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

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED JULY 24, 2025

NEW ISSUE **NOT RATED**

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

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

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

$24,190,000*
CITY OF TERRELL, TEXAS,
(a municipal corporation of the State of Texas located in Kaufman County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6 MAJOR IMPROVEMENT AREA PROJECT)

Dated Date: Date of Delivery (as defined below) **Due: September 15, as shown on the inside cover**
Interest to Accrue from Date of Delivery

The City of Terrell, Texas, Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Major Improvement Area Project) (the "Bonds"), are being issued by the City of Terrell, 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 March 15 and September 15, commencing March 15, 2026, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by BOKF, NA, 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 August 5, 2025, and an Indenture of Trust, dated as of August 1, 2025 (the "Indenture"), 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 "Major Improvement Area Projects", which consist of the Major Improvement Area's (as defined herein) proportionate share of the costs of major infrastructure benefitting the entire Arboretum Estates Public Improvement District No. 6 (the "District") (ii) paying a portion of the District Formation Costs (as defined herein) allocable to the Major Improvement Area, and (iii) paying the Bond Issuance Costs (as defined herein) including funding a reserve fund and paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Major Improvement Area Projects, and other costs related to the issuance of the Bonds. See "THE MAJOR IMPROVEMENT AREA PROJECTS" and "APPENDIX A — Form of Indenture."

The Bonds, when issued and delivered, will constitute valid and binding special obligations of the City payable solely from and secured by the Trust Estate, consisting primarily of the Pledged Revenues, which consist primarily of Assessments (as defined herein) levied against assessable properties in the Major Improvement Area of the District in accordance with a Service and Assessment Plan, all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. See "SECURITY FOR THE BONDS."

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

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

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, 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 C — Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the Underwriter by its counsel, Greenberg Traurig, LLP, for the Developer by its counsel, Boghetich Law, PLLC, and for the City by its counsel Brown & Hofmeister, L.L.P. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about August 28, 2025 (the "Date of Delivery").

FMSbonds, Inc.

* Preliminary; subject to change.

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

CUSIP Prefix: _____[(a)]

$24,190,000*
CITY OF TERRELL, TEXAS,
(a municipal corporation of the State of Texas located in Kaufman County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6 MAJOR IMPROVEMENT AREA PROJECT)

$_____ _____% Term Bonds, Due September 15, 20__, Priced to Yield _____%; CUSIP Suffix: ___ [(a) (c)]

$_____ _____% Term Bonds, Due September 15, 20__, Priced to Yield _____%; CUSIP Suffix: ___ [(a) (b) (c)]

$_____ _____% Term Bonds, Due September 15, 20__, Priced to Yield _____%; CUSIP Suffix: ___ [(a) (b) (c)]

$_____ _____% Term Bonds, Due September 15, 20__, Priced to Yield _____%; CUSIP Suffix: ___ [(a) (b) (c)]

** Preliminary; subject to change.*

(a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the City, the City's Financial Advisor or the Underwriter takes any responsibility for the accuracy of such numbers.

(b) The Bonds maturing on or after September 15, 20__ are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after September 15, 20__, at the redemption price of 100% of the principal amount 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."

CITY OF TERRELL, TEXAS
CITY COUNCIL

Council	Term Expires (May)
E. Rick Carmona, Mayor	2028
Donna Anderson	2027
Mayrani Velazquez	2026
Stephanie Holmes-Thomas, PhD	2027
Phil Robison	2026

INTERIM CITY MANAGER	INTERIM DIRECTOR OF FINANCE[1]	CITY SECRETARY
Mark Mills	Marty Coursey	Dawn Steil

[1] As of the date of this Limited Offering Memorandum, the Director of Finance position is held on an interim basis. The City is conducting a search for a permanent replacement and does not anticipate any disruption to financial operations.

ADMINISTRATOR
P3Works, LLC

FINANCIAL ADVISOR TO THE CITY
Hilltop Securities Inc.

BOND COUNSEL
Norton Rose Fulbright US LLP

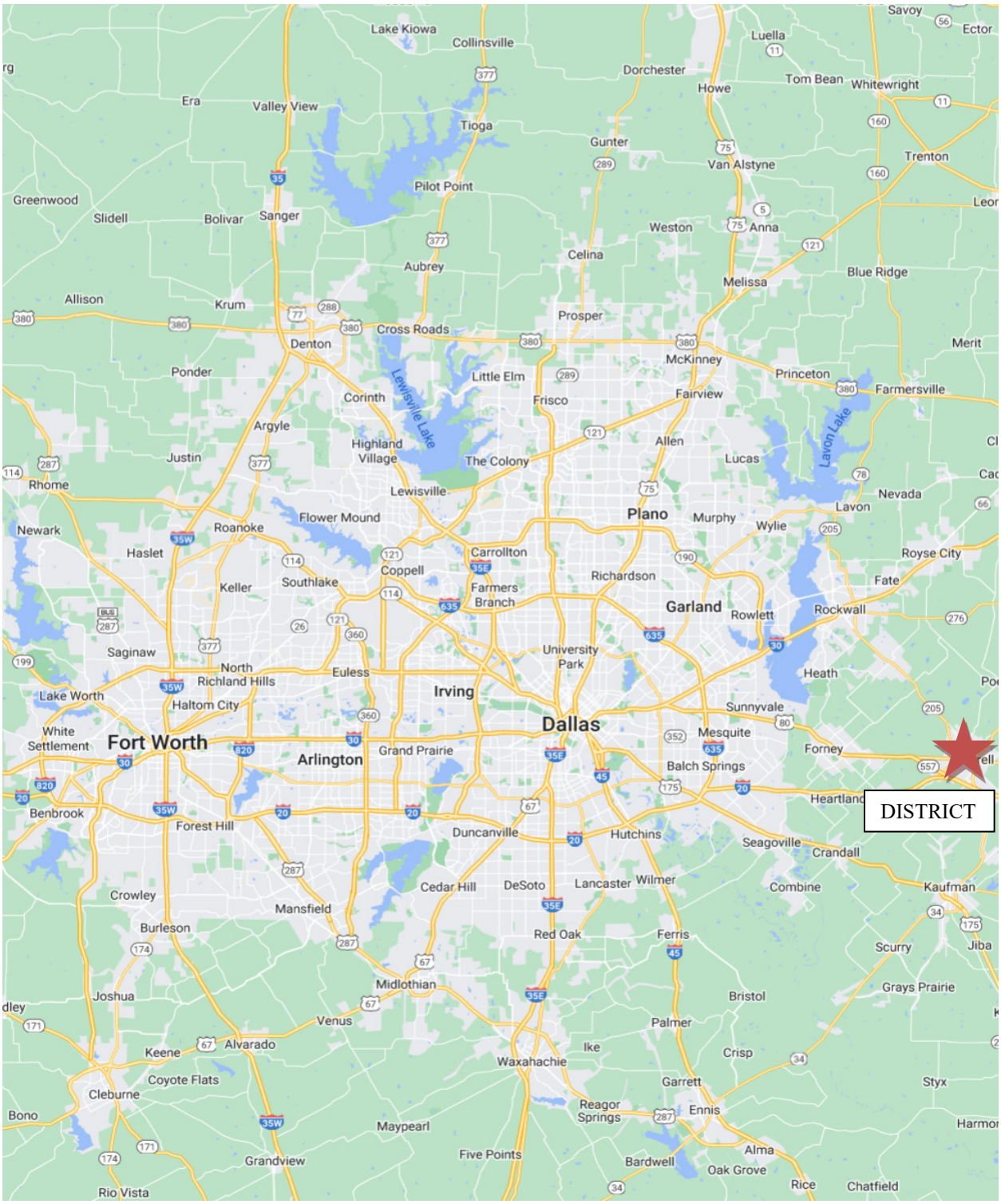
UNDERWRITER'S COUNSEL
Greenberg Traurig, LLP

For additional information regarding the City, please contact:

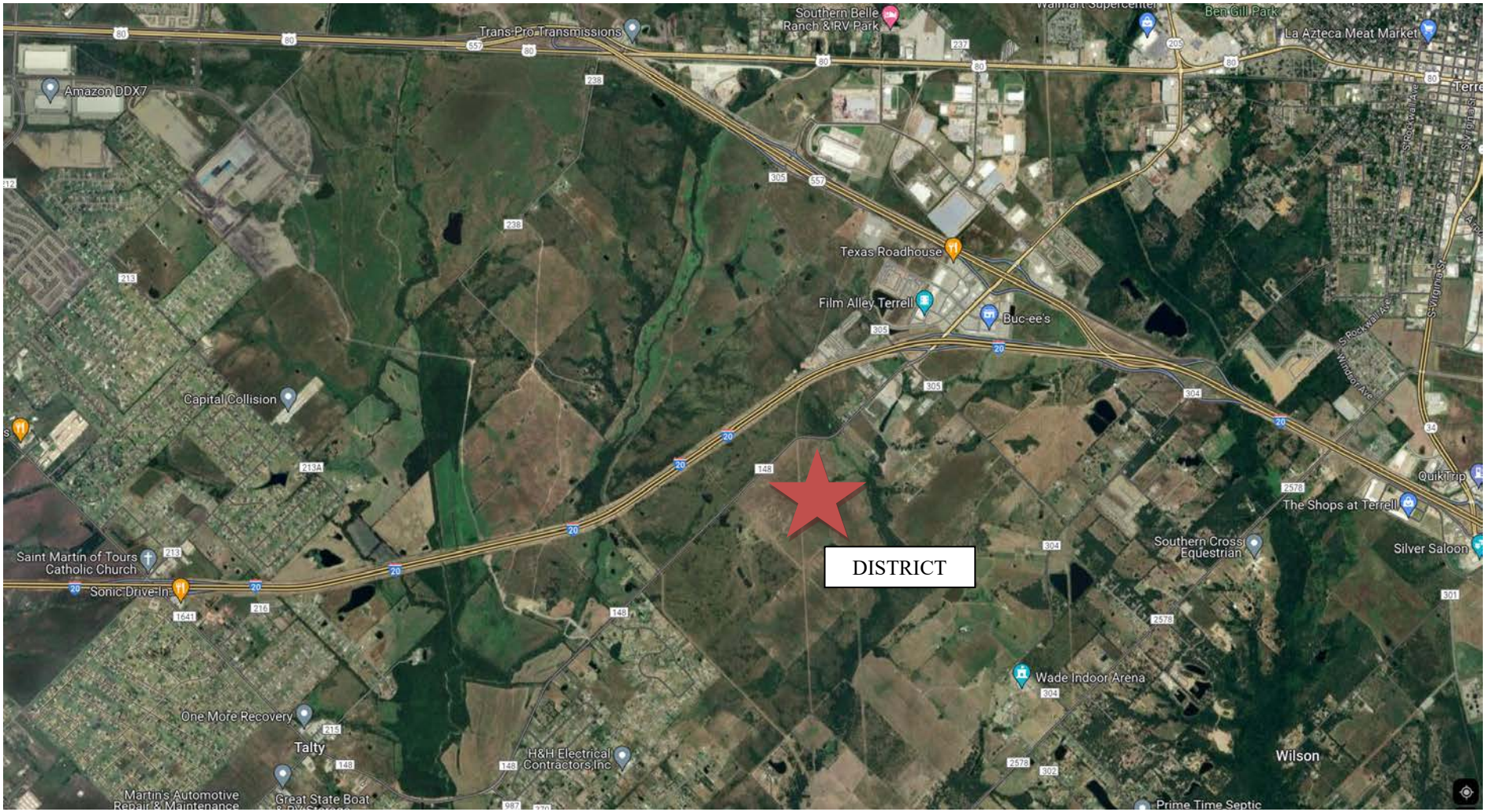
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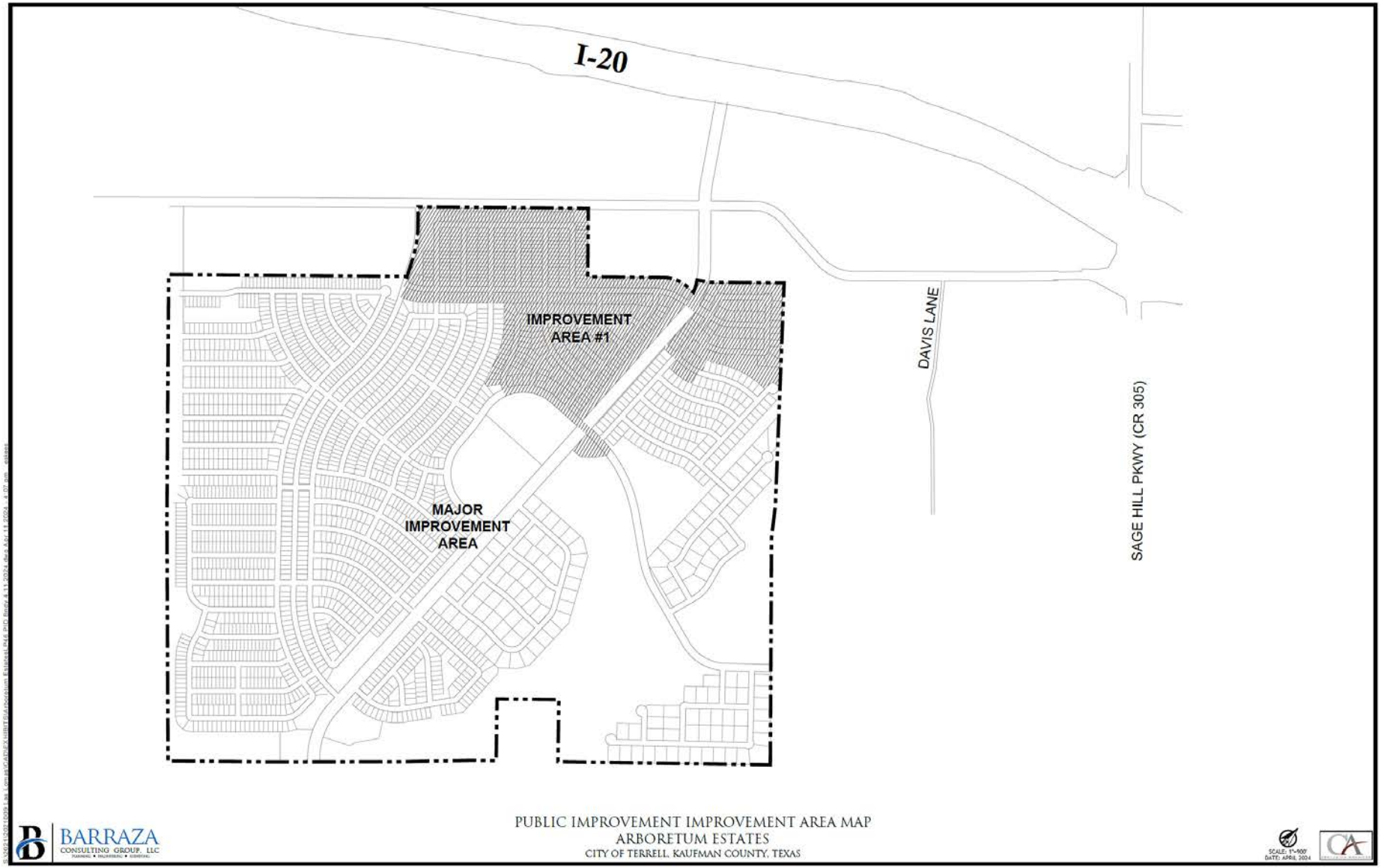
REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP OF THE DISTRICT



MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREA #1 AND THE MAJOR IMPROVEMENT AREA



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, THIS DOCUMENT CONSTITUTES A PRELIMINARY 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.

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

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE 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 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.

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

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES 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, EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

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

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

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PRELIMINARY LIMITED OFFERING MEMORANDUM

**$24,190,000*
CITY OF TERRELL, TEXAS,
(a municipal corporation of the State of Texas located in Kaufman County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6 MAJOR IMPROVEMENT AREA PROJECT)**

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Terrell, Texas (the "City") of its $24,190,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Major Improvement Area Project) (the "Bonds").

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

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), the ordinance authorizing the issuance of the Bonds expected to be enacted by the City Council of the City (the "City Council") on August 5, 2025 (the "Bond Ordinance"), and an Indenture of Trust, dated as of August 1, 2025 (the "Indenture"), to be entered into by and between the City and BOKF, NA, as Trustee (the "Trustee"). The Bonds will be secured by assessments ("Assessments") levied against assessable property located within the Major Improvement Area (as defined herein) (the "Assessed Property") of the Arboretum Estates Public Improvement District No. 6 (the "District") pursuant to an ordinance expected to be enacted by the City Council on August 5, 2025 (the "Assessment Ordinance"). The City created the District pursuant to a resolution adopted by the City Council on January 9, 2024 (the "Creation Resolution").

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

Set forth herein are brief descriptions of the City, the District, the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Construction, Funding, and Acquisition Agreement (as defined herein), the Arboretum Estates Development Agreement among the City, MM Terrell 1098, LLC, a Texas limited liability company (the "Developer"), Terrell 13 Partners, LLC, a Texas limited liability company, Blue Star Land LP, a Texas limited partnership, and Squeaky Lomas, L.P., a Texas limited partnership, effective August 22, 2023 (the "Development Agreement"), and P3Works, LLC (the "Administrator"), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect

* *Preliminary; subject to change.*

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

PLAN OF FINANCE

The District

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Major Improvement Area Projects (as defined herein), authorized by the PID Act and approved by the City Council that confer a special benefit on the District.

The boundaries of the District are shown in the "MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREA #1 AND THE MAJOR IMPROVEMENT AREA" on page v. The District is located within the corporate limits of the City.

Development Plan and Plan of Finance

The District is composed of approximately 792.268 acres which are being developed as a master-planned residential development expected to contain approximately 2,387 single-family residential lots in a combination of 40', 50', 60', 70' and half-acre lots at buildout. The Developer will develop the District in distinct areas, which development began with development of the infrastructure to serve Improvement Area #1 of the District and a portion of the major infrastructure to serve the entire District. See "THE DEVELOPMENT — Development Plan." The area shown as Improvement Area #1 on the "MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREA #1 AND THE MAJOR IMPROVEMENT AREA" on page v is referred to herein as "Improvement Area #1." The area shown as the Major Improvement Area on the "MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREA #1 AND THE MAJOR IMPROVEMENT AREA" on page v is referred to herein as the "Major Improvement Area." Individual distinct areas which may be developed within the Major Improvement Area in the future are referred to herein as "Future Improvement Areas."

The Developer purchased an assemblage of approximately 1,098 acres (the "Purchased Property"), which includes the land comprising the District, from Terrell 1132, LLC, the Estate of Lynnette Lee Sinacola, the Sinacola Surviving Settlor's Trust A, PEMA Enterprises, Ltd., MITHAMTA Enterprises, Ltd., CTC Frisco Investments LLC, and MJF Dallas, LLC (collectively, the "Sellers") on December 15, 2021, at a purchase price of $30,919,520. The purchase of the Purchased Property was financed with the Seller Loan (as defined herein) and Developer equity. The Seller Loan was subsequently refinanced with the Trez Loan (as defined herein), and the Trez Loan was refinanced with the IBC Loan (as defined herein) and builder earnest money. See "THE DEVELOPER – History and Financing of the District."

For additional information about the acquisition of the property in the District, see "THE DEVELOPER – History and Financing of the District." Subsequent to its purchase of the Purchased Property, the Developer sold various tracts of the Purchased Property to various purchasers as described under "THE DEVELOPER – History and Financing of the District – *Property Acquisition and Subsequent Sales*." All of such land is located outside the boundaries of the District. The Developer is the owner of all land within the District except a 10-acre lot located in the floodplain that is owned by the directors of the previous municipal utility district that included the land.

To refinance the Trez Loan and fund development in the District, the Developer obtained a loan (the "IBC Loan") in an amount up to $28,000,000 from International Bank of Commerce (the "Lender"). As of July 1, 2025, the IBC Loan is outstanding in the amount of $14,080,999. The IBC Loan is secured by all of the Developer owned property in the District. See "THE DEVELOPER – History and Financing of the District."

The Developer expects to construct improvements consisting of (i) certain street improvements, water system improvements, sanitary sewer system improvements, and drainage system improvements that will benefit only Improvement Area #1 of the District (the "Improvement Area #1 Improvements") and (ii) certain street improvements, water improvements, sanitary sewer transmission and capacity improvements, landscape and irrigation and park and trail improvements, and dedicate certain right of way benefitting the entire District (the "Major Improvements"). The Improvement Area #1 Improvements and the portion of the Major Improvements benefitting Improvement Area #1 are collectively referred to herein as the "Improvement Area #1 Projects." The remaining portion of the Major Improvements benefitting the Major Improvement Area is referred to herein as the "Major Improvement Area Projects." The Developer began construction of the Improvement Area #1 Improvements and Major Improvements in Q4 2024. The Improvement Area #1 Improvements and Major Improvements are expected to be completed in Q3 2026. As of May 23, 2025, the Developer has expended $1,350,305.93 on the Improvement Area #1 Improvements and $1,210,922.19 on the Major Improvements, which expenditures were financed with the IBC Loan.

The City will pay a portion of the project costs for the Major Improvement Area Projects from proceeds of the Bonds. The Developer will submit payment requests on a monthly basis for costs actually incurred in developing and constructing the Major Improvement Area Projects and be paid in accordance with the Indenture and the Major Improvement Area Projects Construction, Funding, and Acquisition Agreement (the "Construction, Funding, and Acquisition Agreement"). See "THE MAJOR IMPROVEMENT AREA PROJECTS – General," "SECURITY FOR THE BONDS – Project Fund," "THE DEVELOPMENT – Development Plan" "APPENDIX A – Form of Indenture" and "APPENDIX F – Form of Construction, Funding, and Acquisition Agreement." The Major Improvements benefit areas outside the District, and the City has agreed to deposit a contribution of funds (the "City Major Improvements Contribution") into an account held under the Indenture to pay for a portion of the costs of the Major Improvements benefitting the areas outside the District (the "City Contribution Improvements"). See "SECURITY FOR THE BONDS – City Contribution Improvements Fund."

Concurrently with the issuance of the Bonds, the City will issue its $21,375,000[*] City of Terrell, Texas, Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Improvement Area #1 Project) (the "Improvement Area #1 Bonds") to finance a portion of the costs of the Improvement Area #1 Projects. The Improvement Area #1 Bonds will be secured by assessments on property in Improvement Area #1 of the District only (the "Improvement Area #1 Assessments").

The City expects to issue one or more series of bonds (collectively, the "Future Improvement Area Bonds") to finance the cost of local improvements benefitting the Future Improvement Areas. Future Improvement Area Bonds to finance the cost of local improvements benefitting the Future Improvement Areas are anticipated to be issued in the future. The estimated costs of the local improvements benefitting the Future Improvement Areas of the District will be determined at the same time Future Improvement Areas are developed, and the Service and Assessment Plan will be updated to identify the improvements to be constructed within the Future Improvement Areas of the District and financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Area of the District, as applicable. The Developer anticipates that Future Improvement Area Bonds will be issued over a 10-year period. "THE DEVELOPMENT – Future Improvement Area Bonds."

Homebuilders in the District

The Developer has entered into lot purchase and sale agreements (the "Lot PSAs") with Beazer Homes of Texas, LP ("Beazer"), Brightland Homes, Ltd. ("Brightland"), CastleRock Communities, LLC ("CastleRock"), Pulte Homes of Texas, L.P. ("Pulte"), and First Texas Homes, Inc. ("First Texas") for all lots in Improvement Area #1 of the District as more particularly described under "THE DEVELOPMENT – Lot Purchase and Sale Agreements in the District." The Developer has not entered into any contracts for the sale of lots in the Major Improvement Area, which includes all of the Future Improvement Areas.

[*] *Preliminary; subject to change.*

The Bonds

Proceeds of the Bonds will be used primarily to provide funds for (i) paying a portion of the Actual Costs of the Major Improvement Area Projects, (ii) paying a portion of the District Formation Costs allocable to the Major Improvement Area, and (iii) paying the Bond Issuance Costs including funding a reserve fund and paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Major Improvement Area Projects, and other costs related to the issuance of the Bonds. "District Formation Costs" means the costs associated with forming the District, including, but not limited to, attorney fees, and any other cost or expense incurred by the City directly associated with the establishment of the District. "Bond Issuance Costs" means the costs associated with issuing the Bonds, including but not limited to, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter's discount, fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of the Bonds. To the extent that a portion of the proceeds of the Bonds is allocated for the payment of the costs of issuance of the Bonds and less than all of such amount is used to pay such costs, the excess amount may, at the option of the City, be transferred to another Account of the Project Fund or to the Principal and Interest Account of the Bond Fund to pay interest on the Bonds. See "THE MAJOR IMPROVEMENT AREA PROJECTS," "APPENDIX A – Form of Indenture" and "SOURCES AND USES OF FUNDS."

Payment of the Bonds is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of the Pledged Revenues, which consist primarily of Assessments levied against the assessable parcels or lots within the Major Improvement Area of 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, the Improvement Area #1 Bonds, and any Future Improvement Area 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. The Improvement Area #1 Bonds and any Future Improvement Area Bonds to be issued by the City are not offered pursuant to this Limited Offering Memorandum.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on each March 15 and September 15 (each an "Interest Payment Date"), commencing March 15, 2026, until maturity or prior redemption. BOKF, NA 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 Bonds shall be the amount of such Outstanding Bond ("Authorized Denominations"). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See "BOOK-ENTRY ONLY SYSTEM" and "SUITABILITY FOR INVESTMENT."

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem the Bonds maturing on or after September 15, 20__, before their respective scheduled maturity 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 and unpaid interest to the date of redemption for such Bonds (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 various provisions of the Indenture, any other transfers to the Redemption Fund under the terms of the Indenture), or as a result of unexpended amounts transferred from the Project Fund, as provided in the Indenture). The City will provide the Trustee a City Certificate directing the Bonds to be redeemed pursuant to the Indenture. See "ASSESSMENT PROCEDURES — Prepayment of Assessments" for the definition and description of Prepayments and "APPENDIX A — Form of Indenture."

Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the 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 schedules:

$_____ Term Bonds Maturing September 15, 20__

Redemption Date	Sinking Fund Installment
September 15, 20__	$
September 15, 20__†	

$_____ Term Bonds Maturing September 15, 20__

Redemption Date	Sinking Fund Installment
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 will select a principal amount of Bonds (in accordance with the Indenture) of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of Bonds of a Stated Maturity required to be redeemed on any redemption date pursuant to the mandatory sinking fund redemption described above shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 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.

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. 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. Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that

funds for the payment of the Redemption Price of such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

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

The City has the right to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available 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.

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

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

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

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

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

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

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 and in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

BOOK-ENTRY ONLY SYSTEM

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

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

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

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

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

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

are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

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

NONE OF THE CITY, THE TRUSTEE, THE PAYING AGENT, 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.

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 or a "qualified institutional buyer" under Rule 144A of the Securities Act, 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 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 Major Improvement Area Projects, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the "Investor Information"). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor's purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for, or in connection with the Investor's decision to purchase the Bonds except for fraud or willful misconduct, to the extent permitted by law. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

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

the payment of principal 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.

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

SECURITY FOR THE BONDS

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

General

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

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the Trust Estate, consisting primarily of the pledged revenues (the "Pledged Revenues"), which consist primarily of Assessments levied against the assessable parcels or lots within the Major Improvement Area of the District and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, the City has caused the preparation of a Service and Assessment Plan (as may be amended and supplemented, the "Service and Assessment Plan"), which describes the special benefit received by the property within the District, including the Major Improvement Area of the District, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See "APPENDIX B — Form of Service and Assessment Plan."

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Major Improvement Area Projects by levying Assessments upon properties in the Major Improvement Area of the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments levied in the Major Improvement Area of the District, see "ASSESSMENT PROCEDURES" and "APPENDIX B — Form of Service and Assessment Plan."

Pursuant to the Indenture, Pledged Revenues are the sum of (i) the Assessment Revenue, less the Annual Collection Costs; and (ii) any additional revenues that the City may pledge to the payment of Bonds. "Assessment Revenue" means monies collected by or on behalf of the City from any one or more of the following: (i) an Assessment levied against an Assessed Parcel, or Annual Installment payment thereof, including any interest on such Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, and (iii) Foreclosure Proceeds. "Annual Installments" means, with respect to each Assessed Parcel, each annual payment of the Assessments (including both principal of and interest on the Assessments) as shown on the Assessment Roll (as defined herein) attached to the Service and Assessment Plan and related to the Major Improvement Area Projects; which annual payment includes the Annual Collection Costs and the up to 0.50% additional interest rate (the "Additional Interest") that may be charged on the Assessments as described in the Indenture and as calculated in the Service and Assessment Plan or in any Annual Service Plan Update. The City will covenant in the Indenture that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be enforced continuously. See "SECURITY FOR THE BONDS — Pledged Revenue Fund," "APPENDIX A — Form of Indenture" and "APPENDIX B — Form of Service and Assessment Plan."

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

Collection and Deposit of Assessments

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

The Assessments assessed to pay debt service on the Bonds, together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds. An Annual Installment of an Assessment has been made payable in the Assessment Ordinance in each fiscal year of the City preceding the date of final maturity of the Bonds which, if collected, will be sufficient to first pay debt service requirements attributable to Assessments in the Service and Assessment Plan and second the amounts due pursuant to the Reimbursement Agreement. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

A record of the Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds is shown on the Assessment Roll. Sums received from the collection of the Assessments to pay the debt service requirements (including delinquent installments, Foreclosure Proceeds and penalties) and of the interest thereon shall be deposited into the Bond Pledged Revenue Account of the Pledged Revenue Fund. Notwithstanding the foregoing, the Trustee shall deposit Foreclosure Proceeds (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 parcel(s) of Assessed Property 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 parcel(s) of Assessed Property to which the Foreclosure Proceeds relate, and third, to the Redemption Fund. The Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund. See "SECURITY FOR THE BONDS — Pledged Revenue Fund" and "APPENDIX A — Form of Indenture."

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

Unconditional Levy of Assessments

The City will impose Assessments on the property within the Major Improvement Area of the District to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments will be calculated at the rate of interest on the Bonds plus 0.50%, calculated on the basis of a 360-day year of twelve 30-day months. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated on or about September 1 and shall be billed on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments will be due when billed on or about October 1, 2025, and will be delinquent if not paid prior to February 1, 2026.

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

There will be no discount for the early payment of Assessments.

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

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

Perfected Security Interest

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

Pledged Revenue Fund

The City will create under the Indenture a Pledged Revenue Fund to be held by the Trustee. On or before March 1 of each year while the Bonds are Outstanding and beginning March 1, 2026, the 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, as described under "— Reserve Fund" herein, (iv) fourth, to pay Actual Costs of the Major Improvement Area Projects, and (v) fifth, to pay other costs permitted by the PID Act.

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

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

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

Notwithstanding the provisions described above, 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 Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid.

Any additional Pledged Revenues remaining after the satisfaction of the foregoing shall be applied by the Trustee, as instructed by the 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 (excluding transfers to the City Contribution Improvements Account created within the City Contribution Improvements Fund).

Bond Fund

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

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

Indenture. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

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

Date	Amount

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 Major Improvement Area Projects Account of the Project Fund pursuant to instructions included in one or more City Certificates, or if the Major Improvement Area Projects Account of the Project Fund has been closed as provided in the Indenture, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Project Fund

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

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

Disbursements from the Major Improvement Area Projects Account of the Project Fund to pay Actual Costs of the Major Improvement Area Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Major Improvement Area 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 Construction, Funding, and Acquisition Agreement. Such provisions and procedures related to such disbursements contained in the Construction, Funding, and Acquisition Agreement are incorporated by reference and deemed set forth in the Indenture in full. 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. See "APPENDIX A – Form of Indenture" and "APPENDIX F – Form of Construction, Funding and Acquisition Agreement."

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Major Improvement Area 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 Major Improvement Area Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Major Improvement Area Projects Account of the Project Fund will ever be expended for the purposes of such Account, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Major Improvement Area Projects Account of the Project Fund that are not expected to be used for the purposes of such Account. If such City Certificate is so filed, the amounts identified on the City Certificate on deposit in the Major Improvement Area 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.

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

Improvement Area Projects Account of the Project Fund has been closed as described above, and the Costs of Issuance Account of the Project Fund has been closed pursuant to the Indenture, the Project Fund shall be closed.

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

City Contribution Improvements Fund

Pursuant to the Indenture, the City will create the City Contribution Improvements Fund and, within the City Contribution Improvements Fund, a City Contribution Improvements Account. Moneys on deposit in the City Contribution Improvements Fund shall be used for the City Contribution Improvements. Moneys deposited into the City Contribution Improvements Account of the City Contribution Improvements Fund shall be held by the Trustee separate and apart from the other Funds and Accounts created and administered under the Indenture and shall not be Pledged Revenues under the Trust Estate.

Disbursements from the City Contribution Improvements Account of the City Contribution Improvements Fund to pay costs of the City Contribution Improvements shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed City Contribution Improvements Certification for Payment or written direction from the City or its designee approving the disbursement from the City Contribution Improvements Account. The disbursement of funds from the City Contribution Improvements Account of the City Contribution Improvements Fund pursuant to a City Contribution Improvements Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Major Improvement Area Construction, Funding, and Acquisition Agreement. Such provisions and procedures related to such disbursement contained in the Construction, Funding, and Acquisition Agreement, are incorporated by reference and deemed set forth in the Indenture in full.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the City Contribution Improvements Account of the City Contribution Improvements Fund are not expected to be expended for purposes of the City Contribution Improvements Fund due to the abandonment, or constructive abandonment of the City Contribution Improvements, such that, in the opinion of the City Representative, it is unlikely that the amounts in the City Contribution Improvements Account of the City Contribution Improvements Fund will ever be expended for the purposes of the City Contribution Improvements Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the City Contribution Improvements Account of the City Contribution Improvements Fund that are not expected to be used for purposes of the City Contribution Improvements Fund. If such City Certificate is so filed, the amounts on deposit in the City Contribution Improvements Account of the City Contribution Improvements Fund shall be transferred to the City on the earliest practicable date and the City Contribution Improvements Account shall be closed.

Upon the filing of a City Certificate stating that all City Contribution Improvements have been completed and that all costs of the City Contribution Improvements have been paid, or that any such costs are not required to be paid from the City Contribution Improvements Account of the City Contribution Improvements Fund pursuant to either a City Contribution Improvements Certification for Payment or written direction from the City or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the City Contribution Improvements Account of the City Contribution Improvements Fund to the City; and (ii) shall close the City Contribution Improvements Account.

If the City Contribution Improvements Account of the City Contribution Improvements Fund has been closed pursuant to the Indenture, the City Contribution Improvements Fund shall be closed.

In making any determination described in the preceding paragraphs, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

Notwithstanding any provision of the Indenture to the contrary, nothing in the Indenture shall affect or impair the right of the City and Developer to modify the applicable terms of the Construction, Funding, and Acquisition

Agreement relating to the disbursement of moneys deposited in the City Contribution Improvements Account of the City Contribution Improvements Fund, provided that no such modification shall allow for the use of funds in the City Contribution Improvements Account for purposes other than the payment of City Contribution Improvements (except as provided above).

THE CITY CONTRIBUTION IMPROVEMENTS FUND IS NOT PART OF THE TRUST ESTATE AND IS NOT SECURITY FOR THE BONDS.

Reserve Fund

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund for the benefit of the Bonds and held by the Trustee and will be funded with proceeds of the Bonds in the amount of the initial Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" for the Bonds shall be an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds as of the Closing Date, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds. As of the date of delivery of the Bonds, the Reserve Account Requirement is $_____.

Pursuant to the Indenture, an Additional Interest Reserve Account will be created within the Reserve Fund and held by the Trustee for the benefit of the Bonds. The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 15 and September 15 of each year, commencing March 15, 2026, an amount equal to the Additional Interest collected, if any, as shown on the Assessment Roll attached to the Service and Assessment Plan or an Annual Service Plan Update, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. The Additional Interest Reserve Requirement is an amount equal to 5.50% of the principal amount of the Outstanding Bonds to be funded from Assessment Revenues to be deposited to the Pledged Revenue Fund and transferred to the Additional Interest Reserve Account. See "APPENDIX A — Form of Indenture" and "APPENDIX B — Form of Service and Assessment Plan."

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 Roll in the Service and Assessment Plan or an Annual Service Plan Update, unless and until it receives a City Certificate directing that a different amount be used.

Whenever 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 under the Indenture, the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of $1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess via online portfolio access. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of debt service on the Bonds on the next Interest Payment Date in accordance with the Indenture, unless within 30 days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due for rebatable arbitrage, (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.

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

If, after a Reserve Account withdrawal, 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.

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

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

Defeasance

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

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

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

Events of Default

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

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

Trustee, or by the Owners of at least 25% of the aggregate Outstanding principal of the Bonds with a copy to the Trustee, specifying such default and requesting that the failure be remedied.

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

Remedies in Event of Default

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

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

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy under the Indenture, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for 90 days after such notice failed or refused to exercise the powers in the Indenture, 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 the Indenture by its, his or their action or to enforce any right under the Indenture 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 in the Indenture 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 under the Indenture.

Subject to provisions of the Indenture with respect to certain liabilities of the City, nothing in the Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond 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 Event of Default

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

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

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

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

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

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

Investment 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 investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in the Indenture) on the Bonds, unless and until the 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 investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold 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); 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 that specified in the Indenture, or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

So long as Bonds are Outstanding under the Indenture, and except as 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 or Other Liens

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

Other than Refunding Bonds issued to refund all or a portion of the Bonds issued in accordance with the Indenture, the 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.

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

The City reserves the right to issue or incur Additional Obligations to finance the cost of future improvements specifically benefitting property in the Future Improvement Areas as the development proceeds. For the avoidance of doubt, the conditions set forth below do not apply to the issuance of the Improvement Area #1 Bonds. Such Additional Obligations for the Future Improvement Areas will be secured by separate assessments levied on the assessed property within each respective Future Improvement Area. The City may, but is under no obligation to, issue or incur Additional Obligations, for any purpose permitted by the PID Act; provided, however, that no Additional Obligations secured by assessments levied against any of the Future Improvement Areas shall be issued unless such Additional Obligations are made to mature on September 15 in each of the years in which they are scheduled to mature, and the below conditions have been met:

(i) The Trustee shall receive a certificate from the City Representative certifying (A) that the City is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the City contained in the Indenture or in any indenture of trust authorizing the issuance of Additional Obligations and (B) the Developer is not delinquent with respect to fees or any other funds or commitments to be paid to the City in accordance with the Development Agreement;

(ii) The Trustee and the City shall receive a certificate from the Developer, through an authorized representative, certifying that the Developer is not in default beyond any applicable notice and cure period in the performance and observance of any of the terms, provisions and conditions applicable to the Developer contained in the Development Agreement or any continuing disclosure agreement entered into by the Developer relating to any Additional Obligations (including those relating to the Improvement Area #1 Bonds), unless any defaults under the foregoing agreements (except for defaults under any continuing disclosure agreements entered into by the Developer which defaults shall be cured) are disclosed in a certificate from the Developer to the City and the City elects to proceed with the issuance of the Additional Obligations regardless of the existence of such default or defaults;

(iii) The Trustee and the City shall receive a certificate from the Administrator certifying that the Developer is not delinquent with respect to the payment of special assessments and ad valorem taxes (other than any ad valorem taxes being contested in good faith) on the assessed parcels owned by the Developer or such owner, respectively, in such Future Improvement Area;

(iv) The Trustee and the City shall receive:

(A) an Independent Appraisal evidencing that (i) that the Value to Lien Ratio of each individual assessed parcel in the Future Improvement Areas for which assessments have been or will be levied is not less than 2:1 or

(B) a certificate from the Developer certifying that property representing at least seventy-five percent (75%) of the parcels to be assessed in a Future Improvement Area, for which such Additional Obligations will be issued, are under contract with merchant builder(s) or real estate developer(s) for sale to end users; and either:

(1) Building permits for homes have been issued and vertical construction has commenced which means framing on the main structure has begun, for at least fifty percent (50%) of the total lots or residential units, as applicable, in the preceding phase(s) of the District for which bonds (not including the Bonds) have been issued, in part or whole, to fund local improvements within such phase; or

(2) Certificates of occupancy for completed homes have been issued for at least twenty-five percent (25%) of the total lots or residential units, as applicable, in the

preceding phase(s) of the District for which bonds (not including the Bonds) have been issued, in part or whole, to fund local improvements within such phase.

Notwithstanding the provisions above, Refunding Bonds issued to refund all or a portion of the Bonds shall not be required to meet the requirements set forth in (i)-(iv) above.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the 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	**$**	**$**	**$**

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SOURCES AND USES OF FUNDS

The following table summarizes the sources and uses of proceeds of the Bonds and the City Major Improvements Contribution:

Sources of Funds:	
Principal Amount	$
City Major Improvements Contribution	
Total Sources	$
Uses of Funds:	
Deposit to Major Improvement Area Projects Account of the Project Fund	$
Deposit to City Contribution Improvements Account of the City Contribution Improvements Fund	
Deposit to Capitalized Interest Account of the Bond Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to District Administration Account of the Administrative Fund	
Deposit to Costs of Issuance Account of the Project Fund	
Underwriter's Discount[(1)]	
Total Uses	$

(1) Includes Underwriter's Counsel's fee of $_____.

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OVERLAPPING TAXES AND DEBT

Overlapping Taxes and Debt

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

In addition to the City, Kaufman County, Texas, Trinity Valley Community College District, Kaufman County Emergency Services District #3, and the Terrell Independent School District may each levy ad valorem taxes upon land in the Major Improvement Area of the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities. The District is located within the corporate limits of the City and within Kaufman County, Texas.

The City has also created the O&M PID (as defined herein) as described under "OVERLAPPING TAXES – O&M PID," in which the City may levy an assessment for the Supplemental Services (as defined herein).

The following tables reflect the estimated overlapping ad valorem tax rates and overlapping indebtedness payable from ad valorem taxes with respect to property within the Major Improvement Area of the District, as well as City debt secured by the Assessments, after delivery of the Bonds.

OVERLAPPING TAX RATES

Taxing Entity[3][4]	Tax Year 2024 Ad Valorem Tax Rate[1]
City	$0.764200
Kaufman County, Texas[2]	0.415113
Trinity Valley Community College District	0.113660
Kaufman County Emergency Services District #3	0.100000
Terrell Independent School District	1.055200
Total Existing Tax Rate	$2.448173
Estimated Average Annual Installment in the Major Improvement Area of the District as a tax rate equivalent per Parcel[3]	$0.345848
Estimated Total Tax Rate and Average Annual Installment in the Major Improvement Area of the District as a tax rate equivalent per Parcel[3]	**$2.794021**

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

(2) Includes Kaufman County Road and Bridge taxes.

(3) *Preliminary, subject to change.* Source: P3Works, LLC. Derived from information presented in the Service and Assessment Plan. See "APPENDIX B – Form of Service and Assessment Plan

(4) The City has not levied but may in the future levy an assessment for the Supplemental Services in the O&M PID. See "OVERLAPPING TAXES – O&M PID Assessments." The maximum tax rate equivalent of the assessments to be levied in the O&M PID is $0.03.

Source: Kaufman Central Appraisal District and the City.

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OVERLAPPING DEBT

Taxing or Assessing Entity[1]	Gross Outstanding Debt as of 7/1/2025	Estimated Percentage Applicable[2]	Direct and Estimated Overlapping Debt
The City (Assessments - The Bonds)[3]	$ 24,190,000	100.000%	$24,190,000
The City	102,410,000	2.801%	2,868,162
Kaufman County, Texas	165,615,000	0.286%	472,902
Terrell Independent School District	33,992,793	2.103%	714,938
TOTAL[3]	$326,207,793		$28,246,002

[1] Trinity Valley Community College District and Kaufman County Emergency Services District #3 do not have outstanding debt secured by ad valorem taxes.

[2] Based on the Appraisal for the Major Improvement Area of the District and on the Tax Year 2024 Net Taxable Assessed Valuations for the taxing entities.

[3] *Preliminary, subject to change.*

Source: Municipal Advisory Council of Texas

If land is devoted principally to agricultural use, a landowner can apply for an agricultural valuation on the property and pay ad valorem taxes based on the land's agricultural value. All of the property in the District is currently subject to an agricultural use valuation with respect to its ad valorem taxes. Agricultural use includes production of crops or livestock. It also can include leaving the land idle for a government program or for normal crop or livestock rotation. The property in the District is subject to hay and/or grazing leases. These leases and lessees' operations on the property allow the property to maintain its agricultural valuation. The Developer expects to terminate these leases as construction of improvements commences. The Developer expects that the agricultural valuation in the Major Improvement Area of the District will terminate in phases as each phase is developed.

If land is devoted principally to agricultural use, a landowner can apply for an agricultural valuation on the property and pay ad valorem taxes based on the land's agricultural value. If land qualified for an agricultural valuation but the land use changes to a non-agricultural use, "rollback taxes" are assessed for each of the previous 3 years in which the land received the lower agricultural valuation. The rollback tax is the difference between taxes paid on land's agricultural value and the taxes that the landowner would have paid if the land had been taxed on a higher market value plus interest charged for each year from the date on which taxes would have been due.

If the land use changes to a non-agricultural use on only a portion of a larger tract, the landowner can fence off the remaining land and maintain the agricultural valuation on the remaining land. In this scenario, the landowner would only be responsible for rollback taxes on that portion of the land for which use changed and not for the entire tract.

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

It is expected that rollback taxes will be paid by the Developer or purchasers from the Developer during development of the District and prior to purchase of parcels or lots by homeowners.

O&M PID Assessments

The City formed the Arboretum Estates Maintenance Public Improvement District No. 7 (the "O&M PID") on January 9, 2024, which includes the property within the District. In addition to the Assessments for the capital improvements financed through the District, the City may levy operations and maintenance assessments (the "O&M PID Assessments") on the property in the O&M PID. If levied, the O&M PID Assessments shall be used to finance the repair and maintenance of an arboretum, open space, common drainage, amenities and other common public improvements located within the District and public safety and security improvements within or benefitting the

District, payment of expenses related to the establishment of the District, and associated O&M PID collection fees (the "Supplemental Services"). The allowable maximum tax equivalent rate of the O&M PID Assessment is $0.03/$1.00, which rate is subject to change based on the costs of the Supplemental Services. The City expects to levy the O&M PID Assessments when the City has taken ownership of improvements in the District to be maintained by the City. **Any O&M PID Assessments, if and when levied, will not be pledged to, and will not be security for, the Bonds.**

Homeowners' Association

In addition to the Assessments described above, the Developer anticipates that each lot owner in the Major Improvement Area of the District will pay a maintenance and operation fee and/or a property owner's association fee annually to a homeowner's association (the "HOA").

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 determined to defray a portion of the costs of the Major Improvement Area Projects through Assessments, it adopted a resolution generally describing the Major Improvement Area Projects and the land within the Major Improvement Area of the District to be subject to Assessments to pay the cost therefor. The City has caused an assessment roll to be prepared (the "Assessment Roll"), which Assessment Roll shows the land within the Major Improvement Area of the District to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll was filed with the City Secretary and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Major Improvement Area Projects and funding a portion of the same with Assessments. The City expects to levy the Assessments and adopt the Assessment Ordinance immediately prior to adopting the Bond Ordinance. After such adoption, the Assessments will become legal, valid and binding liens upon the property against which the Assessments have been made.

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

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property as a result of the Major Improvement Area Projects, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Major Improvement Area Projects to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Major Improvement Area Projects are being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues, including the Assessment Revenues. As set forth in the Service and Assessment Plan, the City Council has determined that the Actual Costs (as defined in the Service and Assessment Plan) associated with the Major Improvement Area Projects will be allocated to the parcels against which the Assessments are levied (the "Assessed Parcels") by spreading the entire Assessment across all Parcels and Lots within the Major Improvement Area of the District on the ratio of estimated build-out value of each Parcel or Lot to the estimated build-out value for all Parcels or Lots within the Major Improvement Area of the District. Currently the Major Improvement Area consists of a single Parcel to which 100% of the Assessments is allocated, which will be further allocated to the current tax IDs based on acreage for billing purposes.

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

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

Collection and Enforcement of Assessment Amounts

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

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

In the Indenture, the City will covenant, agree and warrant that, for so long as any Bonds are Outstanding, and amounts are due the Developer to pay it for its funds it has contributed to pay costs of the Major Improvement Area Projects, that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

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

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

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

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

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

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

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

Assessment Amounts

Assessment Amounts. The maximum amounts of the Assessments will be established by the methodology described in the Service and Assessment Plan. The Assessment Roll sets forth for each year the Annual Installment for each Assessed Property consisting of the annual payment allocable to the Bonds and the Major Improvement Area Projects for each Assessed Property, which amount includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest, if applicable. The Annual Installments for the Assessments may not exceed the amounts shown on the Assessment Roll. The Assessments will be levied against the parcels comprising the Assessed Property as indicated on the Assessment Roll. See "APPENDIX B — Form of Service and Assessment Plan" and "APPENDIX F — Form of Construction, Funding and Acquisition Agreement."

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

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Assessments shall be initially allocated to the Parcels consisting of the Assessed Property based on the ratio of estimated build-out value of each Parcel in the Major Improvement Area to estimated build-out value of all Parcels in the Major Improvement Area.

> Division Prior to Recording of Subdivision Plat. Upon the division of any Assessed Property prior to the recording of subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:
>
> $A = B \times (C \div D)$
>
> Where the terms have the following meanings:
>
> A = the Assessment for the newly divided Assessed Property
>
> B = the Assessment for the Assessed Property prior to division
>
> C = the Estimated Buildout Value of the newly divided Assessed Property

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

The 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, provided by the Owner. The calculation as confirmed by the City Council shall be conclusive and binding.

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

Upon Subdivision by a Recorded Subdivision Plat. Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the 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 x (C ÷ D)]/E

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

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

Lot Type

D = the sum of the Estimated Buildout Value for all of the newly subdivided Lots

excluding Non-Benefitted Property

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

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

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

Upon Consolidation. If two or more lots or Parcels are consolidated, the Administrator shall allocate the Assessments against the lots or Parcels before the consolidation to the consolidated lot or Parcel, which allocation shall be reflected in the next Annual Service Plan Update and approved by the City Council.

For further information about apportionment of the Assessments, See "APPENDIX B — Form of Service and Assessment Plan."

Prepayment of Assessments

The Indenture and the Service and Assessment Plan provide for certain optional and mandatory prepayments as described below (each, a "Prepayment").

