement Area #3. The Parties agree that the levying of the Assessments will create the fund out of which the City will pay its obligation under this Agreement and until such time, this Agreement does not create an obligation of the City.

## ARTICLE II

### Reimbursement for Funds Advanced; Funding of Authorized Improvements

2.01. Obligation to Reimburse; Obligations Limited. The City and Developer agree that the City shall levy Assessments and may, at the discretion of the City issue and sell, from time to time, PID Bonds to fund the Actual Costs. It is the mutual intent and agreement of the City and Developer to provide for future reimbursement of funds advanced for Actual Costs, including PID Costs, by the Developer through the levy of PID Assessments and/or issuance of PID Bonds and use of Assessment Revenues and/or PID Bond Proceeds. The City is obligated, subject to the provisions of Section 1.05 hereof, to reimburse the Developer for all funds advanced by the Developer for the acquisition, construction, and management of any Actual Costs of the Authorized Improvements authorized under Chapter 372, Texas Local Government Code and in accordance with the provisions of the SAP. If the Developer is in substantial compliance with its obligations under the Development Agreement and this Agreement, then following the inspection and approval of any portion of Authorized Improvements to be owned by the City or an authorized third-party

pursuant to the provisions of the PID Act for which Developer seeks reimbursement or payment of the PID Costs by submission of a request for reimbursement or payment (a "Payment Request"), the obligations of the City under this Agreement to pay from Assessment Revenue or the net PID Bond Proceeds, as applicable, disbursements (whether to the Developer or to any person designated by the Developer) identified in any approved Payment Request and to pay debt service on PID Bonds are unconditional and not subject to any defenses or rights of offset except as may be provided by law or in any Indenture; provided, in no event shall the City Representative be authorized to approve a Payment Request if the City has not previously levied Assessments against Assessed Property within the development related to the Authorized Improvements for which such Payment Request has been submitted. To the extent that the City does not issue PID Bonds, and subject to the provisions for Section 1.05, the City agrees to reimburse the Developer from monies available in the Assessment Fund.

Upon the levy of the PID Assessments, the Actual Costs advanced by the Developer and approved pursuant to a Payment Request, but not reimbursed by the City pursuant to the terms of this Agreement, shall bear simple interest per annum at the rates specified in the SAP. The PID Assessments shall accrue interest in accordance with the SAP. Interest shall continue on the unpaid principal amount of the PID Assessments for a lot for 30 years or until the PID Assessments are paid in full, unless otherwise provided in the SAP and/or Assessment Ordinance.

For the avoidance of doubt, the City's obligation to reimburse shall be solely from funds in the Assessment Fund and/or from the PID Bond Proceeds, the Developer agrees to look solely to such sources for reimbursement. The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than the Assessment Fund, or the PID Bond Proceeds if applicable. The Parties further agree that the City's obligation under this agreement with respect to the PID Costs of Authorized Improvements within Improvement Area #3 shall be contingent upon the City levying PID Assessments against Improvement Area #3 related to the Authorized Improvements which will benefit Improvement Area #3. The levying of the PID Assessments against Improvement Area #3 will create the fund out of which the City will pay its obligation and until such time, this Agreement does not create an obligation of the City. Unless approved by the City, no other City funds, revenues, taxes, or income of any kind shall be used to pay: (1) the Actual Costs of the Authorized Improvements; (2) amounts due and owing under this Agreement; or (3) debt service on any PID Bonds. None of the City or any of its elected or appointed officials or any of its officers, employees, consultants or representatives shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

2.03. Time and Amount of Reimbursement. The City shall reimburse the Developer for payment of costs related to the Authorized Improvements of construction solely from (i) the proceeds of PID Bonds and/or (ii) Assessment Revenue collected pursuant to PID Assessments levied on Improvement Area #3.

In regards to reimbursement from PID Bonds, the City shall reimburse the Developer for those Actual Costs that have been paid or advanced by the Developer pursuant to Sections 1.03, 1.06, and 2.01 hereof and in accordance with the terms of the PID Bond Indenture.

Additionally, the Developer may request reimbursements directly from Assessment Revenue levied against property within Improvement Area #3. The invoices included with the Payment Request shall identify the payee, the goods, services and/or materials provided by such payee and the total amount paid with respect to such goods, services and/or materials. If the City timely disapproves of the Payment Request by delivering a detailed notice to the Developer, then payment with respect to the disputed portion(s) of the

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Payment Request shall not be made until the Developer and the City settle the dispute. The Parties agree to meet promptly and resolve any dispute within 60 days from the date of the initial submittal of the Payment Request for payment is authorized to be approved by a City Representative.