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

Mandatory Prepayment of Assessments. If an Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the City the full amount of the applicable Assessment, plus Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to the transfer. If the owner of an Assessed Property causes the Assessed Property to become Non-Benefited Property, the owner causing the change in status shall pay the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached to the Service and Assessment Plan.

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property), (the "Remaining Property") following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner of the Remaining Property will remain liable to pay in Annual Installments, or payable as otherwise provided by this Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the applicable Maximum Assessment, the owner will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed the applicable Maximum Assessment, in which case the Assessment and Annual Installments applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. In all instances the Assessment remaining on the Remaining Property shall not exceed the applicable Maximum Assessment.

To the extent that any Assessment is prepaid, the lien on real property associated with such Assessment prepayment shall be released and any rights of the Trustee and the bond owners to request the City to proceed with foreclosure procedures for the purpose of protecting and enforcing the rights of the bond owners with respect to such property shall terminate.

Priority of Lien

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

the entire Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time.

Foreclosure Proceedings

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

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

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

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

THE CITY

Background

The District is located within the corporate limits of the City. The City is located in Kaufman County, approximately 35 miles east of Dallas, Texas, approximately 29 miles southeast of Garland, Texas, and approximately 40 miles southeast of Plano, Texas. Access to the City is provided by State Highway 289 and from US 75 via FM Road 902. The City's population as of the 2020 Census was 17,465 and its current population estimate is 18,485. The City covers approximately 28 square miles.

City Government

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in 1873, and first adopted its Home Rule Charter in 1973. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and four Councilmembers. The term of office is three years with the terms of the Mayor and two of the Councilmembers expiring in even-numbered years, and the terms of the other two Councilmembers expiring

in odd-numbered years. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are public safety (police and fire protection), highways, streets, a municipal airport, water and sanitary sewer utilities, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The current members of the City Council and their respective expiration of terms of office are set forth on page ii hereof.

City Water and Wastewater Systems

Water. The City contracts with the North Texas Municipal Water District to meet the City's water supply needs. North Texas Municipal Water District supplies water to most of the communities in North Texas and expanded its capability by building an additional reservoir at the Lower Bois D 'Arc Creek location. The City owns and operates its own water distribution system, which includes over 800,000 LF of pipe ranging in size from 2 inch to 30-inch diameter and has capacity for 1.2 million gallons per day. The City has two water towers with a combined capacity of 2.5 million gallons and a 3.0-million-gallon ground storage tank which provides water supply and water pressure for the City's residential, industrial, and commercial customers. The City expects to have sufficient water capacity to serve the Development (as defined herein).

Wastewater. The City owns and operates its own wastewater collection system which includes more than 650,000 feet of pipe ranging in size from 6 in. to 36 in. The City processes its effluent through its Kings Creek Wastewater Treatment Plant which has capacity for 4.5 million gallons per day.

As part of the Major Improvements, the Developer is constructing the first phase of the Initial WWTP (as defined herein), which initial phase includes sufficient capacity to serve Improvement Area #1. The Initial WWTP will be owned and operated by the City. It is expected that the City will, either through expansion of the Initial WWTP or alternative wastewater treatment locations, will provide wastewater services sufficient for the Development. See "THE DEVELOPMENT –Development Agreement – *Water and Water Infrastructure*."

Major Employers

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

Employer	Product or Service	Employees
Madix Inc.	Manufacturing	827
AutoZone Distribution Center	Auto Parts Distribution	800
Terrell State Hospital	Hospital	750
Terrell ISD	Education	658
Oldcastle Building Envelope	Manufacturing	600
Wal-Mart Distribution	Grocery Distributor	575
J.S. Helwig & Son LLC	Refrigerated Transportation	460
NUCOR Building Systems	Manufacturing	366
Buc-ee's	Retail	315
American National Bank	Bank	250

Source: Terrell Texas Economic Development Corporation

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Historical Employment in Kaufman County

	Average Annual				
	2025[(1)]	2024	2023	2022	2021
Civilian Labor Force	99,368	98,262	95,953	88,015	79,035
Total Employed	95,410	94,351	92,302	84,874	75,339
Total Unemployed	3,958	3,911	3,651	3,141	3,696
Unemployment Rate	4.0%	4.0%	3.8%	3.6%	4.7%

Source: Texas Workforce Commission.
(1) Data through June 2025.

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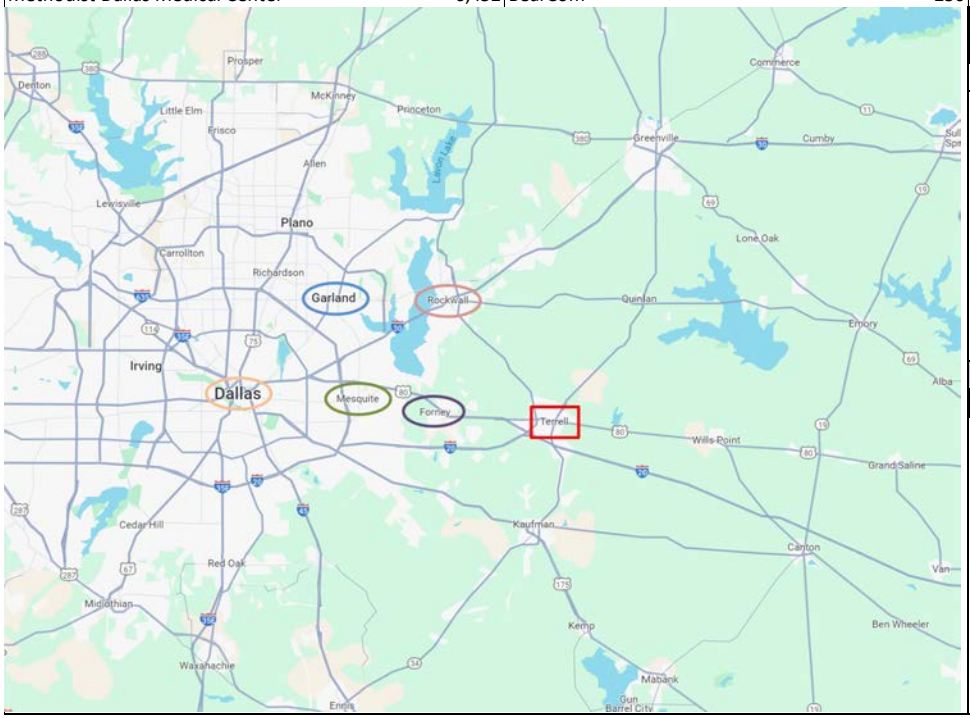
Surrounding Economic Activity

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

City of Dallas	
Approximately 32 miles from the City	
Employer	**Employees**
UT Southwestern Medical Center	23,817
Dallas ISD	23,217
City of Dallas	16,000
Southwest Airlines Co	14,618
Parkland Health & Hosp System	13,000
Medical City Dallas	10,974
Dallas County Community College	8,230
Texas Instruments Inc.	7,722
Dallas County	6,500
Methodist Dallas Medical Center	6,452

City of Garland	
Approximately 31 miles from the City	
Employer	**Employees**
Kraft Foods	1,222
Sherwin Williams	636
Epiroc Drilling Solutions	525
US Food Service	520
Andersen Windows	425
Arrow Fabricated Tubing	340
General Dynamics	329
Bass Pro Shops	300
Plastipak Packaging	279
BearCom	250

City of Mesquite	
Approximately 21 miles from the City	
Employer	**Employees**
Mesquite ISD	5,487
Town East Mall	2,750
United Parcel Service Inc.	2,300
Baker Triangle	1,900
City of Mesquite	1,251
Eastfield College	950
Dallas Regional Medical Center	900
Wal-Mart Supercenter	850
Pepsi Beverages Co.	800
Ashley Furniture	785



City of Rockwall	
Approximately 17 miles from the City	
Employer	**Employees**
Rockwall Independent School District	1,944
L-3 Harris Technologies	700
Pegasus Foods	700
Texas Health Presbyterian Hospital	700
Wal-Mart Superstore	450
Channell Commercial	380
Rockwall County	364
City of Rockwall	353
Texas Star Express	275
Karat by Lollicup USA	260

City of Forney	
Approximately 12 miles from the City	
Employer	**Employees**
Forney Independent School District	1,458
Amazon	650
Wal-Mart	398
Smurfit Kappa	260
Intex Electrical	250
City of Forney	224
Kroger Marketplace	222
Steve Silver Co.	200
Lowe's	165
Goodyear Tire and Rubber	160

Source: Municpal Advisory Council of Texas

THE DISTRICT

General

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

Powers and Authority

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

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or pay a developer for the costs of, the financing, acquisition, construction or improvement of the Major Improvement Area Projects. See "THE MAJOR IMPROVEMENT AREA PROJECTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain road, water, sanitary sewer, drainage, landscaping, hardscaping, and park improvements within the Major Improvement Area of the District and outside of the District comprising the Major Improvement Area Projects and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See "ASSESSMENT PROCEDURES" herein and "APPENDIX B — Form of Service and Assessment Plan."

THE MAJOR IMPROVEMENT AREA PROJECTS

General

The Major Improvement Area Projects consist of the Major Improvement Area's proportionate share of the costs of the Major Improvements. The Major Improvement Area Projects will be dedicated to the City. The Developer is responsible for the completion of the construction, acquisition or purchase of the Major Improvement Area Projects. See "THE DEVELOPMENT – Development Plan." The City will pay a portion of the project costs for the Major Improvement Area Projects from proceeds of the Bonds. The Developer will submit payment requests on a monthly basis for costs actually incurred in developing and constructing the Major Improvement Area Projects and be paid in accordance with the Indenture and the Construction, Funding, and Acquisition Agreement.

Major Improvement Area Projects. The Major Improvement Area Projects include the Major Improvement Area's allocable share of certain Major Improvements, as described below:

- ***Wet Utilities***
    - ***Sanitary Sewer Transmission***: Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within the District
    - ***Sanitary Sewer Capacity***: Improvements including wastewater treatment facilities, wastewater lift stations, related earthwork, excavation, and erosion control, and all necessary appurtenances required to pump and/or process sewage from all Lots within the District.

- ***Water***: Improvements including trench excavation and embedment, trench safety, PVC piping, valves, fire hydrants, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within the District.

- ***Street Improvements***: Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within the District.

- ***Landscape and Irrigation***: Improvements including parkway landscape and irrigation within FM 148, Los Lomas Parkway, and collector roads.

- ***Parks and Trails***: Improvements including parks and trails around detention ponds and public parkways.

- ***ROW Dedication***: The right-of-way dedication includes right-of-way for streets and parks and/or a public safety site within the District. The total area within the right-of way totals 32.49 acres.

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

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

Type of Improvement		Costs*
Water		$2,030,831
Sanitary Sewer		3,810,794
Street		3,927,737
Landscape and Irrigation		269,317
Parks and Trails		197,954
ROW Dedication		2,567,174
District Formation Costs		1,102,467
Soft Costs		2,176,454
	Subtotal	$16,082,728
Bond Issuance Costs		$8,067,272
Deposit to Administrative Fund		$40,000
Total Cost of Major Improvement Area Authorized Improvements		**$24,190,000**

The cost of the Major Improvement Area Projects, including costs of issuance relating to the Bonds, is expected to be approximately $24,190,000*. The costs of the Major Improvement Area Projects are expected to be funded with proceeds of the Bonds. See "SOURCES AND USES OF FUNDS." To the extent the proceeds of the Bonds are insufficient to pay the costs of the Major Improvement Area Projects, the balance of the costs of the Major Improvement Area Projects will be paid by the Developer without reimbursement from the City.

Ownership and Maintenance of Improvements

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

* *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 City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Developer has reviewed this Limited Offering Memorandum and warrants and represents that neither (i) the information under the caption "THE DEVELOPMENT" nor (ii) the information relating to the Developer's plan for developing the land within the District under the subcaption "BONDHOLDERS' RISKS — Dependence Upon Developer" contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are 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.

Overview

The land within the District will be developed as a development to be known as "Arboretum Estates" (the "Development"). The Development is an approximately 792.268-acre portion of a master planned project located within the corporate limits of the City, south of FM 148 and near the intersection of FM 148 and IH 20. Portions of the Development outside the boundaries of the District are expected to include commercial and multi-family apartment development. The Development is approximately 32 miles east of the City of Dallas, Texas and 30 miles southeast of the City of Garland, Texas, and 40 miles southeast of Dallas Love Field Airport.

The land within the District is owned by the Developer, which is an affiliate of Centurion American Custom Homes Inc. d/b/a Centurion American Development Group Inc. ("Centurion"), as described below in "THE DEVELOPER — Description of the Developer." See "THE DEVELOPER — History and Financing of the District." The Developer develops infrastructure and community improvements (amenities, parks, trails, etc.) and sells residential lots to high-quality production homebuilders under lot takedown contracts. The single-family portion of the Development will include a variety of trails, ponds, amenity centers and open space areas for its residents and others to enjoy. This combination will provide its residents with a community environment in which to live. The Development is located in Terrell Independent School District.

Development Plan

The Developer expects to develop the single-family portion of the Development as a master planned development which is expected to consist of approximately 2,387 single-family units at buildout. The Developer will develop the Development in distinct areas, which development began with development of the infrastructure to serve Improvement Area #1 of the District and a portion of the major infrastructure to serve the entire District. Such development will be followed by the infrastructure to serve the Future Improvement Areas and additional major infrastructure to serve the District. See "THE DEVELOPMENT — Concept Plan," "THE MAJOR IMPROVEMENT AREA PROJECTS" and "APPENDIX B — Form of Service and Assessment Plan."

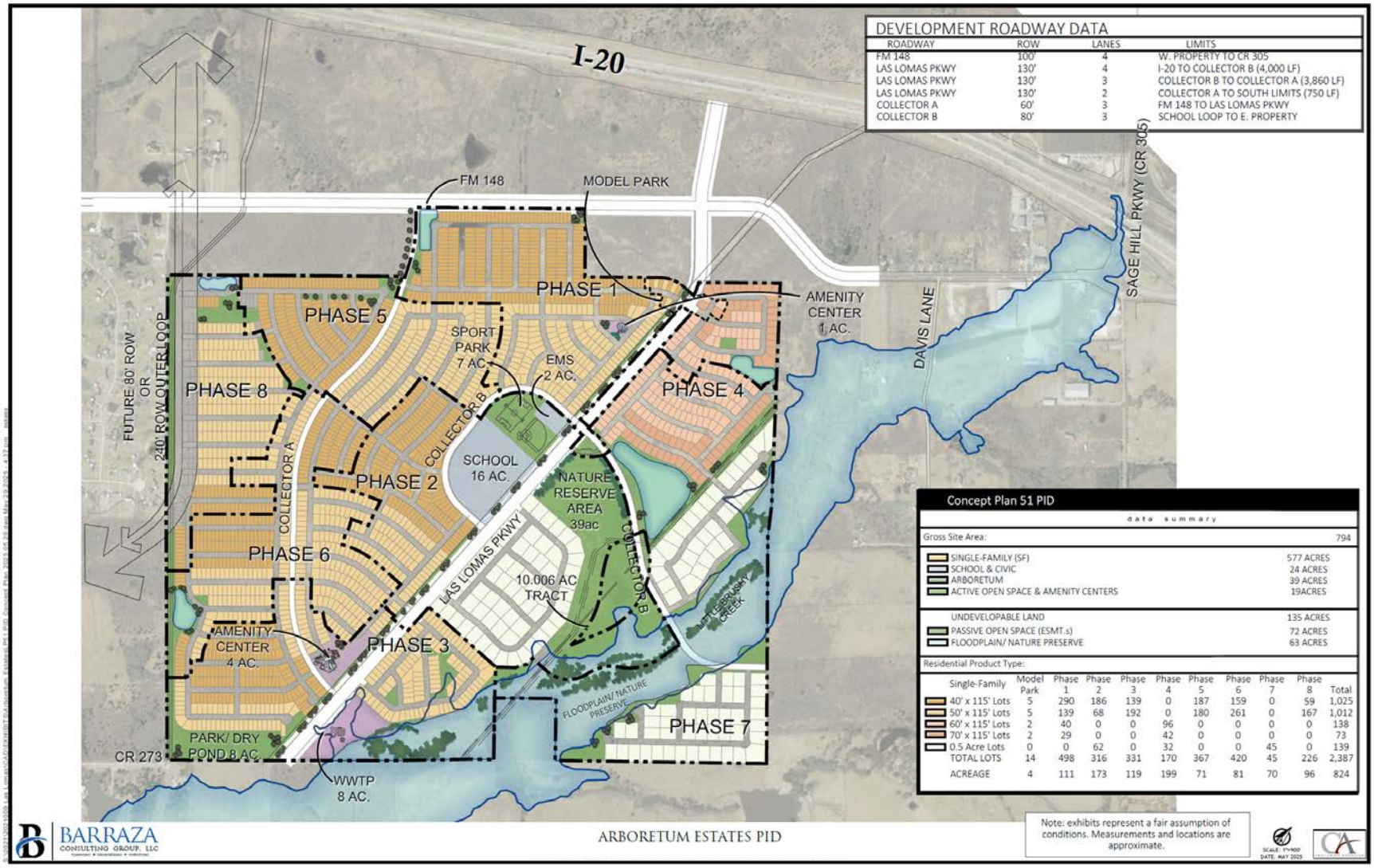
The Developer began construction of the Improvement Area #1 Improvements and Major Improvements in Q4 2024. The Improvement Area #1 Improvements and Major Improvements are expected to be completed in Q3 2026. As of May 23, 2025, the Developer has expended $1,350,305.93 on the Improvement Area #1 Improvements and $1,210,922.19 on the Major Improvements, which expenditures were financed with the IBC Loan. See "THE DEVELOPER – History and Financing of the District."

Proceeds of the Bonds will pay the costs of the Major Improvement Area Projects. The Developer has funded or will fund the balance of the Major Improvement Area Projects to the extent not funded with proceeds of the Bonds using funds from the IBC Loan. See "SOURCES AND USES OF FUNDS." Proceeds of the Improvement Area #1 Bonds are expected to pay for a portion of the costs of the Improvement Area #1 Projects. See "PLAN OF FINANCE." In addition, the Major Improvements benefit areas outside the District, and the City has agreed to deposit the City Major Improvements Contribution under the Indenture to pay for a portion of the costs of the Major Improvements benefitting the areas outside the District. See "SECURITY FOR THE BONDS – Project Fund."

Concept Plan

Below is the current concept plan of the Development as approved by the City. The concept plan is conceptual and subject to change consistent with the City's zoning and subdivision regulations.

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I-20
FM 148
MODEL PARK
PHASE 1
PHASE 2
PHASE 3
PHASE 4
PHASE 5
PHASE 6
PHASE 7
PHASE 8
AMENITY CENTER 1 AC.
SPORT PARK 7 AC.
EMS 2 AC.
SCHOOL 16 AC.
NATURE RESERVE AREA 39ac
10.006 AC TRACT
AMENITY CENTER 4 AC.
PARK/ DRY POND 8 AC.
WWTP 8 AC.
FUTURE 80' ROW OR 240' ROW OUTER LOOP
COLLECTOR A
COLLECTOR B
LAS LOMAS PKWY
DAVIS LANE
SAGE HILL PKWY (CR 305)
CR 273
FLOODPLAIN/ NATURE PRESERVE
LITTLE BRUSHY CREEK
DEVELOPMENT ROADWAY DATA
ROADWAY | ROW | LANES | LIMITS
FM 148 | 100' | 4 | W. PROPERTY TO CR 305
LAS LOMAS PKWY | 130' | 4 | I-20 TO COLLECTOR B (4,000 LF)
LAS LOMAS PKWY | 130' | 3 | COLLECTOR B TO COLLECTOR A (3,860 LF)
LAS LOMAS PKWY | 130' | 2 | COLLECTOR A TO SOUTH LIMITS (750 LF)
COLLECTOR A | 60' | 3 | FM 148 TO LAS LOMAS PKWY
COLLECTOR B | 80' | 3 | SCHOOL LOOP TO E. PROPERTY
Concept Plan 51 PID
data summary
Gross Site Area: 794
SINGLE-FAMILY (SF) 577 ACRES
SCHOOL & CIVIC 24 ACRES
ARBORETUM 39 ACRES
ACTIVE OPEN SPACE & AMENITY CENTERS 19ACRES
UNDEVELOPABLE LAND 135 ACRES
PASSIVE OPEN SPACE (ESMT.s) 72 ACRES
FLOODPLAIN/ NATURE PRESERVE 63 ACRES
Residential Product Type:
Single-Family | Model Park | Phase 1 | Phase 2 | Phase 3 | Phase 4 | Phase 5 | Phase 6 | Phase 7 | Phase 8 | Total
40' x 115' Lots | 5 | 290 | 186 | 139 | 0 | 187 | 159 | 0 | 59 | 1,025
50' x 115' Lots | 5 | 139 | 68 | 192 | 0 | 180 | 261 | 0 | 167 | 1,012
60' x 115' Lots | 2 | 40 | 0 | 0 | 96 | 0 | 0 | 0 | 0 | 138
70' x 115' Lots | 2 | 29 | 0 | 0 | 42 | 0 | 0 | 0 | 0 | 73
0.5 Acre Lots | 0 | 0 | 62 | 0 | 32 | 0 | 0 | 45 | 0 | 139
TOTAL LOTS | 14 | 498 | 316 | 331 | 170 | 367 | 420 | 45 | 226 | 2,387
ACREAGE | 4 | 111 | 173 | 119 | 199 | 71 | 81 | 70 | 96 | 824
BARRAZA CONSULTING GROUP, LLC
ARBORETUM ESTATES PID
Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.

Lot Purchase and Sale Agreements in the District

The Developer has entered into lot purchase and sale agreements for all of the expected lots within Improvement Area #1 of the District as described below. The Developer has not entered into any contracts for the sale of lots in the Major Improvement Area, which includes all of the Future Improvement Areas; however, the Beazer PSA includes a right of first refusal for lots in the second and third phases of the District as described below.

Beazer. The Developer has entered into a lot purchase and sale agreement with Beazer (the "Beazer PSA") for approximately 88 lots in Improvement Area #1 in the approximate lot mix, at the prices, and under the takedown schedule described below. In addition, Beazer is granted a right of first refusal on 1/5 of the lots in the second and third phases of the District under the Beazer PSA.

Brightland. The Developer has entered into a lot purchase and sale agreement with Brightland (the "Brightland PSA") for approximately 124 lots in Improvement Area #1 in the approximate lot mix, at the prices, and under the takedown schedule described below.

CastleRock. The Developer has entered into a lot purchase and sale agreement with CastleRock (the "CastleRock PSA") for approximately 126 lots in Improvement Area #1 in the approximate lot mix, at the prices, and under the takedown schedule described below.

Pulte. The Developer has entered into a lot purchase and sale agreement with Pulte (the "Pulte PSA") for approximately 87 lots in Improvement Area #1 in the approximate lot mix, at the prices, and under the takedown schedule described below.

First Texas. The Developer has entered into a lot purchase and sale agreement with First Texas (the "First Texas PSA") for approximately 89 lots in Improvement Area #1 in the approximate lot mix, at the prices, and under the takedown schedule described below.

It is noted that the Developer has contracted for all lots in Improvement Area #1; however, the total number of lots and lot mixes of the lots contracted under the Lot PSAs is approximate and differs slightly from the concept plan. The Developer intends to execute amendments at the time final lot splits are determined.

Under each of the Lot PSAs, the Developer must complete the applicable lots on or prior to 22 months after the release of the earnest money deposited under such applicable Lot PSA, which deposits occurred on February 28, 2025; provided however, that if lot completion has not occurred by such date, the deadline will automatically extend for an additional 60 days (the "Outside Completion Date"). If the Developer fails to complete construction of the lots by the applicable Outside Completion Date, the applicable builder has the option (i) to extend the Outside Completion Date or (ii) to terminate the applicable Lot PSA. The Developer expects to complete the lots in Improvement Area #1 by the Outside Completion Date.

In addition, under each of the Lot PSAs, the Developer shall complete the first amenity center in the District within 24 months after the initial closing under the applicable Lot PSA. In the event that such amenity center is not completed within such time period, the applicable builder's obligations to purchase lots and pay any additional consideration from a lot price annual escalator shall abate until completion of such amenity center.

The Developer has reserved a right of first offer for the lots under each of the Lot PSAs in the event the applicable builder elects to sell a lot on which a foundation or home has not been constructed.

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The following table provides a summary of the earnest money deposited and to be deposited and released under the Lot PSAs.

Homebuilder	Earnest Money Required	Earnest Money Deposited	Earnest Money Released
Beazer	$1,125,000	$1,125,000	$1,125,000
Brightland	$1,700,000	$1,700,000	$1,700,000
CastleRock	$1,700,000	$1,700,000	$1,700,000
Pulte	$1,125,000	$1,125,000	$1,125,000
First Texas	$1,125,000	$1,125,000	$1,125,000
	$6,775,000	$6,775,000	$6,775,000

The Developer has executed earnest money deeds of trust securing the portion of earnest money which has been released to the Developer in connection with the development of Improvement Area #1. Such earnest money deeds of trust will grant the respective builder a second lien on certain property within Improvement Area #1 of the District. The Developer has used such earnest money funds to refinance the Trez Loan as described under "THE DEVELOPER – History and Financing of the District."

The following table provides a summary of the terms of the lot purchase and sale agreements.

LOT PURCHASE AND SALE AGREEMENTS

Homebuilder	IA	Total Lots	Lot Size	Base Price Per Lot*	Fees	Lots per Takedown
Beazer	1	58	40'	$60,000	$500/lot marketing $2,000/lot amenity	Initial closing: 10 – 40s; 6 – 50s Subsequent closings (every 90 days thereafter): 10 – 40s; 6 – 50s
	1	30	50'	$75,000		
Brightland	1	58	40'	$60,000	$500/lot marketing $2,000/lot amenity	Initial closing: 7 – 40s; 4 – 50s; 3 – 60s; 2 – 70s Subsequent closings (every 90 days thereafter): 7 – 40s; 4 – 50s; 3 – 60s; 2 – 70s
	1	30	50'	$75,000		
	1	21	60'	$90,000		
	1	15	70'	$105,000		
CastleRock	1	59	40'	$60,000	$500/lot marketing $2,000/lot amenity	Initial closing: 7 – 40s; 4 – 50s; 3 – 60s; 2 – 70s Subsequent closings (every 90 days thereafter): 7 – 40s; 4 – 50s; 3 – 60s; 2 – 70s
	1	30	50'	$75,000		
	1	21	60'	$90,000		
	1	16	70'	$105,000		
First Texas	1	59	40'	$60,500	$500/lot marketing $2,000/lot amenity	Initial closing: 10 – 40s; 6 – 50s Subsequent closings (every 90 days thereafter): 10 – 40s; 6 – 50s
	1	30	50'	$75,500		
Pulte	1	58	40'	$60,000	$500/lot marketing $2,000/lot amenity	Initial closing: 10 – 40s; 6 – 50s Subsequent closings (every 90 days thereafter): 10 – 40s; 6 – 50s
	1	29	50'	$75,000		
Total		514**				

* Excludes annual escalator of 8.5%.

** It is noted that the Developer has contracted for all lots in Improvement Area #1; however, the total number of lots and lot mixes of the lots contracted under the Lot PSAs is approximate and differs slightly from the concept plan and exceeds the total number of lots in Improvement Area #1. The Developer intends to execute amendments at the time final lot splits are determined.

Expected Build-Out and Home Prices in the Development

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

ESTIMATED HOME PRICES

Improvement Area	Lot Size (Width in Ft.)	Quantity	Base Lot Price Excluding Fees	Average Base Home Price*
1	40’	295	$60,000	$275,000
	50’	144	$75,000	$325,000
	60’	42	$90,000	$375,000
	70’	31	$105,000	$400,000
Future (Major Improvement Area)	40’	730	To be determined	$275,000
	50’	868	To be determined	$325,000
	60’	96	To be determined	$375,000
	70’	42	To be determined	$400,000
	½ acre	139	To be determined	$837,500

* Developer estimates.

The Developer expects to complete the Development in several phases over a thirteen-year period. The following tables provide the Developer’s expected build-out schedule of the District and absorption schedule of lots for the District.

EXPECTED BUILD-OUT SCHEDULE THE DISTRICT

Improvement Area	**Single-Family Lots**	**Expected Start of Internal Infrastructure**	**Expected Internal Infrastructure Completion Date**	**Expected Final Lot Sale Date**
1	512	Q4 2024	Q3 2026	Q1 2028
2	316	Q4 2026	Q3 2028	Q4 2030
3	331	Q4 2028	Q3 2030	Q4 2032
4	170	Q1 2030	Q1 2032	Q4 2034
5	367	Q1 2032	Q4 2033	Q4 2035
6	420	Q1 2034	Q4 2035	Q4 2036
7	45	Q1 2034	Q4 2035	Q4 2038
8	226	Q1 2036	Q4 2037	Q4 2038
Total	2,387			

EXPECTED ABSORPTION OF LOTS IN IMPROVEMENT AREA #1

Improvement Area #1	
Expected Final Sale Date	Total Lots
Q3 2026	80
Q4 2026	80
Q1 2027	80
Q2 2027	80
Q3 2027	80
Q4 2027	80
Q1 2028	32
Total	512

Future Improvement Area Bonds

Future Improvement Area Bonds to finance the cost of local improvements benefitting the Future Improvement Areas are anticipated to be issued in the future. The estimated costs of the local improvements

benefitting the Future Improvement Areas of the District will be determined at the same time Future Improvement Areas are developed, and the Service and Assessment Plan will be updated to identify the improvements to be constructed within the Future Improvement Areas of the District and financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Area of the District, as applicable. The Developer anticipates that Future Improvement Area Bonds will be issued over a 10-year period, as described in the Service and Assessment Plan.

The Bonds, the Improvement Area #1 Bonds, and any Future Improvement Area Bonds issued by the City are separate and distinct issues of securities. The City reserves the right to issue Future Improvement Area Bonds for any purpose permitted by the PID Act, including those described above.

Development Agreement

The Development Agreement sets forth certain agreements between the City and the Developer relating to the development of the property within the Development, including the Developer's and the City's respective contributions to the Development, and agreements relating to the District and the TIRZ (as defined herein). Capitalized terms used this section and not otherwise defined herein shall have the meanings assigned to them in the Development Agreement. See "APPENDIX G — Development Agreement."

PID Bonds; Maximum Assessments and O&M PID Assessments. The Development Agreement provides that the City will issue up to $221,369,300 in PID Bonds and sets forth certain agreements relating to the maximum amount of assessments to be levied on property in the District. As set forth in the Development Agreement, the maximum equivalent tax rate for assessments for capital improvements, including the Assessments, shall not exceed $1.25 per $100 assessed value, based upon the estimated average home value set forth in the Service and Assessment Plan (the "Maximum Tax Rate Equivalent"). The maximum equivalent tax rate for the O&M PID Assessments shall not exceed $0.03 per $100 assessed value, based upon the estimated average home value. The O&M PID Assessments shall not be included when calculating the Maximum Tax Rate Equivalent.

Roadway Infrastructure. In the Development Agreement, the Developer has agreed to construct certain roads benefitting the Development including Las Lomas Parkway, Collector A and Collector B, and a portion of FM 148.

The Developer and the City have agreed that FM 148 will be improved to a four-lane cross section from IH-20 to the western edge of the Property (as such term is defined in the Development Agreement) (the "FM 148 Improvements"). Pursuant to the Development Agreement, the FM 148 Improvements shall be constructed in a phased manner in coordination with the Texas Department of Transportation ("TxDOT") and the City. The proposed phasing plan for the FM 148 Improvements set forth in the Development Agreement, which is subject to TxDOT approval is as follows: (i) the southern-bound (on the northern side of the Property) 2 lanes from the western boundary of the Property to CR-305 shall be constructed prior to the recordation of the first final plat of single-family lots in the Development; (ii) the southern-bound (on the northern side of the Property) 2 lanes from CR-305 to IH-20 prior to recordation of the first final plat of single-family lots in the Development; and (iii) the northern-bound (on the south side of the Property) 2 lanes from the western boundary of the Property to IH-20 prior to August 22, 2035 (so long as the Developer commences construction prior to August 22, 2034), provided that TxDOT has not constructed such portion of lanes prior to August 22, 2033.

Under the Development Agreement, the City will not consider any vertical building plans in the Development until the Developer receives written approval from TxDOT for the first phase of the FM 148 Improvements concept along with a final phase four-lane divided median concept and the Developer has provided a complete set of construction ready plans for the first phase of the FM 148 Improvements. Further, the Development Agreement provides that the City shall not issue building permits for more than 1,338 single-family residential lots until construction of the final phase four-lane divided median concept of the FM 148 Improvements from the western edge of the Property to IH-20 has been completed and accepted by the City.

The Development Agreement requires the Developer to construct Las Lomas Parkway in the following phases: (i) prior to the Developer recording a final plat for its first single-family lot, the Developer shall construct or cause to be constructed the western most two lanes from IH-20 to the first single-family access point as shown on the

"Roadway Phasing Plan" attached to the Development Agreement; (ii) prior to the Developer recording a final plat for the 515th single-family lot, the Developer shall construct or cause to be constructed the western most two lanes from the first single-family access point to the phase 2 southern boundary as shown on the Concept Plan; (iii) prior to the Developer recording a final plat for the 830th single-family lot, the Developer shall construct or cause to be constructed the eastern most two lanes from FM148 to the EMS Site (as defined herein) as shown on the Roadway Phasing Plan; (iv) for the eastern most two lanes north of FM148, the Developer shall construct or cause to be constructed such lanes after TxDOT builds the frontage road or upon the requirement of the fire marshal for safety purposes, but in no event earlier than at the time of the platting of the next phase after TxDOT builds the frontage road or upon the requirement of the fire marshal for safety purposes; and (v) prior to the development of any future phases, the Developer shall construct or cause to be constructed all lanes adjacent to such future phase as shown on the Roadway Phasing Plan.

The City has agreed to coordinate with TxDOT and the County to design and construct access roads along IH-20 beginning at a point at the westernmost corner of the Property, then northeast along the northern boundary of the Property to the intersection of FM 148 and I-20, including interchange improvements for CR 305, Las Lomas Parkway, and FM 148.

Water and Water Infrastructure. Rose Hill Special Utility District ("Rose Hill SUD") previously held the Certificate of Convenience and Necessity ("CCN") on the Property. Pursuant to the terms of the Development Agreement, the Developer decertified the property from Rose Hill SUD's CCN and the City now holds the sole right to serve the property with water and sewer service.

Under the Development Agreement, the Developer has also agreed to construct or cause the construction of certain internal and offsite water infrastructure. See "APPENDIX G — Development Agreement." Further, the Terrell Economic Development Corporation (the "TEDC") has agreed to fund up to $10,000,000 for the design and construction of certain offsite water lines necessary to facilitate construction in the Development (the "TEDC Water Improvements") as outlined in the Chapter 380 Economic Development Agreement entered into between the City and the TEDC (the "TEDC 380 Agreement"), which TEDC 380 Agreement is attached as an exhibit to the Development Agreement included as APPENDIX G hereto.

As provided in the TEDC 380 Agreement, the Property shall be subject to "Water Capital Development Fees" as set forth in the TEDC 380 Agreement. The City will not issue building permits on the Property until such time as the Water Capital Development Fees have been paid for the applicable lot. The City shall remit 100% of the Water Capital Development Fees collected by the City to the TEDC if the TEDC Water Improvements are completed and accepted by the City within 24 months after the first certificate of occupancy is issued on the Property. In the event the TEDC Water Improvements are not completed and accepted by the City within 24 months, the City will make 100% of any Water Capital Development Fees available to the Developer to be drawn and/or used to reimburse the Developer for offsite water expenses to extend a water line to the City's elevated storage tank. The Developer shall not be responsible for any overrun costs related the TEDC Water Improvements, and the TEDC and other entities may, but have not yet, have entered into separate agreements to assist with the funding of the TEDC Water Improvements.

Wastewater Infrastructure. The Developer shall pay all costs for construction, lease, maintenance and operations of any wastewater package plants or other treatment servicing the Property until the Property contains 892 Dwelling Unit Equivalents, at which time such costs will become the responsibility of the City (the "Payment Trigger Date").

The Developer has agreed to construct, at its cost, a wastewater treatment plant that will provide 0.33 MGD (the "Initial WWTP") to the District. The Initial WWTP will be constructed in phases with the first phase of the Initial WWTP providing 0.14 MGD which the Developer anticipates will serve (a) 350,000 square feet of industrial/commercial uses, (b) 315 multifamily units, and (c) 512 single-family units. The Developer will expand the Initial WWTP up to 0.33 MGD based upon actual demand or when the Initial WWTP is at 70% capacity. The Development Agreement provides that the Developer may utilize pump and haul service until the Initial WWTP is constructed and operational or if, at any time, the Initial WWTP is unable to fully service the Property.

The City has agreed that any future phases of any wastewater treatment solution necessary for treatment of wastewater from the Development beyond the capacity of the Initial WWTP shall be completed at the expense of the City. The City has committed to use best efforts to provide such treatment solutions so that building permit issuance is not delayed, conditioned or withheld due to a lack of a wastewater treatment solution. If the City provides notice of an unforeseen delay in the City's provision of additional wastewater capacity Developer, at any time after the 669th single-family home in the District receives a certificate of occupancy the Developer may provide notice of its intent to lease additional temporary wastewater capacity as needed if the City is unable to meet a 365-day performance period or cannot reasonably demonstrate that it is on schedule to do so. Any such temporary wastewater solution approved by the TCEQ shall be eligible for 100% reimbursement to the Developer from sources other than the District, including the City's utility capital reserve fund. Until the Payment Trigger Date, the City will pay the Developer 90% of all wastewater revenue received from all Dwelling Unit Equivalents being serviced within the Property by the temporary wastewater solution.

The City will manage and operate the Initial WWTP and shall serve as the retail wastewater service provider for the Property. The City may, at its discretion, construct and operate a permanent City wastewater treatment plant on the Property, or in the alternative, transfer wastewater from the Property by means of a pipeline and/or other means to the existing Terrell plant for treatment there or another solution.

Land Donated to the City. Under the Development Agreement, the Developer has agreed to make certain land dedications to the City as follows:

- 2.5 acres for a public safety facility/fire station site or use (the "EMS Site");
- land suitable for an 8-acre park, which shall include soccer goals and a softball/baseball backstop;
- land suitable for a 7-acre sport park;
- a minimum of 15.5 acres for school facilities (as part of Phase 2 of the Development);
- approximately 40 acres of land for an arboretum (the "Arboretum").

Tax Increment Reinvestment Zone; Economic Development Agreement. The City, the Developer and the Board of Directors of Tax Increment Reinvestment Zone Number Two, City of Terrell, Texas (the "TIRZ") have entered into the "Reinvestment Zone Number 2, City of Terrell, Texas TIRZ #2 Agreement" effective as of August 22, 2023 (the "Economic Development Agreement") which sets forth certain agreements relating to the TIRZ and the use of funds generated therein to offset Assessments and reimburse the costs of certain Public Infrastructure (as defined in the Economic Development Agreement) to the Developer. The County has separately agreed to participate in the TIRZ.

The TIRZ is coterminous with the Property, which includes the land within the District and the land in the commercial and multifamily portions of the Development outside the District. Tax increment generated by the City and the County on the single-family development in the District will be placed into a "Residential Subaccount" and used to offset certain assessments on a parcel-by-parcel basis as shown in the Service and Assessment Plan. Tax increment generated on the commercial and multifamily portions of the TIRZ will be placed into a "Commercial Subaccount" and used to reimburse the Developer for the costs of any Public Infrastructure not funded through the District.

The City will dedicate 80% of the maintenance and operation tax increment on non-residential development (excluding multifamily) for a period of 36 years and 60% of the maintenance and operation tax increment on single-family residential development and multifamily development to the uses described above. The County will contribute 60% of its collected maintenance and operation tax increment generated from both residential and non-residential property in the TIRZ for a period of 36 years.

Development and Impact Fees. In the Development Agreement, the City has provided a waiver to the Developer, the owners of the portions of the Property outside the District, and future owners of the Property for all development and impact fees related to the Property. The Developer or subsequent builder of the Property shall receive a credit of all roadway, water and sewer impact fees on the residential portion of the Property only.

In lieu of impact fees on any portion of the Property utilized for residential purposes, the City will charge the following special fees (a) a special transportation fee in the amount of: (i) $9,000 per single-family residential lot and

(ii) $1,640.00 per multifamily unit (the "Transportation Fee"); (b) a special fee for public infrastructure deemed necessary by the City in the amount of $900 per residential lot or apartment unit; and (c) wastewater impact fees in the amount of $2,100 per residential lot or apartment unit (the "Wastewater Fee) shall be paid to the City by homebuilders or apartment builders at the time of building permit application.

On a quarterly basis, the City agrees to provide the Developer, in the form of a Chapter 380 grant, the following amounts: (i) 100% of the Wastewater Fees from single-family residential properties up to the first 669 Wastewater Fees and (b) 100% of the Transportation Fees collected from single-family homes of the first 500 single-family homes and 50% of the Transportation Fees collected from all single-family homes after the 1000th single-family home; and (c) 100% of the Transportation Fees collected from the multifamily units.

Pursuant to the Development Agreement, for the first sixty months after the Property is annexed, the non-residential portion of the Development will be charged the fee schedule in effect for the Western District of the City on the Date of Annexation with no credit to be accepted for any infrastructure expenditures of the Developer as described in the Development Agreement. After the first sixty months, the regular Impact Fee schedule of the City shall be charged. The non-residential portion of the Property shall only be subject to road and sewer impact fees.

The City will charge a park facility fee (which is capped at $800.00 per individual single-family residential lot or apartment unit for the first sixty months after the Effective Date of the Development Agreement and charged at the City's standard park facility fee rate thereafter) (the "Park Fee"), which Park Fee shall be paid to the City by homebuilders or other individual vertical builders at the time of building permit. The Park Fee shall be used by the City to improve, expand, maintain and operate the Arboretum.

City TIRZ Participation and Expected Credit to Improvement Area #1 and Assessments Levied in Future Improvement Areas

Pursuant to Chapter 311 of the Texas Tax Code (the "TIRZ Act"), on August 23, 2022, the City held a public hearing on the creation of the TIRZ and the Reinvestment Zone Number Two, City of Terrell, Texas Preliminary Project and Financing Plan and adopted an ordinance creating the TIRZ (the "TIRZ Creation Ordinance").

The City Council approved a final Project and Finance Plan for the TIRZ (the "TIRZ Plan") on November 15, 2022, with the adoption of an ordinance which authorizes the use of TIRZ Revenues (defined below) for project costs under the TIRZ Act, relating to the Authorized Improvements as provided for in the TIRZ Project and Finance Plan (including amendments or supplements thereto), and additional projects to be funded through the TIRZ. In accordance with the TIRZ Plan and the Service and Assessment Plan, the City will contribute 60% of its collected maintenance and operation tax increment generated from the residential property in the TIRZ for a period of 36 years to offset assessments levied for direct phase improvements ("Direct Improvement Assessments") on the property in the District, and the County will contribute 60% of its collected maintenance and operation tax increment generated from the residential and non-residential property in the TIRZ, for a period of 36 years to offset assessments.

Pursuant to the TIRZ Act, the tax increment base of the TIRZ is the total taxable value of all real property taxable by the City located in the TIRZ as of January 1 in the year in which the TIRZ was designated as a reinvestment zone (the "Tax Increment Base"). Pursuant to the TIRZ Act, the TIRZ Creation Ordinance, the Development Agreement and the interlocal agreement entered into by the City and the County, the amount of the "Tax Increment" applicable to the offset the Direct Improvement Assessments for a year as Tax Increment revenues in the amount equal to 60% of the maintenance and operation portion of the ad valorem tax increment collected on such real property in the TIRZ taxable by the City and 60% of the maintenance and operation portion of the ad valorem tax increment collected on such real property in the TIRZ taxable by the County. Consistent with Section 311.012(b) of the TIRZ Act, the Captured Appraised Value of real property taxable by the City for a year is the total appraised value of all real property taxable by the City and located in the TIRZ for that year less the Tax Increment Base (the "Captured Appraised Value"). The City is utilizing an additional 20% of its maintenance and operations taxes to support other projects within the TIRZ; however, none of such increment is expected to be applied to reduce any assessments.

It is expected that annual Tax Increment revenues (the "TIRZ Revenues") collected, on a parcel-by-parcel basis, shall be used, first, to pay administrative costs of the TIRZ and second, to offset the annual installments of the Direct Improvement Assessments, including the Improvement Area #1 Assessments, and Direct Improvement

Assessments levied for any Future Improvement Area Bonds (such offset, the "TIRZ Credit"). The City and County will agree to transfer from the tax increment fund the TIRZ Revenues collected each year on a pro-rata basis relating to the Improvement Area #1 Bonds and any Future Improvement Area Bonds, to the applicable bond fund for the payment of debt service on the respective series of such bonds. The City and County intends to dedicate and deposit TIRZ Revenues in the TIRZ for a period of thirty-six (36) years.

The Assessments levied for the Bonds will not be subject to any TIRZ Credit.

Zoning

Pursuant to the Development Agreement, the development of the property within the District will be governed by the Development Standards, as defined in the Development Agreement, and shall be zoned to reflect the same. The property in the District and the Development has been zoned as a planned development district pursuant to Ordinance No. 2952, a planned development ordinance, and shall be subject to the provisions of the City's Code of Ordinances, approved plats, other ordinances enacted by the City Council, building codes, other construction and design standards, and other policies duly adopted by the City, as amended from time to time.

Private Improvements

The Developer plans to construct or fund certain private improvements in the District consisting of grading and site preparation, retaining walls, dry utilities, screening walls and miscellaneous items related thereto (collectively, the "Private Improvements") on a phase-by-phase basis. The approximate cost of the portion of the Private Improvements allocable to Improvement Area #1 is $5,787,775. Costs of the Private Improvements in Future Improvement Areas will be determined as such Future Improvement Areas are developed. The costs of the Private Improvements allocable to Improvement Area #1 will be paid entirely by the Developer using funds from the IBC Loan without reimbursement by the City. As of July 1, 2025, the Developer has expended approximately $3.3 million on the Private Improvements allocable to Improvement Area #1.

The Private Improvements will be dedicated to and accepted by the HOA. The HOA will provide for the ongoing operation, maintenance and repair of the Private Improvements through the administration of a maintenance and operation fee and/or a property owner's association fee to be paid by each lot owner within the District.

Amenities

The Developer will construct certain amenities within the District, including two amenity centers (1 acre and 4 acre) with enhanced landscaping, swimming pools/pool decks, shade structures, playgrounds, public restrooms and additional paved trails, common areas, and parks with playgrounds, tables, and benches throughout the District (the "Amenities"). Construction of the first amenity center is expected to begin in Q3 2026 and be completed in Q3 2028. The first amenity center is expected to cost approximately $1,100,000. The second amenity center is expected to be constructed with the third phase of development in the District. The second amenity center is expected to cost approximately $2,100,000. Construction of the Amenities other than the first and the second amenity center and applicable to each phase will be completed on a phase-by-phase basis as each phase is developed. Construction of the Amenities applicable to Improvement Area #1 is expected to be completed in Q3 2026. The Amenities allocable to Improvement Area #1 and the first amenity center are expected to be funded by the IBC Loan. The second amenity center and additional Amenities allocable to future phases are expected to be funded by future development loans obtained as development of additional phases commences, future builder earnest money, and developer equity.

In addition, the Development Agreement requires the Developer to dedicate land to the City suitable for a 7-acre sports park suitable for softball/baseball, soccer, basketball or similar activities, land suitable for an 8-acre park, which shall include soccer goals and a softball/baseball backstop and approximately 40 acres for the Arboretum. See "THE DEVELOPMENT – Development Agreement."

Education

The Terrell Independent School District ("TISD") serves the District. TISD enrolls over 5,250 students in nine campuses which include three elementary schools, one middle school, one high school, an early childhood center,

and a global leadership academy. Students in the District desiring to attend public school will attend Gilbert Willie Sr. Elementary School (approximately 4.4 miles from the District), Herman J. Furlough Middle School (approximately 4.8 miles from the District) and Terrell High School (approximately 6 miles from the District). According to the Texas Education Agency ("TEA"), Gilbert Willie Sr. Elementary School received a "District Accountability Rating" of "F" and Herman J. Furlough Middle School, Terrell High School and TISD received a "District Accountability Rating" of "D" from the TEA for the 2022-2023 school year, the latest year for which ratings are available. Greatschools.org rates Gilbert Willie Sr. Elementary School a 2/10, Herman J. Furlough Middle School a 3/10, and Terrell High School a 3/10.

It is expected that a school site will be dedicated to TISD during future development and, upon construction of a new school by TISD, children in the District will attend such new school. The site is intended for an elementary school, but there are no formal requirements for what type of school will be constructed.

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

Third parties hold title to certain rights applicable to real property within and around the District (the "Mineral Owners"), including reservations of mineral rights and royalty interests and easements (collectively, the "Third-Party Property 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 Property Rights, or the exercise of such rights or any other third-party real property rights in or around the District, to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments, the Developer makes no guarantee as to such expectation. See "BONDHOLDERS' RISKS — Exercise of Third-Party Property Rights."

Geotechnical Report

A Geotechnical Engineering Study was prepared for the property within the District in September 2023 by Rone engineering (the "Geotech Study"). The Geotech Study made recommendations for subgrade and foundation soil preparation, pavement thickness and soil moisture conditioning for all lots in the District and recommendations for slab-on-grade foundation systems. The Developer expects to follow all such recommendations and expects builders to follow recommendations with respect to the foundation systems.

Environmental

Phase One. A Phase One Environmental Site Assessment (the "Phase One ESA") that included all land within the District was completed on November 19, 2021, by Environmental Property Investigations, Inc. Based on the information presented in the Phase One ESA, there was no evidence that the land within the District 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. The Developer is not aware of any endangered species located on District property.

Flood Designation

According to the Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Map ("FIRM") No. 48257C0200D, effective July 3, 2012, an approximately 80.27-acre portion of the property in the District is within the 100-year flood plain. All of such land is located in the Major Improvement Area. A portion of land within the floodplain consisting of approximately 9.88 acres is expected to be reclaimed for lot development, right of way, and the WWTP site in the Future Improvement Areas. The remaining portion of the land within the floodplain is expected to be open space.

Utilities

Water and Wastewater. It is expected that the City will provide both retail water and wastewater to the District, and all existing and future water improvements and wastewater improvements will be dedicated to and owned and operated by the City. The City's water and wastewater system and facilities are described under "THE CITY – City Water and Wastewater Systems."