With respect to any Payment Request by the Developer, in no event shall the City Representative be authorized to approve such request if the City has not previously levied Assessments against the Assessed Property.

2.05 Fund Deposits. Until PID Bonds payable from Assessment Revenues collected from Improvement Area #3 are issued, the City shall bill, collect, and immediately deposit into the Assessment Fund all Assessment Revenue consisting of: (1) revenue collected from the payment of Assessments (including pre-payments and amounts received from the foreclosure of liens but excluding costs and expenses related to collection); and (2) any additional revenue collected from the payment of Annual Installments, as defined in the SAP (excluding Annual Collection Costs and Delinquent Collection Costs, each as defined in the SAP). Funds in the Assessment Fund shall only be used to pay Actual Costs of the Authorized Improvements or all or any portion of the Reimbursement Agreement Balance in accordance with this Agreement. Once PID Bonds payable from Assessment Revenue are issued, the City shall bill, collect, and immediately deposit all Assessment Revenue securing such series of PID Bonds in the manner set forth in the applicable PID Bond Indenture; and if applicable, the City shall continue to deposit all Assessment Revenue or payments thereof not securing a series of PID Bonds into the Assessment Fund.

Once PID Bonds payable from Assessment Revenue are issued, the City shall also deposit PID Bond Proceeds and any other funds authorized or required by the applicable PID Bond Indenture into the funds established by the applicable PID Bond Indenture in the manner set forth in the applicable PID Bond Indenture. Annual Installments shall be billed and collected by the City (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as City ad valorem taxes are billed and collected. Funds in the PID Project Fund shall only be used in accordance with the applicable PID Bond Indenture; provided that funds disbursed from the applicable PID Project Fund shall be made first from PID Bond Proceeds held in the applicable accounts within such PID Project Fund until such accounts are fully depleted and then from the Developer Improvement Account of the applicable PID Project Fund, if applicable. Funds in the PID Bond Reimbursement Fund shall only be used to pay Actual Costs of the Authorized Improvements not paid from the PID Project Fund in accordance with the applicable PID Bond Indenture.

Notwithstanding any other provision in this Agreement, the Actual Costs of Authorized Improvements shall be paid from: (1) the Assessment Revenue, or (2) net PID Bond Proceeds or other amounts deposited in an account of the PID Project Fund created under an PID Bond Indenture related to PID Bonds secured by the Assessment Revenue. The City will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens related to such Assessments to be enforced continuously, in the manner and to the maximum extent permitted by the Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments for so long as any PID Bonds are outstanding or a Reimbursement Agreement Balance remains outstanding. The City shall determine or cause to be determined, no later than February 15 of each year whether any Annual Installment is delinquent. If delinquencies exist, then 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 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 or to use any City funds, revenues, taxes,

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income, or property other than moneys collected from the Assessments. Once PID Bonds are issued, the applicable PID Bond Indenture shall control in the event of any conflict with this Agreement.

2.06 Payment of Actual Costs. If PID Bonds are not issued (or prior to such issuance) to pay the Actual Costs, the Developer may elect to make Developer Advances to pay Actual Costs. If PID Bonds are issued, the PID Bond Proceeds shall be used in the manner provided in the applicable PID Bond Indenture; and, except as may be required under the Development Agreement and/or an applicable PID Bond Indenture, the Developer shall have no obligation to make Developer Advances for the related Authorized Improvements, unless the PID Bond Proceeds, together with any other funds in the PID Project Fund, are insufficient to pay the Actual Costs of such Authorized Improvements, in which case the Developer shall make Developer Advances to pay the deficit. If Developer Advances are required in connection with the issuance of a series of PID Bonds, then such Developer Advances may be reduced by the amount of payments of Actual Costs of the Authorized Improvements (or portions thereof) to be financed by such PID Bonds that the Developer has previously paid if (i) the Developer submits to the City all information related to such costs that would be required by a Closing Disbursement Request at least fifteen (15) business days prior to the scheduled closing date of such PID Bonds, and (ii) the City approves such Actual Costs in writing. The Developer shall also make Developer Advances to pay for cost overruns (after applying cost savings). The lack of PID Bond Proceeds or other funds in the PID Project Fund shall not diminish the obligation of the Developer to pay Actual Costs of the Authorized Improvements.