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

THE DEVELOPER

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Developer has reviewed this Limited Offering Memorandum and warrants and represents that neither (i) the information herein under the caption "THE DEVELOPER" nor (ii) the information relating to the Developer under the subcaption "BONDHOLDERS' RISKS" contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading.

General

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

Description of the Developer

The Developer is an affiliate of Centurion and was created by Centurion for the purpose of managing and ultimately conveying property in the District to third parties, as described under the caption "THE DEVELOPMENT." The Developer is a nominally capitalized limited liability company, the primary asset of which is unsold property within the District. The Developer will have no source of funds with which to pay Assessments or taxes levied by the City or any other taxing entity other than funds resulting from the sale of property within the District or funds advanced to the Developer by an affiliated party. The Developer's ability to make full and timely payments of Assessments or taxes will directly affect the City's ability to meet its obligation to make payments on the Bonds.

Since 1990, Centurion has developed over 100,000 single-family lots in dozens of communities surrounding North Texas. It has worked closely with investors, land-owners, financial institutions, and vendors to acquire over

50,000 acres of land inventory for a diverse mix of developments in size and scope. Centurion's communities include amenities such as parks, golf courses, water park themes, and hiking and biking trails. Over the past thirty years, Centurion has demonstrated the ability to successfully deliver master-planned communities that have been recognized in the real estate industry.

Mr. Mehrdad Moayedi has ultimate control of Centurion and its affiliates. Centurion maintains a staff of approximately 50 employees. Centurion creates single-asset limited liability companies to own development sites and contracts with developers and other professionals in the delivery of its communities.

In addition, Centurion works closely with local municipalities, commercial developers, and public school systems as part of its overall master plan. Centurion works with North Texas' top builders to deliver the latest concepts ranging from upscale, luxury homes in secluded neighborhoods to affordable housing communities for first-time home buyers. Centurion purchases and develops land in prime locations with the right mix of natural land settings, strong job growth, good school systems and access to local community shopping. A snapshot of some of the communities Centurion has developed is presented below.

Name	County	Property Type	Starting Home Price	Status of Development
Alpha Ranch	Wise/Denton	Single-family	$400,000	Excavation starting in May 2025
Anna Hurricane Creek*	Collin	Single-family	$390,000	PID Bonds issued; Phase 1: Started 9/2018, Currently Being Developed
Anna Hurricane North*	Collin	Single-family	$390,000	Development Ongoing - HB Building
Arboretum Estates*	Kaufman	Mixed-use	$390,000	Excavation underway.
Bear Creek	Dallas	Single-family	$280,000	Development Ongoing - HB Building
Bryson Ranch*	Denton	Mixed-use	$390,000	Excavation underway.
Cartwright Ranch*	Kaufman	Single-family	$290,000	Development Ongoing - HB Building
Chalk Hill*	Collin	Single-family	$390,000	Development Ongoing - HB Building
City Point*	Tarrant	Mixed-use	$390,000	Development Ongoing - HB Building
Collin Creek Redevelopment*	Collin	Mixed-use	$515,000	Development Ongoing - HB Building
Cottonwood*	Grayson	Mixed-use	$400,000	Utilities underway.
Creekside of Crowley	Tarrant	Single-family	$350,000	Development Ongoing - Mattamy Building
Creekview Meadows*	Denton	Single-family	$420,000	Development Ongoing - HB Building
"Chaparral Ridge* (Duck Point)"	Denton	Single-family	$390,000	Pre-development process.
Edgewood Creek*	Denton	Single-family	$670,000	Development Ongoing - HB Building
Enchanted Creek	Collin	Single-family	$1,000,000	Development Ongoing - HB Building
Entrada at Westlake	Tarrant	Mixed-use	$1,100,000	Development Ongoing - HB Building
Erwin Farms	Collin	Single-family	$529,000	Development Ongoing - HB Building
Taylor Ranch*	Grayson	Single-family	$400,000	Pre-development process
Frisco Hills	Denton	Single-family	$720,000	Development Complete / HB Finishing Up
Harper Estates*	Collin	Single-family	$1,280,000	PID Bonds issued; HB Building
"Highpoint Village*				
(Mantua Tract)"	Grayson	Single-family	$380,000	Excavation underway.
Iron Horse Village*	Dallas	Mixed-use	$250,000	Development Ongoing / HB Complete
Kensington Gardens	Dallas	Single-family	$750,000	Development Ongoing / HB Building
"Lakeside Crossing* (Fronterra)"	Denton	Townhome/Multi-family	$365,000	PID Bonds issued; Development Ongoing / Closed all TH lots

Lily Creek at Sutton Fields*	Collin	Single-family	$500,000	PID Bonds issued; Development Ongoing
Mercer Crossing*	Dallas	Mixed-use	$590,000	Last Phase Going - HB Building
Mobberly Farms*	Denton	Single-family	$278,000	Development Ongoing - HB Building
Montalcino Estates	Denton	Single-family	$1,500,000	Development Ongoing - HB Building
Northlake Estates*	Denton	Single-family	$570,000	Development Ongoing - HB Building
Polo Ridge*	Kaufman	Single-family	$480,000	Development Ongoing - HB Building
Saddlebrook Estates	Ellis	Single-family	$320,000	Next Phase Going Through Engineering
Spiritas Ranch East*	Denton	Single-family	$390,000	Development Ongoing - HB Building
Spiritas Ranch*	Denton	Single-family	$460,000	Development Ongoing - HB Building
Sutton Fields East*	Collin	Single-family	$490,000	PID Bonds issued; Development Ongoing
Sutton Fields*	Denton	Single-family	$480,000	Development Ongoing - HB Building
Swan Lake Estates	Dallas	Single-family	$850,000	Utilities underway.
The Bridges at Preston Crossings	Grayson	Single-family	$700,000	Development Ongoing; New Phase Being Developed
"The Estates at Eagle Mountain* (Sheelin)"	Tarrant	Single-family	$490,000	Pre-development process.
The Estates at Southfork Ranch	Collin	Single-Family	$2,000,000	Pre-development process.
The Resort on Eagle Mountain Lake	Tarrant	Single	$550,000	Development Ongoing - Builder Doing Takedowns
Thunder Rock*	Burnet	Mixed-use	$320,000	Development Ongoing - HB Building
Travis Ranch	Kaufman	Single-family	$290,000	Development Ongoing - HB Building
University Hills	Dallas	Single-family	$390,000	Pre-development process
Valencia on the Lake*	Denton	Single-family	$500,000	Next Phase Going Through Engineering
Verandah	Rockwall	Single-family	$250,000	Development Ongoing - HB Building
Wade Settlement	Collin	Single-family	$600,000	Last Phase Going - Mattamy Building
Walden Pond	Kaufman	Single/Multi-family	$320,000	Development Ongoing - HB Building
Water's Edge	Denton	Single/Multi-family	$450,000	Development Ongoing - HB Building
Waterfront at Enchanted Bay	Tarrant	Single-family	$400,000	Phase 1: Started 5/2005 * Phase 1: Delivered 2/2007 Phase 2: Being Engineered
Whitewing Trails*	Collin	Single-family/Multi-family	$400,000	Development Ongoing - HB Building
Barcelona	Collin	Single-family	$450,000	Development Complete / HB Complete
Bloomridge	Collin	Single-family	$400,000	Development Complete / HB Complete
Bonds Ranch	Tarrant	Single-family	$250,000	Purchased all Finished Lots / All Lots sold in Q4 2017
Brookfield	Denton	Single-family	$280,000	Sold Land
Carter Ranch	Collin	Single-family	$250,000	Development Complete / HB Complete
Chateaus of Coppell	Dallas	Single-family	$1,300,000	Development Ongoing - HB Building
Creeks of Legacy	Denton/Collin	Single-family	$450,000	Development Complete / HB Complete
Crestview at Prosper Creek	Collin	Single-family	$350,000	Complete - Megatel Finishing Construction
Crown Valley	Parker	Single-family	$350,000	Development Complete / Sold Phase / Pod Sale
Deer Creek North	Tarrant	Single-family	$225,000	Development Complete / HB Complete
Dominion Estates	Tarrant	Single-family	$225,000	Development Complete / HB Complete

Dove Creek	Collin	Single-family	$450,000	Development Complete / HB Complete
Estancia	Tarrant	Single-family	$550,000	Development Complete / HB Complete
Estancia Estates	Denton	Single-family	$500,000	Development Complete / HB Complete
Falls of Prosper	Collin	Single-family	$500,000	Development Complete / HB Complete
Founders Parc	Tarrant	Single/Multi-family	480,000	Development Complete / HB Complete
Frisco Ranch	Denton	Single-family	$350,000	Development Complete / HB Complete
Garden Springs	Tarrant	Single-family	$300,000	Development Complete / HB Complete
Hickory Farms*	Dallas	Single-family	TBD	Development Complete / HB Complete
Highlands Glen	Denton	Single-family	$400,000	Development Complete / HB Complete
Hills of Lake Country	Tarrant	Single-family	$250,000	Development Complete / HB Complete
Hillstone Pointe*	Denton	Single-family	$350,000	Phase 1: Delivered 12/2017, Remainder Raw Land Sold to Horton & Lennar
Kings Ridge (Denton)	Denton	Single/Multi-family	$250,000	Sold Land to DR Horton
Knox Ranch	Hood	Mixed-use	$550,000	HB Complete
Lakewood Hills	Denton	Single-family	$550,000	Development Complete / HB Complete
Lexington Parke	Travis	Single-family	$250,000	Development Complete / HB Complete
Llano Springs	Tarrant	Single-family	$250,000	Development Complete / HB Complete
McKinney Greens	Collin	Single-family	$250,000	Development Complete / HB Complete
Mountain Creek	Dallas	Multi-family	$325,000	Development Complete / HB Complete
Northpointe Crossing	Collin	Single-family	$200,000	Development Complete / HB Complete
Oak Hollow	Collin	Single-family	$200,000	Development Complete / HB Complete
Ownsby Farms	Collin	Single-family	$400,000	Development Complete / HB Complete
Palomar Estates	Tarrant	Single-family	$850,000	Development Complete / HB Complete
Preston Hills	Collin	Single-family	$400,000	Development Complete / HB Complete
Prestwyck	Collin	Mixed-use	$390,000	Development Complete / HB Complete
Residences at the Stoneleigh	Dallas	Condo	$750,000	Development Complete
Rolling Meadows	Tarrant	Single-family	$300,000	Phase1: Completed * Phase 2A2 & 3 HB Completed
Rosemary Ridge	Tarrant	Single-family	$300,000	Development Complete / HB Complete
Rough Hollow	Travis	Single-family	$600,000	Development Complete / HB Complete
Sendera Ranch	Tarrant	Single-family	$300,000	Centurion Owns Future Land / Banking Land
Shahan Prairie	Denton	Single-family	$250,000	Sold Land
Shale Creek	Wise	Single-family	$250,000	Development Complete / HB Complete
Silver Ridge	Tarrant	Single-family	$300,000	Development Complete / HB Complete
Spring Creek	Tarrant	Single-family	$300,000	Development Complete / HB Complete
Steeplechase	Denton	Single-family	$500,000	Development Complete / HB Complete
Sweetwater Crossing	Collin	Single-family	$250,000	Development Complete / HB Complete
Tenison Village at Buckner Terrace	Dallas	Single-family	$450,000	Development Complete / HB Complete
Terracina	Denton	Single-family	$500,000	Completed
The Dominion	Dallas	Single-family	$350,000	Development Complete / HB Complete
The Highlands at Trophy Club	Denton	Single-family	$350,000	Development Complete / HB Complete
The Villas at Twin Creeks	Collin	Single-family	$400,000	Completed

The Villas of Indian Creek	Denton	Single-family	$300,000	Development Complete / HB Complete
Thornbury	Travis	Single-family	$300,000	Development Complete / HB Complete
University Place	Dallas	Single-family	$500,000	Development Complete / HB Complete
Villages of Woodland Springs	Tarrant	Single-family	$250,000	Development Complete / HB Complete
Water's Edge at Hogan's Glen	Denton	Single-family	$580,000	Completed/Ashton Finishing Construction
Windmill Farms	Kaufman	Single-family	$300,000	HB Complete
Williamsburg	Rockwall	Single-family	$350,000	Development Complete / HB Complete
Winn Ridge*	Denton	Single-family	$350,000	Development Complete / HB Complete

* — developments utilizing public improvement districts

Executive Biography

Mehrdad Moayedi is the President and Chief Executive Officer of Centurion. Mr. Moayedi has more than thirty years of direct experience in the development industry. With a background in construction and real estate, Mr. Moayedi employs a comprehensive approach to each Centurion development. Mr. Moayedi has extensive knowledge of the interconnection of all parts of residential real estate development, which provides Centurion with a unique advantage over other residential developers.

Before forming Centurion in 1990, Mr. Moayedi completed several construction and fee development projects in Northeast Tarrant County, Texas subdivisions as well as various construction and remodeling projects. Centurion has become broadly diversified, with residential developments ranging from upscale high-rise residential towers to affordable housing communities for first-time home buyers.

General Development Financing by Centurion

Centurion and its various affiliated special purpose entities, including the Developer, utilize a variety of funding sources for the purchase of land and subsequent development or redevelopment thereof. Typically, the applicable Centurion affiliate will obtain an acquisition loan from a lender to fund the acquisition of land. To fund horizontal development of such land, Centurion affiliates use a combination of developer equity, builder earnest money, builder payments under lot contracts, development loans from lending institutions, incentives from local governments (including tax increment grants), public/private partnerships, funds from tax-exempt bonds issued by local governments and backed by special assessments on the developable land and other sources of capital.

Centurion has also recently completed a financing (the "Financing") under which acquisition loans relating to certain projects (the "Financing Projects") owned by various Centurion affiliates were refinanced with the proceeds of securities issued by an unaffiliated newly-formed limited liability company created for the purpose of (i) acquiring the property relating to such Financing Projects, (ii) providing funds for limited infrastructure development by the Centurion affiliates related to such Financing Projects and (iii) issuing the bonds secured by inter alia, the property relating to such Financing Projects and certain proceeds derived from lot contracts relating to such Financing Projects. The Financing was completed for the purpose of refinancing loans related to the Financing Projects at a lower rate and achieving debt service savings, terminating certain covenants and freeing up certain collateral related to the refinanced loans, and providing additional funds for development of a portion of the Financing Projects, which funds are expected to be provided at a lower interest rate than development loans typically available relating to the Financing Projects from traditional lenders. Property relating to the Financing Projects is cross-collateralized under the Financing.

History and Financing of the District

Property Acquisition and Subsequent Sales. The Developer purchased the Purchased Property from the Sellers on December 15, 2021, at a purchase price of $30,919,520. The purchase of the Purchased Property was financed with a loan from Terrell 1132, LLC and Texas Escrow Company, Inc. in the amount of $29,544,520 (the "Seller Loan") and Developer equity. The Seller Loan was paid off with the Trez Loan.

Subsequent to its purchase of the Purchased Property, the Developer sold various tracts of the Purchased Property to various purchasers. On February 18, 2022, the Developer sold 4 tracts of land consisting of approximately 92.905 acres (the "Squeaky Land") to Squeaky Lomas, L.P. ("Squeaky Lomas"), at a collective sale price of $9,085,518. On February 23, 2022, the Developer sold (i) approximately 176.746 acres (the "Blue Star Land") to Blue Star Land L.P. ("Blue Star"), at a sale price of $15,244,117 and (ii) approximately 13.982 acres (the "Terrell 13 Land") to Terrell 13 Partners, LLC ("Terrell 13 Partners"), at a sale price of $1,437,391. On November 17, 2022, the Developer sold two tracts of land consisting of approximately 1.325 acres (the "TxDOT Land") to the State, acting through the Texas Transportation Commission at a sale price of $243,249. The Squeaky Land, the Blue Star Land, the Terrell 13 Land, and the TxDOT Land are located outside the boundaries of the District.

Improvement Area #1 and Major Improvement Development Financing. To initially refinance the Seller Loan, the Developer obtained a loan (the "Trez Loan") in an amount up to $21,999,720 from Trez Capital (2015) Corporation. The Developer subsequently obtained the IBC Loan to partially refinance the Trez Loan and to finance development in the District. The remaining balance of the Trez Loan was refinanced with builder earnest money.

The maximum amount available under the IBC Loan is $28,000,000. The IBC Loan is a revolving line of credit, and amounts repaid by the Developer may be reborrowed. The IBC Loan bears variable interest at the New York Prime Rate, with a floor rate of 7.25% per annum, and interest is payable monthly. Principal of the IBC Loan is due and payable in full at maturity. The IBC Loan matures on February 27, 2028. As of July 1, 2025, the outstanding principal balance of the IBC Loan was $14,080,999.

The IBC Loan is secured by all Developer owned land within the District. The IBC Loan is personally guaranteed by Mehrdad Moayedi.

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

THE ADMINISTRATOR

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

The City has selected P3Works, LLC ("P3Works") as the Administrator for the District. 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. P3Works will primarily be responsible for preparing the annual update to the Service and Assessment Plan. P3Works is a consulting firm focused on providing district services relating to the formation and administration of public improvement districts, and is based in Austin 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 inquires
- Determination of Prepayment amounts
- Preparation and review of disclosure notices with Dissemination Agent

- Review of developer draw requests for reimbursement of authorized improvement costs.

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by P3Works and has been included in reliance upon the authority of such firm as an expert in the field formation and administration of public improvement districts.

APPRAISAL

The Appraisal

General. Integra Realty Resources – Dallas (the "Appraiser") prepared an appraisal report for the City effective as to the Major Improvement Area as of August 1, 2026, based upon a physical inspection of the District conducted on May 5, 2025 (the "Appraisal"). The Appraisal was prepared at the request of the City. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the Major Improvement Area of the District. The Appraisal is attached hereto as APPENDIX E and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See "APPENDIX E — Appraisal."

Value Estimates. The Appraiser estimated the prospective market value of the fee simple interest in various tracts of land comprising the land in the Major Improvement Area of the District under the assumption that the Major Improvement Area Projects are completed. See "THE MAJOR IMPROVEMENT AREA PROJECTS." The Appraisal does not reflect the as-is condition of the Major Improvement Area of the District as the Major Improvement Area Projects have not yet been constructed. Moreover, the Appraisal does not reflect the value of the Major Improvement Area of the District as if sold to a single purchaser in a single transaction. The Appraisal provides the fee simple estate values for the Major Improvement Area of the District. See "APPENDIX E — Appraisal."

The prospective market value estimate of the fee simple interest in the assessable property within the Major Improvement Area of the District using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of August 1, 2026, is $66,680,000.

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

BONDHOLDERS' RISKS

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

General

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS

SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

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

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

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

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

Deemed Representations and Acknowledgment by Investors

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

Assessment Limitations

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

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

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

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

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

Under Texas law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights will have been claimed. Furthermore, the Developer is not eligible to claim homestead rights and the Developer has represented that it will own all property within the Major Improvement Area of the District as of the date of the adoption of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Assessed Parcels 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 inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

THE ASSESSMENTS WILL CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND WILL BE PERSONAL OBLIGATIONS OF AND CHARGES AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN THE MAJOR IMPROVEMENT AREA OF THE DISTRICT.

Completion of the Major Improvement Area Projects

Construction of the Major Improvement Area Projects is not yet complete. The cost and time for completion of all of such improvements is uncertain and may be affected by changes in national, regional and local and economic conditions; changes in long and short term interest rates; unanticipated development costs; unforeseen environmental

risks and controls; 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. If cost overruns result in delay of construction, or if other delays are experienced, the Developer may be unable to timely complete the Major Improvement Area Projects and other necessary improvements to achieve finished lot completion.

Failure or Inability to Complete Proposed Development

Proposed development within the District may be affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, changes in the income tax treatment of real property ownership, unexpected increases in development costs and other similar factors as well as availability of utilities and the development or existence of environmental concerns with such land. See "– Hazardous Substances" below. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. THE TIMELY PAYMENT OF THE BONDS DEPENDS UPON THE WILLINGNESS AND ABILITY OF THE DEVELOPER AND ANY SUBSEQUENT OWNERS TO PAY THE ASSESSMENTS WHEN DUE. ANY OR ALL OF THE FOREGOING COULD REDUCE THE WILLINGNESS AND THE ABILITY OF SUCH OWNERS TO PAY THE ASSESSMENTS AND COULD GREATLY REDUCE THE VALUE OF PROPERTY WITHIN THE DISTRICT IN THE EVENT SUCH PROPERTY HAS TO BE FORECLOSED. In that event, there could be a default in the payment of the Bonds.

Completion of Homes

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

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 Current 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 homebuilders to estimate costs. If the cost of materials remains elevated, it may impact the ability of the homebuilders to construct homes in the Major Improvement Area of the District.

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

General Risks of Real Estate Investment and Development

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

Furthermore, the operating revenues of the Developer may be materially adversely affected if specific conditions in the lot purchase contracts are not met. Contracts that the Developer may have with individual homebuilders are subject to a myriad of contractual conditions and contingencies, all or some of which if not complied with, could precipitate a termination or winding up of such contractual arrangement for the sale of lots, causing the Developer to possibly need to execute a different strategy for the development and sale of lots and residential units within the Development. As described herein, the Assessments are an imposition against the land only. Neither the Developer nor any other subsequent landowner is a guarantor of the Assessments and the recourse for the failure of the Developer or any other landowner to pay the Assessments is limited to the collection proceedings against the land as described herein. Failure to meet any lot purchase contract's conditions may allow the applicable lot purchaser to terminate its obligation to purchase lots from the Developer and obtain its earnest money back. See "THE DEVELOPMENT – Expected Build-Out and Home Prices in the Development."

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

Absorption Rate

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

Availability of Utilities

The progress of development within the District is also dependent upon the City providing an adequate supply of water and sufficient capacity for the collection and treatment of wastewater. If the City fails to supply water or

wastewater services to the property in the District, the Development of the land in the District could be adversely affected. See "THE CITY — City Water and Wastewater Systems."

State Law Regarding Notice of Assessments

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract or purchase and sale. If the Developer or homebuilders within the Major Improvement Area of the District do not provide the required notice and prospective purchasers of property within the Major Improvement Area of the District terminate a purchase and sale contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney's fees, or (ii) an amount not to exceed $5,000, plus reasonable attorney's fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property may be prepaid. In the event of such prepayment, a partial redemption of the Bonds could occur. See "DESCRIPTION OF THE BONDS – Redemption Provisions." On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further however, if the Developer or homebuilders within the Major Improvement Area of the District do not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The form of notice to be provided to homebuyers is attached to the Service and Assessment Plan. See "APPENDIX B – Form of Service and Assessment Plan."

Potential Future Changes in State Law Regarding Public Improvement Districts

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 89th Legislative Session of the State (the "89th Regular Session") concluded on June 2, 2025, without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. 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. The Governor has called a special session which began on July 21, 2025. To date, no legislation relating to special assessments has been proposed for the special session. 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.

Direct and Overlapping Indebtedness, Assessments and Taxes

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

Depletion of Reserve Account of the Reserve Fund

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

Hazardous Substances

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

The value of the land within the Major Improvement Area of the District does not take into account the possible liability of the Developer for the remediation of a hazardous substance condition on the property in the Major Improvement Area of the District. The City has not independently verified, and is not aware, that the Developer has such a current liability with respect to its property; 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 Major Improvement Area of the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. The actual occurrence of any of these possibilities could significantly negatively affect the value of a parcel that is realizable upon a foreclosure.

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

Exercise of Third-Party Property Rights

As described herein under "THE DEVELOPMENT – Existing Mineral Rights, Easements and Other Third-Party Property Rights," there are certain Third-Party Property Rights reservations located within the District and not owned by the 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 Kaufman County.

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

Regulation

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

Bankruptcy

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

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, the Trustee may, and upon the written request of at least 25% of the owners of the Bonds then Outstanding, 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 Major Improvement Area of the District or sell property within the Major Improvement Area of the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

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

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

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) ("Wasson"), the Texas Supreme Court (the "Court") addressed whether the distinction between governmental and proprietary acts (as found in tort-

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

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

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

Judicial Foreclosures

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

No Acceleration

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

Loss of Tax Exemption

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

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

Tax-Exempt Status of the Bonds

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

Finally, if the IRS ultimately determines that the interest on the Bonds is not excluded from the gross income of Bondholders for federal income tax purposes, the City may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

Management and Ownership

The management and ownership of the 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 development projects comparable to that of the Development.

Dependence Upon Developer

The Developer, as the owner of the Assessed Parcels in the Major Improvement Area of the District, currently has the obligation for payment of the Assessments. The ability of the Developer to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The only assets of the Developer are land within the District, related permits and development rights, and minor operating accounts. The source of funding for future land development activities and infrastructure construction to develop the lots proposed for the District also consists of proceeds of the Bonds and proceeds of lot sales, as well as possible bank financing and equity contributions by the Developer. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the City will pay the Developer, or the Developer's designee, from proceeds of the Bonds for project costs actually incurred in developing and constructing the Major Improvement Area Projects within the Major Improvement Area of the District. See "THE MAJOR IMPROVEMENT AREA PROJECTS – General" and "THE DEVELOPMENT – Development Plan." There can be no assurances given as to the financial ability of the Developer to complete such improvements.

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

Developer Principal Financial Relationships and Other Matters Relating to Developer Affiliates

Set forth below is a summary of certain litigation and other matters involving certain affiliates of Centurion. No assurances can be given as to the result of the following lawsuits or any charges related thereto or the impact, if any, of such result on one or more of Mehrdad Moayedi ("Moayedi"), the operations of Centurion, and the Developer's ability to continue funding the Development.

Investigation of United Development Funding. Subsidiaries of Centurion American are involved in the development of master planned residential community and mixed-use projects. Some of these projects have previously been developed using funding provided by various entities associated with United Development Funding ("UDF"), including United Development Funding IV, a publicly traded real estate investment trust ("UDF IV"). In connection with governmental investigations of UDF (the "UDF Investigations"), Centurion and some of its employees were contacted in mid-2016 to provide certain information to such governmental fact-finders as part of an information gathering process on the UDF Investigations. Centurion and its employees fully complied with the information gathering process. Neither Centurion nor any of its employees or affiliates have received any information indicating that they are either targets or subjects of any governmental investigation.

Megatel Homes III, LLC v. Wilbow-Windhaven Development Corporation v. Centurion Windhaven, LP, et al.; in Denton County Texas. Plaintiff Megatel Homes III, LLC ("Megatel") brought claims against both Defendant Wilbow Windhaven Development Corp. ("Wilbow"), Defendant Centurion Acquisitions, LP ("CA"), and Defendant CADG Windhaven, LLC ("CADG," collectively with CA, "Centurion Defendants"). Megatel's claims against Wilbow consist of request for Declaratory Judgment; Breach of Contract (failure to allow Megatel to acquire any lots in Phase 2 and the remaining lots in Phase 1 development (12 lots: A1-8, B15-18) and failure to achieve substantial completion of all phase 1 lots by 12/31/2016); and Indemnity. Megatel's claims against CA and CADG consist of

Breach of Contract; Fraud; and Indemnity. A Motion to Expunge Lis Pendens was granted by court on October 2, 2020. Megatel re-filed the Lis Pendens and Wilbow responded by filing a Motion to Expunge. The court granted the Motion to Expunge the Lis Pendens on May 19, 2021. On June 4, 2021, LMSM Holdings, LLC filed suit and brought claims against Megatel Homes III, LLC for breach of promissory note and breach of contract in a case styled LMSM Holdings, LLC v. Megatel Homes III, LLC. This suit brought by LMSM was later consolidated with Megatel Homes III, LLC v. Wilbow-Windhaven Development Corporation v. Centurion Windhaven, LP, et al. Subsequently, at the pre-trial hearing, a Motion for Separate trials was granted and the case was separated into a jury trial for LMSM's Breach of Promissory Note and Breach of Contract causes of action, and a non-jury trial on the contract causes of action related to the Potential Vertical Rise (PVR) and associated claims. On June 23, 2025, the jury returned a verdict in favor of LMSM on the Breach of Contract and Breach of Promissory Note causes of action and awarded damages in the amount of $590,087.99 and $700,000.00 in attorneys' fees. The parties have briefed the court with respect to the non-jury trial causes of action, and a trial date has not yet been set; however, counsel is working diligently to find and set a trial date that works for all parties and counsel of record.

Megatel Claims. Megatel has brought additional causes of action against Moayedi, Centurion (and certain of its affiliates) and UDF as listed below. Megatel has asserted various allegations of fraud, RICO violations, conspiracy, breach of fiduciary duty, and others in what Centurion believes to be an attempt to force Moayedi, Centurion and UDF to settle with Megatel. In addition to the filing of the below lawsuits, Megatel has also filed Lis Pendens against property owned by third-parties, has sent letters to Megatel's competitors attempting to interfere with their relationship with Centurion and has possibly partnered with parties believed to be adversarial to Moayedi, Centurion and UDF. Centurion continues to aggressively fight against these actions and against what it believes to be the baseless claims made in the lawsuits.

1. *Cause No. 3:20-CV-00688-L: Megatel Homes, LLC, et al. v. Mehrdad Moayedi, et al., in U.S. District Court, Northern District of Texas.*

Agricultural Use Valuation and Redemption Rights

All of the property within the District is currently entitled to valuation for ad valorem tax purposes based upon its agricultural use. Under Texas law, an owner of land that is entitled to an agricultural valuation has the right to redeem such property after a tax sale for a period of two years after the tax sale by paying to the tax sale purchaser a 25% premium, if redeemed during the first year, or a 50% premium, if redeemed during the second year, over the purchase price paid at the tax sale and certain qualifying costs incurred by the purchaser. Although Assessments are not considered a tax under Texas law, the PID Act provides that the lien for Assessments may be enforced in the same manner as a lien for ad valorem taxes. This shared enforcement mechanism raises a possibility that the right to redeem agricultural valuation property may be available following a foreclosure of a lien for Assessments, though there is no indication in Texas law that such redemption rights would be available in such a case.

The Developer expects that the agricultural use valuation within the Major Improvement Area of the District will terminate in phases as each phase is developed.

Use of Appraisal

Caution should be exercised in the evaluation and use of valuations included in the Appraisal. The Appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation and specified therein. The estimated market value specified in the Appraisal is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in the Appraisal is based on various assumptions of future expectations and while the Appraiser's forecasts for properties in the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in the District.

In performing its analysis, the Appraiser makes numerous assumptions with respect to general business, economic and regulatory conditions and other matters, many of which are beyond the Appraiser's, Underwriter's and City's control, as well as certain factual matters. Furthermore, the Appraiser's analysis, opinions and conclusions are

necessarily based upon market, economic, financial and other circumstances and conditions existing prior to the valuation and date of the Appraisal.

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

Risk from Weather Events

All of the State, including the City and the District, is subject to extreme weather events that can cause loss of life and damage to property through strong winds, flooding, extreme heat, 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 or the District, including land within the District.

100-Year Flood Plain

According to FEMA FIRM No. No. 48257C0200D, effective July 3, 2012, an approximately 80.27-acre portion of the property in the District is within the 100-year flood plain. All of such land is located in the Major Improvement Area. A portion of land within the floodplain consisting of approximately 9.88 acres is expected to be reclaimed for lot development, right of way, and the WWTP site in the Future Improvement Areas. The remaining portion of the land within the floodplain is expected to be open space.

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 occur more often than assumed in creating the 100-year flood plain.

Competition

The housing industry in the Dallas-Fort Worth area is very competitive, and none of the Developer, the City, the City's Financial Advisor or the Underwriter can give any assurance that the building programs which are planned will 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. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise be able to compete with the Development. A sample of competitive projects near the Development is below.

Project Name	# of Units	Proximity to District (Miles)	Developer/Builders	Expected Home Sale Prices	# of Units Remaining
Walden South	400	6 miles	Centurion American	$250,000-$350,000	200
Walden West	1,030	6 miles	Centurion American	$250,000-$350,000	833
Walden East	1,025	6 miles	Centurion American	$250,000-$350,000	581

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 the Major Improvement Area of the District subject to the Assessments, existing real estate and financial market conditions and other factors.

No Credit Rating

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

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 C. 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 date of delivery of the Bonds 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 the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security

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

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

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

Tax Accounting Treatment of Discount and Premium on Certain Bonds

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

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

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

The purchase price of certain Bonds (the "Premium Bonds") paid by an owner may be greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over

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

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

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General to the effect that the Bonds are valid and legally binding obligations of the 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. Greenberg Traurig, LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

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

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

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional

judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Litigation — The City

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

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 wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its members or would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Construction, Funding, and Acquisition Agreement, the Development Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (ii) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a "Material Adverse Effect"). Additionally, Mr. Mehrdad Moayedi and his affiliated entities have been and are parties to pending and threatened litigation related to their commercial and real estate development activities. Such litigation occurs in the ordinary course of business and is not expected to have a Material Adverse Effect.

For a description of litigation and other matters related to affiliated entities of Centurion, see "BONDHOLDERS' RISKS — Developer Principal Financial Relationships and Other Matters Relating to Developer Affiliates."

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

NO RATING

No application for a rating on the Bonds has been made to any rating agency, nor is there any reason to believe that the 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 United States Securities and Exchange Commission (the "Rule"), the City, the Administrator and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (in such capacity, the "Dissemination Agent") expect to enter into a Continuing Disclosure Agreement (the "City Disclosure Agreement") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the City Disclosure Agreement, 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 D-1 — Form of City Disclosure Agreement." Under certain circumstances, the failure of the City to comply with its obligations under the City Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the City Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The City has agreed to update information and to provide notices of certain specified events only as provided in the City Disclosure Agreement. 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 City Disclosure Agreement. 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 City Disclosure Agreement or from any statement made pursuant to the City Disclosure Agreement.

The City's Compliance with Prior Undertakings

The City is required to file its annual audit and certain annual financial information in connection with its outstanding bonds. For Fiscal Year 2023, the City did not timely file its audit or the annual financial information within the required timeframe. The City filed a notice of late filing in connection with such failure in a timely manner on March 30, 2024.

The Developer

The Developer, the Administrator, and the Dissemination Agent expect to enter into a Continuing Disclosure Agreement (the "Developer Disclosure Agreement") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Developer Disclosure Agreement, certain information regarding the Development and the Major Improvement Area Projects (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX D-2 — Form of Developer Disclosure Agreement." Under certain circumstances, the failure of the Developer or the Administrator to comply with its obligations under the Developer Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Developer Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance. The Developer Disclosure Agreement is a voluntary agreement made for the benefit of the holders of the Bonds and is not entered into pursuant to the Rule.

The 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 Developer Disclosure Agreement. 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 Developer Disclosure Agreement. 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 Developer Disclosure Agreement or from any statement made pursuant to the Developer Disclosure Agreement.

The Developer's Compliance with Prior Undertakings

The Developer has not previously entered into an agreement to provide continuing disclosure.

UNDERWRITING

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

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The 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 INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "NO RATING" above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits to the extent of their market value. No review by the 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 Texas law in accordance with investment policies approved by the City Council. Both Texas law and the City's investment policies are subject to change.

Under Texas law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the City selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the 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 investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as its custodian of the banking deposits issued for its account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under Securities and Exchange Commission Rule 15c3-3; (9) certificates of deposit and share certificates (i) issued by or through an institution that either has its main office or a branch office in the State, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Insurance Fund, or are secured as to principal by obligations described in the clauses (1) through (6) or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the 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 Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the 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) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the 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, (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (13) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or 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, (14) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission 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 comply with federal Securities and Exchange Commission Rule 2a-7, and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

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

Political subdivisions such as the City are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) of the first paragraph under this subcaption, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm not less than "A" or its equivalent, or (c) cash invested in obligations that are described in clauses (1) through (6) and (10) through (12) of the first paragraph under this subcaption, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the governmental body, held in the name of the governmental body and deposited at the time the investment is made with the 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 Texas 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 includes 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 Texas law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset and fund type invested at the beginning and end of the reporting period by the type of asset and fund type invested, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the

compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

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

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 www.bokf.com. Neither the information on the Trustee's website, nor any links from that website, is a part of this Limited Offering Memorandum, nor should any such information be relied upon to make investment decisions regarding the Bonds.

SOURCES OF INFORMATION

General

The information contained in this Limited Offering Memorandum has been obtained primarily from the City's records, the Developer and its representatives and other sources believed to be reliable. In accordance with its responsibilities under the federal securities law, the Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum or any sale hereunder will create any implication that there has been no change in the financial condition or operations of the City or the Developer described

herein since the date hereof. This Limited Offering Memorandum contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, ordinances, indentures and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Major Improvement Area Projects, the Development and the Developer generally and, in particular, the information included in the sections captioned "THE MAJOR IMPROVEMENT AREA PROJECTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Major Improvement Area Projects and the Development) and "LEGAL MATTERS — Litigation — The Developer" has been provided by the Developer and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made 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 the Administrator and has been included in reliance upon the authority of such firm as experts in the field of development planning and finance.

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

Updating of Limited Offering Memorandum

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

FORWARD-LOOKING STATEMENTS

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

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED 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, 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 of this preliminary Limited Offering Memorandum by the Underwriter in connection with the marketing and sale of the Bonds and approve the form and content of the final Limited Offering Memorandum.

APPENDIX A

FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF TERRELL, TEXAS

and

BOKF, NA,
as Trustee

DATED AS OF AUGUST 1, 2025

SECURING

$_,____,____
CITY OF TERRELL, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6
MAJOR IMPROVEMENT AREA PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE, dated as of August 1, 2025 is by and between the CITY OF TERRELL, TEXAS, a Texas home-rule municipality (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 within the corporate limits and in the extraterritorial jurisdiction of the City to be known as Arboretum Estates Public Improvement District No. 6 (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 Kaufman 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 January 9, 2024, 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 January 9, 2024, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2131, 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 January 16, 2024, the City Secretary attempted to file Resolution No. 2131 but the county was closed for weather related issues; and

WHEREAS, on January 17, 2024 the City Secretary filed a copy of Resolution No. 2131 with the Kaufman Central Appraisal District for public review; and

WHEREAS, January 19, 2024, the City Secretary filed a copy of Resolution No. 2131 with the county clerk of each county in which all or a 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 January 9, 2024; and

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

WHEREAS, on July 1, 2025, the City Council by Resolution No. _____ made findings and determinations relating to the Actual Costs of certain Major Improvement Area Projects, received and accepted a preliminary service and assessment plan and proposed assessment roll, called a

public hearing for August 5, 2025 and directed City staff to (i) file the proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish and mail such notice relating to the August 5, 2025 hearing as required by Section 372.016(b) of the PID Act; and

WHEREAS, on July 10, 2025, City staff, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *Forney Messenger*, a newspaper of general circulation in the City, to consider the proposed Service and Assessment Plan and the Major Improvement Area Assessment Roll and the levy of the Assessments on property within the Major Improvement Area of the District; and

WHEREAS, on July 12, 2025, City staff, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *Terrell Tribune*, a newspaper of general circulation in the City, to consider the proposed Service and Assessment Plan and the Major Improvement Area Assessment Roll and the levy of the Assessments on property within the Major Improvement Area 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 Major Improvement Area Assessment Roll, the Service and Assessment Plan and the levy of Assessments on property in the Major Improvement Area of the District, to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council opened and convened the hearing on August 5, 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 Major Improvement Area Assessment Roll and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of estimated costs of the Major Improvement Area Projects, the purposes of the Assessments, the special benefits of the Major Improvement Area Projects, and the penalties and interest on Annual Installments of the Assessments and on delinquent Annual Installments; and

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

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

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

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

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purpose of (i) paying a portion of the Actual Costs of the

Major Improvement Area Projects; (ii) paying a portion of the District Formation Costs allocable to the Major Improvement Area of the District; and (iii) paying the Bond Issuance Costs including funding a reserve fund and paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Major Improvements Area 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 Terrell, Texas, Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Major Improvement Area Project)", such Bonds being payable solely from the Trust Estate and for the purposes set forth in the preamble of this Indenture; and

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

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

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

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

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

"Actual Costs" mean with respect to a Major Improvement Area Project, the actual costs of constructing or acquiring such Major Improvement Area 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 Major Improvement Area Project; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Major Improvement Area Project; (3) the costs for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) all labor, bonds, and materials, including equipment and fixtures, by contractors, builders, and materialmen in connection with the acquisition, construction, or implementation of the Major Improvement Area Project; (5) all related permitting and public approval expenses, architectural, engineering, and consulting fees, and governmental fees and charges and (6) costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of 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 Assessments pursuant to Section 372.018 of the PID Act.

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

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

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

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

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

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

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

"Annual Installment" means, with respect to each Assessed Parcel, each annual installment payment of the Assessments (including both principal of and interest on the Assessments) as shown on the Major Improvement Area Assessment Roll attached to the Service and Assessment Plan as Exhibit H-1 and related to the Major Improvement Area Projects; which annual payment includes Annual Collection Costs and the Additional Interest collected on each annual payment of the Assessments as described in Section 6.7 herein and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

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

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

"Assessed Parcel" means each parcel of land located within the Major Improvement Area of the District against which an Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

"Assessed Property" means, collectively, all Assessed Parcels.

"Assessment Ordinance" means Ordinance No. _____ adopted by the City Council on August 5, 2025, which levied the Assessments on the Assessed Property located within the Major Improvement Area of the District.

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

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

"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 the improvements authorized by Section 372.003 of the PID Act, including, but not limited to, the Major Improvement Area Projects, as described and listed in Sections III.A. and III.B. of the Service and Assessment Plan.

"Bond" means any of the Bonds.

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

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

"Bond Ordinance" means Ordinance No. _____ adopted by the City Council on August 5, 2025, authorizing the issuance of the Bonds pursuant to this Indenture.

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

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

"Bonds" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Terrell, Texas, Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Major Improvement Area Project)".

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

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

"Certification for Payment" means a certificate substantially in the form of Exhibit A to the Major Improvement Area Construction, Funding, and Acquisition Agreement or otherwise agreed to by the Developer and a City Representative, executed by a Person approved by a City Representative, provided no more frequently than once per month, delivered to a City Representative and the Trustee, specifying the amount of work performed related to the Major Improvement Area Projects and the Actual Costs thereof, and requesting payment for such costs of such Major Improvement Area Project from money on deposit in the Major Improvement Area Projects Account of the Project Fund, as further described in the Major Improvement Area Construction, Funding, and Acquisition Agreement and Section 6.5 herein.

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

"City Contribution Improvements" means public infrastructure and improvements, specifically wet utilities that serve as property outside the District and that benefit other properties and developments within the City that are authorized to be funded by the City in accordance with the Service and Assessment Plan.

"City Contribution Improvements Account" means the Account of such name established pursuant to Section 6.1.

"City Contribution Improvements Certification for Payment" means a certificate, substantially in the form of Exhibit A-1 to the Major Improvement Area Construction, Funding, and Acquisition Agreement or otherwise agreed to by the Developer and a City Representative, executed by a Person approved by a City Representative, provided no more frequently than once per month, delivered to a City Representative and the Trustee, specifying the amount of work performed related to the City Contribution Improvements and the actual costs thereof, and requesting payment for such actual costs of such City Contribution Improvements from money on deposit in the City Contribution Improvements Account of the City Contribution Improvements

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

"City Contribution Improvements Fund" means the Fund of such name established pursuant to Section 6.1 and administered as provided in Section 6.10.

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

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

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

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

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

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

"Delinquent Collection Costs" means the costs related to the foreclosure on an Assessed Parcel and the costs of collection of delinquent Assessments, or 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 MM Terrell 1098, LLC, a Texas limited liability company, and any successors or assigns that intends to develop the property in the District for the ultimate purpose of transferring title to end users.

"Development Agreement" means that certain Arboretum Estates Development Agreement by and among the City, the Developer, Terrell 13 Partners, LLC, a Texas limited liability company, Squeaky Lomas, L.P., a Texas limited partnership, and Blue Star Land LP, a Texas limited partnership, effective August 22, 2023, and related to development of the property within the District, as the same may be amended from time to time.

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

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

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

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

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

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

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

“Future Improvement Areas” means, collectively, the construction phase(s) of the District to be developed subsequent to the development of Improvement Area #1 and which are currently part of the Major Improvement Area.

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

“Improvement Area #1 Bond Indenture” means the Indenture of Trust dated as of August 5, 2025 between the City and BOKF, NA, securing the City's bonds entitled “City of Terrell, Texas, Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Improvement Area #1 Project)”.

“Improvement Area #1 Bonds” means bonds issued pursuant to the Improvement Area #1 Bond Indenture or any supplemental indenture 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 domination of the City; (iii) does not have any substantial interest, direct or indirect, with or in the City, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

“Initial 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 March 15, 2026.

"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, subject to assessments, as more particularly described in Section III.B of the Service and Assessment Plan.

"Major Improvement Area" means the property within the District, excluding Improvement Area #1, as further identified and depicted in Exhibit A-3 in the Service and Assessment Plan.

"Major Improvement Area Assessment Roll" means the Major Improvement Area 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 Assessment against each parcel of Assessed Property related to the Bonds and the Major Improvement Area 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.

"Major Improvement Area Construction, Funding, and Acquisition Agreement" means the "Arboretum Estates Public Improvement District No. 6 Major Improvement Area Projects Construction, Funding, and Acquisition Agreement" by and between the City and the Developer dated as of August 5, 2025, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds, the deposit of funds to the City Contribution Improvements Fund, the payment of the costs of the City Contribution Improvements, the issuance of the Bonds, and other matters related thereto.

"Major Improvement Area Projects" means the pro rata portion of the Major Improvements allocable to the Major Improvement Area, as more particularly described in Section III of the Service and Assessment Plan.

"Major Improvement Area Projects Account" means the Account of such name established pursuant to Section 6.1.

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

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

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

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

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

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

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

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

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

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

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

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

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

"Purchaser" means the initial purchaser of the Bonds.

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

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

"Record Date" means the last Business Day of the month next preceding an Interest Payment Date.

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

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

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

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

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

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

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

"Service and Assessment Plan" means the "Arboretum Estates Public Improvement District No. 6 Service and Assessment Plan" dated August 5, 2025, including the Major Improvement Area Assessment Roll, as hereinafter amended, updated, and/or restated by an Annual Service Plan Update or otherwise, a version of which is attached as an exhibit to the Assessment Ordinance.

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

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

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

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

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

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

"Trustee" means 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, including the granting clause, to this Indenture are hereby adopted, restated, and made a part of the operative provisions hereof.

Section 1.3. Table of Contents, Titles and Headings.

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

Section 1.4. Interpretation.

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

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

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

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

ARTICLE II

THE BONDS

Section 2.1. Granting Clauses

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

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

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

receive any and all such property or money at any and all times and to hold and apply the same subject to the terms thereof.

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

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

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

Section 2.2. Security for the Bonds.

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

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

Section 2.3. Limited Obligations.

The Bonds are special and limited obligations of the City, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues and the Pledged Funds; and the

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

Section 2.4. Authorization for Indenture.

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

Section 2.5. Contract with Owners and Trustee.

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

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

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

(a) 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 Major Improvement Area Projects; (ii) paying a portion of the District Formation Costs allocable to the Major Improvement Area of the District; and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Major Improvement Area 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 August 28, 2025 and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the Closing Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March

15 and September 15 of each year, commencing March 15, 2026 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:

Year	Principal Amount ($)	Interest Rate (%)

(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 Assessment Ordinance;

(ii) a certified copy of the Bond Ordinance;

(iii) a copy of the executed Major Improvement Area Construction, Funding, and Acquisition Agreement;

(iv) a copy of this Indenture executed by the Trustee and the City; and

(v) a City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City.

Section 3.4. Medium, Method and Place of Payment.

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

(b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Trustee, if and when funds for the payment of such interest have been received from or on behalf of the City. Notice of the Special Record Date and of the scheduled

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

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

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

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

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

Section 3.5. Execution and Registration of Bonds.

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

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

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

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

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

Section 3.6. Ownership.

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

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

Section 3.7. Registration, Transfer and Exchange.

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

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

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

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

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

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

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

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

Section 3.8. Cancellation.

All Bonds paid or redeemed before 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 its records retention requirements.

Section 3.9. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's written request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any Authorized Denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other

variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

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

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

Section 3.10. Replacement Bonds.

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

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

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

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

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

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

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

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

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

Section 3.11. Book-Entry Only System.

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

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

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

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

Section 3.13. Payments to Cede & Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on the 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__

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_	_____
September 15, 20_	_____
September 15, 20_	_____
September 15, 20_	_____
September 15, 20_	_____
September 15, 20_	_____
September 15, 20_	_____
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September 15, 20_	_____
September 15, 20_	_____
September 15, 20_	_____
September 15, 20_	_____
September 15, 20_	_____
September 15, 20_	_____
September 15, 20_	_____
September 15, 20_	_____
September 15, 20_	_____
September 15, 20_	_____
September 15, 20_	_____
September 15, 20_	_____
September 15, 20_	_____

* 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, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6.

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

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

Section 4.3. Optional Redemption.

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

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

(b) In selecting the Bonds to be redeemed pursuant to Section 4.2, the Trustee 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 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 means Cede & Co., as nominee for DTC.

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

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

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

Section 4.7. Payment Upon Redemption.

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

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

Section 4.8. Effect of Redemption.

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

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

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

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

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

Section 5.2. CUSIP Registration.

The City may secure identification numbers through the CUSIP Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof; and none of the City, the Trustee, nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners of the Bonds and that neither the City nor the Trustee shall be liable for any inaccuracies of such numbers.

Section 5.3. Legal Opinion.

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

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

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

(i) Pledged Revenue Fund;

(ii) Bond Fund;

(iii) Project Fund;

(iv) Reserve Fund;

(v) Redemption Fund;

(vi) Rebate Fund;

(vii) Administrative Fund; and

(viii) City Contribution Improvements 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) Major Improvement Area Projects Account; and

(B) Costs of Issuance Account.

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

(A) Reserve Account; and

(B) Additional Interest Reserve Account.

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

(A) District Administration Account.

(vi) The following Account is hereby created and established under the City Contribution Improvements Fund:

(A) City Contribution Improvements 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 set forth in Section 6.11(f), interest earnings and profit on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2. Initial Deposits to Funds and Accounts.

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

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

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

(iii) to the Costs of Issuance Account of the Project Fund: $_____;

(iv) to the Reserve Account of the Reserve Fund: $_____; and

(v) to the District Administration Account of the Administrative Fund: $_____.

(b) Funds received from the City on the Closing Date in the amount of $_____ shall be paid to the Trustee and deposited or transferred by the Trustee into the City Contribution Improvements Account of the City Contribution Improvements Fund.

Section 6.3. Pledged Revenue Fund.

(a) On or before March 1 of each year while the Bonds are Outstanding and beginning March 1, 2026, the City 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 Major Improvement Area Projects, and (v) fifth, to pay other costs permitted by the PID Act.

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

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

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

(e) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Foreclosure Proceeds (as such are identified in a 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 and interest on the Bonds and to fund any deficiency that may exist in an account of the Reserve Fund, and the other deposits described in (a) above, the City may direct the Trustee, by City Certificate, to apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid.

(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 (excluding transfers to the City Contribution Improvements Fund and/or the City Contribution Improvements Account created within the City Contribution Improvements Fund).

Section 6.4. Bond Fund.

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

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

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

Date	**Amount ($)**
September 15, 20__	_____
March 15, 20__	_____
September 15, 20__	_____

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Major Improvement Area Projects Account of the Project Fund pursuant to instructions included in one or more City Certificates, or if the Major Improvement Area Projects Account of the Project Fund has been closed as provided in Section 6.5(f) herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

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

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

(c) Disbursements from the Major Improvement Area Projects Account of the Project Fund to pay Actual Costs of the Major Improvement Area Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Major Improvement Area 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 Major Improvement Area Construction, Funding, and Acquisition Agreement. Such provisions and procedures related to such disbursements contained in the Major Improvement Area Construction, Funding, and Acquisition Agreement are herein incorporated by reference and deemed set forth herein in full. The Trustee shall be permitted to rely fully on any Certification for Payment, City Certificate, or other written direction received pursuant to this Indenture without investigation.

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

deposit in the Major Improvement Area Projects Account of the Project Fund that are not expected to be used for the purposes of such Account. If such City Certificate is so filed, the amounts identified on the City Certificate on deposit in the Major Improvement Area Projects Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

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

(f) Upon the filing of a City Certificate stating that all Major Improvement Area Projects have been completed and that all Actual Costs of the Major Improvement Area Projects have been paid, or that any such Actual Costs of the Major Improvement Area Projects are not required to be paid from the Major Improvement Area Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee shall (i) transfer the amount, if any, remaining within the Major Improvement Area Projects Account of the Project Fund to the Bond Fund and (ii) close the Major Improvement Area Projects Account. If the Major Improvement Area Projects Account has been closed as provided above and the Costs of Issuance Account of the Project Fund has been closed pursuant to the provisions of Section 6.5(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 first to another Account of the Project Fund and used to pay Actual Costs, or, if no Actual Costs remain to be funded, then to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

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

Section 6.7. Reserve Fund.

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

(b) The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 15 and September 15 of each year, commencing March 15, 2026, an amount equal to the Additional Interest collected, if any, as shown on the Major Improvement Area Assessment Roll attached

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

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

(d) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the City and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a City Certificate to be applied to the redemption of the Bonds 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 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) At the final maturity of the Bonds, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds.

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

(i) If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund 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 Terrell, 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 Rebate Amount is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund, as directed by the City in a written instruction to the Trustee, shall be made in accordance with the Code and the Tax Certificate.

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

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

Section 6.9. Administrative Fund.

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

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

Section 6.10. City Contribution Improvements Fund.

(a) Moneys deposited, either in accordance with Section 6.2 herein or the Major Improvement Area Construction, Funding, and Acquisition Agreement into the City Contribution Improvements Account of the City Contribution Improvements Fund shall be held by the Trustee separate and apart from the other Funds and Accounts created and administered hereunder and shall not be Pledged Revenues under the Trust Estate. Except as provided in Sections 6.10(c) and 6.10(d) herein, money on deposit in the City Contribution Improvements Account of the City Contribution Improvements Fund shall be disbursed only to pay costs of the City Contribution Improvements in accordance with the Major Improvement Area Construction, Funding, and Acquisition Agreement.

(b) Disbursements from the City Contribution Improvements Account of the City Contribution Improvements Fund to pay costs of the City Contribution Improvements shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed City Contribution Improvements Certification for Payment or written direction from the City or its designee approving the disbursement from the City Contribution Improvements Account. The disbursement of funds from the City Contribution Improvements Account of the City Contribution Improvements Fund pursuant to a City Contribution Improvements Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Major Improvement Area Construction, Funding, and Acquisition Agreement. Such provisions and procedures related to such disbursement contained in the Major Improvement Area Construction, Funding, and Acquisition Agreement, are herein incorporated by reference and deemed set forth herein in full.

(c) If the City Representative determines in his or her sole discretion that amounts then on deposit in the City Contribution Improvements Account of the City Contribution Improvements Fund are not expected to be expended for purposes of the City Contribution Improvements Fund due to the abandonment, or constructive abandonment of the City Contribution Improvements, such that, in the opinion of the City Representative, it is unlikely that the amounts in the City Contribution Improvements Account of the City Contribution Improvements Fund will ever be expended for the purposes of the City Contribution Improvements Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the City Contribution Improvements Account of the City Contribution Improvements Fund that are not expected to be used for purposes of the City Contribution Improvements Fund. If such City Certificate is so filed, the amounts on deposit in City Contribution Improvements Account of the City Contribution Improvements Fund shall be transferred to the City on the earliest practicable date and the City Contribution Improvements Account shall be closed.

(d) Upon the filing of a City Certificate stating that all City Contribution Improvements have been completed and that all costs of the City Contribution Improvements have been paid, or that any such costs are not required to be paid from the City Contribution Improvements Account of the City Contribution Improvements Fund pursuant to either a City Contribution Improvements Certification for Payment or written direction from the City or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the City Contribution Improvements Account of the City Contribution Improvements Fund to the City; and (ii) shall close the City Contribution Improvements Account.

(e) If the City Contribution Improvements Account of the City Contribution Improvements Fund has been closed pursuant to the provisions of Sections 6.10(c) and/or (d) herein, the City Contribution Improvements Fund shall be closed.

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

(g) Notwithstanding any provision of this Indenture to the contrary, nothing in this Indenture shall affect or impair the right of City and Developer to modify the applicable terms of the Major Improvement Area Construction, Funding, and Acquisition Agreement relating to the disbursement of moneys deposited in the City Contribution Improvements Account of the City Contribution Improvements Fund, provided that no such modification shall allow for the use of funds in the City Contribution Improvements Account for purposes other than the payment of City Contribution Improvements (except as provided in Sections 6.10(c) and (d) herein).

Section 6.11. 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 investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in Section 7.5(a) hereof) on the Bonds, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond. Investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds or Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investment 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); 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 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 6.12. Security of Funds.

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

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

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

Section 7.2. Collection and Enforcement of Assessments.

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

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

Section 7.3. Against Encumbrances.

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

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

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds or any interest thereon remain Outstanding and unpaid, it will keep and maintain a proper and complete system

of records and accounts pertaining to the Assessments. The Trustee and the Owners of any Bonds or any duly authorized agent or agents of such Owners shall have the right, 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.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

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

> "*Closing Date*" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.
>
> *"Code"* means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.
>
> *"Computation Date"* has the meaning set forth in Section 1.148-1(b) of the Regulations.
>
> *"Gross Proceeds"* means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.
>
> *"Investment"* has the meaning set forth in Section 1.148-1(b) of the Regulations.
>
> *"Nonpurpose Investment"* means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.
>
> *"Regulations"* means any proposed, temporary or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.
>
> *"Yield"* of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds)

in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

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

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

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

(d) No Private Loan.

(i) Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

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

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the

final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested) if, as a result of such investment, the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

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

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

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

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

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

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

(iv) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error

is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within 180 days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

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

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Secretary, City Manager or Interim City Manager, 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 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, City Manager, Interim City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. Trustee as Registrar and Paying Agent.

The Trustee is hereby designated and agrees to act as Registrar and Paying Agent for and in respect to the Bonds. 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 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, Major Improvement Area Construction, Funding, and Acquisition Agreement, 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 MIA Indenture of Trust

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 in 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 51% of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the

creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws and this Indenture), or (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 hereof;

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

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

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

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

Section 10.2. Owners' Meetings.

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

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

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

Except as set forth in Section 10.1, 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 60 day period; provided, that the Trustee shall have no obligation to take or refrain from taking any such action and the Trustee shall have no liability with respect to any action taken or any instance of 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

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

Section 10.8. Execution of Supplemental Indenture.

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

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

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

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

Section 11.2. Immediate Remedies for Default.

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

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

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

select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale. 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 and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee 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 Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

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

Section 12.2. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times 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 or assessments levied against the Assessed Property so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds.

(b) Other than Refunding Bonds issued to refund all or a portion of the Bonds issued in accordance with this Section, the 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) Notwithstanding any contrary provisions of this Indenture, the City shall not issue additional bonds, notes, or other obligations under this Indenture, secured by any pledge of or other lien or charges on the Pledged Revenues or other property of the Trust Estate pledged under this Indenture other than Refunding Bonds. The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the state of Texas.

(d) The City reserves the right to issue or incur Additional Obligations to finance the cost of future improvements specifically benefitting property in the Future Improvement Areas as the development proceeds. For the avoidance of doubt, the conditions set forth in this Section 13.2 do not apply to the issuance of the Improvement Area #1 Bonds. Such Additional Obligations for the Future Improvement Areas will be secured by separate assessments levied on the assessed property within each respective Future Improvement Area. The City may, but is under no obligation to, issue or incur Additional Obligations, for any purpose permitted by the PID Act; provided, however, that no Additional Obligations secured by assessments levied against any of the Future Improvement Areas shall be issued unless such Additional Obligations are made to mature on September 15 in each of the years in which they are scheduled to mature, and the below conditions have been met:

(i) The Trustee shall receive a certificate from the City Representative certifying (A) that the City is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the City contained in this Indenture or in any indenture of trust authorizing the issuance of Additional Obligations and (B) the Developer is not delinquent with respect to fees or any other funds or commitments to be paid to the City in accordance with the Development Agreement;

(ii) The Trustee and the City shall receive a certificate from the Developer, through an authorized representative, certifying that the Developer is not in default beyond any applicable notice and cure period in the performance and observance of any of the terms, provisions and conditions applicable to the Developer contained in the Development Agreement or any continuing disclosure agreement entered into by the Developer relating to any Additional Obligations (including those relating to the Improvement Area #1 Bonds), unless any defaults under the foregoing agreements (except for defaults under any continuing disclosure agreements entered into by the Developer which defaults shall be cured) are disclosed in a certificate from the Developer to the City and the City elects to proceed with the issuance of the Additional Obligations regardless of the existence of such default or defaults;

(iii) The Trustee and the City shall receive a certificate from the Administrator certifying that the Developer is not delinquent with respect to the payment of special assessments and ad valorem taxes (other than any ad valorem taxes being contested in good faith) on the assessed parcels owed by the Developer or such owner, respectively, in such Future Improvement Area;

(iv) The Trustee and the City shall receive:

(A) an Independent Appraisal evidencing that (i) that the Value to Lien Ratio of each individual assessed parcel in the Future Improvement Areas for which assessments have been or will be levied is not less than 2:1 or

(B) a certificate from the Developer certifying that property representing at least seventy-five percent (75%) of the parcels to be assessed in a Future Improvement Area, for which such Additional Obligations will be issued, are under contract with merchant builder(s) or real estate developer(s) for sale to end users; and either:

(1) Building permits for homes have been issued and vertical construction has commenced which means framing on the main structure has begun, for at least fifty percent (50%) of the total lots or residential units, as applicable, in the preceding phase(s) of the District for which bonds (not including the Bonds) have been issued, in part or whole, to fund local improvements within such phase; or

(2) Certificates of occupancy for completed homes have been issued for at least twenty-five percent (25%) of the total lots or residential units, as applicable, in the preceding phase(s) of the District for which bonds (not including the Bonds) have been issued, in part or whole, to fund local improvements within such phase.

(e) Notwithstanding the provisions of Section 13.2(d) above, Refunding Bonds issued to refund all or a portion of the Bonds shall not be required to meet the requirements set forth in Section 13.2(d).

Section 13.3. Books of Record.

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

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

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

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

Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds has been paid so that the City may determine if the Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the in Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 14.3. Bonds Deemed Paid.

All Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided herein, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee for such purpose, shall be sufficient to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (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 Terrell, Texas
201 E. Nash Street
Terrell, Texas 75160

Attention: Mayor

If to the Trustee or the Paying Agent/Registrar:	BOKF, NA Attention: Corporate Trust 5956 Sherry Lane, Suite 900 Dallas, Texas 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 Kaufman 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 TERRELL, TEXAS,
a Texas home-rule municipality

By: _____
E. Rick Carmona, Mayor

ATTEST:

_____
Dawn Steil, City Secretary

APPROVED AS TO FORM:

_____
Mary Gayle Ramsey, City Attorney

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 TERRELL, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6
MAJOR IMPROVEMENT AREA PROJECT)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
_____%	September 15, 20___	_____	_____

The City of Terrell, 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 March 15, 2026, 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 August 28, 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 August 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 Major Improvement Area Projects; (ii) paying a portion of the District Formation Costs allocable to the Major Improvement Area of the District; and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Major Improvement Area Projects, and other costs related to the issuance of the Bonds.

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

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

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

The Bonds are subject to sinking fund redemption prior to their respective maturities and will be redeemed by the 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__

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

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, any other transfers to the Redemption Fund pursuant to the Indenture, or as a result of unexpended amounts transferred from the Project Fund as provided in the Indenture.

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

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate

principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

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

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

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

The City has reserved the right to issue 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 TERRELL, 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 Terrell, Texas

_____
City Secretary, City of Terrell, 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:

_____

_____
Authorized Signatory

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

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

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

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

Years Principal Amount ($) Interest Rate (%)"

(Information to be inserted from Section 3.2(c) hereof); and

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

APPENDIX B

FORM OF SERVICE AND ASSESSMENT PLAN

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Arboretum Estates
Public Improvement District No. 6

SERVICE AND ASSESSMENT PLAN

AUGUST 5, 2025

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

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INTRODUCTION

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

On January 9, 2024, the City Council passed and approved Resolution No. 2131 authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon its approval 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 792.268 acres now located within the corporate limits of the City, as described by the legal description on **Exhibit L-1** and depicted on **Exhibit A-1**.

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

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

SECTION I: DEFINITIONS

"2025 Assessment Ordinance" means, collectively the ordinance(s) approved and adopted by the City Council on August 5th, 2025, which (i) approved this Service and Assessment Plan; (ii) levied the Improvement Area #1 Assessment against Improvement Area #1 Assessed Property; and (iii) levied the Major Improvement Area Assessment against Major Improvement Area Assessed Property.

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

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

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

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

"Annual Collection Costs" mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Roll(s) and Annual Service Plan Updates; (6) paying and redeeming PID

Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with this Service and Assessment Plan, the PID Act, and any indenture, and 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) Annual Collection Costs; and (4) Additional Interest related to the PID Bonds, if applicable.

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

"Assessed Property" means any Parcel within the District against which an Assessment is levied.

"Assessment" means an assessment levied against Assessed Property within the District, other than Non-Assessed 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 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 Major Improvement Area Assessment Roll and the Improvement Area #1 Assessment Roll, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in any Annual Service Plan Update. The Improvement Area #1 Assessment Roll is included as **Exhibit G-1** and the Major Improvement Area Assessment Roll is included as **Exhibit H-1**.

"Authorized Improvements" means the improvements authorized by Section 372.003 of the PID Act and described in **Section III.A** and **Section III.B**, including those depicted on **Exhibit I-1** and **Exhibit I-2.**

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

"City" means the City of Terrell, Texas.

"City Council" means the governing body of the City.

"County" means Kaufman County, Texas.

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

"Delinquent Collection Costs" mean costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan including penalties and reasonable attorney's fees actually paid but excluding amounts representing interest and penalty interest.

"Developer" means MM Terrell 1098, LLC, a Texas limited liability company, and any successors or assigns thereof that intends to develop the property in the District for the ultimate purpose of transferring title to end users.

"District" means Arboretum Estates Public Improvement District No. 6 containing approximately 792.268 acres located within the corporate limits of the City, more specifically described in **Exhibit L-1** and depicted on **Exhibit A-1**.

"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 is shown on **Exhibit E.**

"Improvement Area #1" means approximately 114.972 acres located within the District, 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) Annual Collection Costs related to Improvement Area #1; and (4) Additional Interest related to the Improvement Area #1 Bonds, if applicable, as shown in **Exhibit G-2**, which amount may be reduced by the TIRZ No. 2 Annual Credit Amount.

"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, by the adoption of the 2025 Assessment Ordinance, against Improvement Area #1 Assessed Property to pay the Actual Costs of the Improvement Area #1 Authorized Improvements, which Improvement Area #1 Assessment is imposed pursuant to the 2025 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 according 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 Service and Assessment Plan as **Exhibit G-1.**

"Improvement Area #1 Authorized Improvements" means, collectively, (1) the pro rata portion of the Major Improvements allocable to Improvement Area #1; (2) the Improvement Area #1 Improvements; (3) the deposit to the administrative fund related to the Improvement Area #1 Bonds; and (4) Bond Issuance Costs incurred in connection with the issuance of Improvement Area #1 Bonds.

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

"Improvement Area #1 Bonds" means those certain "City of Terrell, Texas, Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Improvement Area #1 Project)" that are secured by the Improvement Area #1 Assessment.

"Improvement Area #1 Initial Parcel" means all of the Improvement Area #1 Assessed Property against which the entire Improvement Area #1 Assessment is levied, as shown in **Exhibit G-1**.

"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 terms and conditions related to such 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 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 at the time of the applicable levy of Assessments 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 Improvement Area #1 Lot Type classification map is identified on **Exhibit A-4.**

"Lot Type 1" means a Lot within Improvement Area #1 generally marketed to homebuilders as a 40' Lot. The buyer disclosure for Lot Type 1 is attached in **Appendix B**.

"Lot Type 2" means a Lot within Improvement Area #1 generally marketed to homebuilders as a 50' Lot. The buyer disclosure for Lot Type 2 is attached in **Appendix B**.

"Lot Type 3" means a Lot within Improvement Area #1 generally marketed to homebuilders as a 60' Lot. The buyer disclosure for Lot Type 3 is attached in **Appendix B**.

"Lot Type 4" means a Lot within Improvement Area #1 generally marketed to homebuilders as a 70' Lot. The buyer disclosure for Lot Type 4 is attached in **Appendix B**.

"Major Improvement Area" means approximately 667.289 acres located within the District, and more specifically described in **Exhibit L-3** and depicted on **Exhibit A-3**. The Major Improvement Area includes all of the District save and except Improvement Area #1.

"Major Improvement Area Annual Installment" means the Annual Installment of the Major Improvement Area Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to the Major Improvement Area; and (4) Additional Interest related to the Major Improvement Area Bonds, as shown on **Exhibit H-2.**

"Major Improvement Area Assessed Property" means any Parcel within the Major Improvement Area against which a Major Improvement Area Assessment is levied.

"Major Improvement Area Assessment" means an Assessment levied, by the adoption of the 2025 Assessment Ordinance, against the Major Improvement Area Assessed Property, related to the Major Improvement Area Authorized Improvements, and imposed pursuant to the 2025 Assessment Ordinance and the provisions herein, as shown on the Major Improvement Area Assessment Roll, subject to reallocation or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

"Major Improvement Area Assessment Roll" means the Assessment Roll for the Major Improvement Area Assessed Property within the District, 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 Major Improvement Area Assessment Roll is included in this Service and Assessment Plan as **Exhibit H-1**.

"Major Improvement Area Authorized Improvements" means, collectively, (1) the pro rata portion of the Major Improvements allocable to the Major Improvement Area; (2) the first year's Annual Collection Costs related to the Major Improvement Area Bonds; and (3) Bond Issuance Costs incurred in connection with the issuance of the Major Improvement Area Bonds.

"Major Improvement Area Bonds" means those certain "City of Terrell, Texas, Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Major Improvement Area Project)" that are secured by the Major Improvement Area Assessment.

"Major Improvement Area Initial Parcel" means all of the Major Improvement Area Assessed Property against which the entire Major Improvement Area Assessment is levied as shown on **Exhibit H-1**.

"Major Improvements" means those Authorized Improvements that confer a special benefit to all of the Assessed Property and Non-Assessed Property within the District, as further described in **Section III.B.** and depicted on **Exhibit I-2.**

"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-Assessed Property" means Parcels located inside the boundary of the District that accrue special benefit from the Authorized Improvements as determined by the City Council but are not assessed. Non-Assessed Property consists of a school site of approximately 16 acres. The Developer has agreed to pay for the portion of the Actual Costs of the Authorized Improvements that benefit the Non-Assessed Property in lieu of the City levying assessments against such property.

"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 Kaufman County Appraisal District for real property tax purposes, by legal description, or by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means determined by the City.

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

"PID Bonds" means any bonds issued by the City in one or more series and secured in whole or in part by Assessments.

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

"Prepayment Costs" means interest and other costs, including Additional Interest and Annual Collection Costs, to the date of Prepayment.

"Private Improvements" means improvements required to be constructed by the Developer that are not Authorized Improvements. Costs of Private Improvements will not be paid nor reimbursed through the proceeds of PID Bonds or otherwise from revenues received from the collection of Annual Installments.

"Service and Assessment Plan" means this City of Terrell, Texas Arboretum Estates Public Improvement District No. 6 Service and Assessment Plan as updated, amended, or supplemented from time to time.

"Service Plan" covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

"TIRZ No. 2" means Reinvestment Zone Number Two, City of Terrell, Texas.

"TIRZ No. 2 Agreement" means the TIRZ #2 Economic Development Agreement, effective as of August 22, 2023.

"TIRZ No. 2 Annual Credit Amount" is defined in **Section V.F**, which amount shall not annually exceed the TIRZ No. 2 Maximum Annual Credit Amount, and which shall be transferred from the TIRZ No. 2 Fund as TIRZ No. 2 Revenues are collected to the applicable principal and interest account of the pledged revenue fund held by the Trustee and used to pay a portion of principal and interest related to the PID Bonds, pursuant to the TIRZ No. 2 Agreement, but which shall not be pledged to secure the PID Bonds.

"TIRZ No. 2 Fund" means the tax increment fund created pursuant to the TIRZ No. 2 Ordinance where TIRZ No. 2 Revenues are deposited annually as collected by the City.

"TIRZ No. 2 Maximum Annual Credit Amount" means for each Lot Type, the amount of TIRZ No. 2 Revenues that results in an equivalent tax stack of $0.622097 per $100 of assessed value for such Lot Type taking into consideration the tax rates of all applicable overlapping taxing units and the equivalent tax rate of the applicable Annual Installment based on Estimated Buildout Value at the time the City Council approves the applicable Assessment Ordinance levying the applicable Assessment for each Improvement Area, as further described in **Section V.F** and shown on **Exhibit F.**

"TIRZ No. 2 Ordinance" means Ordinance No. 2938 adopted by the City Council on November 15, 2022, approving the TIRZ No. 2 Plan and authorizing the use of TIRZ No. 2 Revenues for project costs under the Chapter 311, Texas Tax Code as amended, and related to certain public improvements and supplemental services as provided for in the TIRZ No. 2 Plan.

"TIRZ No. 2 Plan" means the Reinvestment Zone Number Two, City of Terrell, Texas Final Project and Finance Plan, dated November 15, 2022.

"TIRZ No. 2 Revenues" means, for each year in which the City levies a real property tax, the amounts which are deposited in the TIRZ No. 2 Fund pursuant to the TIRZ No. 2 Ordinance, TIRZ No. 2 Plan, and TIRZ No. 2 Agreement.

"Trustee" means the trustee or successor trustee under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 792.268 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-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 2,387 Lots developed with single-family homes.

Improvement Area #1 includes approximately 114.972 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described by legal description on **Exhibit L-2** and depicted on **Exhibit A-2**. Development of Improvement Area #1 is anticipated to include approximately 512 Lots developed with single-family homes (295 single-family homes that are classified as Lot Type 1, 144 single-family homes that are on Lots classified as Lot Type 2, 42 single-family homes that are on Lots classified as Lot Type 3, and 31 single-family homes that are on Lots classified as Lot Type 4).

The Major Improvement Area includes the remainder of the property within the District, save and except 10.006 acres, totaling approximately 667.289 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit L-3** and depicted on **Exhibit A-3**. Development of the Major Improvement Area is anticipated to include approximately 1,875 Lots developed with single-family homes (730 single-family 40' lots, 868 single-family 50' lots, 96 single-family 60' lots, 42 single-family 70' lots, and 139 single-family 100' lots).

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information provided in the Engineer's Report by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property and Non-Assessed Property. Authorized Improvements will be designed and constructed in accordance with the City's standards and specifications and will be owned and operated by the City. The budget for the Authorized Improvements is shown on **Exhibit B**.

A. Improvement Area #1 Improvements

- *Wet Utilities*
    - *Water System*

      Improvements including trench excavation and embedment, trench safety, PVC piping, valves, fire hydrants, service connections, testing, related earthwork,

excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1.

- *Sanitary Sewer System*

  Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.

- *Drainage System*

  Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, detention ponds, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #1.

- *Street Improvements*

  Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, barricades, traffic control, platting, staking, and streetlights. All related earthwork, excavation, erosion control, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #1.

- *Soft Costs*

  Costs related to designing, constructing, and installing the Improvement Area #1 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal fees, and consultant fees.

B. Major Improvements

- *Wet Utilities*

  - *Sanitary Sewer Transmission*

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

  - *Sanitary Sewer Capacity*

Improvements including wastewater treatment facilities, wastewater lift stations, related earthwork, excavation, and erosion control, and all necessary appurtenances required to pump and/or process sewage from all Lots within the District.

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, valves, fire hydrants, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within the District.

- *Street Improvements*

Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within the District.

- *Landscape and Irrigation*

Improvements including parkway landscape and irrigation within FM 148, Los Lomas Parkway, and collector roads.

- *Parks and Trails*

Improvements including parks and trails around detention ponds and public parkways.

- *ROW Dedication*

The right-of-way dedication includes right-of-way for streets and parks and/or a public safety site within the District. The total area within the right-of way totals 32.49 acres.

- *Soft Costs*

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

C. 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 such 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 in connection with the issuance of PID Bonds, including the fee of counsel to the Underwriter.

- *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 costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

D. 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 cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period and 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 initial Service Plan for Improvement Area #1 and the Major Improvement Area. Per the PID Act and Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosure for the District. The buyer disclosures are attached hereto as **Appendix B.**

Exhibit D summarizes the sources and uses of funds required to construct the Authorized Improvements and Private Improvements. The sources and uses of funds shown on **Exhibit D**

shall be updated in an Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the City Council may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City Council of the Assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers of the Assessed Property.

A. Assessment Methodology

Acting in its legislative capacity and based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City Council has determined that the costs of the Authorized Improvements shall be allocated as follows:

- By the adoption of the 2025 Assessment Ordinance, the costs of the Improvement Area #1 Authorized Improvements are allocated to each Parcel within Improvement Area #1 based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Improvement Area #1 Assessed Property. Currently, the Improvement Area #1 Initial Parcel is the only Parcel within Improvement Area #1, and as such, the Improvement Area #1 Initial Parcel is allocated 100% of the Improvement Area #1 Authorized Improvements.
- The costs of the portion of the Major Improvements that benefit both the Assessed

Property and the Non-Assessed Property shall first be allocated to the Assessed Property and Non-Assessed Property based upon acreage. The costs of Major Improvements allocable to the Assessed Property, identified on **Exhibit B**, shall then be allocated to Improvement Area #1 Assessed Property and the Major Improvement Area Assessed Property based upon Estimated Buildout Value of each Parcel or Assessed Property at the time this Service and Assessment Plan is approved. Currently, the Major Improvement Area is allocated 80.39% of the Major Improvements costs, and Improvement Area #1 is allocated 19.61% of the Major Improvements costs.

- By the adoption of the 2025 Assessment Ordinance, the costs of the Major Improvement Area Authorized Improvements shall be allocated to each Parcel within the Major Improvement Area based on the ratio of the Estimated Buildout Value of each Parcel designated as Major Improvement Area Assessed Property to the Estimated Buildout Value of all Major Improvement Area Assessed Property. Currently, the Major Improvement Area Initial Parcel is the only Parcel within the Major Improvement Area, and as such, the Major Improvement Area Initial Parcel is allocated 100% of the Major Improvement Area Authorized Improvements.

B. Assessments

By the adoption of the 2025 Assessment Ordinance, the Improvement Area #1 Assessment levied on the Improvement Area #1 Initial Parcel is in the amount shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit G-1**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit G-2**. Upon division or subdivision of the Improvement Area #1 Initial Parcel, the Improvement Area #1 Assessment will be reallocated pursuant to **Section VI**.

The Maximum Assessment for each current Lot Type is shown on **Exhibit E**. In no case will the Assessment for Lots classified as Lot Type 1, Lot Type 2, Lot Type 3, or Lot Type 4 exceed the corresponding Maximum Assessment for each Lot Type classification.

By the adoption of the 2025 Assessment Ordinance, the Major Improvement Area Assessment levied on the Major Improvement Area Initial Parcel is in the amount shown on the Major Improvement Area Assessment Roll, attached hereto as **Exhibit H-1**. The projected Major Improvement Area Annual Installments are shown on **Exhibit H-2**. Upon division or subdivision of the Major Improvement Area Initial Parcel, the Major Improvement Area Assessment will be reallocated pursuant to **Section VI**.

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 the following:

- *Improvement Area #1*
    - The costs of the Improvement Area #1 Authorized Improvements equal $25,876,038 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
    - The Improvement Area #1 Initial Parcel will be initially allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Authorized Improvements, which equals $21,375,000 as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit G-1**; and
    - The special benefit ($\geq$ $25,876,038) received by the Improvement Area #1 Initial Parcel from the Improvement Area #1 Authorized Improvements is equal to or greater than the amount of the Improvement Area #1 Assessment ($21,375,000) levied on the Improvement Area #1 Initial Parcel for the Improvement Area #1 Authorized Improvements; and
    - At the time the City Council approved this Service and Assessment Plan, the Developer owned 100% of the Improvement Area #1 Initial Parcel. At the time of the levy of the Improvement Area #1 Assessment, the Developer acknowledged that the Improvement Area #1 Authorized Improvements confer 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. At the time the City levied the Improvement Area #1 Assessment, 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 Service and Assessment Plan and the 2025 Assessment Ordinance; and (3) the levying of the Improvement Area #1 Assessment on the Improvement Area #1 Initial Parcel.
- *Major Improvement Area*
    - The costs of the Major Improvement Area Authorized Improvements equal $24,190,000, as shown on **Exhibit B**; and
    - The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Area Authorized Improvements equal to or greater than the Actual Cost of the Major Improvement Area Authorized Improvements; and

- The Major Improvement Area Initial Parcel will be initially allocated 100% of the Major Improvement Area Assessment levied for the Major Improvement Area Authorized Improvements, which equals $24,190,000 as shown on the Major Improvement Area Assessment Roll attached hereto as **Exhibit H-1**; and

- The special benefit ($\geq$ $24,190,000) received by the Major Improvement Area Initial Parcel from the Major Improvement Area Authorized Improvements is equal to or greater than the amount of the Major Improvement Area Assessment ($24,190,000) levied on the Major Improvement Area Initial Parcel for the Major Improvement Area Authorized Improvements; and

- At the time the City Council approved this Service and Assessment Plan, the Developer owned 100% of the Major Improvement Area Initial Parcel. The Developer acknowledged that the Major Improvement Area Authorized Improvements confer a special benefit on the Major Improvement Area Initial Parcel and consented to the imposition of the Major Improvement Area Assessment to pay for the Actual Costs associated therewith. At the time the City levied the Major Improvement Area Assessment, 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 Service and Assessment Plan and the 2025 Assessment Ordinance; and (3) the levying of Major Improvement Area Assessment on the Major Improvement Area 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.

F. TIRZ No. 2 Annual Credit Amount

The City Council, in accordance with the TIRZ No. 2 Agreement, has agreed to use a portion of TIRZ No. 2 Revenues generated on a parcel-by-parcel basis from each Improvement Area #1 Assessed Property to offset a portion of the principal and interest of such property's Improvement Area #1 Assessment, as applicable.

1. The principal and interest portion of the Improvement Area #1 Annual Installment for an Improvement Area #1 Assessed Property shall receive a TIRZ No. 2 Annual Credit Amount on a parcel-by-parcel basis equal to the TIRZ No. 2 Revenue generated by the Improvement Area #1 Assessed Property for the previous Tax Year (e.g. TIRZ No. 2 Revenue collected from the Improvement Area #1 Assessed Property for Tax Year 2025 shall be applied as the TIRZ No. 2 Annual Credit Amount applicable to the Improvement Area #1 Assessed Property's Improvement Area #1 Annual Installment to be collected in Tax Year 2026), but in no event shall the TIRZ No. 2 Annual Credit Amount exceed the TIRZ No. 2 Maximum Annual Credit Amount shown in **Exhibit F** and as calculated on **Section V.F.2**.

2. The TIRZ No. 2 Maximum Annual Credit Amount available to reduce the principal and interest portion of the Improvement Area #1 Annual Installment for an Improvement Area #1 Assessed Property is calculated for each Lot Type, as shown on **Exhibit F**. The TIRZ No. 2 Maximum Annual Credit Amount is calculated so that the average Improvement Area #1 Annual Installment minus the TIRZ No. 2 Maximum Annual Credit Amount for each Lot Type does not produce an equivalent tax rate for such Lot Type which exceeds the competitive, composite equivalent ad valorem tax stack taking into consideration the Tax Year 2025 tax rates of all applicable overlapping taxing units and the equivalent tax rate of the Improvement Area #1 Annual Installments based on assumed buildout values at the time the applicable Assessment Ordinance is approved. The resulting TIRZ No. 2 Maximum Annual Credit Amount for each Lot Type as shown on **Exhibit F**.

3. After the TIRZ No. 2 Annual Credit Amount is applied to provide a credit towards a portion of the principal and interest of the Improvement Area #1 Annual Installment for the Improvement Area #1 Assessed Property by depositing such amount into the appropriate account created under the Indenture for the Improvement Area #1 Bonds, any excess TIRZ No. 2 Revenues available from the TIRZ No. 2 Fund shall be held by the City and shall be used in accordance with the TIRZ No. 2 Plan, and TIRZ No. 2 Agreement.

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 provided by the Developer. The Estimated Buildout Value for Lot Type 1, Lot Type 2, Lot Type 3, and Lot Type 4 is shown on **Exhibit E** and will not change in future Annual Service Plan Updates but **Exhibit E** may be updated in future Annual Service Plan Updates to account for additional Lot Types. The calculation as confirmed by the City Council shall be conclusive and binding.

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the 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 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 same Lot Type

Prior to the recording of a subdivision plat, the Developer shall provide the City with 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 each Lot Type is 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 next Annual Service Plan Update and approved by the City Council.

3. Upon Consolidation

If two or more Lots or Parcels are consolidated into a single Parcel or Lot, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be reflected in the next Annual Service Plan Update and approved by the City Council. The 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 title to 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 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. Such Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City for use as internal roads, utilities, and other similar public improvements in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel, subject to limitations related to the applicable Maximum Assessment. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable "Notice of PID 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 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.

D. Reduction of Assessments

If as a result of cost savings or the failure to construct all or a portion of an Authorized Improvement, the Actual Costs of completed Authorized Improvements are less than the Assessments, then (i) in the event PID Bonds are not issued, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds that are not expected to be used for the purposes of the project fund to redeem outstanding PID Bonds, unless otherwise as directed by the City pursuant to the terms of such applicable Indenture, and the TIRZ No. 2 Annual Credit Amount will be reduced in the same proportion as the Assessments. 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, secured by such Assessments.

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 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 it to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit G-2** shows the estimated Improvement Area #1 Annual Installments, and **Exhibit H-2** shows the estimated Major Improvement Area 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 an 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-Assessed Property, as shown by the Kaufman 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 Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of the Improvement Area #1 Assessment and Major Improvement Area Assessment shall be due when billed and shall be delinquent if not paid prior to February 1, 2026.

Failure of an owner of an Assessed Property to receive an invoice for an Annual Installment on the property tax bill 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 Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Retained Property, subject to an adjustment in the Assessment applicable to the Retained Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Retained Property exceeds the applicable Maximum Assessment, the owner of the Retained Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Retained Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Retained Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of prepayment, with any remainder credited against the Assessment on the Retained Property.

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a $100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefited Property and the remaining 90 acres constituting the 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. The owner will remain liable to pay the Annual Installments on both the Taken Property and the Retained Property until such time that such Assessment has been prepaid in full.

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

SECTION VII: ASSESSMENT ROLL

The Improvement Area #1 Assessment Roll is attached as **Exhibit G-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #1 Assessment Roll and Improvement Area #1 Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Major Improvement Area 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 Major Improvement Area Assessment Roll and Major Improvement Area Annual Installments for each Parcel as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council's approval of the calculation. Otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. The Administrator shall provide a written response to the City Council and the owner not later than 30 days after 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 Service and Assessment Plan, the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary

power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners of Assessed Property adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public meeting at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners of Assessed Property and Developer and their successors and assigns. Certain amounts in tables as Exhibits to this Service and Assessment Plan have been rounded.

D. Form of Buyer Disclosure; Filing Requirements

Per Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the 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 Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

E. Severability

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

EXHIBITS

The following Exhibits are attached to and made a part of this Service and Assessment Plan for all purposes:

Exhibit A-1	Map of the District
Exhibit A-2	Map of Improvement Area #1
Exhibit A-3	Map of Major Improvement Area
Exhibit A-4	Improvement Area #1 Lot Type Classification Map
Exhibit B	Project Costs
Exhibit C	Service Plan
Exhibit D	Sources and Uses of Funds
Exhibit E	Maximum Assessment and Tax Rate Equivalent
Exhibit F	TIRZ No. 2 Annual Credit Amount by Lot Type
Exhibit G-1	Improvement Area #1 Assessment Roll
Exhibit G-2	Improvement Area #1 Annual Installments
Exhibit H-1	Major Improvement Area Assessment Roll
Exhibit H-2	Major Improvement Area Annual Installments
Exhibit I-1	Maps of Improvement Area #1 Improvements
Exhibit I-2	Maps of Major Improvements
Exhibit J	Form of Notice of Assessment Termination
Exhibit K-1	Improvement Area #1 Bonds Debt Service Schedule
Exhibit K-2	Major Improvement Area Bonds Debt Service Schedule
Exhibit L-1	District Legal Description
Exhibit L-2	Improvement Area #1 Legal Description
Exhibit L-3	Major Improvement Area Legal Description

APPENDICES

The following Appendices are attached to and made a part of this Service and Assessment Plan for all purposes:

Appendix A Engineer's Report
Appendix B Buyer Disclosures

EXHIBIT A-1 – MAP OF THE DISTRICT

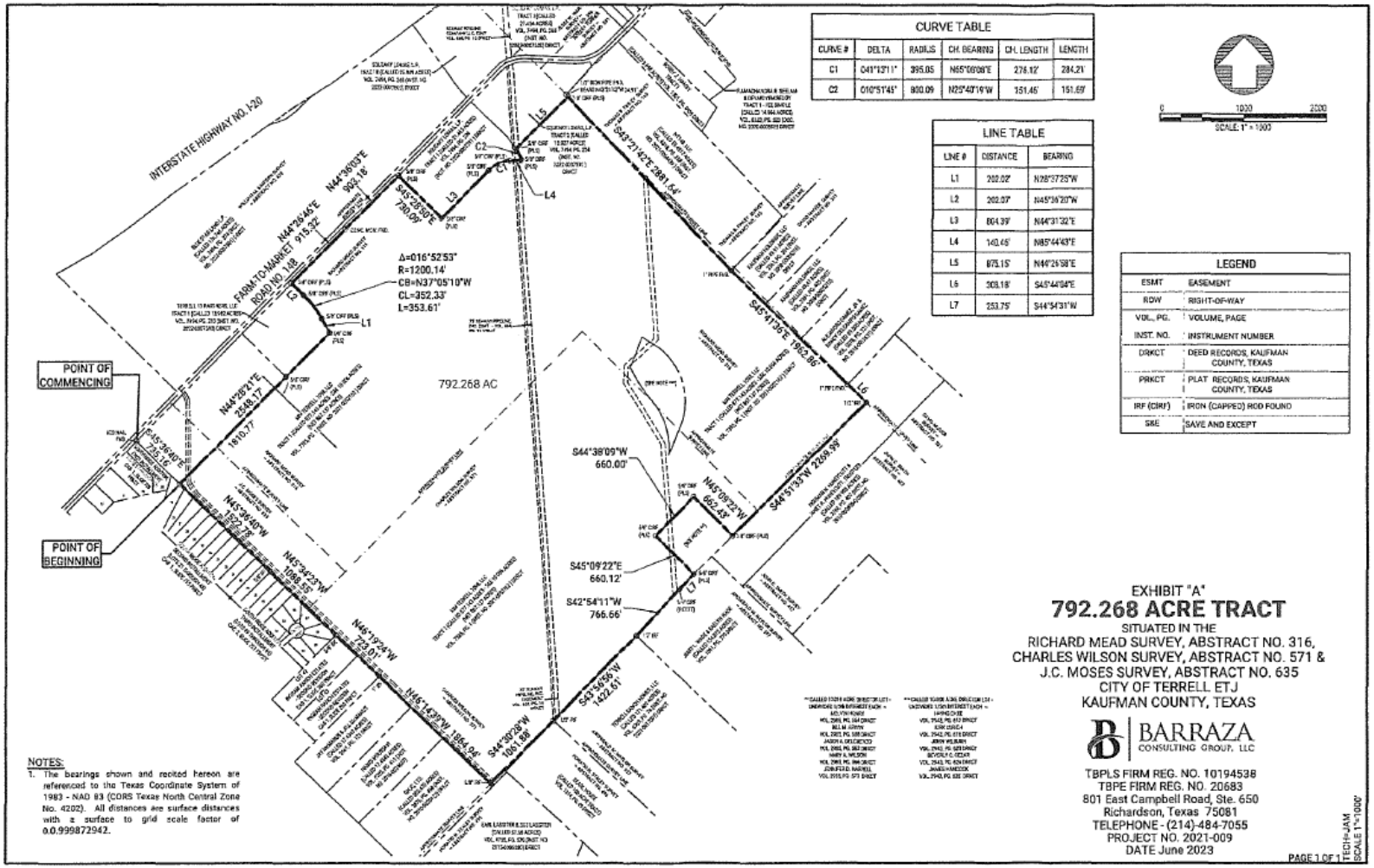


EXHIBIT A-2 – MAP OF IMPROVEMENT AREA #1

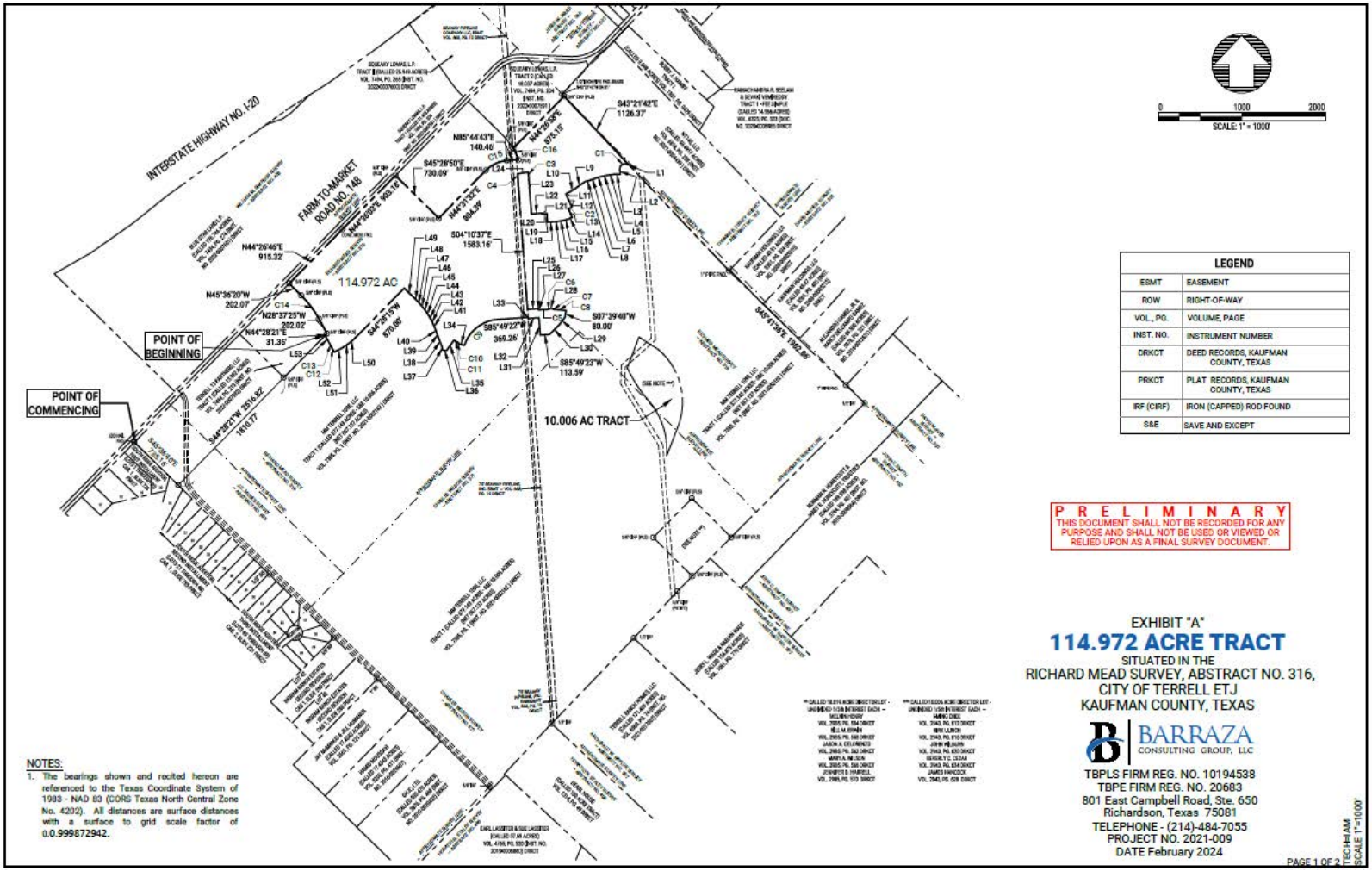


EXHIBIT A-3 – MAP OF MAJOR IMPROVEMENT AREA

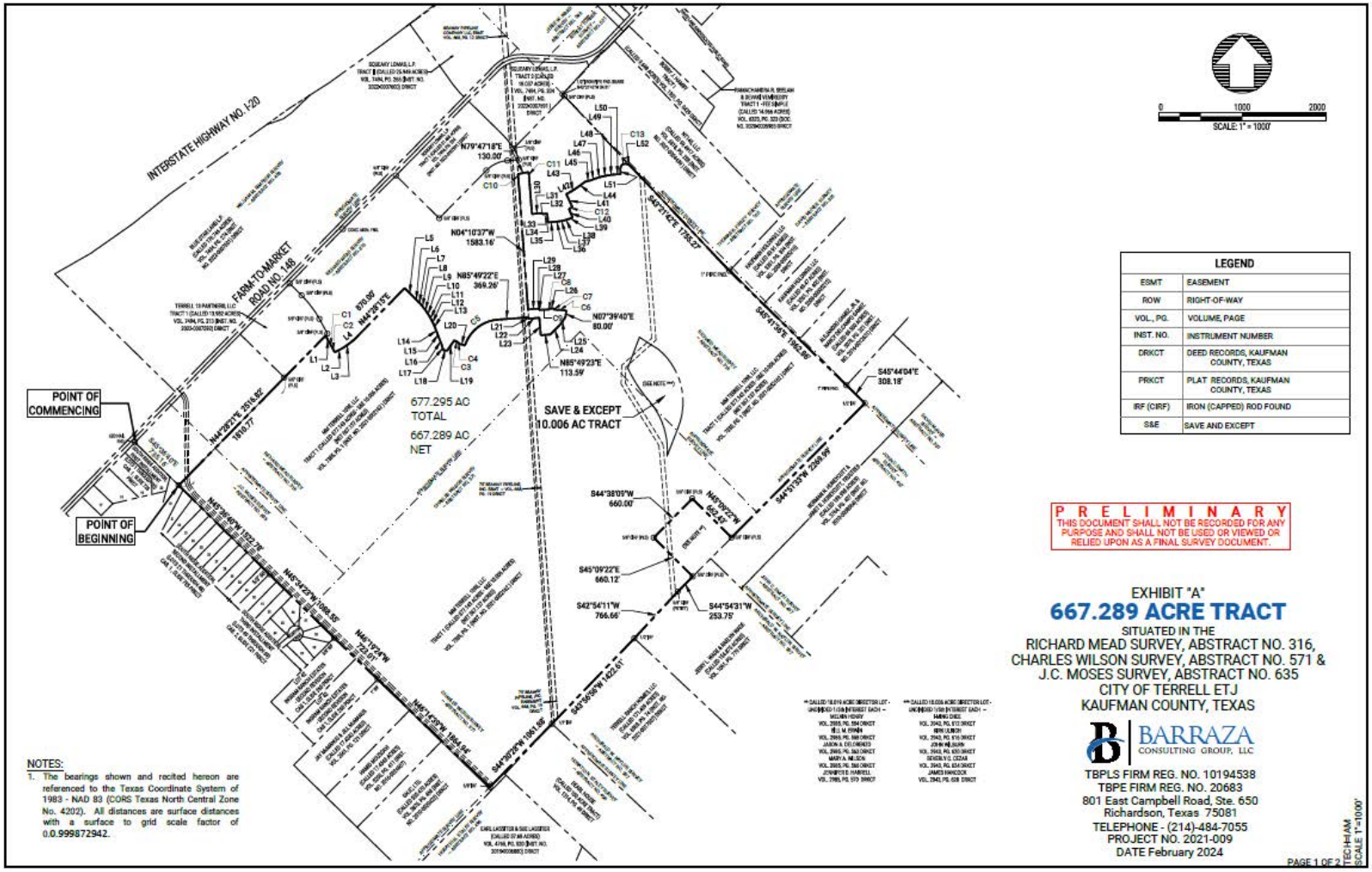


EXHIBIT A-4 – IMPROVEMENT AREA #1 LOT TYPE CLASSIFICATION MAP

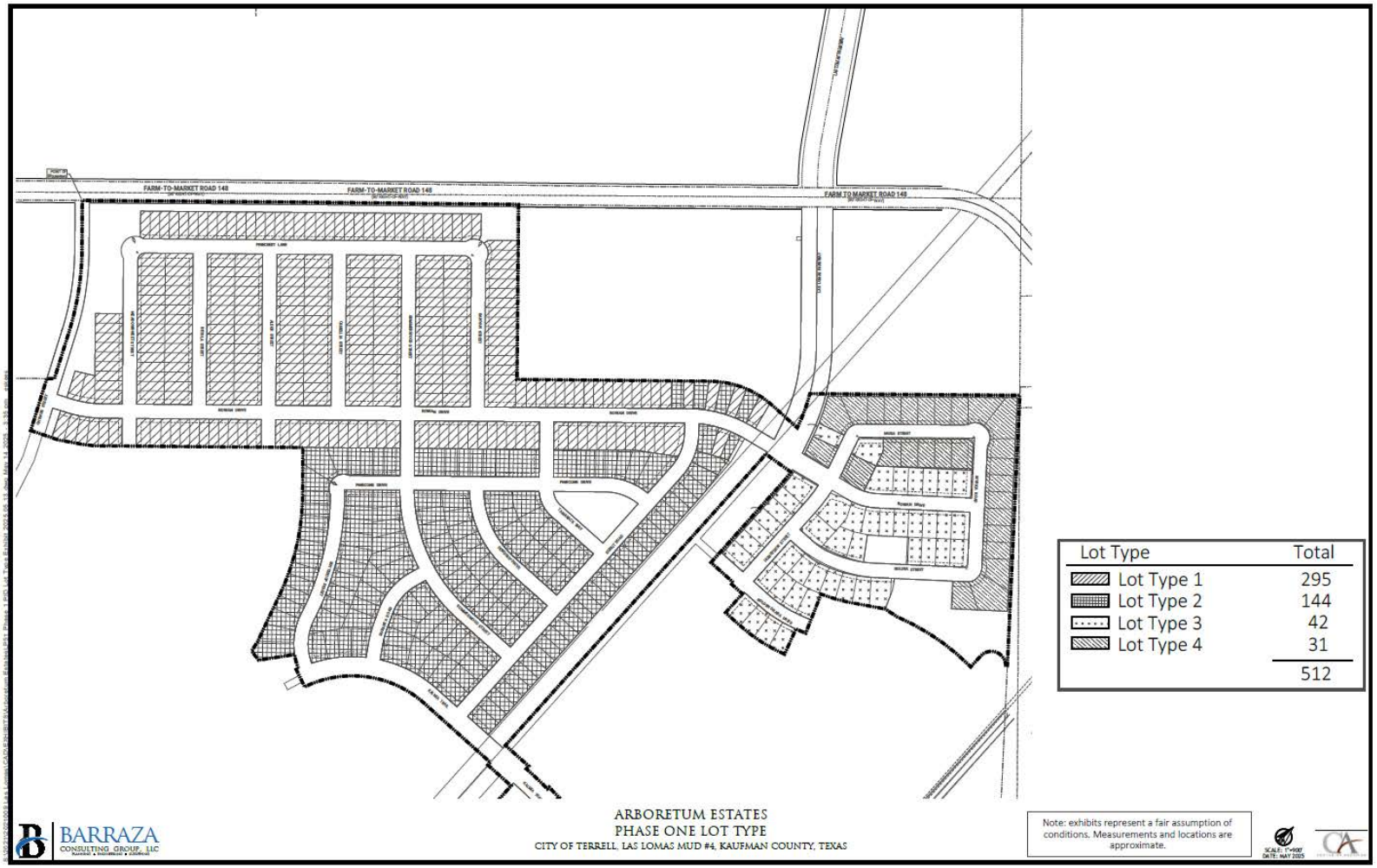


EXHIBIT B – PROJECT COSTS

	Total Project Costs[a]	City Oversizing[b]	Non-Assessed Property[c]	Private	Authorized Improvements	Improvement Area #1		Major Improvement Area	
						%	$	%	$
Improvement Area #1 Improvements									
Wet Utilities[d]									
Water	$ 2,147,562	$ -	$ -	$ -	$ 2,147,562	100.00%	$ 2,147,562	0.00%	$ -
Sanitary Sewer	3,486,165	-	-	-	3,486,165	100.00%	3,486,165	0.00%	-
Drainage	3,462,616	-	-	-	3,462,616	100.00%	3,462,616	0.00%	-
Street Improvements	5,259,715	-	-	-	5,259,715	100.00%	5,259,715	0.00%	-
Soft Costs[e]	2,320,272	-	-	-	2,320,272	100.00%	2,320,272	0.00%	-
	$ 16,676,330	$ -	$ -	$ -	$ 16,676,330		$ 16,676,330		$ -
Major Improvements [f]									
Wet Utilities[d]									
Water	$ 3,003,599	$ 424,690	$ 52,748	$ -	$ 2,526,161	19.61%	$ 495,330	80.39%	$ 2,030,831
Sanitary Sewer	5,661,246	822,000	98,980	-	4,740,266	19.61%	929,473	80.39%	3,810,794
Street Improvements	4,987,750	-	102,017	-	4,885,733	19.61%	957,996	80.39%	3,927,737
Landscape and Irrigation	342,000	-	6,995	-	335,005	19.61%	65,688	80.39%	269,317
Parks and Trails	251,378	-	5,142	-	246,236	19.61%	48,282	80.39%	197,954
ROW Dedication	3,260,000	-	66,679	-	3,193,321	19.61%	626,147	80.39%	2,567,174
District Formation Costs	1,400,000	-	28,635	-	1,371,365	19.61%	268,898	80.39%	1,102,467
Soft Costs[e]	2,763,833	-	56,530	-	2,707,303	19.61%	530,849	80.39%	2,176,454
	$ 21,669,806	$ 1,246,690	$ 417,725	$ -	$ 20,005,391		$ 3,922,663		$ 16,082,728
Private Improvements [g]									
Grading and Site Preparation	$ 3,493,913	$ -	$ -	$ 3,493,913	$ -		$ -		$ -
Monumentation	100,000	-	-	100,000	-		-		-
Screening Walls	684,000	-	-	684,000	-		-		-
Retaining Walls	752,000	-	-	752,000	-		-		-
Dry Utilities	488,400	-	-	488,400	-		-		-
Soft Costs[e]	269,462	-	-	269,462	-		-		-
	$ 5,787,775	$ -	$ -	$ 5,787,775	$ -		$ -		$ -
Bond Issuance Costs [h]									
Debt Service Reserve Fund	$ 3,857,803	$ -	$ -	$ -	$ 3,857,803		$ 1,729,052		$ 2,128,751
Capitalized Interest	5,117,258	-	-	-	5,117,258		1,477,369		3,639,889
Underwriter's Discount	911,300	-	-	-	911,300		427,500		483,800
Underwriter's Counsel	455,650	-	-	-	455,650		213,750		241,900
Cost of Issuance	2,962,307	-	-	-	2,962,307		1,389,375		1,572,932
	$ 13,304,318	$ -	$ -	$ -	$ 13,304,318		$ 5,237,046		$ 8,067,272
Other Costs [h]									
Deposit to Administrative Fund	$ 80,000	$ -	$ -	$ -	$ 80,000		$ 40,000		$ 40,000
	$ 80,000	$ -	$ -	$ -	$ 80,000		$ 40,000		$ 40,000
Total	**$ 57,518,229**	**$ 1,246,690**	**$ 417,725**	**$ 5,787,775**	**$ 50,066,039**		**$ 25,876,038**		**$ 24,190,000**

Footnotes:

[a] As provided in the Engineer's Report dated 05/23/2025 and subject to change. Authorized Improvement costs are estimates and will be updated with each Annual Service Plan Update, or Amended and Restated Service and Assessment Plan as appropriate.