2.07 Payment of Reimbursement Agreement Balance. The City agrees to pay to the Developer, and the Developer shall be entitled to receive payments from the City (subject to the provisions of Sections 1.05 and 2.01 hereof), until the Maturity Date, for amounts shown on each approved Payment Request (which amounts include all Actual Costs paid by or at the direction of the Developer) plus simple interest on the unpaid principal balance at the rate identified in the SAP approved at the time the City levies the PID Assessments, together with accrued but unpaid interest, owed the Developer for all approved Payment Requests is referred to as the "Reimbursement Agreement Balance"); provided, however, upon the issuance of PID Bonds, the interest rate due and unpaid on amounts shown on each Payment Request to be paid to the Developer shall be the lower of: (1) the interest rate on the applicable series of PID Bonds issued to finance the costs of the Authorized Improvements for which the Payment Request was filed, or (2) the interest rate approved by the City Council of the City in the Assessment Ordinance levying the Assessments from which such PID Bonds shall be paid. The interest rates set forth in this section have been approved by the City Council and are authorized by the Act. The principal amount of each portion of the Reimbursement Agreement Balance to be paid under each Assessment Ordinance shall be set forth in the SAP. The City's obligations to pay the Reimbursement Agreement Balance related to the Authorized Improvements constructed for the benefit of the PID shall (i) only be paid from the PID Assessments and/or annual installments collected from property within Improvement Area #3 once such PID Assessments are levied, (ii) are contingent upon the City levying such PID Assessments, and (iii) will not be due and owing unless and until the City actually levies such PID Assessments. Interest will not accrue on Payment Requests until such time as they have been approved pursuant to the terms of this Agreement.

The Reimbursement Agreement Balance is payable solely from: (1) the Assessment Fund if no PID Bonds are issued for the purpose of paying the Authorized Improvements related to such Reimbursement Agreement Balance, or (2) from PID Bond Proceeds and the PID Bond Reimbursement Fund, if applicable, if PID Bonds are issued for the purpose of paying the Authorized Improvements related to such Reimbursement Agreement Balance. No other City funds, revenues, taxes, income, or property shall be used even if the Reimbursement Agreement Balance is not paid in full by the Maturity Date. Payments made from PID Bond Proceeds deposited in the PID Project Fund and payments made from the PID Bond Reimbursement Fund, if applicable, shall be made in the manner set forth in the applicable PID Bond



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Indenture.

So long as no PID Bonds are issued and the City has received and approved a Payment Request, the City shall make a payment to the Developer from the Assessment Fund for an amount of the Reimbursement Agreement Balance at least annually, and no later than 60 days after the date payment of the Annual Installments are due, not to exceed the Assessment Revenue collected by and payable to the City. In the event that a Prepayment of an Assessment is made prior to the issuance of PID Bonds, the City shall remit payment to the Developer of an amount of the Reimbursement Agreement Balance then due and payable not to exceed the Assessment Revenue related to such Prepayment from the Assessment Revenue deposited into the Assessment Fund within 60 days after the Prepayment is made. Payments made from the Assessment Fund toward any outstanding Reimbursement Agreement Balance, shall first be applied to unpaid interest on such Reimbursement Agreement Balance owed to the Developer, and second to unpaid principal of the Reimbursement Agreement Balance owed to the Developer. Each payment from the Assessment Fund shall be accompanied by an accounting that certifies the Reimbursement Agreement Balance as of the date of the payment and that itemizes all deposits to and disbursements from the fund since the last payment.

2.08 Disbursements and Transfers at and after Bond Closing. The City and the Developer agree that from the proceeds of the PID Bonds, and upon the presentation of evidence satisfactory to the City Representative, the City will cause the trustee under the applicable PID Bond Indenture to pay at closing of the PID Bonds approved amounts from the appropriate account to the persons entitled to payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the PID and any other eligible costs incurred by the Developer and the City as of the time of the delivery of the PID Bonds as described in the SAP. In order to receive disbursement, the Developer shall execute a Closing Disbursement Request to be delivered to the City no less than fifteen (15) business days prior to the scheduled closing date for the applicable series of PID Bonds for payment in accordance with the provisions of the PID Bond Indenture. In order to receive additional disbursements from any applicable fund under a PID Bond Indenture, the Developer shall execute a Payment Request, no more frequently than monthly, to be delivered to the City for payment in accordance with the provisions of the applicable PID Bond Indenture and this Agreement. Upon receipt of a Payment Request (along with all accompanying documentation required by the City) from the Developer, the City shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all Applicable Laws and applicable plans therefore and with the terms of this Agreement and any other agreement between the parties related to property in the PID, and to verify and approve the Actual Costs of such work specified in such Payment Request. The City shall also conduct such review as is required in its discretion to confirm the matters certified in the Payment Request. The Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. The Developer further agrees that if the City provides to the Developer a sales tax exemption certificate then sales tax will not be approved for payment under a Payment Request. Within fifteen (15) business days following receipt of any Payment Request after the issuance of a series of PID Bonds, the City shall either: (1) approve the Payment Request and forward it to the trustee for payment, or (2) provide the Developer with written notification of disapproval of all or part of a Payment Request, specifying the basis for any such disapproval. Any disputes shall be resolved as required herein. The City shall deliver the approved or partially approved Payment Request to the trustee for payment, and the trustee shall make the disbursements as quickly as practicable thereafter.

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## ARTICLE III

### Acquisition of Authorized Improvements

3.01. Acquisition of Improvements. At or prior to the time of reimbursement of the Developer for the Actual Costs or a portion of the Actual Costs, the City will acquire or cause to be acquired such Authorized Improvements that are to be owned by the City, as set forth in the Development Agreement, from the Developer as have been constructed in the name of the Developer for the benefit of the City, including off-site Authorized Improvements. At or prior to the time of reimbursement of the Developer for the Actual Costs or a portion of the Actual Costs related to Authorized Improvements to be owned by an authorized third-party pursuant to the provisions of the PID Act, such entity will acquire or cause to be acquired such Authorized Improvements from the Developer as have been constructed in the name of the Developer for the benefit of such entity, including off-site Authorized Improvements.

3.02. Conveyance Requirements. The Developer shall convey the Authorized Improvements to be owned by the City to the City by deed or other appropriate instrument of conveyance, with full warranties, free and clear of any liens, claims, encumbrance, options, charges, assessments, restrictions, laminations or reservations, including liens for ad valorem taxes for past and current years, and payments due to construction contractors, laborers, or materialmen, unless otherwise waived by the City. The Developer may also convey the Authorized Improvements to be owned by the City to the City by plat or other instrument on behalf of or benefiting the City. The Developer shall convey the Authorized Improvements to be owned by an authorized third-party pursuant to the provisions of the PID Act to such entity by deed or other appropriate instrument of conveyance, with full warranties, free and clear of any liens, claims, encumbrance, options, charges, assessments, restrictions, laminations or reservations, including liens for ad valorem taxes for past and current years, and payments due to construction contractors, laborers, or materialmen, unless otherwise waived by such entity. The Developer shall provide reasonable proof of title and proof of no liens, claims, or encumbrances. Conveyance of any Authorized Improvements to be owned by the City at any time shall be subject to the reimbursement obligations created in this Agreement. Each conveyance shall include all easements within which the Authorized Improvements are located, unless such easements have been dedicated to the public, and all easements necessary to own, operate and maintain the Authorized Improvements. Each conveyance shall additionally include fee simple title to any and all plant sites, together with necessary rights of way where such site or sites are not directly accessible by a dedicated public street, and all licenses, franchises and permits for the Authorized Improvements. The Developer shall also assign, in writing, all of its contractors' and materialmen's warranties relating to the Authorized Improvements to be owned by the City. All documents or instruments of conveyance, transfer, or assignment hereunder of Authorized Improvements to be owned by the City shall be in a form and content acceptable to the City's attorneys. The Developer, at the time of reimbursement by the City for Authorized Improvements to be owned by the City, shall deliver to the City a release of all liens upon the bonded Authorized Improvements securing the costs of construction of the bonded Authorized Improvements advanced by a third party lender. Any conveyance of Authorized Improvements to the City by plat shall not be considered effective until the City has provided a letter of acceptance for such Authorized Improvements. Any conveyance of Authorized Improvements to the City by deed or similar instrument shall not be considered effective until such deed or other instrument is recorded in the property records of Collin County.