[b] To be funded with amounts available to the City and to be deposited into the Indenture for the Major Improvement Area Bonds in order to fund the costs of oversizing the wet utilities, and applicable soft costs, as needed to serve property outside of the District. This amount will not be funded with Assessments or proceeds from any PID Bonds.

[c] The Developer has agreed to pay for the allocable share of the Actual Costs of these Authorized Improvement that benefits the Non-Assessed Property. These costs are non-reimbursable to the Developer from Assessment or PID Bonds. The Non-Assessed Property is approximately 16 acres, and the District is approximately 782 acres. Therefore, the Non-Assessed Property is allocated 2.05% of costs (16/782=2.05%).

[d] Wet Utilities include Water, Sanitary Sewer, and Drainage.

[e] Soft Costs include Civil Engineering, Surveying, Flood Studies, Environmental, Wetlands, SWPPP Administration, Traffic Studies, Construction Administration, City Construction Inspection, Construction Management, Material Testing, City Fees, and Contingency Costs.

[f] The Major Improvements are allocated and/or apportioned pro rata based on Estimated Buildout Value between Improvement Area #1 and the Major Improvement Area.

[g] Non-reimbursable to Developer from Assessments or PID Bonds.

[h] Preliminary estimates only and subject to change upon the issuance of PID Bonds.

EXHIBIT C – SERVICE PLAN

Improvement Area #1 Bonds						
Annual Installments Due		**1/31/2026**	**1/31/2027**	**1/31/2028**	**1/31/2029**	**1/31/2030**
Principal		$ -	$ 250,000.00	$ 266,000.00	$ 285,000.00	$ 304,000.00
Interest		1,477,368.75	1,410,750.00	1,394,250.00	1,376,694.00	1,357,884.00
Capitalized Interest		(1,477,368.75)	-	-	-	-
TIRZ No. 2 Annual Credit Amount[a]		-	-	-	-	-
	(1)	$ -	$ 1,660,750.00	$ 1,660,250.00	$ 1,661,694.00	$ 1,661,884.00
Additional Interest	(2)	$ 106,875.00	$ 106,875.00	$ 105,625.00	$ 104,295.00	$ 102,870.00
Annual Collection Costs	(3)	$ 40,000.00	$ 40,800.00	$ 41,616.00	$ 42,448.32	$ 43,297.29
Total Annual Installment	**(4) = (1) + (2) + (3)**	**$ 146,875.00**	**$ 1,808,425.00**	**$ 1,807,491.00**	**$ 1,808,437.32**	**$ 1,808,051.29**

Footnotes:

[a] Does not include TIRZ No. 2 Annual Credit Amount. The TIRZ No. 2 Annual Credit Amount shall be updated each year in the Annual Service Plan Update.

Major Improvement Area Bonds						
Annual Installments Due		**1/31/2026**	**1/31/2027**	**1/31/2028**	**1/31/2029**	**1/31/2030**
Principal		$ -	$ -	$ 269,000.00	$ 289,000.00	$ 311,000.00
Interest		1,861,924.46	1,777,965.00	1,777,965.00	1,758,193.50	1,736,952.00
Capitalized Interest		(1,861,924.46)	(1,777,965.00)	-	-	-
	(1)	$ -	$ -	$ 2,046,965.00	$ 2,047,193.50	$ 2,047,952.00
Additional Interest	(2)	$ 120,950.00	$ 120,950.00	$ 120,950.00	$ 120,950.00	$ 119,605.00
Annual Collection Costs	(3)	$ 40,000.00	$ 40,800.00	$ 41,616.00	$ 42,448.32	$ 43,297.29
Total Annual Installment	**(4) = (1) + (2) + (3)**	**$ 160,950.00**	**$ 161,750.00**	**$ 2,209,531.00**	**$ 2,210,591.82**	**$ 2,210,854.29**

EXHIBIT D – SOURCES AND USES OF FUNDS

	City Contribution[a]	Private	Improvement Area #1	Major Improvement Area	Total
Sources of Funds					
Improvement Area #1 Bonds	$ -	$ -	$ 21,375,000	$ -	$ 21,375,000
Major Improvement Area Bonds	-	-	-	24,190,000	24,190,000
City Contribution - Major Improvements[a]	1,246,690	-	-	-	1,246,690
Developer Contribution - Improvement Area #1[b]	-	-	4,501,038	-	4,501,038
Developer Contribution - Major Improvement Area[b]	-	-	-	-	-
Developer Contribution - Non-Assessed Property[b]	-	417,725	-	-	417,725
Developer Contribution - Private Improvements[b]	-	5,787,775	-	-	5,787,775
Total Sources	**$ 1,246,690**	**$ 6,205,500**	**$ 25,876,038**	**$ 24,190,000**	**$ 57,518,229**
Uses of Funds					
Improvement Area #1 Improvements	$ -	$ -	$ 16,676,330	$ -	$ 16,676,330
Major Improvements	1,246,690	417,725	3,922,663	16,082,728	21,669,806
Private Improvements[b]	-	5,787,775	-	-	5,787,775
	$ 1,246,690	$ 6,205,500	$ 20,598,993	$ 16,082,728	$ 44,133,911
Bond Issuance Costs[c]					
Debt Service Reserve Fund	$ -	$ -	$ 1,729,052	$ 2,128,751	$ 3,857,803
Capitalized Interest	-	-	1,477,369	3,639,889	5,117,258
Underwriter's Discount	-	-	427,500	483,800	911,300
Underwriter's Counsel	-	-	213,750	241,900	455,650
Cost of Issuance	-	-	1,389,375	1,572,932	2,962,307
	$ -	$ -	$ 5,237,046	$ 8,067,272	$ 13,304,318
Other Costs[c]					
Deposit to Administrative Fund	$ -	$ -	$ 40,000	$ 40,000	$ 80,000
	$ -	$ -	$ 40,000	$ 40,000	$ 80,000
Total Uses	**$ 1,246,690**	**$ 6,205,500**	**$ 25,876,038**	**$ 24,190,000**	**$ 57,518,229**

Footnotes:

[a] To be funded with amounts available to the City and to be deposited into the Indenture for the Major Improvement Area Bonds in order to fund the costs of oversizing the wet utilities, and applicable soft costs, as needed to serve property outside of the District. This amount will not be funded with Assessments or proceeds from any PID Bonds.

[b] Non-reimbursable to Developer from Assessments or PID Bonds, to be paid with cash at closing.

[c] Preliminary estimates only and subject to change upon the issuance of PID Bonds.

EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units[a]	Estimated Buildout Value[a]		Assessment[b]		Average Annual Installment		Gross PID TRE[c]
		Per Unit	Total	Per Unit	Total	Per Unit	Total	
Improvement Area #1								
Lot Type 1 (40')	295	$ 275,000	$ 81,125,000	$ 37,662	$ 11,110,344	$ 3,186	$ 939,729	$ 1.158371
Lot Type 2 (50')	144	325,000	46,800,000	44,510	6,409,419	3,765	542,118	1.158371
Lot Type 3 (60')	42	375,000	15,750,000	51,358	2,157,016	4,344	182,443	1.158371
Lot Type 4 (70')	31	400,000	12,400,000	54,781	1,698,222	4,633	143,638	1.158371
Improvement Area #1 Subtotal	**512**		**$ 156,075,000**		**$ 21,375,000**		**$ 1,807,928**	
Major Improvement Area Subtotal	**1,875**		**$ 639,900,000**		**$ 24,190,000**		**$ 2,213,082**	
Total	**2,387**		**$ 795,975,000**		**$ 45,565,000**			

Footnotes:

[a] Per information provided by the Developer.

[b] Based on the final appraisal dated June 19, 2025.

[c] Does not include TIRZ No. 2 Annual Credit Amount.

EXHIBIT F – TIRZ NO. 2 ANNUAL CREDIT AMOUNT BY LOT TYPE

Lot Type	Units[a]	Gross TRE	Maximum Annual TIRZ Credit Amount[b]	Net TRE	Net Tax Stack
Improvement Area #1					
Lot Type 1 (40')	295	$ 1.1584	$ (1,474.75)	$ 0.622097	$ 3.100270
Lot Type 2 (50')	144	$ 1.1584	$ (1,742.89)	$ 0.622097	$ 3.100270
Lot Type 3 (60')	42	$ 1.1584	$ (2,011.03)	$ 0.622097	$ 3.100270
Lot Type 4 (70')	31	$ 1.1584	$ (2,145.10)	$ 0.622097	$ 3.100270
Improvement Area #1	**512**				

Footnotes:

[a] Per information provided by the Developer.

[b] To be determined at the time of PID Bond issuance.

EXHIBIT G-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2026[b]
214490	Improvement Area #1 Initial Parcel	$ 7,178,202.42	$ 49,323.91
9864	Improvement Area #1 Initial Parcel	4,641,292.47	31,891.92
9865	Improvement Area #1 Initial Parcel	9,555,505.11	65,659.17
Total		**$ 21,375,000.00**	**$ 146,875.00**

Footnotes:

[a] The entire Improvement Area #1 Initial Parcel is contained within Property IDs 214490, 9864, and 9865. For billing purposes, the Annual Installment due 1/31/2026 shall be allocated pro rata based on acreage and is subject to change based on the final certified rolls provided by the County prior to billing.

[b] Includes 15 months of capitalized interest.

EXHIBIT G-2 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest[a]	Additional Interest	Capitalized Interest[b]	Reserve Fund[c]	Annual Collection Costs	Annual Installment[d]
2026	$ -	$ 1,477,368.75	$ 106,875.00	$ (1,477,368.75)	$ -	$ 40,000.00	$ 146,875.00
2027	$ 250,000.00	$ 1,410,750.00	$ 106,875.00	$ -	$ -	$ 40,800.00	$ 1,808,425.00
2028	$ 266,000.00	$ 1,394,250.00	$ 105,625.00	$ -	$ -	$ 41,616.00	$ 1,807,491.00
2029	$ 285,000.00	$ 1,376,694.00	$ 104,295.00	$ -	$ -	$ 42,448.32	$ 1,808,437.32
2030	$ 304,000.00	$ 1,357,884.00	$ 102,870.00	$ -	$ -	$ 43,297.29	$ 1,808,051.29
2031	$ 325,000.00	$ 1,337,820.00	$ 101,350.00	$ -	$ -	$ 44,163.23	$ 1,808,333.23
2032	$ 347,000.00	$ 1,316,370.00	$ 99,725.00	$ -	$ -	$ 45,046.50	$ 1,808,141.50
2033	$ 370,000.00	$ 1,293,468.00	$ 97,990.00	$ -	$ -	$ 45,947.43	$ 1,807,405.43
2034	$ 396,000.00	$ 1,269,048.00	$ 96,140.00	$ -	$ -	$ 46,866.38	$ 1,808,054.38
2035	$ 423,000.00	$ 1,242,912.00	$ 94,160.00	$ -	$ -	$ 47,803.70	$ 1,807,875.70
2036	$ 452,000.00	$ 1,214,994.00	$ 92,045.00	$ -	$ -	$ 48,759.78	$ 1,807,798.78
2037	$ 483,000.00	$ 1,185,162.00	$ 89,785.00	$ -	$ -	$ 49,734.97	$ 1,807,681.97
2038	$ 517,000.00	$ 1,153,284.00	$ 87,370.00	$ -	$ -	$ 50,729.67	$ 1,808,383.67
2039	$ 552,000.00	$ 1,119,162.00	$ 84,785.00	$ -	$ -	$ 51,744.27	$ 1,807,691.27
2040	$ 590,000.00	$ 1,082,730.00	$ 82,025.00	$ -	$ -	$ 52,779.15	$ 1,807,534.15
2041	$ 631,000.00	$ 1,043,790.00	$ 79,075.00	$ -	$ -	$ 53,834.73	$ 1,807,699.73
2042	$ 675,000.00	$ 1,002,144.00	$ 75,920.00	$ -	$ -	$ 54,911.43	$ 1,807,975.43
2043	$ 722,000.00	$ 957,594.00	$ 72,545.00	$ -	$ -	$ 56,009.66	$ 1,808,148.66
2044	$ 772,000.00	$ 909,942.00	$ 68,935.00	$ -	$ -	$ 57,129.85	$ 1,808,006.85
2045	$ 826,000.00	$ 858,990.00	$ 65,075.00	$ -	$ -	$ 58,272.45	$ 1,808,337.45
2046	$ 883,000.00	$ 804,474.00	$ 60,945.00	$ -	$ -	$ 59,437.90	$ 1,807,856.90
2047	$ 944,000.00	$ 746,196.00	$ 56,530.00	$ -	$ -	$ 60,626.65	$ 1,807,352.65
2048	$ 1,010,000.00	$ 683,892.00	$ 51,810.00	$ -	$ -	$ 61,839.19	$ 1,807,541.19
2049	$ 1,081,000.00	$ 617,232.00	$ 46,760.00	$ -	$ -	$ 63,075.97	$ 1,808,067.97
2050	$ 1,156,000.00	$ 545,886.00	$ 41,355.00	$ -	$ -	$ 64,337.49	$ 1,807,578.49
2051	$ 1,237,000.00	$ 469,590.00	$ 35,575.00	$ -	$ -	$ 65,624.24	$ 1,807,789.24
2052	$ 1,324,000.00	$ 387,948.00	$ 29,390.00	$ -	$ -	$ 66,936.72	$ 1,808,274.72
2053	$ 1,416,000.00	$ 300,564.00	$ 22,770.00	$ -	$ -	$ 68,275.46	$ 1,807,609.46
2054	$ 1,516,000.00	$ 207,108.00	$ 15,690.00	$ -	$ -	$ 69,640.97	$ 1,808,438.97
2055	$ 1,622,000.00	$ 107,052.00	$ 8,110.00	$ -	$ (1,729,052.00)	$ 71,033.79	$ 79,143.79
Total	**$ 21,375,000.00**	**$ 28,874,298.75**	**$ 2,182,400.00**	**$ (1,477,368.75)**	**$ (1,729,052.00)**	**$ 1,622,723.17**	**$ 50,848,001.17**

Footnotes:

[a] Interest on the Improvement Area #1 Bonds is calculated at a 6.60% rate per the City's Financial Advisor and is subject to change upon the issuance of PID Bonds.

[b] Assumes 15 months of capitalized interest.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

[d] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT H-1 – MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

Property ID[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2026[b]
214491	Major Improvement Area Initial Parcel	$ 891,903.55	$ 5,934.35
16340	Major Improvement Area Initial Parcel	3,986,511.57	26,524.56
16339	Major Improvement Area Initial Parcel	5,697,479.88	37,908.61
214490	Major Improvement Area Initial Parcel	4,139,591.95	27,543.09
9865	Major Improvement Area Initial Parcel	5,510,596.36	36,665.17
9864	Major Improvement Area Initial Parcel	2,676,602.56	17,808.98
16939	Major Improvement Area Initial Parcel	1,287,314.13	8,565.24
Total		**$ 24,190,000.00**	**$ 160,950.00**

Footnotes:

[a] The entire Major Improvement Area Initial Parcel is contained within Property IDs 214491, 16340, 16339, 214490, 9865, 9864, and 16939. For billing purposes, the Annual Installment due 1/31/2026 shall be allocated pro rata based on acreage and is subject to change based on the final certified rolls provided by the County prior to billing.

[b] Includes 15 months of capitalized interest.

EXHIBIT H-2 – MAJOR IMPROVEMENT AREA ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest[a]	Additional Interest	Capitalized Interest[b]	Reserve Fund[c]	Annual Collection Costs	Annual Installment[d]
2026	$ -	$ 1,861,924.46	$ 120,950.00	$ (1,861,924.46)	$ -	$ 40,000.00	$ 160,950.00
2027	$ -	$ 1,777,965.00	$ 120,950.00	$ (1,777,965.00)	$ -	$ 40,800.00	$ 161,750.00
2028	$ 269,000.00	$ 1,777,965.00	$ 120,950.00	$ -	$ -	$ 41,616.00	$ 2,209,531.00
2029	$ 289,000.00	$ 1,758,193.50	$ 120,950.00	$ -	$ -	$ 42,448.32	$ 2,210,591.82
2030	$ 311,000.00	$ 1,736,952.00	$ 119,605.00	$ -	$ -	$ 43,297.29	$ 2,210,854.29
2031	$ 334,000.00	$ 1,714,093.50	$ 118,160.00	$ -	$ -	$ 44,163.23	$ 2,210,416.73
2032	$ 360,000.00	$ 1,689,544.50	$ 116,605.00	$ -	$ -	$ 45,046.50	$ 2,211,196.00
2033	$ 387,000.00	$ 1,663,084.50	$ 114,935.00	$ -	$ -	$ 45,947.43	$ 2,210,966.93
2034	$ 417,000.00	$ 1,634,640.00	$ 113,135.00	$ -	$ -	$ 46,866.38	$ 2,211,641.38
2035	$ 448,000.00	$ 1,603,990.50	$ 111,200.00	$ -	$ -	$ 47,803.70	$ 2,210,994.20
2036	$ 483,000.00	$ 1,571,062.50	$ 109,115.00	$ -	$ -	$ 48,759.78	$ 2,211,937.28
2037	$ 519,000.00	$ 1,535,562.00	$ 106,875.00	$ -	$ -	$ 49,734.97	$ 2,211,171.97
2038	$ 559,000.00	$ 1,497,415.50	$ 104,460.00	$ -	$ -	$ 50,729.67	$ 2,211,605.17
2039	$ 602,000.00	$ 1,456,329.00	$ 101,865.00	$ -	$ -	$ 51,744.27	$ 2,211,938.27
2040	$ 648,000.00	$ 1,412,082.00	$ 99,070.00	$ -	$ -	$ 52,779.15	$ 2,211,931.15
2041	$ 698,000.00	$ 1,364,454.00	$ 96,060.00	$ -	$ -	$ 53,834.73	$ 2,212,348.73
2042	$ 752,000.00	$ 1,313,151.00	$ 92,820.00	$ -	$ -	$ 54,911.43	$ 2,212,882.43
2043	$ 810,000.00	$ 1,257,879.00	$ 89,330.00	$ -	$ -	$ 56,009.66	$ 2,213,218.66
2044	$ 872,000.00	$ 1,198,344.00	$ 85,570.00	$ -	$ -	$ 57,129.85	$ 2,213,043.85
2045	$ 940,000.00	$ 1,134,252.00	$ 81,520.00	$ -	$ -	$ 58,272.45	$ 2,214,044.45
2046	$ 1,012,000.00	$ 1,065,162.00	$ 77,160.00	$ -	$ -	$ 59,437.90	$ 2,213,759.90
2047	$ 1,091,000.00	$ 990,780.00	$ 72,460.00	$ -	$ -	$ 60,626.65	$ 2,214,866.65
2048	$ 1,175,000.00	$ 910,591.50	$ 67,400.00	$ -	$ -	$ 61,839.19	$ 2,214,830.69
2049	$ 1,266,000.00	$ 824,229.00	$ 61,945.00	$ -	$ -	$ 63,075.97	$ 2,215,249.97
2050	$ 1,364,000.00	$ 731,178.00	$ 56,070.00	$ -	$ -	$ 64,337.49	$ 2,215,585.49
2051	$ 1,470,000.00	$ 630,924.00	$ 49,740.00	$ -	$ -	$ 65,624.24	$ 2,216,288.24
2052	$ 1,584,000.00	$ 522,879.00	$ 42,920.00	$ -	$ -	$ 66,936.72	$ 2,216,735.72
2053	$ 1,707,000.00	$ 406,455.00	$ 35,570.00	$ -	$ -	$ 68,275.46	$ 2,217,300.46
2054	$ 1,840,000.00	$ 280,990.50	$ 27,650.00	$ -	$ -	$ 69,640.97	$ 2,218,281.47
2055	$ 1,983,000.00	$ 145,750.50	$ 19,115.00	$ -	$ (2,128,750.50)	$ 71,033.79	$ 90,148.79
Total	**$ 24,190,000.00**	**$ 37,467,823.46**	**$ 2,654,155.00**	**$ (3,639,889.46)**	**$ (2,128,750.50)**	**$ 1,622,723.17**	**$ 60,166,061.67**

Footnotes:

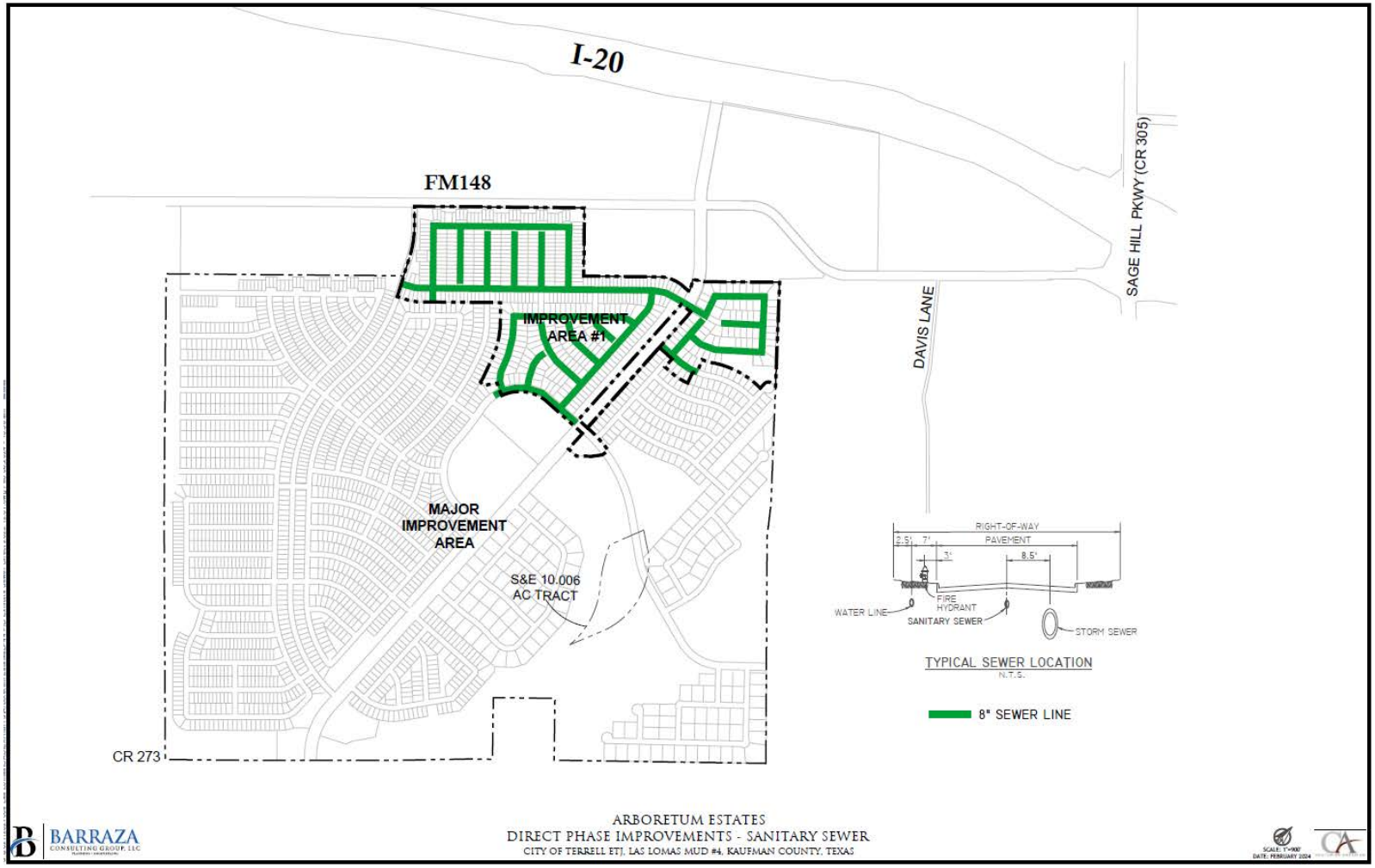
[a] Interest on the Major Improvement Area Bonds is calculated at a 7.350% rate per the City's Financial Advisor and is subject to change upon the issuance of PID Bonds.

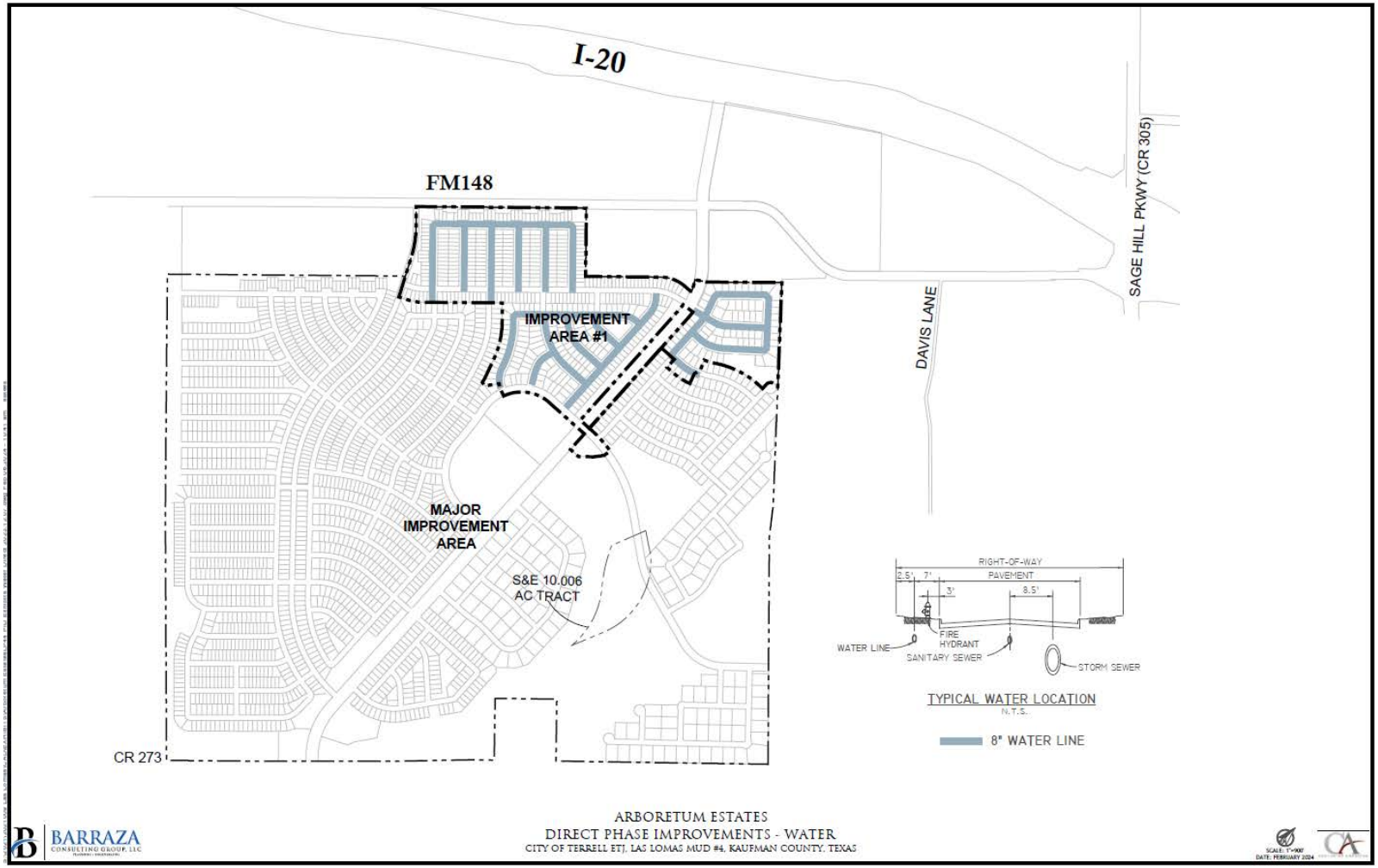
[b] Assumes 27 months of capitalized interest.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

[d] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT I-1 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS




I-20
FM148
SAGE HILL PKWY (CR 305)
DAVIS LANE
IMPROVEMENT AREA #1
MAJOR IMPROVEMENT AREA
S&E 10.006 AC TRACT
CR 273
RIGHT-OF-WAY
PAVEMENT
2.5'
7'
3'
8.5'
FIRE HYDRANT
WATER LINE
SANITARY SEWER
STORM SEWER
TYPICAL WATER LOCATION
N.T.S.
8" WATER LINE
BARRAZA
CONSULTING GROUP, LLC
ARBORETUM ESTATES
DIRECT PHASE IMPROVEMENTS - WATER
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

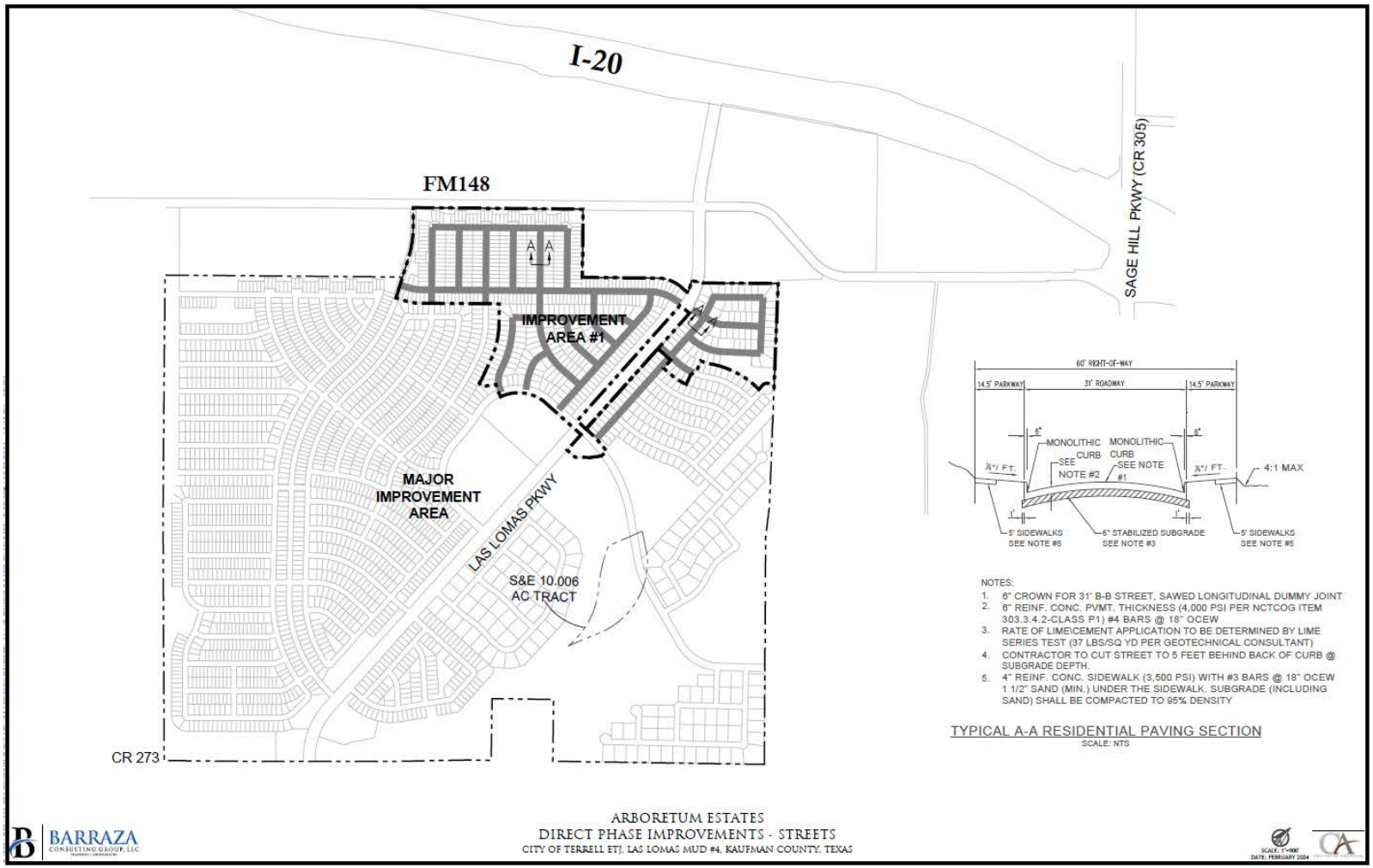
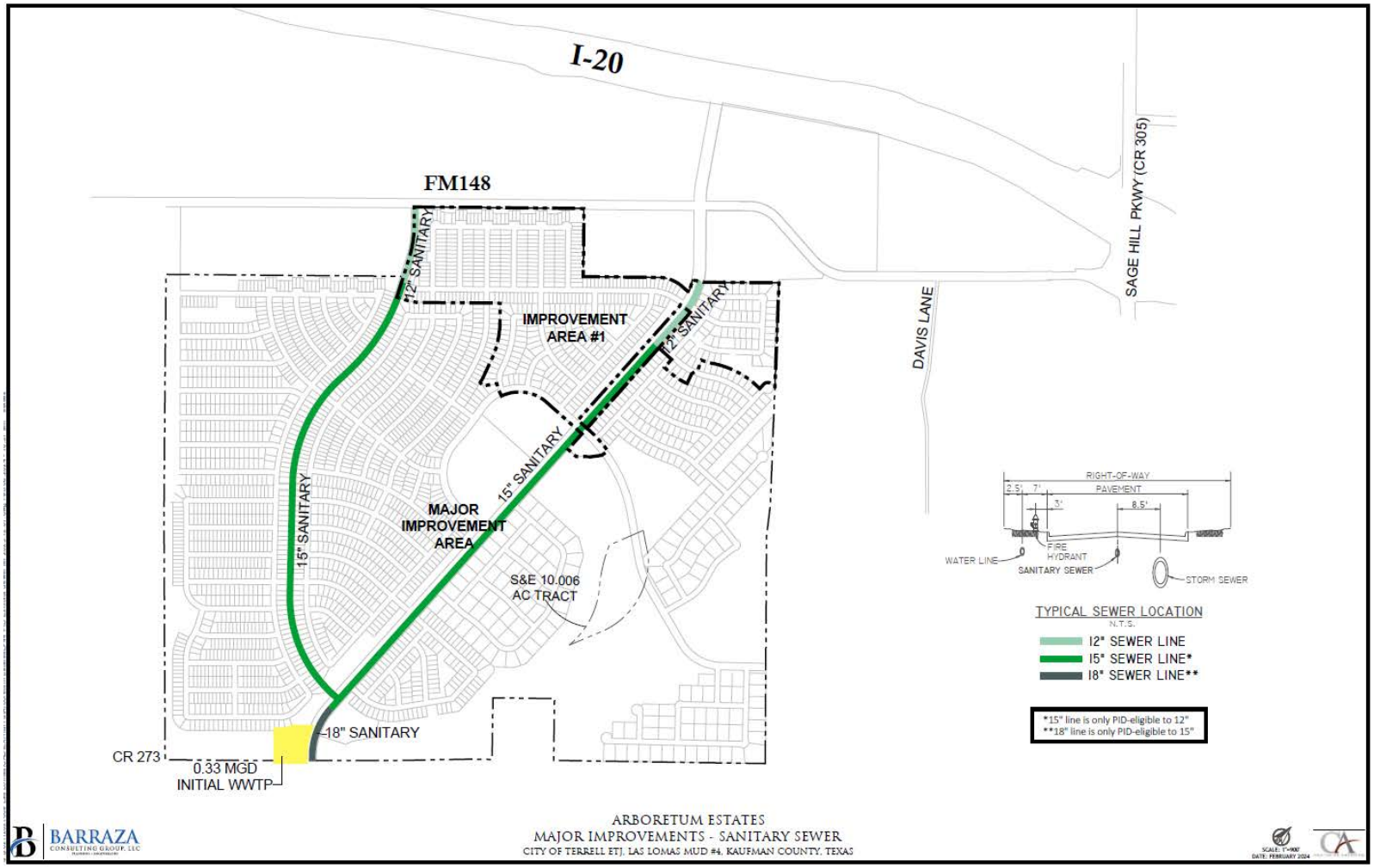
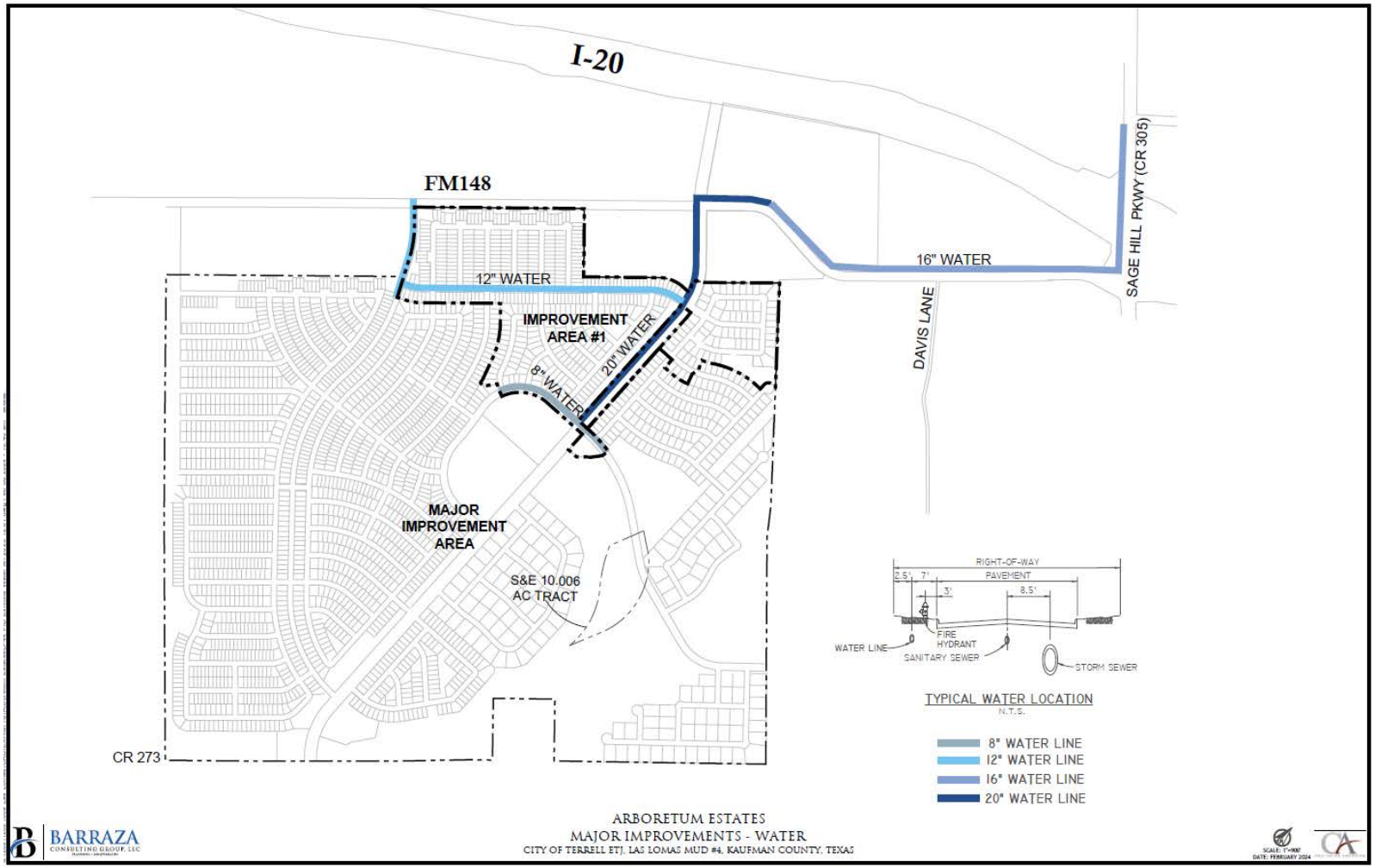
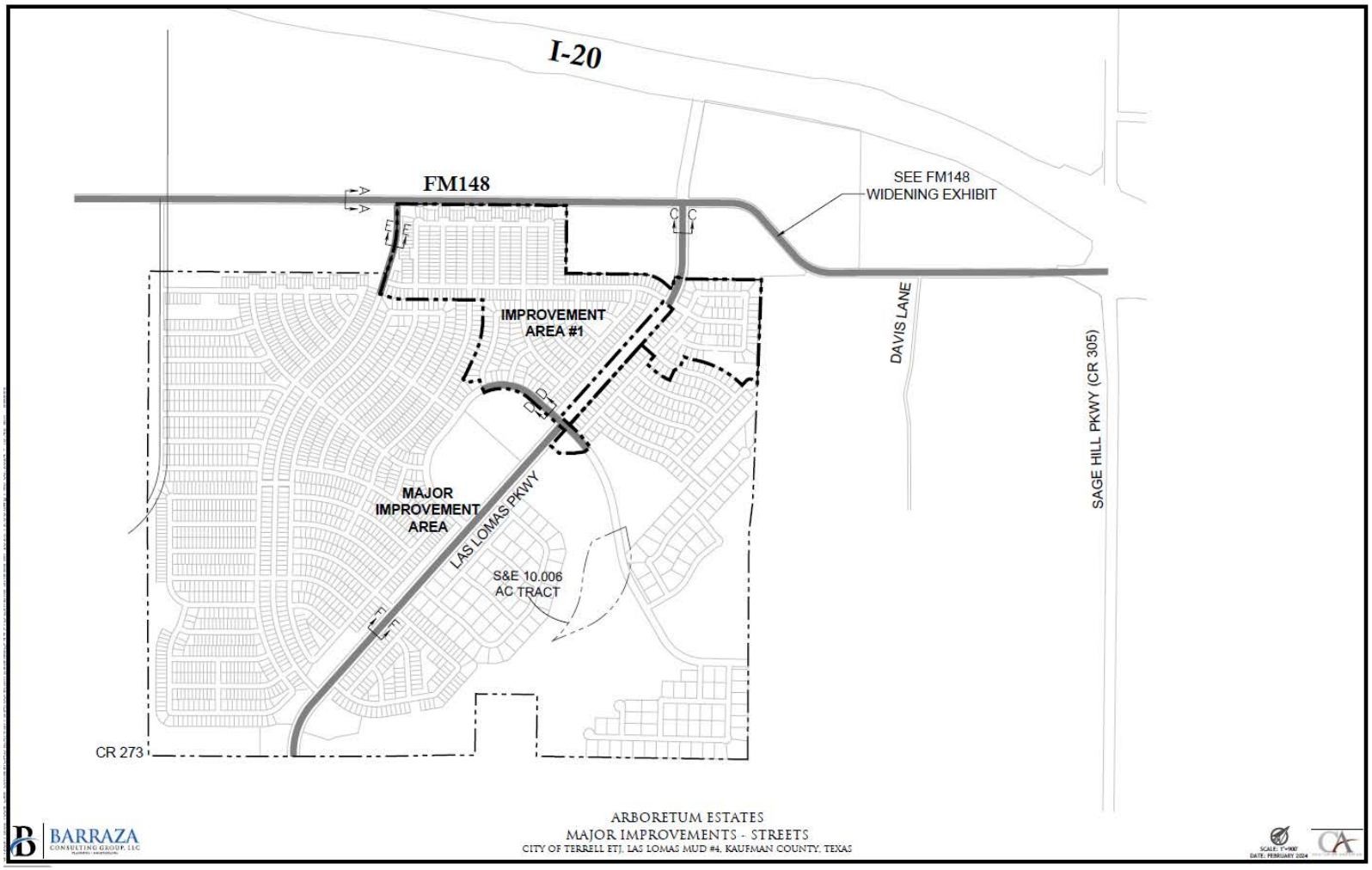
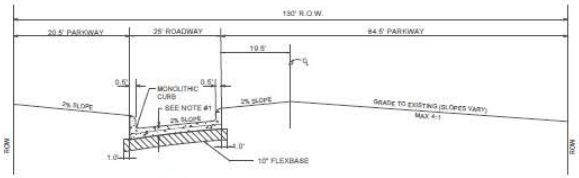

I-20
FM148
SAGE HILL PKWY (CR 305)
IMPROVEMENT AREA #1
MAJOR IMPROVEMENT AREA
LAS LOMAS PKWY
S&E 10.006 AC TRACT
CR 273
60' RIGHT-OF-WAY
14.5' PARKWAY
31' ROADWAY
14.5' PARKWAY
MONOLITHIC CURB SEE NOTE #2
MONOLITHIC CURB SEE NOTE #1
4:1 MAX
5' SIDEWALKS SEE NOTE #5
6" STABILIZED SUBGRADE SEE NOTE #3
5' SIDEWALKS SEE NOTE #5
NOTES:
1. 6" CROWN FOR 31' B-B STREET, SAWED LONGITUDINAL DUMMY JOINT
2. 6" REINF. CONC. PVMT. THICKNESS (4,000 PSI PER NCTCOG ITEM 303.3.4.2-CLASS P1) #4 BARS @ 18" OCEW
3. RATE OF LIME\CEMENT APPLICATION TO BE DETERMINED BY LIME SERIES TEST (37 LBS/SQ YD PER GEOTECHNICAL CONSULTANT)
4. CONTRACTOR TO CUT STREET TO 5 FEET BEHIND BACK OF CURB @ SUBGRADE DEPTH.
5. 4" REINF. CONC. SIDEWALK (3,500 PSI) WITH #3 BARS @ 18" OCEW 1 1/2" SAND (MIN.) UNDER THE SIDEWALK. SUBGRADE (INCLUDING SAND) SHALL BE COMPACTED TO 95% DENSITY
TYPICAL A-A RESIDENTIAL PAVING SECTION
SCALE: NTS
BARRAZA CONSULTING GROUP, LLC
ARBORETUM ESTATES
DIRECT PHASE IMPROVEMENTS - STREETS
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

EXHIBIT I-2 – MAPS OF MAJOR IMPROVEMENTS



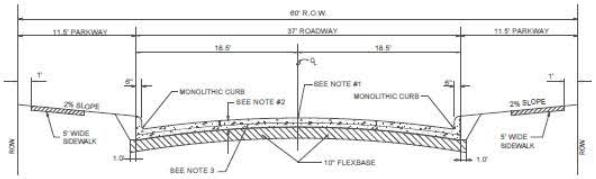

I-20
FM148
SAGE HILL PKWY (CR 305)
16" WATER
12" WATER
IMPROVEMENT AREA #1
20" WATER
8" WATER
DAVIS LANE
MAJOR IMPROVEMENT AREA
S&E 10.006 AC TRACT
CR 273
RIGHT-OF-WAY
PAVEMENT
2.5'
7'
3'
8.5'
WATER LINE
FIRE HYDRANT
SANITARY SEWER
STORM SEWER
TYPICAL WATER LOCATION
N.T.S.
8" WATER LINE
12" WATER LINE
16" WATER LINE
20" WATER LINE
BARRAZA
CONSULTING GROUP, LLC
ARBORETUM ESTATES
MAJOR IMPROVEMENTS - WATER
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS


I-20
FM148
SEE FM148
WIDENING EXHIBIT
IMPROVEMENT
AREA #1
DAVIS LANE
SAGE HILL PKWY (CR 305)
MAJOR
IMPROVEMENT
AREA
LAS LOMAS PKWY
S&E 10.006
AC TRACT
CR 273
BARRAZA
CONSULTING GROUP, LLC
ARBORETUM ESTATES
MAJOR IMPROVEMENTS - STREETS
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS



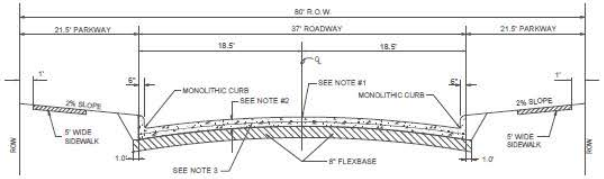
NOTES:
1. 10" REINF. CONC. PVMT. THICKNESS (4,000 PSI) FOR 25' B-B STREET
2. #3 BARS @ 18" OCEW
3. CONTRACTOR TO CUT STREET TO ROW @ FLEXBASE DEPTH

TYP C-C LAS LOMAS PARKWAY
25' CONCRETE ROADWAY SECTION
NO SCALE



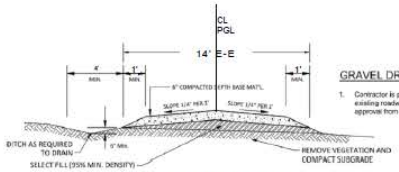
NOTES:
1. 6" CROWN FOR 37' B-B STREET, SAWED LONGITUDINAL DUMMY JOINT
2. 10" REINF. CONC. PVMT. THICKNESS (4,000 PSI) FOR 31' B-B STREET.
3. #3 BARS @ 18" OCEW
4. CONTRACTOR TO CUT STREET TO ROW @ FLEXBASE DEPTH

TYP E-E COLLECTOR A 37' CONCRETE ROADWAY SECTION
NO SCALE



NOTES:
1. 6" CROWN FOR 37' B-B STREET, SAWED LONGITUDINAL DUMMY JOINT
2. 7" REINF. CONC. PVMT. THICKNESS (4,000 PSI) FOR 31' B-B STREET.
3. #3 BARS @ 18" OCEW
4. CONTRACTOR TO CUT STREET TO ROW @ FLEXBASE DEPTH

TYP D-D COLLECTOR B 37' CONCRETE ROADWAY SECTION
NO SCALE



GRAVEL DRIVE NOTES:
1. Contractor is permitted to use as much of existing roadway base as possible with approval from the project inspector.