Prior to completion and conveyance to the City of any Authorized Improvements to be owned by the City, the Developer shall cause to be provided to the City a maintenance bond in the amount required by the City's subdivision regulations for applicable Authorized Improvements, which maintenance bond shall be for a term of two years from the date of final acceptance of the applicable Authorized

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Improvements. Any surety company through which a bond is written shall be a surety company duly authorized to do business in the State of Texas, provided that legal counsel for the City has the right to reject any surety company regardless of such company's authorization to do business in Texas. Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto so long as such delay in performance shall not subject the Authorized Improvements to foreclosure, forfeiture, or sale. In the event that any such lien and/or judgment with respect to the Authorized Improvements is contested, the Developer shall be required to post or cause the delivery of a surety bond or letter of credit, whichever is preferred by the City, in an amount reasonably determined by the City, not to exceed 120 percent of the disputed amount.

3.03. Correction of Defects. Conveyance of any Authorized Improvements to the City shall not relieve the Developer of liability for the correction of any existing engineering or construction defects then existing in the Authorized Improvements to be owned by the City or for satisfaction of any unpaid claim for materials or labor. The City shall be under no obligation to contest or challenge any claim for labor or materials; provided, however, that in the event the Developer fails to promptly correct any such defect or satisfy any such claim, the City may elect to do so and, in such event, shall have full rights of subrogation. Subject to any applicable statutes of limitation, the Developer shall pay the City for the City's costs in correcting any defect or satisfying any claim including, but not limited to, construction costs, engineering fees, attorneys' fees, building or construction permits, filing fees or court costs.

3.04. Survival or Representations. All representations, warranties and agreements of the City and the Developer hereunder shall survive the conveyance of the Authorized Improvements to the City.

#### ARTICLE IV

##### Representations

4.01. Representations by the Developer. The Developer hereby represents to the City that:

- (a) The execution and delivery of this Agreement and the transactions contemplated hereby have been duly authorized by the Developer;
- (b) This Agreement, the representations and covenants contained herein, and the consummation of the transactions contemplated hereby shall not violate or constitute a breach of any contract or other agreement to which the Developer is a party;
- (c) The Developer has made financial arrangements sufficient to assure its ability to perform its obligations hereunder; and
- (d) The Developer will send a representative to all meetings of the City Council of the City at which such presence may be requested.

4.02. Representations by the City. The City hereby represents and covenants to the Developer that it shall use its good faith efforts:

- (a) To, if decided by the City, Issue PID Bonds pursuant to the PID Act and other applicable law; and

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- (b) To levy and collect the PID Assessments.

## ARTICLE V

### Remedies

5.01. Default by the Developer. In the event of uncured default by the Developer hereunder after notice and a reasonable opportunity to cure, the City shall have the right:

- (a) To terminate this Agreement without thereby incurring any liability to the Developer whatsoever;
- (b) To pursue all other legal or equitable remedies;
- (c) To recover from the Developer all expenses incurred in pursuing its legal rights hereunder, including reasonable attorneys' fees.

An event of default by the Developer does not release the City from the obligation to reimburse the Developer for Actual Costs advanced or incurred by the Developer on behalf of the City prior to the date of default by the Developer or to reimburse the Developer for Authorized Improvements previously acquired by or conveyed to the City or applicable retail provider.

5.02. Default by City. In the event of default by the City hereunder, the Developer shall be entitled to seek a writ of mandamus from a court of competent jurisdiction compelling and requiring the City and its officers to observe and perform the covenants, obligations and conditions hereof.

5.03. Future Performance. The failure of either party hereto to insist, in any one or more instances, upon performance of any of the terms, covenants, and conditions of this Agreement, shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant, or condition by the other party hereto, but the obligation of such other party with respect to such future performance shall continue in full force and effect.

## ARTICLE VI

### Miscellaneous

6.01. Severability. In case any one or more provision contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.02. Modification. This Agreement may be modified or varied only by a written instrument subscribed by both of the parties hereto including a reimbursement agreement entered into for a phase of development or issuance of PID Bonds.

6.03 Assignability. This Agreement may be assigned in whole or in part by the Developer upon the delivery to the City of a written instrument evidencing such assignment and consent or acknowledgment of the City to such written instrument. Notwithstanding the foregoing, the City hereby authorizes the Developer to grant a security interest in the Developers' rights hereunder and to all sums to be paid to the

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Developer by the City pursuant to this Agreement to any bank or lending institution making a construction or development loan to the Developer for payment of Actual Costs without City consent and to the extent permitted by State law.