ACCESS DRIVE DETAIL
SECTION F-F
(N.T.S.)

BARRAZA CONSULTING GROUP, LLC

ARBORETUM ESTATES
MAJOR IMPROVEMENTS - STREETS
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

SCALE: 1"=NSF
DATE: DECEMBER 2023

EXHIBIT J – FORM OF NOTICE OF ASSESSMENT TERMINATION

P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Kaufman County Clerk's Office
Honorable [County Clerk]
P.O. Box 729
1902 U.S. Highway 175
Kaufman, TX 75142

Re: City of Terrell Lien Release documents for filing

Dear Ms./Mr. [County Clerk]

Enclosed is a lien release that the City of Terrell 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 Terrell
Attn: City Secretary
201 E. Nash St.
Terrell, TX 75160

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

P3Works, LLC
(817) 393-0353
Admin@P3-Works.com
www.P3-Works.com

AFTER RECORDING RETURN TO:

[City Secretary Name]
201 E Nash St.
Terrell, TX 75160

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 KAUFMAN	**§**	

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Terrell, Texas, a Texas home rule municipality (the “City”).

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of Terrell, 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 January 9, 2024, the City Council of the City approved Resolution No. 2131 creating the Arboretum Estates Public Improvement District No. 6 (the “District”); and

WHEREAS, the District consists of approximately 792.268 contiguous acres within the corporate limits of the City; and

WHEREAS, on _____, 2025, the City Council approved Ordinance No. _____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the real property located with the District, the Assessment Ordinance being recorded on _____, as Instrument No. _____ in the official public records of Kaufman County, TX; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of [amount] (hereinafter referred to as the "Lien Amount") and further imposed a lien to secure the payment of the Lien Amount (the "Lien") against the following property located within the District, to wit:

> [legal description], an addition to the City of Terrell, Kaufman County, Texas, according to the map or plat thereof recorded as Instrument No. _____ in the Map Records of Kaufman 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 hereby releases and discharges, and by these presents does hereby release and discharge, the Lien to the extent that it affects and encumbers the Property.

EXECUTED to be **EFFECTIVE** this the _____ day of _____, 20__.

CITY OF TERRELL, TEXAS,
A Texas home rule municipality,

By: _____
[Manager Name], City Manager

ATTEST:

_____
[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF KAUFMAN §

This instrument was acknowledged before me on the ____ day of _____, 20__, by _____, City Manager for the City of Terrell, Texas, a Texas home rule municipality, on behalf of said municipality.

_____
Notary Public, State of Texas

EXHIBIT K-1 – IMPROVEMENT AREA #1 BONDS DEBT SERVICE SCHEDULE

[To be provided at final pricing]

EXHIBIT K-2 – MAJOR IMPROVEMENT AREA BONDS DEBT SERVICE SCHEDULE

[To be provided at final pricing]

EXHIBIT L-1 – DISTRICT LEGAL DESCRIPTION

DESCRIPTION – 792.268 ACRES

BEING that certain tract of land situated in the Richard Mead Survey, Abstract No. 316, the Charles Wilson Survey, Abstract No. 571, and the J. C. Moses Survey, Abstract No. 635, in Kaufman County, Texas and being part of that certain called 877.143 acre tract of land (save and except 10.006 acres) described as Tract 1 in deed to MM Terrell 1098, LLC recorded in Volume 7385, Page 1, of the Deed Records of Kaufman County, Texas (DRKCT), and including all of that certain called 10.006 acre tract of land described in the following five deeds (undivided 1/5th interest each) to I-Ming Chee recorded in Volume 2943, Page 612, DRKCT, Kirk Ulrich recorded in Volume 2943, Page 616, DRKCT, John Wilburn recorded in Volume 2943, Page 620, DRKCT, Beverly C. Cezar recorded in Volume 2943, Page 624, DRKCT, and James Hancock recorded in Volume 2943, Page 628, DRKCT, and being more particularly described as follows:

COMMENCING at a 60d nail found on the southeast right-of-way line of Farm-to-Market Road No. 148 (variable width right-of-way), and being the most westerly west corner of said MM Terrell 1098, LLC tract, and the north corner of Lot 20 of South Ridge Addition, First Installment, an addition to the County of Kaufman recorded in Cabinet I, Slide 728, of the Plat Records of Kaufman County, Texas (PRKCT);

THENCE South 45°36'40" East, with the southwest line of the MM Terrell 1098, LLC tract, and the northeast line of said Lot 20, and Lot 10, of said South Ridge Addition, First Installment, a distance of 735.16 feet to the **POINT OF BEGINNING**;

THENCE North 44°28'21" East, over and across said MM Terrell 1098, LLC tract, passing at a distance of 1810.77 feet a 5/8-inch iron rod with cap stamped "PLS" found at the south corner of that certain called 13.982 acre tract of land described as Tract 1 in deed to Terrell 13 Partners, LLC recorded in Volume 7494, Page 213, DRKCT, continuing with the southeast line of said Tract 1 in deed to Terrell 13 Partners, LLC, in all, a total distance of 2548.17 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner;

THENCE with the northeast line of said Tract 1 of the Terrell 13 Partners, LLC tract, the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

North 28°37'25" West, a distance of 202.02 feet to the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 16°52'53", a radius of 1200.14 feet, a chord which bears North 37°05'10" West, a chord distance of 352.33 feet, and for an arc distance of 353.61 feet;

And North 45°36'20" West, a distance of 202.07 feet, said iron rod being located at the north corner of Tract 1, of the Terrell 13 Partners, LLC tract, and on said southeast right-of-way line of Farm-to-Market Road No. 148;

THENCE North 44°26'46" East, with said southeast right-of-way line of Farm-to-Market Road No. 148, a distance of 915.32 feet to a concrete monument found for corner;

THENCE North 44°36'03" East, continuing with said southeast right-of-way line of Farm-to-Market Road No. 148, a distance of 903.18 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the west corner of that certain called 21.465 acre tract of land described as Tract 1 in deed to Squeaky Lomas, L.P. recorded in Volume 7494, Page 204, DRKCT;

THENCE with the southwest and southeast lines of said Tract 1 in deed to Squeaky Lomas, L.P., the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

South 45°28'50" East, a distance of 730.09 feet;

North 44°31'32" East, a distance of 804.39 feet to the beginning of a non-tangent curve to the right;

Northeasterly, with said curve which has a central angle of 41°13'11", a radius of 395.05 feet, a chord which bears North 65°08'08" East, a chord distance of 278.12 feet, and for an arc distance of 284.21 feet;

North 85°44'43" East, a distance of 140.46 feet to the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 10°51'45", a radius of 800.09 feet, a chord which bears North 25°40'19" West, a chord distance of 151.46 feet, and for an arc distance of 151.69 feet, said iron rod being the south corner of that certain called 18.037 acre tract described as Tract 2 in said deed to Squeaky Lomas, L.P. recorded in Volume 7494, Page 204, DRKCT;

THENCE North 44°26'58" East, with the southeast line of said Tract 2, a distance of 875.15 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the east corner of said Tract 2, and being located on the southeast line of that certain called 59.4917 acre tract of land described in deed to NT148, LLC recorded in Volume 6818, Page 258, DRKCT, from which a 1/2-inch iron pipe found at the west corner of said NT148, LLC tract bears North 43°21'42" West, a distance of 34.91 feet;

THENCE South 43°21'42" East, with the southwest line of said NT148, LLC tract, a distance of 2881.64 feet to a 1-inch pipe found for corner at the south corner of said NT148, LLC tract;

THENCE South 45°41'36" East, with a northeast line of said Tract 1 of the MM Terrell 1098, LLC tract, a distance of 1962.86 feet to a 1-inch iron pipe found for corner at the south corner of that certain called 69.500 acre tract of land described in deed to Alejandro Gamez, Jr. and Nancy Delcampo Gamez recorded in Volume 5078, Page 321, DRKCT, and a west corner of that certain called 189.998 acre tract of land described in deed to Norman N. Huneycutt and Janet R. Huneycutt, Trustees, recorded in Volume 3746, Page 407, DRKCT;

THENCE South 45°44'04" East, with a southwest line of said Norman N. Huneycutt and Janet R. Huneycutt tract, a distance of 308.18 feet to a 1/2 inch iron rod found for corner at an ell corner of said Norman N. Huneycutt and Janet R. Huneycutt tract;

THENCE South 44°51'33" West, with a northwest line of said Norman N. Huneycutt and Janet R. Huneycutt tract, a distance of 2269.99 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the east corner of that certain called 10.019 acre tract of land described in the following five deeds (undivided 1/5th interest each) to Melvin Henry recorded in Volume 2985, Page 554, DRKCT, Bill M. Erwin recorded in Volume 2985, Page 558, DRKCT, Jason A. Delorenzo recorded in Volume 2985, Page 562, DRKCT, Mary A. Wilson recorded in Volume 2985, Page 566, DRKCT, and Jennifer D. Harrell recorded in Volume 2985, Page 570, DRKCT;

THENCE with the northeast, northwest, and southwest lines of said 10.019 acre tract, the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

North 45°09'22" West, a distance of 662.43 feet;

South 44°38'09" West, a distance of 660.00 feet;

And South 45°09'22" East, a distance of 660.12 feet, said iron rod being the south corner of said 10.019 acre tract, and being located on the northwest line of that certain called 154.875 acre tract of land described in deed to Jerry L. Wade and Raelyn Wade recorded in Volume 1061, Page 779, DRKCT;

THENCE South 44°54'31" West, said northwest line of the Jerry L. Wade and Raelyn Wade tract, a distance of 253.75 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner;

THENCE South 42°54'11" West, continuing with said northwest line of the Jerry L. Wade and Raelyn Wade tract, a distance of 766.66 feet to a 1/2 inch iron rod found for corner at the north corner of that certain called 171.409 acre tract of land described in deed to Terrell Ranch Homes, LLC recorded in Volume 6969, Page 74, DRKCT;

THENCE South 43°56'56" West, with the northwest line of said Terrell Ranch Homes, LLC tract, and a southeast line of said Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1422.61 feet to a 1/2 inch iron rod found for corner at the west corner of said Terrell Ranch Homes, LLC tract;

THENCE South 44°30'28" West, with a southeast line of said Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1061.88 feet to a 5/8-inch iron rod found for corner at the most southerly south corner of Tract 1 in deed to MM Terrell 1098, LLC;

THENCE North 46°14'39" West, with a southwest line of Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1864.94 feet to a 1-inch iron rod found at the east corner of Lot 43 of Ingram Ranch Estates, Second Revision, an addition to Kaufman County, Texas according to Final Plat recorded in Cabinet 1, Slide 260, PRKCT;

THENCE North 46°19'24" West, with the northeast line of said Lot 43, and Lot 42, of said Ingram Ranch Estates, Second Revision, a distance of 723.01 feet to a 5/8-inch iron rod found for corner at the east corner of South Ridge Addition, Third Installment (Lots 49 through 69), an addition to the County of Kaufman recorded in Cabinet 2, Slide 221, PRKCT;

THENCE North 45°34'23" West, with the northeast line of said South Ridge Addition, Third Installment, a distance of 1088.55 feet to 5/8" iron rod found for corner;

THENCE North 45°36'40" West, continuing with said northeast line of South Ridge Addition, Third Installment, and the northeast line of South Ridge Addition, Second Installment (Lots 21 through 48), an addition to the County of Kaufman recorded in Cabinet 1, Slide 755, PRKCT, and said northeast line of Lot 10, of South Ridge Addition, First Installment, a distance of 1522.78 feet to the **POINT OF BEGINNING**, and containing an area of 792.268 acres of land.

NOTES:

The bearings shown and recited hereon are referenced to the Texas Coordinate System of 1983 ~ North Central Zone No. 4202 - NAD 83. (All distances are surface distances with a surface to grid scale factor of 0.999872942).

EXHIBIT L-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

DESCRIPTION –114.972 ACRES

BEING that certain tract of land situated in the Richard Mead Survey, Abstract No. 316, in Kaufman County, Texas and being part of that certain called 877.143 acre tract of land (save and except 10.006 acres) described as Tract 1 in deed to MM Terrell 1098, LLC recorded in Volume 7385, Page 1, of the Deed Records of Kaufman County, Texas (DRKCT), and being more particularly described as follows:

COMMENCING at a 60d nail found on the southeast right-of-way line of Farm-to-Market Road No. 148 (variable width right-of-way), and being the most westerly west corner of said MM Terrell 1098, LLC tract, and the north corner of Lot 20 of South Ridge Addition, First Installment, an addition to the County of Kaufman recorded in Cabinet I, Slide 728, of the Plat Records of Kaufman County, Texas (PRKCT);

THENCE South 45°36'40" East, with the southwest line of the MM Terrell 1098, LLC tract, and the northeast line of said Lot 20, and Lot 10, of said South Ridge Addition, First Installment, a distance of 735.16 feet;

THENCE North 44°28'21" East, over and across said MM Terrell 1098, LLC tract, passing at a distance of 1810.77 feet a 5/8-inch iron rod with cap stamped "PLS" found at the south corner of that certain called 13.982 acre tract of land described as Tract 1 in deed to Terrell 13 Partners, LLC recorded in Volume 7494, Page 213, DRKCT, continuing with the southeast line of said Tract 1 in deed to Terrell 13 Partners, LLC, in all, a total distance of 2516.82 feet on the southeast line of Tract and to the **POINT OF BEGINNING**;

THENCE North 44°28'21" East, continuing with the southeast line of said Tract 1 in deed to Terrell 13 Partners, LLC, a distance of 31.35 feet to a 5/8-inch iron rod with cap stamped "PLS" found;

THENCE with the northeast line of said Tract 1 of the Terrell 13 Partners, LLC tract, the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

North 28°37'25" West, a distance of 202.02 feet to the beginning of a tangent curve to the left;

Northwesterly, with said curve which has a central angle of 16°52'53", a radius of 1200.14 feet, a chord which bears North 37°05'10" West, a chord distance of 352.33 feet, and for an arc distance of 353.61 feet;

And North 45°36'20" West, a distance of 202.07 feet, said iron rod being located at the north corner of Tract 1, of the Terrell 13 Partners, LLC tract, and on said southeast right-of-way line of Farm-to-Market Road No. 148;

THENCE North 44°26'46" East, with said southeast right-of-way line of Farm-to-Market Road No. 148, a distance of 915.32 feet to a concrete monument found for corner;

THENCE North 44°36'03" East, continuing with said southeast right-of-way line of Farm-to-Market Road No. 148, a distance of 903.18 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the west corner of that certain called 21.465 acre tract of land described as Tract 1 in deed to Squeaky Lomas, L.P. recorded in Volume 7494, Page 204, DRKCT;

THENCE with the southwest and southeast lines of said Tract 1 in deed to Squeaky Lomas, L.P., the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

South 45°28'50" East, a distance of 730.09 feet;

North 44°31'32" East, a distance of 804.39 feet to the beginning of a tangent curve to the right;

Northeasterly, with said curve which has a central angle of 41°13'11", a radius of 395.05 feet, a chord which bears North 65°08'08" East, a chord distance of 278.12 feet, and for an arc distance of 284.21 feet;

North 85°44'43" East, a distance of 140.46 feet to the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 10°51'45", a radius of 800.09 feet, a chord which bears North 25°40'19" West, a chord distance of 151.46 feet, and for an arc distance of 151.69 feet, said iron rod being the south corner of that certain called 18.037 acre tract described as Tract 2 in said deed to Squeaky Lomas, L.P. recorded in Volume 7494, Page 204, DRKCT;

THENCE North 44°26'58" East, with the southeast line of said Tract 2, a distance of 875.15 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the east corner of said Tract 2, and being located on the southeast line of that certain called 59.4917 acre tract of land described in deed to NT148, LLC recorded in Volume 6818, Page 258, DRKCT, from which a 1/2-inch iron pipe found at the west corner of said NT148, LLC tract bears North 43°21'42" West, a distance of 34.91 feet;

THENCE South 43°21'42" East, with the southwest line of said NT148, LLC tract, a distance of 1126.37 feet on the southwest line of said NT148, LLC tract;

THENCE leaving the southwest line of said NT148, LLC tract, and over and across Tract 1 of MM Terrell 1098, LLC tract, the following courses:

South 46°38'18" West, a distance 7.19 feet to the beginning of a non-tangent curve to the left;

Southwesterly, with said curve which has a central angle of 135°00'00", a radius of 60.00 feet, a chord which bears South 64°03'24" West, a chord distance of 110.87 feet, and an arc distance of 141.37 feet;

South 03°26'36" East, a distance of 61.28 feet;

South 86°50'06" West, a distance of 79.66 feet;

South 82°21'37" West, a distance of 73.77 feet;

South 78°01'43" West, a distance 73.77 feet;

South 73°41'50" West, a distance 73.77 feet;

South 69°21'56" West, a distance of 73.77 feet;

South 77°23'44" West, a distance of 58.37 feet;

South 54°34'40" West, a distance of 158.22 feet;

South 57°58'36" West, a distance of 58.35 feet;

South 62°51'30" West, a distance of 58.35 feet;

South 24°42'03" East, a distance of 175.00 feet to the beginning of a non-tangent curve to the right;

Southwesterly, with said curve which has a central angle of 02°58'22", a radius of 860.00 feet, a chord which bears South 66°47'08" West, a chord distance of 44.62 feet, and an arc distance of 44.62 feet;

South 21°43'41" East, a distance of 114.79 feet;

South 69°37'25" West, a distance of 51.15 feet;

South 74°10'24" West, a distance of 58.53 feet;

South 79°04'11" West, a distance of 58.52 feet;

South 83°56'15" West, a distance of 58.75 feet;

South 85°49'23" West, a distance of 75.00 feet;

North 04°10'37" West, a distance of 105.00 feet;

South 85°49'23" West, a distance of 60.00 feet;

North 04°10'37" West, a distance of 10.00 feet;

South 85°49'23" West, a distance of 125.00 feet;

North 04°10'37" West, a distance of 443.69 feet to the beginning of a tangent curve to the left;

Northwesterly, with said curve which has a central angle of 06°02'05", a radius of 565.00 feet, a chord which bears North 07°11'40" West, a chord distance of 59.48 feet, and an arc distance of 59.51 feet;

South 79°47'18"West, a distance of 130.00 feet to the beginning of a non-tangent curve to the right;

Southeasterly, with said curve which has a central angle of 06°02'05", a radius of 435.00 feet, a chord which bears South 07°11'40" East, a chord distance of 45.80 feet, and an arc distance of 45.82 feet;

South 04°10'37" East, a distance of 1583.16 feet;

North 85°49'22" East, a distance of 130.00 feet;

South 04°10'38" East, a distance of 15.00 feet;

North 85°49'22" East, a distance of 12.48 feet to the beginning of a non-tangent curve to the right;

Northeasterly, with said curve which has a central angle of 03°56'12", a radius of 1580.00 feet, a chord which bears North 87°47'28" East, a chord distance of 108.54 feet, and an arc distance of 108.56 feet to the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 00°23'23", a radius of 1470.00 feet, a chord which bears North 00°07'19" West, a chord distance of 10.00 feet, and an arc distance of 10.00 feet;

North 89°40'59" East, a distance of 60.00 feet to the beginning of a non-tangent curve to the right;

Southeasterly, with said curve which has a central angle of 00°25'13", a radius of 1530.00 feet, a chord which bears South 00°06'25" East, a chord distance of 11.22 feet, and an arc distance of 11.22 feet to the beginning of a non-tangent curve to the right;

Southeasterly, with said curve which has a central angle of 05°25'04", a radius of 1580.00 feet, a chord which bears South 85°21'20" East, a chord distance of 149.35, and an arc distance of 149.41 feet;

South 07°39'40" West, a distance of 80.00 feet;

South 36°15'30" West, a distance of 113.16 feet;

South 45°14'59" West, a distance of 164.46 feet;

South 85°49'23" West, a distance of 113.59 feet;

North 04°10'37" West, a distance of 208.29 feet;

South 85°49'22" West, a distance of 130.00 feet;

North 04°10'38" West, a distance of 15.00 feet;

South 85°49'22" West, a distance of 369.26 feet to the beginning of a tangent curve to the left;

Southwesterly, with said curve which has a central angle of 67°57'39", a radius of 450.00 feet, a chord which bears South 51°50'32" West, a chord distance of 503.02 feet, and an arc distance of 533.76 feet;

North 72°06'50" West, a distance of 80.00 feet to the beginning of a non-tangent curve to the right;

Northeasterly, with said curve which has a central angle of 01°04'52", a radius of 530.00 feet, a chord which bears North 18°24'22" East, a chord distance of 10.00 feet, and an arc distance of 10.00 feet to the beginning of a non-tangent curve to the right;

Northwesterly, with said curve which has a central angle of 12°28'18", a radius of 280.00 feet, a chord which bears North 61°06'21" West, a chord distance of 60.83 feet, and an arc distance of 60.95 feet;

South 35°07'48" West, a distance of 151.98 feet;

North 83°08'42" West, a distance of 47.27 feet;

North 14°02'18" West, a distance of 47.91 feet;

North 21°00'40" West, a distance of 119.57 feet;

North 20°04'51" West, a distance of 52.02 feet;

North 21°02'44" West, a distance of 52.02 feet;

North 22°39'25" West, a distance of 55.39 feet;

North 25°53'12" West, a distance of 57.02 feet;

North 29°14'16" West, a distance of 57.02 feet

North 32°35'20" West, a distance of 57.02 feet;

North 35°56'24" West, a distance of 57.02 feet;

North 39°17'28" West, a distance of 57.02 feet;

North 42°38'32" West, a distance of 57.02 feet;

North 45°17'59" West, a distance of 54.43 feet;

North 45°31'45" West, a distance of 167.28 feet;

South 44°28'15" West, a distance of 870.00 feet;

South 51°13'38" West, a distance of 50.35 feet;

South 54°22'19" West, a distance of 102.90 feet;

South 62°49'04" West, a distance of 120.90 feet to the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 02°14'01", a radius of 1870.00 feet, a chord which bears North 28°17'57" West, a chord distance of 72.90 feet, and an arc distance of 72.90 feet to the beginning of a tangent reverse curve to the right;

Northwesterly, with said curve which has a central angle of 00°47'33", a radius of 3530.00 feet, a chord which bears North 29°01'11" West, a chord distance of 48.82 feet, and an arc distance of 48.82 feet;

North 28°37'25" West, a distance of 105.02 feet to the **POINT OF BEGINNING**, and containing an area of 114.972 acres of land.

NOTES:

The bearings shown and recited hereon are referenced to the Texas Coordinate System of 1983 ~ North Central Zone No. 4202 - NAD 83. (All distances are surface distances with a surface to grid scale factor of 0.999872942).

This document does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in Real Property.

EXHIBIT L-3 – MAJOR IMPROVEMENT AREA LEGAL DESCRIPTION

DESCRIPTION – 667.289 ACRES

BEING that certain tract of land situated in the Richard Mead Survey, Abstract No. 316, the Charles Wilson Survey, Abstract No. 571, and the J. C. Moses Survey, Abstract No. 635, in Kaufman County, Texas and being part of that certain called 877.143 acre tract of land (save and except 10.006 acres) described as Tract 1 in deed to MM Terrell 1098, LLC recorded in Volume 7385, Page 1, of the Deed Records of Kaufman County, Texas (DRKCT), and including all of that certain called 10.006 acre tract of land described in the following five deeds (undivided 1/5th interest each) to I-Ming Chee recorded in Volume 2943, Page 612, DRKCT, Kirk Ulrich recorded in Volume 2943, Page 616, DRKCT, John Wilburn recorded in Volume 2943, Page 620, DRKCT, Beverly C. Cezar recorded in Volume 2943, Page 624, DRKCT, and James Hancock recorded in Volume 2943, Page 628, DRKCT, and being more particularly described as follows:

COMMENCING at a 60d nail found on the southeast right-of-way line of Farm-to-Market Road No. 148 (variable width right-of-way), and being the most westerly west corner of said MM Terrell 1098, LLC tract, and the north corner of Lot 20 of South Ridge Addition, First Installment, an addition to the County of Kaufman recorded in Cabinet I, Slide 728, of the Plat Records of Kaufman County, Texas (PRKCT);

THENCE South 45°36'40" East, with the southwest line of the MM Terrell 1098, LLC tract, and the northeast line of said Lot 20, and Lot 10, of said South Ridge Addition, First Installment, a distance of 735.16 feet to the **POINT OF BEGINNING**;

THENCE North 44°28'21" East, over and across said MM Terrell 1098, LLC tract, passing at a distance of 1810.77 feet a 5/8-inch iron rod with cap stamped "PLS" found at the south corner of that certain called 13.982 acre tract of land described as Tract 1 in deed to Terrell 13 Partners, LLC recorded in Volume 7494, Page 213, DRKCT, continuing with the southeast line of said Tract 1 in deed to Terrell 13 Partners, LLC, in all, a total distance of 2516.82 feet;

THENCE leaving the southeast line of said Tract 1 of Terrell 13 Partners, LLC, and over and across Tract 1 of the MM Terrell 1098, LLC tract, the following courses:

South 28°37'25" East, a distance of 105.02 feet to the beginning of a tangent curve to the left;

Southeasterly, with said curve which has a central angle of 00°47'33", a radius of 3530.00 feet, a chord which bears South 29°01'11" East, a distance of 48.82 feet, and an arc length of 48.82 feet to the beginning of a tangent reverse curve to the right;

Southeasterly, with said curve which has a central angle of 02°14'01", a radius of 1870.00 feet, a chord which bears South 28°17'57" East, a distance of 72.90 feet, and an arc length of 72.90 feet;

North 62°49'04" East, a distance of 120.90 feet;

North 54°22'19" East, a distance of 102.90 feet;

North 51°13'38" East, a distance of 50.35 feet;

North 44°28'15" East, a distance of 870.00 feet;

South 45°31'45" East, a distance of 167.28 feet;

South 45°17'59" East, a distance of 54.43 feet;

South 42°38'32" East, a distance of 57.02 feet;

South 39°17'28" East, a distance of 57.02 feet;

South 35°56'24" East, a distance of 57.02 feet;

South 32°35'20" East, a distance of 57.02 feet;

South 29°14'16" East, a distance of 57.02 feet;

South 25°53'12" East, a distance of 57.02 feet;

South 22°39'25" East, a distance of 55.39 feet;

South 21°02'44" East, a distance of 52.02 feet;

South 20°04'51" East, a distance of 52.02 feet;

South 21°00'40" East, a distance of 119.57 feet;

South 14°02'18" East, a distance of 47.91 feet;

South 83°08'42" East, a distance of 47.27 feet;

North 35°07'48" East, a distance of 151.98 feet to the beginning of a non-tangent curve to the left;

Southeasterly, with said curve which has a central angle of 12°28'18", a radius of 280.00 feet, a chord which bears South 61°06'21" East, a distance of 60.83 feet, and an arc length of 60.95 feet to the beginning of a non-tangent curve to the left;

Southwesterly, with said curve which has a central angle of 01°04'52", a radius of 530.00 feet, a chord which bears South 18°24'22" West, a distance of 10.00 feet, and an arc length of 10.00 feet;

South 72°06'50" East, a distance of 80.00 feet to the beginning of a non-tangent curve to the right;

Northeasterly, with said curve which has a central angle of 67°57'39", a radius of 450.00 feet, a chord which bears North 51°50'32" East, a distance of 503.02 feet, and an arc length of 533.76 feet;

North 85°49'22" East, a distance of 369.26 feet;
South 04°10'38" East, a distance of 15.00 feet;

North 85°49'22" East, a distance of 130.00 feet;

South 04°10'37" East, a distance of 208.29 feet

North 85°49'23" East, a distance of 113.59 feet;

North 45°14'59" East, a distance of 164.46 feet;

North 36°15'30" East, a distance of 113.16 feet;

North 07°39'40" East, a distance of 80.00 feet to the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 05°25'04", a radius of 1580.00 feet, a chord which bears North 85°21'20" West, a distance of 149.35 feet, and an arc length of 149.41 feet to the beginning of non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 00°25'13", a radius of 1530.00 feet, a chord which bears North 00°06'25" West, a distance of 11.22 feet, and an arc length of 11.22 feet;

South 89°40'59" West, a distance of 60.00 feet to the beginning of a non-tangent curve to the right;

Southeasterly, with said curve which has a central angle of 00°23'23", a radius of 1470.00 feet, a chord which bears South 00°07'19" East, a distance of 10.00 feet, and an arc length of 10.00 feet to the beginning of a non-tangent curve to the left;

Southwesterly, with said curve which has a central angle of 03°56'12", a radius of 1580.00 feet, a chord which bears South 87°47'28" West, a distance of 108.54 feet, and an arc length of 108.56 feet;

South 85°49'22" West, a distance of 12.48 feet;

North 04°10'38" West, a distance of 15.00 feet;

South 85°49'22" West, a distance of 130.00 feet;

North 04°10'37" West, a distance of 1583.16 feet to the beginning of a tangent curve to the left;

Northwesterly, with said curve which has a central angle of 06°02'05", a radius of 435.00 feet, a chord which bears North 07°11'40" West, a distance of 45.80 feet, and an arc length of 45.82 feet;

North 79°47'18" East, a distance of 130.00 feet to the beginning of a non-tangent curve to the right;

Southeasterly, with said curve which has a central angle of 06°02'05", a radius of 565.00 feet, a chord which bears South 07°11'40" East, a distance of 59.48 feet, and an arc length of 59.51 feet;

South 04°10'37" East, a distance of 443.69 feet;

North 85°49'23" East, a distance of 125.00 feet;

South 04°10'37" East, a distance of 10.00 feet;

North 85°49'23" East, a distance of 60.00 feet;

South 04°10'37" East, a distance of 105.00 feet;

North 85°49'23" East, a distance of 75.00 feet;

North 83°56'15" East, a distance of 58.75 feet;

North 79°04'11" East, a distance of 58.52 feet;

North 74°10'24" East, a distance of 58.53 feet;

North 69°37'25" East, a distance of 51.15 feet;

North 21°43'41" West, a distance of 114.79 feet to the beginning of a non-tangent curve to the left;

Northeasterly, with said curve which has a central angle of 02°58'22", a radius of 860.00 feet, a chord which bears North 66°47'08" East, a distance of 44.62 feet, and an arc length of 44.62 feet;

North 24°42'03" West, a distance of 175.00 feet;

North 62°51'30" East, a distance of 58.35 feet;

North 57°58'36" East, a distance of 58.35 feet;

North 54°34'40" East, a distance of 158.22 feet;

North 77°23'44" East, a distance of 58.37 feet;

North 69°21'56" East, a distance of 73.77 feet;

North 73°41'50" East, a distance of 73.77 feet;

North 78°01'43" East, a distance of 73.77 feet;

North 82°21'37" East, a distance of 73.77 feet;

North 86°50'06" East, a distance of 79.66 feet;

North 03°26'36" West, a distance of 61.28 feet to the beginning of a tangent curve to the right;

Northeasterly, with said curve which has a central angle of 135°00'00", a radius of 60.00 feet, a chord which bears North 64°03'24" East, a distance of 110.87 feet, and an arc length of 141.37 feet;

North 46°38'18" East, a distance of 7.19 feet to a point located on the southeast line of that certain called 59.4917 acre tract of land described in deed to NT148, LLC recorded in Volume 6818, Page 258, DRKCT;

THENCE South 43°21'42" East, with the southwest line of said NT148, LLC tract, a distance of 1755.27 feet to a 1-inch pipe found for corner at the south corner of said NT148, LLC tract;

THENCE South 45°41'36" East, with a northeast line of said Tract 1 of the MM Terrell 1098, LLC tract, a distance of 1962.86 feet to a 1-inch iron pipe found for corner at the south corner of that certain called 69.500 acre tract of land described in deed to Alejandro Gamez, Jr. and Nancy Delcampo Gamez recorded in Volume 5078, Page 321, DRKCT, and a west corner of that certain called 189.998 acre tract of land described in deed to Norman N. Huneycutt and Janet R. Huneycutt, Trustees, recorded in Volume 3746, Page 407, DRKCT;

THENCE South 45°44'04" East, with a southwest line of said Norman N. Huneycutt and Janet R. Huneycutt tract, a distance of 308.18 feet to a 1/2 inch iron rod found for corner at an ell corner of said Norman N. Huneycutt and Janet R. Huneycutt tract;

THENCE South 44°51'33" West, with a northwest line of said Norman N. Huneycutt and Janet R. Huneycutt tract, a distance of 2269.99 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the east corner of that certain called 10.019 acre tract of land described in the following five deeds (undivided 1/5th interest each) to Melvin Henry recorded in Volume 2985, Page 554, DRKCT, Bill M. Erwin recorded in Volume 2985, Page 558, DRKCT, Jason A. Delorenzo recorded in Volume 2985, Page 562, DRKCT, Mary A. Wilson recorded in Volume 2985, Page 566, DRKCT, and Jennifer D. Harrell recorded in Volume 2985, Page 570, DRKCT;

THENCE with the northeast, northwest, and southwest lines of said 10.019 acre tract, the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

North 45°09'22" West, a distance of 662.43 feet;

South 44°38'09" West, a distance of 660.00 feet;

And South 45°09'22" East, a distance of 660.12 feet, said iron rod being the south corner of said 10.019 acre tract, and being located on the northwest line of that certain called 154.875 acre tract of land described in deed to Jerry L. Wade and Raelyn Wade recorded in Volume 1061, Page 779, DRKCT;

THENCE South 44°54'31" West, said northwest line of the Jerry L. Wade and Raelyn Wade tract, a distance of 253.75 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner;

THENCE South 42°54'11" West, continuing with said northwest line of the Jerry L. Wade and Raelyn Wade tract, a distance of 766.66 feet to a 1/2 inch iron rod found for corner at the north corner of that certain called 171.409 acre tract of land described in deed to Terrell Ranch Homes, LLC recorded in Volume 6969, Page 74, DRKCT;

THENCE South 43°56'56" West, with the northwest line of said Terrell Ranch Homes, LLC tract, and a southeast line of said Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1422.61 feet to a 1/2 inch iron rod found for corner at the west corner of said Terrell Ranch Homes, LLC tract;

THENCE South 44°30'28" West, with a southeast line of said Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1061.88 feet to a 5/8-inch iron rod found for corner at the most southerly south corner of Tract 1 in deed to MM Terrell 1098, LLC;

THENCE North 46°14'39" West, with a southwest line of Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1864.94 feet to a 1-inch iron rod found at the east corner of Lot 43 of Ingram Ranch Estates, Second Revision, an addition to Kaufman County, Texas according to Final Plat recorded in Cabinet 1, Slide 260, PRKCT;

THENCE North 46°19'24" West, with the northeast line of said Lot 43, and Lot 42, of said Ingram Ranch Estates, Second Revision, a distance of 723.01 feet to a 5/8-inch iron rod found for corner at the east corner of South Ridge Addition, Third Installment (Lots 49 through 69), an addition to the County of Kaufman recorded in Cabinet 2, Slide 221, PRKCT;

THENCE North 45°34'23" West, with the northeast line of said South Ridge Addition, Third Installment, a distance of 1088.55 feet to 5/8" iron rod found for corner;

THENCE North 45°36'40" West, continuing with said northeast line of South Ridge Addition, Third Installment, and the northeast line of South Ridge Addition, Second Installment (Lots 21 through 48), an addition to the County of Kaufman recorded in Cabinet 1, Slide 755, PRKCT, and said northeast line of Lot 10, of South Ridge Addition, First Installment, a distance of 1522.78 feet to the **POINT OF BEGINNING**, and containing an area of 677.295 acres of land.

Save and Except all of a called 10.006 acres tract of land described in Deed to I-Ming Chee as recorded in Volume 2943, Page 612, Official Records, Kaufman County, Texas, and being more particularly described herein as follows:

BEGINNING at a 5/8 inch iron rod with plastic cap stamped "PLS, INC" (typical) set for the north corner of said Chee Tract, from which a 3/4 inch pipe found for an interior corner of said Tract 1 bears North 17 degrees 33 minutes 15 seconds West, a distance of 3,054.81 feet, said corner being in a curve to the left having a radius of 5,280.00 feet;

THENCE with the Easterly line of said Chee tract, the following three (3) courses and distances:

1. Southeasterly, along the arc of said curve, a distance of 270.05 feet with a delta angle of 2 degrees 55 minutes 50 seconds, a chord bearing of South 57 degrees 27 minutes 01 seconds East, and a chord distance of 270.02 feet a 5/8 inch iron rod set at the beginning of a curve to the right having a radius of 827.58 feet;

2. Southeasterly, along the arc of said curve, a distance of 1,029.50 feet with a delta angle of 71 degrees 16 minutes 31 seconds a chord bearing of South 14 degrees 24 minutes 10 seconds East, and a chord distances of 964.39 feet to a 5/8 inch iron rod set for corner.

3. South 21 degrees 14 minutes 06 seconds West, a distance of 373.32 feet to a 5/8 inch iron rod set for the South corner of said Chee tract, from which a 3 inch steel fence corner post found for the East corner of said Tract 1 bears North 75 degrees 05 minutes 04 seconds East, a distance of 2,455.74 feet, said corner being in a curve to the left having a radius of 895.00 feet

THENCE with the Westerly line of said Chee tract, the following four (4) courses and distances:

1. Northerly, along the arc of said curve, a distance of 268.19 feet with a delta angle of 17 degrees 10 minutes 09 seconds, a chord bearing of North 03 degrees 47 minutes 29 seconds West, and a chord distance of 894.45 feet;

2. Northwesterly, along the arc of said curve, a distance of 446.03 feet with a delta angle of 28 degrees 34 minutes 16 seconds, a chord bearing of North 26 degrees 39 minutes 10 seconds West, and a chord distance of 441.42 feet to a 5/8 inch iron rod set at the beginning of a curve to the right having a radius of 1,704.45 feet;

3. Northwesterly, along the arc of said curve, a distance of 470.65 feet with a delta angle of 15 degrees 49 minutes 16 seconds, a chord bearing of North 33 degrees 01 minutes 26 seconds West, and a chord distance of 469.16 feet to a 5/8 inch iron rod set for corner;

4. North 20 degrees 27 minutes 32 seconds East, a distance of 397.95 feet to the **POINT OF BEGINNING** and containing, within the metes and bounds herein recited, 10.006 acres of land, more or less.

Leaving a net area of 667.289 acres.

NOTES:

The bearings shown and recited hereon are referenced to the Texas Coordinate System of 1983 ~ North Central Zone No. 4202 - NAD 83. (All distances are surface distances with a surface to grid scale factor of 0.999872942).

This document does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in Real Property.

APPENDIX A – ENGINEER'S REPORT

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COMMUNITY NAME: Arboretum Estates
PHASES: Phases 1-8 & Overall MI's
CITY OR TOWN: City of Terrell

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING



07/23/2025

GROSS ACREAGE:	763.3
NET ACREAGE:	636.9
TOTAL LOTS:	2,387
TOTAL DENSITY:	3.75
LANDPLAN:	51
CREATED BY:	RCL/CH
REVIEWED BY:	MC
CREATED:	10/12/21
REVISED:	05/23/25

Direct Phase Costs (PID Direct)		Totals	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	Phase 8
Lot Count		2387	512	316	331	170	367	420	45	226
1 Grading & Site Preparation		$ 9,141,616		$ 1,549,432	$ 1,660,939	$ 1,294,021	$ 1,324,499	$ 1,611,640	$ 585,947	$ 1,115,139
2 Water System		$ 12,661,781	$ 2,147,562	$ 2,031,539	$ 1,820,984	$ 1,210,982	$ 1,697,479	$ 2,057,917	$ 501,338	$ 1,193,981
3 Sanitary Sewer System		$ 14,687,680	$ 3,486,165	$ 2,152,500	$ 1,926,511	$ 1,325,943	$ 1,789,477	$ 2,206,262	$ 542,252	$ 1,258,569
4 Drainage System		$ 24,577,656	$ 3,462,616	$ 3,769,103	$ 3,586,974	$ 3,152,421	$ 3,708,954	$ 3,657,494	$ 983,464	$ 2,256,630
5 Street Improvements		$ 28,724,578	$ 5,259,715	$ 4,596,018	$ 4,105,941	$ 2,944,982	$ 3,570,369	$ 4,337,943	$ 1,314,304	$ 2,595,305
6 District Formation		$ 3,860,160	$ -	$ 718,434	$ 671,569	$ 501,377	$ 624,132	$ 715,954	$ 196,537	$ 432,158
7 Soft Costs		$ 13,385,207	$ 2,320,272	$ 2,000,779	$ 1,947,805	$ 1,306,995	$ 1,895,368	$ 2,172,526	$ 476,880	$ 1,264,582
8 Contingency	0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total		$ 107,038,678	$ 16,676,331	$ 16,817,806	$ 15,720,723	$ 11,736,720	$ 14,610,278	$ 16,759,736	$ 4,600,721	$ 10,116,364
Cost per Lot		$ 44,842	$ 32,571	$ 53,221	$ 47,495	$ 69,040	$ 39,810	$ 39,904	$ 102,238	$ 44,763

Private Costs		Totals	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	Phase 8
Lot Count		2387	512	316	331	170	367	420	45	226
1 Grading & Site Preparation		$ 11,333,423	$ 3,493,913	$ 857,980	$ 925,858	$ 632,629	$ 1,881,150	$ 2,152,815	$ 230,659	$ 1,158,420
2 Retaining Walls		$ 3,964,000	$ 752,000	$ 676,000	$ 1,240,000	$ 488,000	$ 112,000	$ 232,000	$ 232,000	$ 232,000
3 Dry Utilities		$ 2,479,000	$ 488,400	$ 356,200	$ 356,200	$ 202,600	$ 361,900	$ 419,000	$ 61,500	$ 233,200
4 Amenity Center		$ 3,500,000	$ -	$ 1,100,000	$ 2,100,000	$ -	$ 100,000	$ 100,000	$ 100,000	$ -
5 Screening Walls		$ 4,238,000	$ 684,000	$ 1,250,000	$ 730,000	$ 544,000	$ 540,000	$ 410,000	$ 80,000	$ -
6 Soft Costs		$ 2,183,213	$ 269,462	$ 275,398	$ 297,186	$ 164,063	$ 408,315	$ 467,282	$ 50,066	$ 251,442
7 Contingency	0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total		$ 27,697,636	$ 5,687,775	$ 4,515,577	$ 5,649,243	$ 2,031,292	$ 3,403,365	$ 3,781,097	$ 754,225	$ 1,875,061
Cost per Lot		$ 11,604	$ 11,109	$ 14,290	$ 17,067	$ 11,949	$ 9,273	$ 9,003	$ 16,761	$ 8,297
Total (Direct + Private)		***$ 134,736,314***	***$ 22,364,106***	***$ 21,333,383***	***$ 21,369,966***	***$ 13,768,012***	***$ 18,013,643***	***$ 20,540,832***	***$ 5,354,945***	***$ 11,991,426***
Total MI		***$ 54,664,107***	***$ 20,523,115***	***$ 14,501,212***	***$ 5,441,585***	***$ 3,526,707***	***$ 1,931,281***	***$ 3,589,316***	***$ 5,150,892***	***$ -***
Total Water Oversizing		***$ 1,246,690***	***$ 1,246,690***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***
Total All		***$ 190,647,111***	***$ 44,133,911***	***$ 35,834,595***	***$ 26,811,551***	***$ 17,294,720***	***$ 19,944,924***	***$ 24,130,148***	***$ 10,505,838***	***$ 11,991,426***
Direct + Private Per Lot		*$ 56,446*	*$ 43,680*	*$ 67,511*	*$ 64,562*	*$ 80,988*	*$ 49,083*	*$ 48,907*	*$ 118,999*	*$ 53,059*
MI Per Lot		*$ 22,901*	*$ 40,084*	*$ 45,890*	*$ 16,440*	*$ 20,745*	*$ 5,262*	*$ 8,546*	*$ 114,464*	*$ - *
Oversize Water MI Per Lot		*$ 522*	*$ 2,435*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Total (Direct + Private + MI) per lot		***$ 79,869***	***$ 86,199***	***$ 113,401***	***$ 81,002***	***$ 101,734***	***$ 54,346***	***$ 57,453***	***$ 233,463***	***$ 53,059***

Lot Count	Totals	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	Phase 8
40' Lots	1,025	295	186	139	0	187	159	0	59
50' Lots	1,012	144	68	192	0	180	261	0	167
60' Lots	138	42	0	0	96	0	0	0	0
70' Lots	73	31	0	0	42	0	0	0	0
1/2 AC. Lots	139	0	62	0	32	0	0	45	0
Total Lots	***2,387***	***512***	***316***	***331***	***170***	***367***	***420***	***45***	***226***

COMMUNITY NAME: Arboretum Estates
PHASES: Phases 1-8 & Overall MI's
CITY OR TOWN: City of Terrell

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

GROSS ACREAGE:	763.3
NET ACREAGE:	636.9
TOTAL LOTS:	2,387
TOTAL DENSITY:	3.75
LANDPLAN:	51
CREATED BY:	RCL/CH
REVIEWED BY:	MC
CREATED:	10/12/21
REVISED:	05/23/25

Major Improvements Costs		Totals	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	Phase 8
Overall Development Lot Count		2387	512	316	331	170	367	420	45	226
1 Water		$ 6,376,947	$ 2,578,909	$ 1,074,339	$ 893,313	$ 848,218	$ -	$ 328,685	$ 653,482	$ -
2 Sanitary Sewer Transmission		$ 4,144,186	$ 2,589,246	$ -	$ -	$ -	$ -	$ -	$ 1,554,940	$ -
Sanitary Sewer Capacity (WWTP)		$ 5,100,000	$ 2,250,000	$ 2,850,000	$ -	$ -	$ -	$ -	$ -	$ -
3 Detention Ponds		$ 766,089	$ -	$ -	$ -	$ 206,935	$ 235,150	$ 324,003	$ -	$ -
4 Amenity Ponds		$ 339,080	$ -	$ -	$ 171,640	$ -	$ -	$ 167,440	$ -	$ -
5 Street Improvements		$ 19,658,619	$ 4,987,750	$ 6,325,764	$ 2,625,836	$ 1,545,491	$ 1,104,440	$ 1,635,879	$ 1,433,458	$ -
6 Landscape & Irrigation		$ 2,865,000	$ 342,000	$ 856,000	$ 445,000	$ 272,000	$ 270,000	$ 410,000	$ 270,000	$ -
7 Monumentation		$ 300,000	$ 100,000	$ 150,000	$ 50,000	$ -	$ -	$ -	$ -	$ -
8 Parks & Trails		$ 1,654,331	$ 251,378	$ 433,272	$ 394,981	$ 76,000	$ -	$ 130,000	$ 368,700	$ -
9 ROW Dedication		$ 3,260,000	$ 3,260,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10 Soft Costs		$ 7,341,399	$ 2,763,833	$ 2,192,364	$ 628,358	$ 427,406	$ 239,189	$ 439,977	$ 650,272	$ -
11 Contingency	0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12 District Formation		$ 2,858,458	$ 1,400,000	$ 619,473	$ 232,457	$ 150,656	$ 82,502	$ 153,331	$ 220,039	$ -
	Total	$ 54,664,107	$ 20,523,115	$ 14,501,212	$ 5,441,585	$ 3,526,707	$ 1,931,281	$ 3,589,316	$ 5,150,892	$ -
	Cost per Lot	$ 22,901	$ 40,084	$ 45,890	$ 16,440	$ 20,745	$ 5,262	$ 8,546	$ 114,464	$ -

Major Improvements - City Oversizing (Non-PID)		Totals	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	Phase 8
Overall Development Lot Count		2387	512	316	331	170	367	420	45	226
1 Water Oversizing by City		$ 424,690	$ 424,690							
2 Sanitary Sewer Oversizing		$ 822,000	$ 822,000							
11 Contingency	0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Total	$ 1,246,690	$ 1,246,690	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Cost per Lot	$ 522	$ 2,435	$ -	$ -	$ -	$ -	$ -	$ -	$ -

COMMUNITY NAME: Arboretum Estates
PHASES: Phases 1-8 & Overall MI's
CITY OR TOWN: City of Terrell

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

GROSS ACREAGE:	763.3
NET ACREAGE:	636.9
TOTAL LOTS:	**2,387**
TOTAL DENSITY:	3.75
LANDPLAN:	51
CREATED BY:	RCL/CH
REVIEWED BY:	MC
CREATED:	10/12/21
REVISED:	**05/23/25**

Lot Count	**Totals**	**Phase 1**	**Phase 2**	**Phase 3**	**Phase 4**	**Phase 5**	**Phase 6**	**Phase 7**	**Phase 8**
40' Lots	1,025	295	186	139	0	187	159	0	59
50' Lots	1,012	144	68	192	0	180	261	0	167
60' Lots	138	42	0	0	96	0	0	0	0
70' Lots	73	31	0	0	42	0	0	0	0
1/2 AC. Lots	139	0	62	0	32	0	0	45	0
Total Lots	***2,387***	***512***	***316***	***331***	***170***	***367***	***420***	***45***	***226***

TOTAL COST	**Totals**	**Phase 1**	**Phase 2**	**Phase 3**	**Phase 4**	**Phase 5**	**Phase 6**	**Phase 7**	**Phase 8**
(Private + Direct + MI + Oversizing)	***$ 190,647,111***	***$ 44,133,911***	***$ 35,834,595***	***$ 26,811,551***	***$ 17,294,720***	***$ 19,944,924***	***$ 24,130,148***	***$ 10,505,838***	***$ 11,991,426***
Cost per Lot	$ 79,869	$ 86,199	$ 113,401	$ 81,002	$ 101,734	$ 54,346	$ 57,453	$ 233,463	$ 53,059

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY. BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES TAKE-OFFS BEFORE FINANCIAL OBLIGATIONS ARE MADE.

NOTES

[1] MI Water - Ph 1, 3, 4 and 7 include offsite Freese & Nichols study segments 3, 4 and 5. CADG to pay for segment 5 at 12", City pays oversizing to 16"

[2] MI Sanitary Sewer - WWTP assumes CADG-operated 0.33 MGD temporary plant before hand-off to City of Terrell for permanent plant construction/operation. 0.14 MGD with Ph 1. WWTP to be expanded pased on actual flows @ 70% capacity

[3] MI Detention Pond - Pond costs are for City-required detention

[4] MI Amenity Pond - Digging out and amenitizing dry pond near WWTP in Ph 3, and wet pond on property limits in Ph 6

[5] MI Streets - Total costs - 3 lanes FM 148:$2.63MM, 4/3/2 lanes Las Lomas Pkwy: $7.68MM, 3 lanes Collector A: $4.78MM, 3 lanes Collector B: $4.98MM. City's revised technical standards increased paving costs

[6,7] Private Screening wall, landscaping, and irrigation included for road major improvements adjacent to single-family phases. Excluded adjacent to commercial/multi-family outparcels and City property on Collector B.

[9] MI Parks & Trails - Ph 1 includes Arboretum parking lot. Ph 2 includes trails

[11] Soft Costs (Direct, Private & MI) include: Civil Engineering, Planning, Surveying, Flood Studies, Environmental, Wetlands, SWPPP Administration, Traffic Studies, Const Admin, City Const Inspect, Const Mgmt ($1,000/lot per GM), Material Testing ($1,500/lot per GM) and City/County/TxDOT Fees

[A] See associated exhibits for limits of offsite/MI improvements

[B] Development cost does not include: Potential rock excavation

[C] Grading cost assumes 2 ft of excavation across the site

[D] Unit costs provided by Centurion American Development Group

COMMUNITY NAME: Las Lomas
PHASE: Pod 1 Direct & Private
CITY OR TOWN: Terrell ETJ & Las Lomas MUD 4

BARRAZA CONSULTING GROUP, LLC
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	40'	50'	60'	70'	0.5 AC		
LOT COUNT:	295	144	42	31	0	GROSS ACREAGE:	108.0
TYP. LOT WIDTH:	40	50	60	70	125	NET ACREAGE:	108.0
TYP. LOT DEPTH:	115	115	115	115	175	TOTAL LOTS:	**512**
TYP. PAD WIDTH:	30	40	50	60	80	TOTAL DENSITY:	4.74
TYP. PAD DEPTH:	75	75	75	75	80	LANDPLAN:	51
FRONT YARD S/B:	20	20	20	20	25	CREATED BY:	RCL/CH
REAR YARD S/B:	20	20	20	20	20	REVIEWED BY:	AB/MC
SIDE YARD S/B:	5	5	5	5	5	CREATED:	10/12/21
CORNER SIDE YARD S/B:	15	15	15	15	15	REVISED:	**05/15/25**

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
DIRECT PHASE COSTS					
1 - GRADING & SITE PREPARATION					
EROSION CONTROL / SWPPP					
CONSTRUCTION ENTRANCE	EA	2	$ 2,917.20	$ 5,834.40	
ROCK FILTER DAM	EA	16	$ 1,282.60	$ 20,521.60	
SEED DISTURBED AREAS	AC	18.0	$ 401.50	$ 7,227.00	
SILT FENCE (WIRE BACK)	LF	38,616	$ 2.08	$ 80,321.28	
CURLEX	LF	42,918	$ 0.81	$ 34,763.58	
SEEDED CURLEX	SY	75,311	$ 1.93	$ 145,350.23	
INLET PROTECTION FOR PROPOSED INLETS	EA	102	$ 107.16	$ 10,930.32	
HYDROMULCH POND SIDE SLOPES	AC	2.71	$ 4,791.60	$ 12,985.24	
SWPPP INSPECTIONS	LS	1	$ 3,500.00	$ 3,500.00	
EROSION MAINTENANCE	LOT	512	$ 150.00	$ 76,800.00	
			EROSION CONTROL SUB-TOTAL	**$ 398,233.65**	
ROUGH GRADING					
REMOVE EXISTING 12" CMP	EA	4	$ 1,500.00	$ 6,000.00	
CLEARING & GRUBBING	AC	115	$ 3,103.23	$ 356,871.30	
DEMUCKING & DEWATERING EXISTING POND	EA	2	$ 20,500.00	$ 41,000.00	
MASS GRADING (EXCAVATION)	CY	611,400	2.62	$ 1,601,868.00	
ADDITIONAL UNCLASSIFIED EXCAVATION	CY	195,500	2.56	$ 500,480.00	
ROUGH LOT GRADING	LOT	512	$ 225.00	$ 115,200.00	
			ROUGH GRADING SUB-TOTAL	**$ 2,621,419.30**	
FINISH GRADING					
LOT FINISH GRADE	LOT	512	$ 210.00	$ 107,520.00	
PERFORMANCE & PAYMENT BONDS	LS	1	$ 51,350.00	$ 51,350.00	
ADDITIONAL PERFORMANCE & PAYMENT BONDS	LS	1	$ 10,750.00	$ 10,750.00	
			FINISH GRADING SUB-TOTAL	**$ 169,620.00**	
			GRADING & SITE PREPARATION SUB-TOTAL	**$ 3,189,272.95**	

COMMUNITY NAME: Las Lomas
PHASE: Pod 1 Direct & Private
CITY OR TOWN: Terrell ETJ & Las Lomas MUD 4

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

	40'	50'	60'	70'	0.5 AC		
LOT COUNT:	295	144	42	31	0	**GROSS ACREAGE:**	108.0
TYP. LOT WIDTH:	40	50	60	70	125	**NET ACREAGE:**	108.0
TYP. LOT DEPTH:	115	115	115	115	175	**TOTAL LOTS:**	**512**
TYP. PAD WIDTH:	30	40	50	60	80	**TOTAL DENSITY:**	4.74
TYP. PAD DEPTH:	75	75	75	75	80	**LANDPLAN:**	51
FRONT YARD S/B:	20	20	20	20	25	**CREATED BY:**	RCL/CH
REAR YARD S/B:	20	20	20	20	20	**REVIEWED BY:**	AB/MC
SIDE YARD S/B:	5	5	5	5	5	**CREATED:**	10/12/21
CORNER SIDE YARD S/B:	15	15	15	15	15	**REVISED:**	**05/15/25**

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
2 - WATER SYSTEM					
8" P.V.C. PIPE (DR 18 C900)	LF	16,270	$ 54.00	$ 878,580.00	3100 LF of in-phase line is 12" MI line, 8800 LF to connect thru Collector B ROW
8" GATE VALVE & BOX	EA	77	$ 2,600.00	$ 200,200.00	
CONNECT TO EXIST. 8" WATERLINE	EA	10	$ 3,000.00	$ 30,000.00	
FIRE HYDRANT ASSEMBLY W/ GATE VALVE	EA	39	$ 7,525.00	$ 293,475.00	
FIRE HYDRANT	EA	11	$ 6,500.00	$ 71,500.00	
1" SINGLE WATER SERVICE	EA	513	$ 1,050.00	$ 538,650.00	Terrell standard is copper water lines. One service for amenity center
2" FLUSH VALVE	EA	6	$ 3,500.00	$ 21,000.00	
1" IRRIGATION SERVICE	EA	4	$ 1,500.00	$ 6,000.00	
2-4" CONDUIT (SCH 40) AT INTERSECTIONS	LF	900	$ 30.00	$ 27,000.00	
TRENCH SAFETY	LF	16,270	$ 0.75	$ 12,202.50	
TESTING (EXCLUDING GEOTECH)	LF	16,270	$ 1.65	$ 26,845.50	
			WATER SUB-TOTAL	**$ 2,105,453.00**	
BONDS					
PERFORMANCE & PAYMENT BONDS	%	0.50%	$ 2,105,453.00	$ 10,527.27	
MAINTENANCE BONDS	%	1.50%	$ 2,105,453.00	$ 31,581.80	
			CONTRACTOR BOND SUB-TOTAL	**$ 42,109.06**	
			WATER SYSTEM SUB-TOTAL	**$ 2,147,562.06**	
3 - SANITARY SEWER SYSTEM					
8" P.V.C. PIPE SDR 26	LF	20,780	$ 60.00	$ 1,246,800.00	
8" P.V.C. GREEN DR-18 PIPE	LF	1,480	$ 100.00	$ 148,000.00	DEEP SEWER
6" SERVICE LINES (ALL LENGTHS)	EA	513	$ 1,400.00	$ 718,200.00	ONE ADDITIONAL SERVICE FOR AMENITY CENTER
5' DIA. MANHOLE W/ RAVEN COATING (ALL DEPTHS)	EA	57	$ 15,000.00	$ 855,000.00	
5' DIA. INTERNAL DROP MANHOLE W/ RAVEN COATING (ALL DEPTHS)	EA	14	$ 17,000.00	$ 231,200.00	
CLEANOUT	EA	39	$ 1,300.00	$ 50,700.00	
CONCRETE ENCASEMENT	EA	12	$ 1,500.00	$ 18,000.00	
WATER CROSSING PER TCEQ REQUIREMENTS	EA	29	$ 1,600.00	$ 46,400.00	
TRENCH SAFETY	LF	22,260	$ 0.75	$ 16,695.00	
TESTING (EXCLUDING GEOTECH)	LF	22,260	$ 2.90	$ 64,554.00	
ADDITIONAL TESTING AFTER DRY UTILITY INSTALL	LF	22,260	$ 1.00	$ 22,260.00	
			SANITARY SEWER SUB-TOTAL	**$ 3,417,809.00**	
BONDS					
PERFORMANCE & PAYMENT BONDS	%	0.50%	$ 3,417,809.00	$ 17,089.05	
MAINTENANCE BONDS	%	1.50%	$ 3,417,809.00	$ 51,267.14	
			CONTRACTOR BOND SUB-TOTAL	**$ 68,356.18**	
			SANITARY SEWER SYSTEM SUB-TOTAL	**$ 3,486,165.18**	

COMMUNITY NAME: Las Lomas
PHASE: Pod 1 Direct & Private
CITY OR TOWN: Terrell ETJ & Las Lomas MUD 4

BARRAZA CONSULTING GROUP, LLC
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	40'	50'	60'	70'	0.5 AC		
LOT COUNT:	295	144	42	31	0	GROSS ACREAGE:	108.0
TYP. LOT WIDTH:	40	50	60	70	125	NET ACREAGE:	108.0
TYP. LOT DEPTH:	115	115	115	115	175	TOTAL LOTS:	**512**
TYP. PAD WIDTH:	30	40	50	60	80	TOTAL DENSITY:	4.74
TYP. PAD DEPTH:	75	75	75	75	80	LANDPLAN:	51
FRONT YARD S/B:	20	20	20	20	25	CREATED BY:	RCL/CH
REAR YARD S/B:	20	20	20	20	20	REVIEWED BY:	AB/MC
SIDE YARD S/B:	5	5	5	5	5	CREATED:	10/12/21
CORNER SIDE YARD S/B:	15	15	15	15	15	REVISED:	**05/15/25**

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
4 - DRAINAGE SYSTEM					
STORM DRAIN SYSTEM					
18" R.C.P. (CLASS III, ALL DEPTHS)	LF	1,800	$ 70.00	$ 126,000	
24" R.C.P. (CLASS III, ALL DEPTHS)	LF	2,890	$ 95.00	$ 274,550	
30" R.C.P. (CLASS III, ALL DEPTHS)	LF	745	$ 135.00	$ 100,575	
36" R.C.P. (CLASS III, ALL DEPTHS)	LF	1,250	$ 175.00	$ 218,750	
42" R.C.P. (CLASS III, ALL DEPTHS)	LF	215	$ 230.00	$ 49,450	
48" R.C.P. (CLASS III, ALL DEPTHS)	LF	1,505	$ 275.00	$ 413,875	
48" R.C.P. (RUBBER GASKETED, CLASS III, ALL DEPTHS)	LF	395	$ 285.00	$ 112,575	
30" TEMPORARY CMP	LF	234	$ 90.00	$ 21,060	
36" TEMPORARY CMP	LF	336	$ 115.00	$ 38,640	
8' INLET	EA	35	$ 5,000.00	$ 175,000	
10' INLET	EA	41	$ 6,400.00	$ 262,400	
15' INLET	EA	8	$ 7,500.00	$ 60,000	
3' x 3' "Y" INLET	EA	1	$ 5,000.00	$ 5,000	
4' x 4' "Y" INLET	EA	2	$ 6,000.00	$ 12,000	
INLET PROTECTION	EA	87	$ 215.00	$ 18,705	
STORM SEWER M.H. (4 FOOT)	EA	6	$ 5,400.00	$ 32,400	
STORM SEWER M.H. (5 FOOT)	EA	11	$ 7,600.00	$ 83,600	
STORM SEWER M.H. (6 FOOT)	EA	4	$ 10,000.00	$ 40,000	
24" TYPE C HEADWALL	EA	2	$ 4,000.00	$ 8,000	
36" TYPE C HEADWALL	EA	1	$ 5,000.00	$ 5,000	
48" TYPE C HEADWALL	EA	1	$ 8,000.00	$ 8,000	
ROCK RIP-RAP, 12" - 18"	SY	233	$ 115.00	$ 26,795	
STORM DRAIN T.V. INSPECTION	LF	9,370	$ 3.50	$ 32,795	
TRENCH SAFETY	LF	9,370	$ 0.70	$ 6,559	
TESTING (EXCLUDING GEOTECH)	LF	9,370		$ -	
			STORM DRAIN SYSTEM SUB-TOTAL	**$ 2,131,729**	

COMMUNITY NAME: Las Lomas
PHASE: Pod 1 Direct & Private
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BARRAZA CONSULTING GROUP, LLC
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	40'	50'	60'	70'	0.5 AC		
LOT COUNT:	295	144	42	31	0	GROSS ACREAGE:	108.0
TYP. LOT WIDTH:	40	50	60	70	125	NET ACREAGE:	108.0
TYP. LOT DEPTH:	115	115	115	115	175	TOTAL LOTS:	**512**
TYP. PAD WIDTH:	30	40	50	60	80	TOTAL DENSITY:	4.74
TYP. PAD DEPTH:	75	75	75	75	80	LANDPLAN:	51
FRONT YARD S/B:	20	20	20	20	25	CREATED BY:	RCL/CH
REAR YARD S/B:	20	20	20	20	20	REVIEWED BY:	AB/MC
SIDE YARD S/B:	5	5	5	5	5	CREATED:	10/12/21
CORNER SIDE YARD S/B:	15	15	15	15	15	REVISED:	**05/15/25**

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
BOX CULVERTS					
4'X4' R.C.B. (CLASS III, ALL DEPTHS)	LF	370	$ 300.00	$ 111,000	
4'X4' R.C.B. (RUBBER GASKETED, CLASS III, ALL DEPTHS)	LF	1,215	$ 375.00	$ 455,625	
5'X4' R.C.B. (RUBBER GASKETED, CLASS III, ALL DEPTHS)	LF	290	$ 425.00	$ 123,250	
6'X4' R.C.B. (RUBBER GASKETED, CLASS III, ALL DEPTHS)	LF	885	$ 450.00	$ 398,250	
4'X4' SETB-CD HEADWALL	LF	1	$ 10,000.00	$ 10,000	
6'X4' SETB-CD HEADWALL	LF	1	$ 13,000.00	$ 13,000	
BOX CULVERT T.V. INSPECTION	EA	2,760	$ 3.50	$ 9,660	
TRENCH SAFETY	LF	2,760	$ 0.80	$ 2,208	
TESTING (EXCLUDING GEOTECH)	LF	2,760		$ -	
			BOX CULVERT (SPECIAL) SUB-TOTAL	**$ 1,122,993**	
DETENTION POND & STRUCTURES					
RETENTION POND - EXCAVATION	CY	40,000	2.75	$ 110,000.00	
6' DROP INLET POND OUTFALL STRUCTURE	EA	1	30,000	$ 30,000.00	
			DETENTION POND & STRUCTURES SUBTOTAL	**$ 140,000.00**	
BONDS					
PERFORMANCE & PAYMENT BONDS	%	0.50%	$ 3,394,722.00	$ 16,973.61	
MAINTENANCE BONDS	%	1.50%	$ 3,394,722.00	$ 50,920.83	
			CONTRACTOR BOND SUB-TOTAL	**$ 67,894.44**	
			DRAINAGE SYSTEM SUB-TOTAL	**$ 3,462,616.44**	

5 - STREET IMPROVEMENTS					
STREET PAVING					
6" REINF. CONC. PAVEMENT, 31' B-B	SY	68,889	$ 53.00	$ 3,651,117.00	
6" FLEXBASE SUBGRADE	SY	77,778	$ 14.00	$ 1,088,892.00	
PAVEMENT HEADER	LF	186	$ 30.00	$ 5,580.00	
36" ROCK RIP-RAP @ PAVEMENT HEADER	SY	103	$ 110.00	$ 11,366.67	
STREET BARRICADE	EA	6	$ 1,600.00	$ 9,600.00	
CONNECT TO EXISTING PAVEMENT HEADER	EA	7	$ 1,300.00	$ 9,100.00	
REMOVE EXIST. BARRICADE	EA	7	$ 500.00	$ 3,500.00	
			STREET PAVING SUB-TOTAL	**$ 4,779,155.67**	

COMMUNITY NAME: Las Lomas
PHASE: Pod 1 Direct & Private
CITY OR TOWN: Terrell ETJ & Las Lomas MUD 4

BARRAZA CONSULTING GROUP, LLC
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	40'	50'	60'	70'	0.5 AC		
LOT COUNT:	295	144	42	31	0	**GROSS ACREAGE:**	108.0
TYP. LOT WIDTH:	40	50	60	70	125	**NET ACREAGE:**	108.0
TYP. LOT DEPTH:	115	115	115	115	175	**TOTAL LOTS:**	**512**
TYP. PAD WIDTH:	30	40	50	60	80	**TOTAL DENSITY:**	4.74
TYP. PAD DEPTH:	75	75	75	75	80	**LANDPLAN:**	51
FRONT YARD S/B:	20	20	20	20	25	**CREATED BY:**	RCL/CH
REAR YARD S/B:	20	20	20	20	20	**REVIEWED BY:**	AB/MC
SIDE YARD S/B:	5	5	5	5	5	**CREATED:**	10/12/21
CORNER SIDE YARD S/B:	15	15	15	15	15	**REVISED:**	**05/15/25**

	ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
	SIDEWALK					
	5' CONCRETE SIDEWALK, 5" REINF	SY	2,778	$ 59.50	$ 165,277.78	
	BARRIER FREE RAMPS	EA	77	$ 2,350.00	$ 180,950.00	
				SIDEWALK SUB-TOTAL	**$ 346,227.78**	
	SIGNAGE & STRIPING					
	STREET SIGNS, COMBO W/STOP (W/ POSTS)	EA	42	$ 750.00	$ 31,200.00	
				SIGNAGE & STRIPING SUB-TOTAL	**$ 31,200.00**	
	BONDS					
	PERFORMANCE & PAYMENT BONDS	%	0.50%	$ 5,156,583.44	$ 25,782.92	
	MAINTENANCE BONDS	%	1.50%	$ 5,156,583.44	$ 77,348.75	
				CONTRACTOR BOND SUB-TOTAL	**$ 103,131.67**	
				STREET IMPROVEMENT SUB-TOTAL	**$ 5,259,715.11**	
6 - DISTRICT FORMATION						
	DISTRICT FORMATION	%	0.00%	$ 20,858,883.99	$ -	
				DISTRICT FORMATION SUB-TOTAL	**$ -**	
7 - SOFT COSTS						
	BARRAZA PROPOSAL	LUMP SUM	1	$ 766,600	$ 766,600.00	
	OTHER PROFESSIONAL FEES	LOT	512	$ 350.00	$ 179,200.00	
	CONSTRUCTION ADMINISTRATION	LUMP SUM	1	$ 196,170	$ 196,170.00	
	CONSTRUCTION INSPECTION	%	3.50%	$ 14,356,059	$ 502,462.06	
	CONSTRUCTION MANAGEMENT	LOT	512	$ 500.00	$ 256,000.00	
	MATERIAL TESTING	LOT	512	$ 750.00	$ 384,000.00	
	COUNTY PERMITTING FEES	LOT	512	$ 40.00	$ 20,480.00	
	CITY PERMITTING FEES	LOT	512	$ 30.00	$ 15,360.00	
				SOFT COSTS SUB-TOTAL	**$ 2,320,272.06**	
DIRECT - TOTAL CONSTRUCTION COST					**$ 19,865,603.80**	
8 - CONTINGENCY		%	5%	$ 19,865,603.80	$ 993,280.19	
DIRECT - TOTAL CONSTRUCTION COST W/ CONTINGENCY					**$ 20,858,883.99**	

COMMUNITY NAME: Las Lomas
PHASE: Pod 1 Direct & Private
CITY OR TOWN: Terrell ETJ & Las Lomas MUD 4

BARRAZA CONSULTING GROUP, LLC
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	40'	50'	60'	70'	0.5 AC
LOT COUNT:	295	144	42	31	0
TYP. LOT WIDTH:	40	50	60	70	125
TYP. LOT DEPTH:	115	115	115	115	175
TYP. PAD WIDTH:	30	40	50	60	80
TYP. PAD DEPTH:	75	75	75	75	80
FRONT YARD S/B:	20	20	20	20	25
REAR YARD S/B:	20	20	20	20	20
SIDE YARD S/B:	5	5	5	5	5
CORNER SIDE YARD S/B:	15	15	15	15	15

GROSS ACREAGE:	108.0
NET ACREAGE:	108.0
TOTAL LOTS:	**512**
TOTAL DENSITY:	4.74
LANDPLAN:	51
CREATED BY:	RCL/CH
REVIEWED BY:	AB/MC
CREATED:	10/12/21
REVISED:	**05/15/25**

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
PRIVATE COSTS					
1 - GRADING & SITE PREPARATION					
ROUGH GRADING					
4' WATER PRESSURE INJECTION	LOT	170	$ -	$ -	****MISSING UNIT PRICE
6' WATER PRESSURE INJECTION	LOT	171	$ -	$ -	****MISSING UNIT PRICE
10' WATER PRESSURE INJECTION	LOT	171	$ -	$ -	****MISSING UNIT PRICE
WRAP LOTS WITH 6-8 MIL PLASTIC SHEETING	EA	512	$ 595.00	$ 304,640.00	
			ROUGH GRADING SUB-TOTAL	**$ 304,640.00**	
			GRADING & SITE PREPARATION SUB-TOTAL	**$ 304,640.00**	
2 - RETAINING WALLS					
RETAINING WALLS					
2' RETAINING WALL	LF	7,000	$ 32.00	$ 224,000.00	
4' RETAINING WALL	LF	5,000	$ 48.00	$ 240,000.00	
6' RETAINING WALL	LF	4,000	$ 72.00	$ 288,000.00	
			RETAINING WALLS SUB-TOTAL	**$ 752,000.00**	
			RETAINING WALLS SUB-TOTAL	**$ 752,000.00**	
3 - DRY UTILITIES					
ELECTRIC AND GAS SERVICES	LOT	512	$ 700.00	$ 358,400.00	
STREET LIGHTS	EA	52	$ 2,500.00	$ 130,000.00	
			DRY UTILITIES SUB-TOTAL	**$ 488,400.00**	

COMMUNITY NAME: Las Lomas
PHASE: Pod 1 Direct & Private
CITY OR TOWN: Terrell ETJ & Las Lomas MUD 4

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

	40'	50'	60'	70'	0.5 AC		
LOT COUNT:	295	144	42	31	0	GROSS ACREAGE:	108.0
TYP. LOT WIDTH:	40	50	60	70	125	NET ACREAGE:	108.0
TYP. LOT DEPTH:	115	115	115	115	175	TOTAL LOTS:	**512**
TYP. PAD WIDTH:	30	40	50	60	80	TOTAL DENSITY:	4.74
TYP. PAD DEPTH:	75	75	75	75	80	LANDPLAN:	51
FRONT YARD S/B:	20	20	20	20	25	CREATED BY:	RCL/CH
REAR YARD S/B:	20	20	20	20	20	REVIEWED BY:	AB/MC
SIDE YARD S/B:	5	5	5	5	5	CREATED:	10/12/21
CORNER SIDE YARD S/B:	15	15	15	15	15	REVISED:	**05/15/25**

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
4 - AMENITY CENTER					
			AMENITY CENTER SUB-TOTAL	$ -	
5 - SCREENING WALLS					
ONSITE FM 148 STREET IMPROVEMENT					
SCREENING WALLS	LF	1,820	$ 200.00	$ 364,000	
			ONSITE FM 148 SUB-TOTAL	**$ 364,000**	
OFFSITE FM 148 STREET IMPROVEMENT					
			OFFSITE FM 148 SUB-TOTAL	$ -	
LAS LOMAS PKWY STREET IMPROVEMENT					
SCREENING WALLS	LF	400	$ 200.00	$ 80,000	
			LAS LOMAS PKWY SUB-TOTAL	**$ 80,000**	
LAS LOMAS PKWY (NORTH) STREET IMPROVEMENT					
			TYPE A THOROUGHFARE SUB-TOTAL	$ -	
COLLECTOR A STREET IMPROVEMENT					
SCREENING WALLS	LF	1,050	$ 200.00	$ 210,000	
			COLLECTOR A SUB-TOTAL	**$ 210,000**	
COLLECTOR B STREET IMPROVEMENT					
SCREENING WALLS	LF	150	$ 200.00	$ 30,000	
			COLLECTOR B SUB-TOTAL	**$ 30,000**	
			SCREENING WALLS SUB-TOTAL	**$ 684,000**	

COMMUNITY NAME: Las Lomas
PHASE: Pod 1 Direct & Private
CITY OR TOWN: Terrell ETJ & Las Lomas MUD 4

BARRAZA CONSULTING GROUP, LLC
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	40'	50'	60'	70'	0.5 AC		
LOT COUNT:	295	144	42	31	0	**GROSS ACREAGE:**	108.0
TYP. LOT WIDTH:	40	50	60	70	125	**NET ACREAGE:**	108.0
TYP. LOT DEPTH:	115	115	115	115	175	**TOTAL LOTS:**	**512**
TYP. PAD WIDTH:	30	40	50	60	80	**TOTAL DENSITY:**	4.74
TYP. PAD DEPTH:	75	75	75	75	80	**LANDPLAN:**	51
FRONT YARD S/B:	20	20	20	20	25	**CREATED BY:**	RCL/CH
REAR YARD S/B:	20	20	20	20	20	**REVIEWED BY:**	AB/MC
SIDE YARD S/B:	5	5	5	5	5	**CREATED:**	10/12/21
CORNER SIDE YARD S/B:	15	15	15	15	15	**REVISED:**	**05/15/25**

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
6 - SOFT COSTS					
BARRAZA PROPOSAL	LUMP SUM	1	$ 207,600.00	$ 207,600.00	
OTHER PROFESSIONAL FEES	LOT	512	$ 100.00	$ 51,200.00	
CONSTRUCTION INSPECTION	%	3.50%	$ 304,640.00	$ 10,662.40	
			SOFT COSTS SUB-TOTAL	**$ 269,462.40**	
PRIVATE - TOTAL CONSTRUCTION COST				**$ 2,498,502.40**	
7 - CONTINGENCY	%	5%	$ 2,498,502.40	$ 124,925.12	
PRIVATE - TOTAL CONSTRUCTION COST W/ CONTINGENCY				**$ 2,623,427.52**	
TOTAL CONSTRUCTION COST (DIRECT & PRIVATE)				**$ 22,364,106.20**	
CONTINGENCY	%	5%	$ 22,364,106.20	$ 1,118,205.31	
TOTAL CONSTRUCTION COST W/ CONTINGENCY				**$ 23,482,311.51**	This number does not incl. District Formation

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY. BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT

NOTES
[1] Development cost does not include: Rock Excavation
[2] Development cost for Landscaping, Irrigation, Monumentation, or Common Area Amenities is included under Major Improvements

COMMUNITY NAME: Las Lomas
PHASE: Phase 1 MI's
CITY OR TOWN: Terrell

BARRAZA CONSULTING GROUP, LLC
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GROSS ACREAGE:	108
NET ACREAGE:	108
TOTAL LOTS:	**512**
TOTAL DENSITY:	4.74
LANDPLAN:	51
CREATED BY:	RCL
REVIEWED BY:	MC
CREATED:	09/10/21
REVISED:	**05/23/25**

ITEM DESCRIPTION		UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
GRADING / SITE PREPARATION						
				GRADING / SITE PREPARATION SUB-TOTAL	0	
1 - OFFSITE WATER SYSTEMS						
	OFFSITE WATER					
	12" P.V.C. PIPE (DR 18 C900)	LF	4,200	$ 98.00	$ 411,600	
	12" P.V.C. PIPE (DR 18 C900)	LF	5,304	$ 98.00	$ 519,792	City to upsize to 16", CR 305 & FM 148 - Qty based on bid
	20" P.V.C. PIPE	LF	1,800	$ 238.00	$ 428,400	Along LLP from 148 to 12" in Ph 1
	12" GATE VALVE & BOX	EA	11	$ 3,750.00	$ 41,250	
	12" GATE VALVE & BOX	EA	9	$ 3,750.00	$ 33,750	City to upsize to 16", CR 305 & FM 148
	20" BUTTERFLY VALVE & BOX	EA	7	$ 25,000.00	$ 175,000	
	CONNECT TO EXIST. LINE	EA	2	$ 6,100.00	$ 12,200	
	FIRE HYDRANT ASSEMBLY	EA	30	$ 9,100.00	$ 273,000	
	ARV	EA	1	$ 9,000.00	$ 9,000	
	2" FLUSH VALVE	EA	5	$ 3,500.00	$ 17,500	
	1" IRRIGATION SERVICE	EA	8	$ 2,000.00	$ 16,000	
	DRIVEWAY WORK		1	$ 7,500.00	$ 7,500	
	BORE UNDER PENSKE		210	$ 465.00	$ 97,650	
	EASEMENT ACQUISITION		1	$ 450,000.00	$ 450,000	
	TRENCH SAFETY	LF	11,900	$ 1.00	$ 11,900	
	TESTING (EXCLUDING GEOTECH)	LF	11,900	$ 2.00	$ 23,800	
				OFFSITE WATER SUB-TOTAL	$ 2,528,342	
	BONDS					
	PERFORMANCE & PAYMENT BONDS	%	0.50%	$ 2,528,342.00	$ 12,642	
	MAINTENANCE BONDS	%	1.50%	$ 2,528,342.00	$ 37,925	
				CONTRACTOR BOND SUB-TOTAL	$ 50,567	
				1A - OFFSITE WATER SYSTEMS COMMERCIAL SUB-TOTAL	$ 2,578,909	

COMMUNITY NAME: Las Lomas
PHASE: Phase 1 MI's
CITY OR TOWN: Terrell

BARRAZA CONSULTING GROUP, LLC
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GROSS ACREAGE:	108
NET ACREAGE:	108
TOTAL LOTS:	**512**
TOTAL DENSITY:	4.74
LANDPLAN:	51
CREATED BY:	RCL
REVIEWED BY:	MC
CREATED:	09/10/21
REVISED:	**05/23/25**

	ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
2 - OFFSITE SANITARY SEWER						
	OFFSITE SANITARY SEWER					
	12" P.V.C. SDR 26 PIPE	LF	350	$ 100.00	$ 35,000	
	12" P.V.C. SDR 26 PIPE	LF	3,740	$ 100.00	$ 374,000	Non-PID to upsize to 15"
	12" PVC GREEN DR-18 PIPE	LF	170	$ 125.00	$ 21,250	
	12" PVC GREEN DR-18 PIPE	LF	6,280	$ 125.00	$ 785,000	Non-PID to upsize to 16" DR-18
	15" P.V.C. SDR 26 PIPE	LF	650	$ 135.00	$ 87,750	Non-PID to upsize to 18"
	5' DIA. MANHOLE W/ RAVEN COATING (ALL DEPTHS)	EA	30	$ 15,000.00	$ 450,000.00	
	5' DIA. INTERNAL DROP MANHOLE W/ RAVEN COATING (ALL DEPTHS)	EA	7	$ 17,000.00	$ 119,000.00	
	5' DIA. "TYPE S" MANHOLE W/ RAVEN COATING ALL DEPTHS	EA	1	$ 20,000.00	$ 20,000	
	CONNECT TO EXIST. LINE	EA	5	$ 750.00	$ 3,750	
	CONNECT TO EXIST. M.H.	EA	2	$ 1,000.00	$ 2,000	
	BORE 18" STEEL ENCASEMENT	LF	253	$ 375.00	$ 94,875	
	WATER CROSSING PER TCEQ REQUIREMENTS	EA	2	$ 1,600.00	$ 3,200.00	
	TRENCH SAFETY	LF	11,190	$ 0.75	$ 8,393	
	TESTING (EXCLUDING GEOTECH)	LF	11,190	$ 2.90	$ 32,451	
	ADDITIONAL TESTING AFTER DRY UTILITY INSTALL	LF	11,190	$ 1.00	$ 11,190	
	ACCESS ROAD - 6" FLEXBASE W/CHIPSEAL	LF	4,700	$ 95.00	$ 446,500	Collector B to WWTP along LLP
				GRAVITY SEWER SUB-TOTAL	**$ 2,494,359**	
	WWTP, LIFT STATION, & FORCE MAIN					
	0.14 MGD WWTP	GAL	140,000	$ 15.00	$ 2,100,000	$15/gal assumes Pkg Plant, 0.33 Ult Pkg
	PUMP AND HAUL	LF	1	$ 150,000.00	$ 150,000	
				WWP, LIFT STATION, & FORCE MAIN SUB-TOTAL	**$ 2,250,000**	
	BONDS					
	PERFORMANCE & PAYMENT BONDS	%	0.50%	$ 4,744,358.50	$ 23,722	
	MAINTENANCE BONDS	%	1.50%	$ 4,744,358.50	$ 71,165	
				CONTRACTOR BOND SUB-TOTAL	**$ 94,887**	
				2 - OFFSITE SANITARY SEWER SUB-TOTAL	**$ 5,476,890**	
3 - DETENTION POND & STRUCTURES						
				3 - DETENTION POND & STRUCTURES SUB-TOTAL	**$ -**	
4 - AMENITY PONDS						
				4 - AMENITY PONDS SUB-TOTAL	**$ -**	

COMMUNITY NAME: Las Lomas
PHASE: Phase 1 MI's
CITY OR TOWN: Terrell

BARRAZA CONSULTING GROUP, LLC
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GROSS ACREAGE:	108
NET ACREAGE:	108
TOTAL LOTS:	**512**
TOTAL DENSITY:	4.74
LANDPLAN:	51
CREATED BY:	RCL
REVIEWED BY:	MC
CREATED:	09/10/21
REVISED:	**05/23/25**

	ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
5 - STREET IMPROVEMENTS						
FM 148 STREET IMPROVEMENT - 3-LANES FULL LENGTH (1 LANE ASPHALT WIDENING)						
	STREET PAVING					
	UNCLASSIFIED EXCAVATION	CY	19,167	$ 2.70	$ 51,750	new ph1 mi
	EROSION CONTROL	LF	10,350	$ 14.00	$ 144,900	
	STORM SEWER CULVERTS	EA	3	$ 75,000.00	$ 225,000	Additional box culvert at 3 bridges
	4" HMAC - 10' ADD'L WIDTH + FULL WIDTH OVERLAY	LF	10,350	$ 50.00	$ 517,500	
	12" FLEXBASE SUBGRADE	SY	13,800	$ 30.00	$ 414,000	
	CONNECT TO EXISTING PAVEMENT	EA	2	$ 5,000.00	$ 10,000	
	SAWCUT & REMOVE ASPHALT PVMNT. - 1' WIDTH	LF	10,350	$ 20.00	$ 207,000	
	TRAFFIC CONTROL	MO	9	$ 1,000.00	$ 9,000	
	4' WIDE CURLEX EROSION CONTROL MATTING	LF	10,350	$ 1.00	$ 10,350	
				STREET PAVING SUB-TOTAL	**$ 1,589,500**	
	SOUTHSIDE FM 148 WIDENING ADDITIONS					
	GRADE TO DRAIN	CY	3,500	5.00	$ 17,500	
	REMOVE & REPLACE EXISTING ASPHALT DRIVEWAYS	SY	575	135.00	$ 77,625	
	REMOVE EXISTING HEADWALLS & CULVERTS	EA	8	1,000.00	$ 8,000	Existing culverts under existing driveways
	STORM SEWER CULVERTS W/HEADWALLS FOR DRIVEWAYS	EA	8	15,000.00	$ 120,000	
	DRAINAGE EASEMENTS FOR GRADE TO DRAINS	AC	1.6	43,560.00	$ 69,696	
				SOUTHSIDE FM 148 WIDENING ADDITIONS SUB-TOTAL	**$ 292,821**	
	STRIPING, SIGNAGE, & LIGHTING					
	STRIPING (4" STRIPE)	LF	20,700	$ 4.00	$ 82,800	
	TRAFFIC BUTTONS (REFLECT.)	EA	259	$ 8.00	$ 2,070	
	STREET SIGNS	EA	10	$ 750.00	$ 7,500	
	STREET LIGHTING	EA	52	$ 5,000.00	$ 260,000	
	24" STOP SIGNS	EA	3	600.00	$ 1,800	
				SIGNAGE, STRIPING, & LIGHTING SUB-TOTAL	**$ 354,170**	
	BONDS					
	PERFORMANCE & PAYMENT BONDS	%	0.50%	$ 2,236,491.00	$ 11,182	
	MAINTENANCE BONDS	%	1.50%	$ 2,236,491.00	$ 33,547	
				CONTRACTOR BOND SUB-TOTAL	**$ 44,730**	
				FM 148 STREET IMPROVEMENT - 2 LANES FULL LENGTH - SUB-TOTAL	**$ 1,988,400**	

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TOTAL DENSITY:	4.74
LANDPLAN:	51
CREATED BY:	RCL
REVIEWED BY:	MC
CREATED:	09/10/21
REVISED:	**05/23/25**

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
LAS LOMAS PKWY STREET IMPROVEMENT - 2-LANES					
STREET PAVING					
10" REINF. CONC. PAVEMENT, 100' ROW, 25' B-B	SY	5,389	$ 80.00	$ 431,120	
10" FLEXBASE SUBGRADE	SY	5,820	$ 25.00	$ 145,500	
CONNECT TO EXISTING PAVEMENT	EA	2	$ 2,600.00	$ 5,200	
4' WIDE CURLEX EROSION CONTROL MATTING	LF	3,880	$ 0.75	$ 2,910	
			STREET PAVING SUB-TOTAL	**$ 584,730**	
STORM SEWER COLLECTION SYSTEM					
18" R.C.P. (CLASS III, ALL DEPTHS)	LF	110	$ 70.00	$ 7,700	
24" R.C.P. (CLASS III, ALL DEPTHS)	LF	205	$ 95.00	$ 19,475	
30" R.C.P. (CLASS III, ALL DEPTHS)	LF	170	$ 135.00	$ 22,950	
36" R.C.P. (CLASS III, ALL DEPTHS)	LF	100	$ 175.00	$ 17,500	
48" R.C.P. (RUBBER GASKETED, CLASS III, ALL DEPTHS)	LF	105	$ 285.00	$ 29,925	
4'X4' R.C.B. (RUBBER GASKETED, CLASS III, ALL DEPTHS)	LF	25	$ 375.00	$ 9,375	
6'X4' R.C.B. (RUBBER GASKETED, CLASS III, ALL DEPTHS)	LF	30	$ 450.00	$ 13,500	
8'X5' R.C.B. (RUBBER GASKETED, CLASS III, ALL DEPTHS)	LF	105	$ 550.00	$ 57,750	
3'X3' Y-INLET	EA	1	$ 5,000.00	$ 5,000	
4'X4' Y-INLET	EA	1	$ 6,000.00	$ 6,000	
10' INLET	EA	2	$ 6,400.00	$ 12,800	
15' INLET	EA	1	$ 7,500.00	$ 7,500	
STORM SEWER MANHOLE (5 FOOT)	EA	1	$ 7,600.00	$ 7,600	
STORM SEWER MANHOLE (8 FOOT)	EA	1	$ 15,000.00	$ 15,000	
STORM DRAIN T.V. INSPECTION	LF	850	$ 3.50	$ 2,975	
TRENCH SAFETY	LF	850	$ 0.80	$ 680	
TESTING (EXCLUDING GEOTECH)	LF	1		$ -	
			STORM SEWER SUB-TOTAL	**$ 235,730**	
SIDEWALK					
5' CONCRETE SIDEWALK	SY	1,078	$ 60.00	$ 64,667	
BARRIER FREE RAMPS	EA	4	$ 2,350.00	$ 9,400	
			SIDEWALK SUB-TOTAL	**$ 74,067**	
STRIPING, SIGNAGE, & LIGHTING					
STRIPING (4" STRIPE)	LF	1,940	$ 4.00	$ 7,760	
TRAFFIC BUTTONS (REFLECT.)	EA	22	$ 8.00	$ 172	
STREET SIGNS	EA	6	$ 1,300.00	$ 7,800.00	
STREET LIGHTING	EA	10	$ 5,000.00	$ 50,000	
			SIGNAGE & STRIPING SUB-TOTAL	**$ 65,732**	
BONDS					

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	ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
	PERFORMANCE & PAYMENT BONDS	%	0.50%	$ 960,259.11	$ 4,801	
	MAINTENANCE BONDS	%	1.50%	$ 960,259.11	$ 14,404	
				CONTRACTOR BOND SUB-TOTAL	**$ 19,205**	
				LAS LOMAS PKWY STREET IMPROVEMENT SUB-TOTAL	**$ 979,464**	
COLLECTOR A STREET IMPROVEMENT - 3-LANES						
	STREET PAVING					
	10" REINF. CONC. PAVEMENT, 60' ROW, 37' B-B	SY	4,317	$ 80.00	$ 345,360	
	10" FLEXBASE SUBGRADE	SY	4,550	$ 25.00	$ 113,750	
	CONNECT TO EXISTING PAVEMENT	EA	1	$ 2,600.00	$ 2,600	
	4' WIDE CURLEX EROSION CONTROL MATTING	LF	1,170	$ 0.75	$ 878	
				STREET PAVING SUB-TOTAL	**$ 462,588**	
	STORM SEWER COLLECTION SYSTEM					
	18" R.C.P. (CLASS III, ALL DEPTHS)	LF	390	$ 70.00	$ 27,300	
	4'X4' Y-INLET	EA	1	$ 6,000.00	$ 6,000	
	10' INLET	EA	4	$ 6,400.00	$ 25,600	
	18" TYPE C HEADWALL	EA	2	$ 3,500.00	$ 7,000	
	STORM DRAIN T.V. INSPECTION	LF	390	$ 3.50	$ 1,365	
	TRENCH SAFETY	LF	390	$ 0.80	$ 312	
	TESTING (EXCLUDING GEOTECH)	LF	1		$ -	
				STORM SEWER SUB-TOTAL	**$ 67,577**	
	SIDEWALK					
	5' CONCRETE SIDEWALK	SY	1,170	$ 65.00	$ 76,050	
	BARRIER FREE RAMPS	EA	2	$ 2,200.00	$ 4,400	
				SIDEWALK SUB-TOTAL	**$ 80,450**	
	STRIPING, SIGNAGE, & LIGHTING					
	STRIPING (4" STRIPE)	LF	1,050	$ 4.00	$ 4,200	
	TRAFFIC BUTTONS (REFLECT.)	EA	53	$ 8.00	$ 420	
	STREET SIGNS	EA	2	$ 1,300.00	$ 2,600	
	STREET LIGHTING	EA	6	$ 5,000.00	$ 30,000	
				SIGNAGE & STRIPING SUB-TOTAL	**$ 37,220**	
	BONDS					
	PERFORMANCE & PAYMENT BONDS	%	0.50%	$ 647,834.50	$ 3,239	
	MAINTENANCE BONDS	%	1.50%	$ 647,834.50	$ 9,718	
				CONTRACTOR BOND SUB-TOTAL	**$ 12,957**	
				COLLECTOR A STREET IMPROVEMENT SUB-TOTAL	**$ 660,791**	