6.04. Captions. The captions used in connection with the paragraphs of this Agreement are for convenience only and shall not be deemed to construe or limit the meaning of the language contained in this Agreement, or used as interpreting the meanings and provisions hereof.

6.05. Applicable Law. This Agreement shall be construed and interpreted under the laws of the State of Texas and all obligations of the parties created hereunder are performable in Collin County, Texas.

6.06. Parties at Interest. This Agreement shall be for the sole and exclusive benefit of the parties hereto and shall never be construed to confer any benefit on any third party. This Agreement shall be binding upon each party, its successors and assigns.

6.08. Term. The term of this Agreement shall begin on the Effective Date and shall continue until the earlier to occur of the issuance of PID Bonds or the date on which the amounts due under this Agreement are paid in full. Upon the issuance of the first series of PID Bonds secured by Assessments levied against property located within the PID, this Agreement shall terminate without any further act of the City or the Developer.

6.09. Force Majeure. If the City or the Developer is rendered unable, in whole or in part, by force majeure to carry out any of its obligations under this Agreement, then the obligations of such party, to the extent affected by such force majeure and to the extent that due diligence is being used to remedy such inability and to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. The term "force majeure", as used herein, shall include, without limitation, acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemy; order of any kind of the Government of the United States or the State of Texas or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accidents to machinery; pipelines or canals; partial or total failure of water supply and inability to provide water necessary for operation of the sewer system, or to receive waste; and any other incapacities of the party, whether similar to those enumerated or otherwise, which are not within the control of the party, which the party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of such party, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of such party.

6.10. Non-Waiver. The failure by a Party to insist upon the strict performance of any provision of this Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Agreement.

6.11. Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the City and the Developer any rights under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the City and the Developer.

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6.12 Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

6.13 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 incentives 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.

6.14 No 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 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 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.

6.15 Iran, Sudan, and Foreign Terrorist Organizations. 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/iran-list.pdf>, or  
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable to City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law or Texas 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.

6.16 No Discrimination Against Fossil Fuel Companies. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott energy companies," a term defined in Section

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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.

6.17 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."

Affiliate. As used in Sections 4.19 through 4.23, 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.

6.18 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.

6.19 Notice. Any notice referenced in this Agreement must be in writing and shall be deemed given at the addresses shown below: (1) when delivered by a nationally recognized delivery service such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person is the named addressee; or (2) 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the City:

Attn: City Secretary  
City of Lowry Crossing  
1405 S. Bridgefarmer Road  
Lowry Crossing, Texas 75069  
E-mail: jcable@lowrycrossingtx.com  
TEL: 972-542-8678

With a copy to:

Attn: Julie Fort  
Messer, Fort & McDonald, PLLC  
6371 Preston Road, Suite 200  
Frisco, Texas 75034  
E-mail: julie@txmunicipallaw.com  
TEL: 855-668-6400



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To the Developer:      Attn: Frank Su  
Meritage Homes of Texas, LLD  
8840 Cypress Waters Boulevard, Suite 100  
Coppell, Texas 76092  
E-mail: [frank.su@meritagehomes.com](mailto:frank.su@meritagehomes.com)  
TEL: (972) 580-6375  
FAX: (972) 534-1532

With a copy to:      Attn: Ross Martin  
Winstead PC  
2728 N. Harwood Street, Suite 500  
Dallas, Texas 75201  
E-mail: [ramartin@winstead.com](mailto:ramartin@winstead.com)  
TEL: (214) 745-5353  
FAX: (214) 745-5390

[Signatures to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple counterparts, each of equal dignity, to be effective as of the date first written above.

**CITY:**

CITY OF LOWRY CROSSING, TEXAS

By: 

Name: Bob Pettit

Title: Mayor

ATTEST:

  
City Secretary

**DEVELOPER:**

**MERITAGE HOMES OF TEXAS, LLC,**  
an Arizona limited liability company

By: 

Name: Frank Su

Title: Vice President, Land Acquisition

Date: August 8, 2023

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**CITY OF LOWRY CROSSING, TEXAS • SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(SIMPSON ROAD PUBLIC IMPROVEMENT DISTRICT PROJECTS)**



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