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ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
COLLECTOR B STREET IMPROVEMENT - 3-LANES					
STREET PAVING					
7" REINF. CONC. PAVEMENT, 60' ROW, 37' B-B	SY	5,756	$ 60.00	$ 345,360	
8" FLEXBASE SUBGRADE	SY	6,067	$ 20.00	$ 121,340	
4' WIDE CURLEX EROSION CONTROL MATTING	LF	2,800	$ 1.00	$ 2,800	
			STREET PAVING SUB-TOTAL	**$ 469,500**	
STORM SEWER COLLECTION SYSTEM					
18" R.C.P. (CLASS III, ALL DEPTHS)	LF	85	$ 70.00	$ 5,950	
24" R.C.P. (CLASS III, ALL DEPTHS)	LF	50	$ 95.00	$ 4,750	
30" R.C.P. (CLASS III, ALL DEPTHS)	LF	275	$ 135.00	$ 37,125	
36" R.C.P. (CLASS III, ALL DEPTHS)	LF	420	$ 175.00	$ 73,500	
4'X3' R.C.B. (RUBBER GASKETED, CLASS III, ALL DEPTHS)	LF	285	$ 350.00	$ 99,750	
6'X4' R.C.B. (RUBBER GASKETED, CLASS III, ALL DEPTHS)	LF	235	$ 450.00	$ 105,750	
8'X5' R.C.B. (RUBBER GASKETED, CLASS III, ALL DEPTHS)	LF	540	$ 550.00	$ 297,000	
10' INLET	EA	4	$ 6,400.00	$ 25,600	
STORM SEWER MANHOLE (4 FOOT)	EA	1	$ 5,400.00	$ 5,400	
STORM SEWER MANGOLE (6 FOOT)	EA	1	$ 10,000.00	$ 10,000	
STORM SEWER MANHOLE (8 FOOT)	EA	1	$ 15,000.00	$ 15,000	
4'X3' SETB-CD HEADWALL	EA	4	$ 9,500.00	$ 38,000	
8'X5' SETB-CD HEADWALL	EA	1	$ 15,000.00	$ 15,000	
STORM DRAIN T.V. INSPECTION	LF	1,890	$ 3.50	$ 6,615	
TRENCH SAFETY	LF	1,890	$ 0.80	$ 1,512	
TESTING (EXCLUDING GEOTECH)	LF	1		$ -	
			STORM SEWER SUB-TOTAL	**$ 740,952**	
SIDEWALK					
5' CONCRETE SIDEWALK	SY	1,556	$ 60.00	$ 93,333	
BARRIER FREE RAMPS	EA	8	$ 2,350.00	$ 18,800	
			SIDEWALK SUB-TOTAL	**$ 112,133**	
STRIPING, SIGNAGE, & LIGHTING					
STRIPING (4" STRIPE)	LF	700	$ 4.00	$ 2,800	
TRAFFIC BUTTONS (REFLECT.)	EA	70	$ 8.00	$ 560	
STREET SIGNS	EA	5	$ 1,300.00	$ 6,500.00	
			SIGNAGE & STRIPING SUB-TOTAL	**$ 9,860**	

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NET ACREAGE:	108
TOTAL LOTS:	**512**
TOTAL DENSITY:	4.74
LANDPLAN:	51
CREATED BY:	RCL
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ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
BONDS					
PERFORMANCE & PAYMENT BONDS	%	0.50%	$ 1,332,445.33	$ 6,662	
MAINTENANCE BONDS	%	1.50%	$ 1,332,445.33	$ 19,987	
			CONTRACTOR BOND SUB-TOTAL	**$ 26,649**	
			COLLECTOR B STREET IMPROVEMENT SUB-TOTAL	**$ 1,359,094**	Arboretum pkng to edge of Ph 1
			5 - STREET IMPROVEMENTS SUB-TOTAL	**$ 4,987,750**	

7 - LANDSCAPE & IRRIGATION					
ONSITE FM 148 STREET IMPROVEMENT					
PARKWAY LANDSCAPING AND IRRIGATION	LF	1,820	$ 100.00	$ 182,000	
			ONSITE FM 148 SUB-TOTAL	**$ 182,000**	
OFFSITE FM 148 STREET IMPROVEMENT					
			OFFSITE FM 148 SUB-TOTAL	**$ -**	
LAS LOMAS PKWY STREET IMPROVEMENT					
PARKWAY LANDSCAPING AND IRRIGATION	LF	400	$ 100.00	$ 40,000	
			LAS LOMAS PKWY SUB-TOTAL	**$ 40,000**	
LAS LOMAS PKWY (NORTH) STREET IMPROVEMENT					
			TYPE A THOROUGHFARE SUB-TOTAL	**$ -**	
COLLECTOR A STREET IMPROVEMENT					
PARKWAY LANDSCAPING AND IRRIGATION	LF	1,050	$ 100.00	$ 105,000	
			COLLECTOR A SUB-TOTAL	**$ 105,000**	
COLLECTOR B STREET IMPROVEMENT					
PARKWAY LANDSCAPING AND IRRIGATION	LF	150	$ 100.00	$ 15,000	
			COLLECTOR B SUB-TOTAL	**$ 15,000**	
			7 - LANDSCAPE & IRRIGATION SUB-TOTAL	**$ 342,000**	

8 - MONUMENTATION					
ENTRY MONUMENTATION					
PRIMARY MONUMENTATION	EA	2	$ 50,000.00	$ 100,000	
			ENTRY MONUMENTATION SUB-TOTAL	**$ 100,000**	
			8 - MONUMENTATION SUB-TOTAL	**$ 100,000**	

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ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
9 - PARKS & TRAILS					
PARKS					
PARK LANDSCAPE & IRRIGATION	AC	1.0	5,000.00	$ 5,000	
PARK SOD & IRRIGATION	AC	1.0	10,000.00	$ 10,000	Around detention pond
WATER FEATURES	LS	0	30,000.00	$ -	
			D	**$ 15,000**	
TRAILS					
5' CONCRETE SIDEWALK	SY	778	55.00	$ 42,778	
6' CONCRETE TRAIL	SY	1,720	55.00	$ 94,600	
8' CONCRETE TRAIL	SY	0	55.00	$ -	
			TRAILS SUB-TOTAL	**$ 137,378**	
ARBORETUM					
ARBORETUM PARKING LOT	SY	1,650	60.00	$ 99,000	
			ARBORETUM PARKING SUB-TOTAL	**$ 99,000**	
			9 - PARKS & TRAILS SUB-TOTAL	**$ 251,378**	
10 - ROW DEDICATION					
RIGHT-OF-WAY DEDICATION					
ROW DEDICATION	LUMP SUM	1.00	$ 3,260,000.00	$ 3,260,000	
			ROW DEDICATION SUB-TOTAL	**$ 3,260,000**	
			10 - ROW DEDICATION SUB-TOTAL	**$ 3,260,000**	
11 - SOFT COSTS					
OFFSITE WATER					
CONSTRUCTION INSPECTION	%	3.50%	$ 2,578,908.84	$ 90,262	
COUNTY & TxDOT PERMITTING FEES	%	0.0%	$ 2,578,908.84	$ -	
CITY PERMITTING FEES	%	0.05%	$ 2,578,908.84	$ 1,289	
			OFFSITE WATER SUB-TOTAL	**$ 91,551**	
OFFSITE SANITARY SEWER					
CONSTRUCTION INSPECTION	%	3.50%	$ 2,589,245.67	$ 90,624	Excludes WWTP
COUNTY & TxDOT PERMITTING FEES	%	0.0%	$ 2,589,245.67	$ -	Excludes WWTP
CITY PERMITTING FEES	%	0.05%	$ 2,589,245.67	$ 1,295	Excludes WWTP
			OFFSITE SANITARY SEWER SUB-TOTAL	**$ 91,918**	
DETENTION POND & STRUCTURES					
			DETENTION POND SUB-TOTAL	**$ -**	

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	ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
	FM 148 STREET IMPROVEMENT					
	CONSTRUCTION INSPECTION	%	3.50%	$ 1,988,399.82	$ 69,594	
	COUNTY & TxDOT PERMITTING FEES	%	0.1%	$ 1,988,399.82	$ 1,988	
	CITY PERMITTING FEES	%	0.05%	$ 1,988,399.82	$ 994	
				FM 148 SUB-TOTAL	**$ 72,577**	
	OFFSITE FM 148 STREET IMPROVEMENT					
				OFFSITE FM 148 SUB-TOTAL	**$ -**	
	LAS LOMAS PKWY STREET IMPROVEMENT					
	CONSTRUCTION INSPECTION	%	3.50%	$ 979,464.29	$ 34,281	
	COUNTY & TxDOT PERMITTING FEES	%	0.0%	$ 979,464.29	$ -	
	CITY PERMITTING FEES	%	0.05%	$ 979,464.29	$ 490	
				LAS LOMAS PKWY SUB-TOTAL	**$ 34,771**	
	LAS LOMAS PKWY (NORTH) STREET IMPROVEMENT					
				TYPE A THOROUGHFARE SUB-TOTAL	**$ -**	
	COLLECTOR A STREET IMPROVEMENT					
	CONSTRUCTION INSPECTION	%	3.50%	$ 660,791.19	$ 23,128	
	COUNTY & TxDOT PERMITTING FEES	%	0.0%	$ 660,791.19	$ -	
	CITY PERMITTING FEES	%	0.05%	$ 660,791.19	$ 330	
				COLLECTOR A SUB-TOTAL	**$ 23,458**	
	COLLECTOR B STREET IMPROVEMENT					
	CONSTRUCTION INSPECTION	%	3.50%	$ 1,359,094.24	$ 47,568	
	COUNTY & TxDOT PERMITTING FEES	%	0.0%	$ 1,359,094.24	$ -	
	CITY PERMITTING FEES	%	0.05%	$ 1,359,094.24	$ 680	
				COLLECTOR B SUB-TOTAL	**$ 48,248**	
	CONSTRUCTION MANAGEMENT AND TESTING					
	CONSTRUCTION MANAGEMENT	LOT	510	$ 500.00	$ 255,000	
	MATERIAL TESTING	LOT	510	$ 750.00	$ 382,500	
				COLLECTOR B SUB-TOTAL	**$ 637,500**	
	BARRAZA PROPOSAL					
	ENTITLEMENTS	LUMP SUM	1	$ 50,000.00	$ 50,000	
	SURVEYING, PLATS	LUMP SUM	1	$ 48,990.00	$ 48,990	
	ENGINEERING	LUMP SUM	1	$ 1,664,820.00	$ 1,664,820	
				COLLECTOR B SUB-TOTAL	**$ 1,763,810**	
				11 - SOFT COSTS SUB-TOTAL	**$ 2,763,833**	

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ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
TOTAL CONSTRUCTION COST				**$ 19,760,759.41**	
12 - CONTINGENCY	%	5%	$ 19,760,759.41	$ 988,037.97	
TOTAL CONSTRUCTION COST W/ CONTINGENCY				**$ 20,748,797.38**	
13 - DISTRICT FORMATION					
DISTRICT FORMATION					
DISTRICT FORMATION	%	6.75%	$ 20,748,797.38	$ 1,400,000	
			DISTRICT FORMATION SUB-TOTAL	**$ 1,400,000**	
			13 - DISTRICT FORMATION SUB-TOTAL	**$ 1,400,000**	
WET UTILITIES (NON-PID)					
WATER UPSIZING BY CITY					
16" PVC (INCREMENTAL COST FROM 12") 9' - 10' Deep	LF	4,625	$ 47.00	$ 217,375	City upsizing delta
16" PVC (INCREMENTAL COST FROM 12") Thru Sleeve	LF	679	$ 85.00	$ 57,715	City upsizing delta
16" GATE VALVE & BOX (INCREMENTAL COST FROM 12")	EA	16	$ 9,350.00	$ 149,600	City upsizing delta
			WATER UPSIZING BY CITY SUB-TOTAL	**$ 424,690**	
SEWER EXTENSIONS AND UPSIZING - NON-PID					
12" PVC - BEYOND SINGLE FAMILY	LF	1,415	$ 100.00	$ 141,500	Extending for Non-SF, Non-PID
12" DR-18 - BEYOND SINGLE FAMILY	LF	680	$ 100.00	$ 68,000	Extending for Non-SF, Non-PID
5' DIAMETER M.H. w/SEALED RING/COVER & w/ RAVEN COATING	EA	5	$ 15,800.00	$ 79,000	Extending for Non-SF, Non-PID
15" PVC (INCREMENTAL COST FROM 12")	LF	3,740	$ 50.00	$ 187,000	Oversizing for Non-SF, Non-PID
16" DR-18 (INCREMENTAL COST FROM 12" DR-18)	LF	6,280	$ 50.00	$ 314,000	Oversizing for Non-SF, Non-PID
18" PVC (INCREMENTAL COST FROM 15")	LF	650	$ 50.00	$ 32,500	Oversizing for Non-SF, Non-PID
			SEWER UPSIZING FOR NON-SF SUB-TOTAL	**$ 822,000**	
			SUB-TOTAL	**$ 1,246,690**	

NOTES

[1] Development cost does not include: Rock Excavation

APPENDIX B – BUYER DISCLOSURES

Forms of the buyer disclosures for the following Lot Types are found in this appendix:

Improvement Area #1

- Improvement Area #1 Initial Parcel
- Lot Type 1
- Lot Type 2
- Lot Type 3
- Lot Type 4

Major Improvement Area

- Major Improvement Area Initial Parcel

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ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6 – IMPROVEMENT AREA #1 INITIAL PARCEL – BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
THE CITY OF TERRELL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #1 INITIAL PARCEL PRINCIPAL ASSESSMENT: $21,375,000.00

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Terrell, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the ***Arboretum Estates Public Improvement District No. 6*** (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 Terrell. The exact amount of each annual installment will be approved each year by the City of Terrell 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 Terrell.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF KAUFMAN §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman 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 KAUFMAN §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____ , 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County.

ANNUAL INSTALLMENTS – IMPROVEMENT AREA #1 INITIAL PARCEL

Annual Installment Due 1/31	Principal	Interest[a]	Additional Interest	Capitalized Interest[b]	Annual Collection Costs	Annual Installment[c]
2026	$ -	$ 1,477,368.75	$ 106,875.00	$ (1,477,368.75)	$ 40,000.00	$ 146,875.00
2027	$ 250,000.00	$ 1,410,750.00	$ 106,875.00	$ -	$ 40,800.00	$ 1,808,425.00
2028	$ 266,000.00	$ 1,394,250.00	$ 105,625.00	$ -	$ 41,616.00	$ 1,807,491.00
2029	$ 285,000.00	$ 1,376,694.00	$ 104,295.00	$ -	$ 42,448.32	$ 1,808,437.32
2030	$ 304,000.00	$ 1,357,884.00	$ 102,870.00	$ -	$ 43,297.29	$ 1,808,051.29
2031	$ 325,000.00	$ 1,337,820.00	$ 101,350.00	$ -	$ 44,163.23	$ 1,808,333.23
2032	$ 347,000.00	$ 1,316,370.00	$ 99,725.00	$ -	$ 45,046.50	$ 1,808,141.50
2033	$ 370,000.00	$ 1,293,468.00	$ 97,990.00	$ -	$ 45,947.43	$ 1,807,405.43
2034	$ 396,000.00	$ 1,269,048.00	$ 96,140.00	$ -	$ 46,866.38	$ 1,808,054.38
2035	$ 423,000.00	$ 1,242,912.00	$ 94,160.00	$ -	$ 47,803.70	$ 1,807,875.70
2036	$ 452,000.00	$ 1,214,994.00	$ 92,045.00	$ -	$ 48,759.78	$ 1,807,798.78
2037	$ 483,000.00	$ 1,185,162.00	$ 89,785.00	$ -	$ 49,734.97	$ 1,807,681.97
2038	$ 517,000.00	$ 1,153,284.00	$ 87,370.00	$ -	$ 50,729.67	$ 1,808,383.67
2039	$ 552,000.00	$ 1,119,162.00	$ 84,785.00	$ -	$ 51,744.27	$ 1,807,691.27
2040	$ 590,000.00	$ 1,082,730.00	$ 82,025.00	$ -	$ 52,779.15	$ 1,807,534.15
2041	$ 631,000.00	$ 1,043,790.00	$ 79,075.00	$ -	$ 53,834.73	$ 1,807,699.73
2042	$ 675,000.00	$ 1,002,144.00	$ 75,920.00	$ -	$ 54,911.43	$ 1,807,975.43
2043	$ 722,000.00	$ 957,594.00	$ 72,545.00	$ -	$ 56,009.66	$ 1,808,148.66
2044	$ 772,000.00	$ 909,942.00	$ 68,935.00	$ -	$ 57,129.85	$ 1,808,006.85
2045	$ 826,000.00	$ 858,990.00	$ 65,075.00	$ -	$ 58,272.45	$ 1,808,337.45
2046	$ 883,000.00	$ 804,474.00	$ 60,945.00	$ -	$ 59,437.90	$ 1,807,856.90
2047	$ 944,000.00	$ 746,196.00	$ 56,530.00	$ -	$ 60,626.65	$ 1,807,352.65
2048	$ 1,010,000.00	$ 683,892.00	$ 51,810.00	$ -	$ 61,839.19	$ 1,807,541.19
2049	$ 1,081,000.00	$ 617,232.00	$ 46,760.00	$ -	$ 63,075.97	$ 1,808,067.97
2050	$ 1,156,000.00	$ 545,886.00	$ 41,355.00	$ -	$ 64,337.49	$ 1,807,578.49
2051	$ 1,237,000.00	$ 469,590.00	$ 35,575.00	$ -	$ 65,624.24	$ 1,807,789.24
2052	$ 1,324,000.00	$ 387,948.00	$ 29,390.00	$ -	$ 66,936.72	$ 1,808,274.72
2053	$ 1,416,000.00	$ 300,564.00	$ 22,770.00	$ -	$ 68,275.46	$ 1,807,609.46
2054	$ 1,516,000.00	$ 207,108.00	$ 15,690.00	$ -	$ 69,640.97	$ 1,808,438.97
2055	$ 1,622,000.00	$ 107,052.00	$ 8,110.00	$ -	$ 71,033.79	$ 1,808,195.79
Total	**$ 21,375,000.00**	**$ 28,874,298.75**	**$ 2,182,400.00**	**$ (1,477,368.75)**	**$ 1,622,723.17**	**$ 52,577,053.17**

Footnotes:

[a] Interest on the Improvement Area #1 Bonds is calculated at a 6.60% rate per the City's Financial Advisor and is subject to change upon the issuance of PID Bonds.

[b] Assumes 15 months of capitalized interest.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6 – IMPROVEMENT AREA #1 – LOT TYPE 1 – BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
THE CITY OF TERRELL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #1 – LOT TYPE 1 PRINCIPAL ASSESSMENT: $37,662.18

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Terrell, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the ***Arboretum Estates Public Improvement District No. 6 (***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 Terrell. The exact amount of each annual installment will be approved each year by the City of Terrell 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 Terrell.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF KAUFMAN §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman 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 KAUFMAN §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____ , 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County.

ANNUAL INSTALLMENTS – IMPROVEMENT AREA #1 – LOT TYPE 1

Annual Installment Due 1/31	Principal	Interest[a]	Additional Interest	Capitalized Interest[b]	Annual Collection Costs	Annual Installment[c]
2026	$ -	$ 2,603.08	$ 188.31	$ (2,603.08)	$ 70.48	$ 258.79
2027	$ 440.49	$ 2,485.70	$ 188.31	$ -	$ 71.89	$ 3,186.40
2028	$ 468.68	$ 2,456.63	$ 186.11	$ -	$ 73.33	$ 3,184.75
2029	$ 502.16	$ 2,425.70	$ 183.77	$ -	$ 74.79	$ 3,186.42
2030	$ 535.64	$ 2,392.56	$ 181.25	$ -	$ 76.29	$ 3,185.74
2031	$ 572.64	$ 2,357.20	$ 178.58	$ -	$ 77.81	$ 3,186.24
2032	$ 611.40	$ 2,319.41	$ 175.71	$ -	$ 79.37	$ 3,185.90
2033	$ 651.93	$ 2,279.06	$ 172.66	$ -	$ 80.96	$ 3,184.60
2034	$ 697.74	$ 2,236.03	$ 169.40	$ -	$ 82.58	$ 3,185.74
2035	$ 745.31	$ 2,189.98	$ 165.91	$ -	$ 84.23	$ 3,185.43
2036	$ 796.41	$ 2,140.79	$ 162.18	$ -	$ 85.91	$ 3,185.29
2037	$ 851.03	$ 2,088.22	$ 158.20	$ -	$ 87.63	$ 3,185.09
2038	$ 910.94	$ 2,032.06	$ 153.94	$ -	$ 89.38	$ 3,186.32
2039	$ 972.61	$ 1,971.93	$ 149.39	$ -	$ 91.17	$ 3,185.10
2040	$ 1,039.56	$ 1,907.74	$ 144.53	$ -	$ 93.00	$ 3,184.83
2041	$ 1,111.81	$ 1,839.13	$ 139.33	$ -	$ 94.86	$ 3,185.12
2042	$ 1,189.33	$ 1,765.75	$ 133.77	$ -	$ 96.75	$ 3,185.60
2043	$ 1,272.14	$ 1,687.26	$ 127.82	$ -	$ 98.69	$ 3,185.91
2044	$ 1,360.24	$ 1,603.29	$ 121.46	$ -	$ 100.66	$ 3,185.66
2045	$ 1,455.39	$ 1,513.52	$ 114.66	$ -	$ 102.67	$ 3,186.24
2046	$ 1,555.82	$ 1,417.46	$ 107.38	$ -	$ 104.73	$ 3,185.40
2047	$ 1,663.30	$ 1,314.78	$ 99.60	$ -	$ 106.82	$ 3,184.51
2048	$ 1,779.59	$ 1,205.00	$ 91.29	$ -	$ 108.96	$ 3,184.84
2049	$ 1,904.69	$ 1,087.55	$ 82.39	$ -	$ 111.14	$ 3,185.77
2050	$ 2,036.84	$ 961.84	$ 72.87	$ -	$ 113.36	$ 3,184.91
2051	$ 2,179.56	$ 827.41	$ 62.68	$ -	$ 115.63	$ 3,185.28
2052	$ 2,332.85	$ 683.55	$ 51.78	$ -	$ 117.94	$ 3,186.13
2053	$ 2,494.95	$ 529.59	$ 40.12	$ -	$ 120.30	$ 3,184.96
2054	$ 2,671.15	$ 364.92	$ 27.65	$ -	$ 122.71	$ 3,186.42
2055	$ 2,857.92	$ 188.62	$ 14.29	$ -	$ 125.16	$ 3,185.99
Total	**$ 37,662.18**	**$ 50,875.75**	**$ 3,845.33**	**$ (2,603.08)**	**$ 2,859.20**	**$ 92,639.37**

Footnotes:

[a] Interest on the Improvement Area #1 Bonds is calculated at a 6.60% rate per the City's Financial Advisor and is subject to change upon the issuance of PID Bonds.

[b] Assumes 15 months of capitalized interest.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6 – IMPROVEMENT AREA #1 – LOT TYPE 2 – BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
THE CITY OF TERRELL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #1 – LOT TYPE 2 PRINCIPAL ASSESSMENT: $44,509.85

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Terrell, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the ***Arboretum Estates Public Improvement District No. 6 (***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 Terrell. The exact amount of each annual installment will be approved each year by the City of Terrell 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 Terrell.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF KAUFMAN §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman 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 KAUFMAN §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____ , 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County.

ANNUAL INSTALLMENTS – IMPROVEMENT AREA #1 – LOT TYPE 2

Annual Installment Due 1/31	Principal	Interest[a]	Additional Interest	Capitalized Interest[b]	Annual Collection Costs	Annual Installment[c]
2026	$ -	$ 3,076.37	$ 222.55	$ (3,076.37)	$ 83.29	$ 305.84
2027	$ 520.58	$ 2,937.65	$ 222.55	$ -	$ 84.96	$ 3,765.74
2028	$ 553.90	$ 2,903.29	$ 219.95	$ -	$ 86.66	$ 3,763.80
2029	$ 593.46	$ 2,866.73	$ 217.18	$ -	$ 88.39	$ 3,765.77
2030	$ 633.03	$ 2,827.57	$ 214.21	$ -	$ 90.16	$ 3,764.96
2031	$ 676.76	$ 2,785.79	$ 211.04	$ -	$ 91.96	$ 3,765.55
2032	$ 722.57	$ 2,741.12	$ 207.66	$ -	$ 93.80	$ 3,765.15
2033	$ 770.46	$ 2,693.43	$ 204.05	$ -	$ 95.68	$ 3,763.62
2034	$ 824.60	$ 2,642.58	$ 200.20	$ -	$ 97.59	$ 3,764.97
2035	$ 880.83	$ 2,588.16	$ 196.07	$ -	$ 99.54	$ 3,764.60
2036	$ 941.21	$ 2,530.02	$ 191.67	$ -	$ 101.53	$ 3,764.44
2037	$ 1,005.77	$ 2,467.90	$ 186.96	$ -	$ 103.56	$ 3,764.19
2038	$ 1,076.57	$ 2,401.52	$ 181.93	$ -	$ 105.64	$ 3,765.66
2039	$ 1,149.45	$ 2,330.47	$ 176.55	$ -	$ 107.75	$ 3,764.21
2040	$ 1,228.58	$ 2,254.60	$ 170.80	$ -	$ 109.90	$ 3,763.89
2041	$ 1,313.95	$ 2,173.52	$ 164.66	$ -	$ 112.10	$ 3,764.23
2042	$ 1,405.57	$ 2,086.80	$ 158.09	$ -	$ 114.34	$ 3,764.81
2043	$ 1,503.44	$ 1,994.03	$ 151.06	$ -	$ 116.63	$ 3,765.17
2044	$ 1,607.56	$ 1,894.80	$ 143.55	$ -	$ 118.96	$ 3,764.87
2045	$ 1,720.01	$ 1,788.70	$ 135.51	$ -	$ 121.34	$ 3,765.56
2046	$ 1,838.70	$ 1,675.18	$ 126.91	$ -	$ 123.77	$ 3,764.56
2047	$ 1,965.72	$ 1,553.83	$ 117.71	$ -	$ 126.24	$ 3,763.51
2048	$ 2,103.16	$ 1,424.09	$ 107.89	$ -	$ 128.77	$ 3,763.90
2049	$ 2,251.00	$ 1,285.28	$ 97.37	$ -	$ 131.35	$ 3,765.00
2050	$ 2,407.18	$ 1,136.72	$ 86.11	$ -	$ 133.97	$ 3,763.98
2051	$ 2,575.84	$ 977.84	$ 74.08	$ -	$ 136.65	$ 3,764.42
2052	$ 2,757.01	$ 807.84	$ 61.20	$ -	$ 139.38	$ 3,765.43
2053	$ 2,948.58	$ 625.87	$ 47.41	$ -	$ 142.17	$ 3,764.04
2054	$ 3,156.82	$ 431.27	$ 32.67	$ -	$ 145.02	$ 3,765.77
2055	$ 3,377.54	$ 222.92	$ 16.89	$ -	$ 147.92	$ 3,765.26
Total	**$ 44,509.85**	**$ 60,125.88**	**$ 4,544.48**	**$ (3,076.37)**	**$ 3,379.05**	**$ 109,482.89**

Footnotes:

[a] Interest on the Improvement Area #1 Bonds is calculated at a 6.60% rate per the City's Financial Advisor and is subject to change upon the issuance of PID Bonds.

[b] Assumes 15 months of capitalized interest.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6 – IMPROVEMENT AREA #1 – LOT TYPE 3 – BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF TERRELL, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #1 – LOT TYPE 3 PRINCIPAL ASSESSMENT: $51,357.52

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Terrell, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the ***Arboretum Estates Public Improvement District No. 6 (***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 Terrell. The exact amount of each annual installment will be approved each year by the City of Terrell 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 Terrell.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF KAUFMAN §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman 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 KAUFMAN §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____ , 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County.

ANNUAL INSTALLMENTS – IMPROVEMENT AREA #1 – LOT TYPE 3

Annual Installment Due 1/31	Principal	Interest[a]	Additional Interest	Capitalized Interest[b]	Annual Collection Costs	Annual Installment[c]
2026	$ -	$ 3,549.66	$ 256.79	$ (3,549.66)	$ 96.11	$ 352.90
2027	$ 600.67	$ 3,389.60	$ 256.79	$ -	$ 98.03	$ 4,345.09
2028	$ 639.12	$ 3,349.95	$ 253.78	$ -	$ 99.99	$ 4,342.84
2029	$ 684.77	$ 3,307.77	$ 250.59	$ -	$ 101.99	$ 4,345.12
2030	$ 730.42	$ 3,262.58	$ 247.16	$ -	$ 104.03	$ 4,344.19
2031	$ 780.87	$ 3,214.37	$ 243.51	$ -	$ 106.11	$ 4,344.87
2032	$ 833.73	$ 3,162.83	$ 239.61	$ -	$ 108.23	$ 4,344.41
2033	$ 889.00	$ 3,107.80	$ 235.44	$ -	$ 110.40	$ 4,342.64
2034	$ 951.47	$ 3,049.13	$ 230.99	$ -	$ 112.61	$ 4,344.20
2035	$ 1,016.34	$ 2,986.33	$ 226.24	$ -	$ 114.86	$ 4,343.77
2036	$ 1,086.02	$ 2,919.26	$ 221.16	$ -	$ 117.15	$ 4,343.58
2037	$ 1,160.50	$ 2,847.58	$ 215.73	$ -	$ 119.50	$ 4,343.30
2038	$ 1,242.19	$ 2,770.99	$ 209.92	$ -	$ 121.89	$ 4,344.99
2039	$ 1,326.29	$ 2,689.00	$ 203.71	$ -	$ 124.33	$ 4,343.32
2040	$ 1,417.59	$ 2,601.47	$ 197.08	$ -	$ 126.81	$ 4,342.95
2041	$ 1,516.10	$ 2,507.90	$ 189.99	$ -	$ 129.35	$ 4,343.34
2042	$ 1,621.82	$ 2,407.84	$ 182.41	$ -	$ 131.94	$ 4,344.01
2043	$ 1,734.74	$ 2,300.80	$ 174.30	$ -	$ 134.57	$ 4,344.42
2044	$ 1,854.88	$ 2,186.31	$ 165.63	$ -	$ 137.27	$ 4,344.08
2045	$ 1,984.62	$ 2,063.89	$ 156.36	$ -	$ 140.01	$ 4,344.88
2046	$ 2,121.58	$ 1,932.90	$ 146.43	$ -	$ 142.81	$ 4,343.72
2047	$ 2,268.14	$ 1,792.88	$ 135.82	$ -	$ 145.67	$ 4,342.51
2048	$ 2,426.72	$ 1,643.18	$ 124.48	$ -	$ 148.58	$ 4,342.96
2049	$ 2,597.31	$ 1,483.02	$ 112.35	$ -	$ 151.55	$ 4,344.23
2050	$ 2,777.51	$ 1,311.60	$ 99.36	$ -	$ 154.58	$ 4,343.05
2051	$ 2,972.13	$ 1,128.28	$ 85.48	$ -	$ 157.67	$ 4,343.56
2052	$ 3,181.16	$ 932.12	$ 70.62	$ -	$ 160.83	$ 4,344.73
2053	$ 3,402.21	$ 722.16	$ 54.71	$ -	$ 164.04	$ 4,343.13
2054	$ 3,642.48	$ 497.62	$ 37.70	$ -	$ 167.33	$ 4,345.12
2055	$ 3,897.16	$ 257.21	$ 19.49	$ -	$ 170.67	$ 4,344.54
Total	**$ 51,357.52**	**$ 69,376.02**	**$ 5,243.63**	**$ (3,549.66)**	**$ 3,898.90**	**$ 126,326.41**

Footnotes:

[a] Interest on the Improvement Area #1 Bonds is calculated at a 6.60% rate per the City's Financial Advisor and is subject to change upon the issuance of PID Bonds.

[b] Assumes 15 months of capitalized interest.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6 – IMPROVEMENT AREA #1 – LOT TYPE 4 – BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF TERRELL, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #1 – LOT TYPE 4 PRINCIPAL ASSESSMENT: $54,781.36

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Terrell, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the ***Arboretum Estates Public Improvement District No. 6 (***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 Terrell. The exact amount of each annual installment will be approved each year by the City of Terrell 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 Terrell.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF KAUFMAN §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman 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 KAUFMAN §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____ , 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County.

ANNUAL INSTALLMENTS – IMPROVEMENT AREA #1 – LOT TYPE 4

Annual Installment Due 1/31	Principal	Interest[a]	Additional Interest	Capitalized Interest[b]	Annual Collection Costs	Annual Installment[c]
2026	$ -	$ 3,786.30	$ 273.91	$ (3,786.30)	$ 102.51	$ 376.42
2027	$ 640.72	$ 3,615.57	$ 273.91	$ -	$ 104.57	$ 4,634.76
2028	$ 681.72	$ 3,573.28	$ 270.70	$ -	$ 106.66	$ 4,632.37
2029	$ 730.42	$ 3,528.29	$ 267.29	$ -	$ 108.79	$ 4,634.79
2030	$ 779.11	$ 3,480.08	$ 263.64	$ -	$ 110.97	$ 4,633.80
2031	$ 832.93	$ 3,428.66	$ 259.75	$ -	$ 113.18	$ 4,634.52
2032	$ 889.32	$ 3,373.69	$ 255.58	$ -	$ 115.45	$ 4,634.03
2033	$ 948.26	$ 3,314.99	$ 251.14	$ -	$ 117.76	$ 4,632.15
2034	$ 1,014.90	$ 3,252.41	$ 246.39	$ -	$ 120.11	$ 4,633.81
2035	$ 1,084.09	$ 3,185.42	$ 241.32	$ -	$ 122.51	$ 4,633.35
2036	$ 1,158.42	$ 3,113.87	$ 235.90	$ -	$ 124.96	$ 4,633.15
2037	$ 1,237.87	$ 3,037.42	$ 230.11	$ -	$ 127.46	$ 4,632.85
2038	$ 1,325.00	$ 2,955.72	$ 223.92	$ -	$ 130.01	$ 4,634.65
2039	$ 1,414.70	$ 2,868.27	$ 217.29	$ -	$ 132.61	$ 4,632.88
2040	$ 1,512.09	$ 2,774.90	$ 210.22	$ -	$ 135.27	$ 4,632.48
2041	$ 1,617.17	$ 2,675.10	$ 202.66	$ -	$ 137.97	$ 4,632.90
2042	$ 1,729.94	$ 2,568.37	$ 194.57	$ -	$ 140.73	$ 4,633.61
2043	$ 1,850.39	$ 2,454.19	$ 185.92	$ -	$ 143.55	$ 4,634.05
2044	$ 1,978.54	$ 2,332.06	$ 176.67	$ -	$ 146.42	$ 4,633.69
2045	$ 2,116.93	$ 2,201.48	$ 166.78	$ -	$ 149.34	$ 4,634.53
2046	$ 2,263.01	$ 2,061.76	$ 156.19	$ -	$ 152.33	$ 4,633.30
2047	$ 2,419.35	$ 1,912.40	$ 144.88	$ -	$ 155.38	$ 4,632.01
2048	$ 2,588.50	$ 1,752.73	$ 132.78	$ -	$ 158.49	$ 4,632.49
2049	$ 2,770.46	$ 1,581.89	$ 119.84	$ -	$ 161.66	$ 4,633.84
2050	$ 2,962.68	$ 1,399.04	$ 105.99	$ -	$ 164.89	$ 4,632.59
2051	$ 3,170.27	$ 1,203.50	$ 91.17	$ -	$ 168.19	$ 4,633.13
2052	$ 3,393.24	$ 994.26	$ 75.32	$ -	$ 171.55	$ 4,634.37
2053	$ 3,629.02	$ 770.31	$ 58.36	$ -	$ 174.98	$ 4,632.67
2054	$ 3,885.31	$ 530.79	$ 40.21	$ -	$ 178.48	$ 4,634.79
2055	$ 4,156.98	$ 274.36	$ 20.78	$ -	$ 182.05	$ 4,634.17
Total	**$ 54,781.36**	**$ 74,001.09**	**$ 5,593.21**	**$ (3,786.30)**	**$ 4,158.83**	**$ 134,748.17**

Footnotes:

[a] Interest on the Improvement Area #1 Bonds is calculated at a 6.60% rate per the City's Financial Advisor and is subject to change upon the issuance of PID Bonds.

[b] Assumes 15 months of capitalized interest.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6 – MAJOR IMPROVEMENT AREA INITIAL PARCEL – BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF TERRELL, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

MAJOR IMPROVEMENT AREA INITIAL PARCEL PRINCIPAL ASSESSMENT: $24,190,000.00

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Terrell, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the ***Arboretum Estates Public Improvement District No. 6 (***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 Terrell. The exact amount of each annual installment will be approved each year by the City of Terrell 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 Terrell.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF KAUFMAN §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman 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 KAUFMAN §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____ , 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County.

ANNUAL INSTALLMENTS – MAJOR IMPROVEMENT AREA INITIAL PARCEL

Annual Installment Due 1/31	Principal	Interest[a]	Additional Interest	Capitalized Interest[b]	Annual Collection Costs	Annual Installment[c]
2026	$ -	$ 1,861,924.46	$ 120,950.00	$ (1,861,924.46)	$ 40,000.00	$ 160,950.00
2027	$ -	$ 1,777,965.00	$ 120,950.00	$ (1,777,965.00)	$ 40,800.00	$ 161,750.00
2028	$ 269,000.00	$ 1,777,965.00	$ 120,950.00	$ -	$ 41,616.00	$ 2,209,531.00
2029	$ 289,000.00	$ 1,758,193.50	$ 120,950.00	$ -	$ 42,448.32	$ 2,210,591.82
2030	$ 311,000.00	$ 1,736,952.00	$ 119,605.00	$ -	$ 43,297.29	$ 2,210,854.29
2031	$ 334,000.00	$ 1,714,093.50	$ 118,160.00	$ -	$ 44,163.23	$ 2,210,416.73
2032	$ 360,000.00	$ 1,689,544.50	$ 116,605.00	$ -	$ 45,046.50	$ 2,211,196.00
2033	$ 387,000.00	$ 1,663,084.50	$ 114,935.00	$ -	$ 45,947.43	$ 2,210,966.93
2034	$ 417,000.00	$ 1,634,640.00	$ 113,135.00	$ -	$ 46,866.38	$ 2,211,641.38
2035	$ 448,000.00	$ 1,603,990.50	$ 111,200.00	$ -	$ 47,803.70	$ 2,210,994.20
2036	$ 483,000.00	$ 1,571,062.50	$ 109,115.00	$ -	$ 48,759.78	$ 2,211,937.28
2037	$ 519,000.00	$ 1,535,562.00	$ 106,875.00	$ -	$ 49,734.97	$ 2,211,171.97
2038	$ 559,000.00	$ 1,497,415.50	$ 104,460.00	$ -	$ 50,729.67	$ 2,211,605.17
2039	$ 602,000.00	$ 1,456,329.00	$ 101,865.00	$ -	$ 51,744.27	$ 2,211,938.27
2040	$ 648,000.00	$ 1,412,082.00	$ 99,070.00	$ -	$ 52,779.15	$ 2,211,931.15
2041	$ 698,000.00	$ 1,364,454.00	$ 96,060.00	$ -	$ 53,834.73	$ 2,212,348.73
2042	$ 752,000.00	$ 1,313,151.00	$ 92,820.00	$ -	$ 54,911.43	$ 2,212,882.43
2043	$ 810,000.00	$ 1,257,879.00	$ 89,330.00	$ -	$ 56,009.66	$ 2,213,218.66
2044	$ 872,000.00	$ 1,198,344.00	$ 85,570.00	$ -	$ 57,129.85	$ 2,213,043.85
2045	$ 940,000.00	$ 1,134,252.00	$ 81,520.00	$ -	$ 58,272.45	$ 2,214,044.45
2046	$ 1,012,000.00	$ 1,065,162.00	$ 77,160.00	$ -	$ 59,437.90	$ 2,213,759.90
2047	$ 1,091,000.00	$ 990,780.00	$ 72,460.00	$ -	$ 60,626.65	$ 2,214,866.65
2048	$ 1,175,000.00	$ 910,591.50	$ 67,400.00	$ -	$ 61,839.19	$ 2,214,830.69
2049	$ 1,266,000.00	$ 824,229.00	$ 61,945.00	$ -	$ 63,075.97	$ 2,215,249.97
2050	$ 1,364,000.00	$ 731,178.00	$ 56,070.00	$ -	$ 64,337.49	$ 2,215,585.49
2051	$ 1,470,000.00	$ 630,924.00	$ 49,740.00	$ -	$ 65,624.24	$ 2,216,288.24
2052	$ 1,584,000.00	$ 522,879.00	$ 42,920.00	$ -	$ 66,936.72	$ 2,216,735.72
2053	$ 1,707,000.00	$ 406,455.00	$ 35,570.00	$ -	$ 68,275.46	$ 2,217,300.46
2054	$ 1,840,000.00	$ 280,990.50	$ 27,650.00	$ -	$ 69,640.97	$ 2,218,281.47
2055	$ 1,983,000.00	$ 145,750.50	$ 19,115.00	$ -	$ 71,033.79	$ 2,218,899.29
Total	**$ 24,190,000.00**	**$ 37,467,823.46**	**$ 2,654,155.00**	**$ (3,639,889.46)**	**$ 1,622,723.17**	**$ 62,294,812.17**

Footnotes:

[a] Interest on the Major Improvement Area Bonds is calculated at a 7.350% rate per the City's Financial Advisor and is subject to change upon the issuance of PID Bonds.

[b] Assumes 27 months of capitalized interest.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

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APPENDIX C

FORM OF OPINION OF BOND COUNSEL

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[CLOSING DATE]

NORTON ROSE FULBRIGHT

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

Tel +1 214 855 8000
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IN REGARD to the authorization and issuance of the "City of Terrell, Texas, Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Major Improvement Area Project)" (the "Bonds"), dated August 28, 2025, in the principal amount of $_____, we have examined the legality and validity of the issuance thereof by the City of Terrell, 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 August 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 D-1

FORM OF CITY DISCLOSURE AGREEMENT

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CITY OF TERRELL, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6
MAJOR IMPROVEMENT AREA PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer, dated as of August 1, 2025 (this "Disclosure Agreement"), is executed and delivered by and among the City of Terrell, Texas (the "Issuer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent (the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Major Improvement Area Project)" (the "Bonds"). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of August 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:

"Additional Bonds" shall have the meaning assigned to such term in the Indenture.

"Administrator" shall have the meaning assigned to such term in the Indenture. The initial Administrator is P3Works, LLC.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Annual Collections Report" shall mean any Annual Collections Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

"Annual Collections Report Filing Date" shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

"Annual Financial Information" shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in subsection 4(a) of this Disclosure Agreement.

"Annual Installment" shall have the meaning assigned to such term in the Indenture.

"Annual Issuer Report" shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Annual Issuer Report Filing Date" shall mean, for each Fiscal Year, the date that is six (6) months after the end of the Issuer's Fiscal Year, which Annual Issuer Report Filing Date is currently March 31.

"Annual Service Plan Update" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to such term in the Indenture.

"Business Day" shall have the meaning assigned to such term in the Indenture.

"Collections Reporting Date" shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

"Delinquency Date" shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

"Developer" shall mean MM Terrell 1098, LLC a Texas limited liability company.

"Disclosure Agreement of Developer" shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of August 1, 2025, executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

"Disclosure Representative" shall mean the Administrator or Mayor 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.

"District" shall mean Arboretum Estates Public Improvement District No. 6.

"EMMA" shall mean the Electronic Municipal Market Access system currently available on the internet at http://emma.msrb.org.

"Final Assessment Payment Date" shall mean the calendar day preceding the Delinquency Date.

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the Issuer's fiscal year, currently the twelve-month period from October 1 through September 30.

"Listed Events" shall mean any of the events listed in subsection 6(a) of this Disclosure Agreement.

"Major Improvement Area" shall have the meaning assigned to such term in the Indenture.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall have the meaning assigned to such term in the Indenture.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

"PID Act" shall mean Chapter 372, Texas Local Government Code, as amended.

"Prepayment" shall have the meaning assigned to such term in the Indenture.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SAP Update" shall have the meaning assigned to such term in subsection 4(a)(iii) of this Disclosure Agreement.

"SEC" shall mean the United States Securities and Exchange Commission.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Tax Year" means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

"Trust Estate" shall have the meaning assigned to such term in the Indenture.

"Trustee" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2025, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Issuer Report Filing Date, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement. The Annual Issuer Report may, but is not required to, include the audited financial statements and the failure to include the audited financial statements as a part of the Annual Issuer Report shall not violate the Issuer's obligations under this Disclosure Agreement provided the Issuer provides its audited financial statements within twelve (12) months of the most recently ended Fiscal Year or, if the audited financial statements are not available within such twelve-month period, the Issuer provides unaudited financial statements within such twelve-month period, and provides audited financial statements, when and if available. In each case, the Annual Issuer Report may be submitted as

a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer's Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Annual Issuer Report Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Issuer Report Filing Date, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent together with written direction to file such Annual Issuer Report with the MSRB. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer, but in no event later than the Annual Issuer Report Filing Date for such Fiscal Year.

If by the fifth (5^{th}) day before the Annual Issuer Report Filing Date the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the Annual Issuer Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report by the Annual Issuer Report Filing Date, state the date by which the Annual Issuer Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Issuer Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Issuer Report Filing Date.

(b) The Issuer shall or shall cause the Dissemination Agent pursuant to written direction to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report; and

(ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof.

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall provide written confirmation to the Issuer verifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Issuer Report Filing Date, the following:

(a) *Annual Financial Information*. The following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date(s), the interest rate(s), the original aggregate principal amount(s), the principal amount(s) remaining Outstanding, and the total interest amount due on the aggregate principal amount Outstanding;

(B) The amounts in the funds and accounts securing the Bonds and a description of the related investments; and

(C) The assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Sections 4(a)(ii) of Exhibit B attached hereto. Such information shall be provided as of the end of the Fiscal Year to which the information being reported relates;

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update (together, a "SAP Update"); and

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) *Audited Financial Statements*. The audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer and that have been audited by an independent certified public accountant, *but only if* available by the Annual Issuer Report Filing Date. If the audited financial statements of the Issuer are not available within twelve months after the end of the Fiscal Year, the Issuer shall provide notice that the audited financial statements are not available, file unaudited financial statements within such twelve-month period, and file audited financial statements when prepared and available.

(c) A form for submitting the information described in subsection 4(a) above is attached as Exhibit B hereto. Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Issuer Reports under this Section 4.

SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant

to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Issuer Report, if such Annual Collections Report is available when the Annual Issuer Report is provided to the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than ten (10) days from receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5^{th}) day before the Annual Collections Report Filing Date the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A hereto; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Collections Report Filing Date.

(b) The Annual Collections Report for the Bonds shall contain, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Collections Report Filing Date, certain financial information and operating data with respect to collection of the Assessments of the general type and in substantially similar form to that shown in the tables provided in Exhibit C attached hereto. Such information shall cover the period beginning the first (1^{st}) day of the Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the City shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections Report. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

SECTION 6. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 6, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of Owners, if material.

8. Bond calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution, or sale of property securing repayment of the Bonds, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the Issuer.

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Developer of real property within the Major Improvement Area in the ordinary course of the Developer's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the incurrence of Additional Bonds without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 6 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than three (3) Business Days immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information.

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, any Owner or beneficial owner of any interests in the Bonds, or any other party as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is <u>not</u> material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the

Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within 30 days of such discharge. The Dissemination Agent may resign at any time with 30 days' written notice to the Issuer. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5, or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Information for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Dissemination Agent (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in the Major Improvement Area, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including

attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Issuer Report in accordance with subsection 3(a) or the Annual Collections Report in accordance with subsection 5(a), the Dissemination Agent shall not be responsible for the failure to submit an Annual Issuer Report or an Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in the Major Improvement Area, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the

provisions hereof or its duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds, or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person

or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in the Major Improvement Area, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications**.** The Dissemination Agent and Administrator each respectively makes the following representation and verifications pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or Administrator, as applicable, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

a. Not a Sanctioned Company. The Dissemination Agent and Administrator each respectively represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent, Administrator and each of their respective parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

b. No Boycott of Israel. The Dissemination Agent and Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

c. No Discrimination Against Firearm Entities. The Dissemination Agent and Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

d. No Boycott of Energy Companies. The Dissemination Agent and Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator's participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 21. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

City of Terrell, Texas

By: _____
Mayor

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.
(as Dissemination Agent)

By: _____
Authorized Officer

P3Works, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL ISSUER REPORT][ANNUAL COLLECTIONS REPORT]
[AUDITED/UNAUDITED FINANCIAL STATEMENTS]

Name of Issuer:	City of Terrell, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Major Improvement Area Project) (the "Bonds")
CUSIP Nos.	[insert CUSIP NOs.]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that the City of Terrell, Texas (the "Issuer"), has not provided [an Annual Issuer Report][an Annual Collections Report][audited/unaudited financial statements] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of August 1, 2025, by and among the Issuer, P3Works, LLC, as "Administrator," and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as "Dissemination Agent." The Issuer anticipates that [the Annual Issuer Report][the Annual Collections Report][audited/unaudited financial statements] will be filed by _____.

Dated:_____

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.,
on behalf of the City of Terrell, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Terrell, Texas

EXHIBIT B

CITY OF TERRELL, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6
MAJOR IMPROVEMENT AREA PROJECT)

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____]
City: [_]
Telephone: (___) ___-____
Contact Person: Attn: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
				–
				–
		Total		

Section 4(a)(i)(B)

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value(1)	Book Value(1)	Market Value(1)

(1) As such information is provided by the Trustee.

*Excluding audited financial statements of the Issuer

Section 4(a)(i)(C)

ASSETS AND LIABILITIES OF TRUST ESTATE

Cash Position of Trust Estate for statements dated September 30, 20[__]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding Assessment Amount to be collected		C
Net Position of Trust Estate and Outstanding Bonds and Assessments		A-B+C

September 30, 20[__] Trust Statements: ☐ Audited ☐ Unaudited

Accounting Type: ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

Year Ending (September 30)	Principal	Interest	Total

Top [Five] Assessment Payers in the Major Improvement Area [(1)]

Property Owner	No. of Parcels/Lots	Percentage of Parcels/Lots	Outstanding Assessments	Percentage of Total Assessments

[(1)] Does not include those owing less than one percent (1%) of total Assessments.

Assessed Value of the Major Improvement Area of the District

The [YEAR] certified total assessed value for the Assessed Property in the Major Improvement Area of the District is approximately $[AMOUNT] according to the Kaufman Central Appraisal District.

Foreclosure History Related to the Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Delinquent Assessment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Assessment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
	$		$		$
20__					
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Total Annual Installment Billed	Parcels Levied[1]	Delinquent Amount as of 3/1	Delinquent % as of 3/1	Delinquent Amount as of [9/1]	Delinquent % as of [9/1]	Total Assessments Collected[2]
	$		$	%	$	%	$
20__							
20__							
20__							
20__							
20__							

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

[2] [Does/does not] include interest and penalties.

Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

Fiscal Year Ended (9/30)	Delinquent % as of 9/1	Parcel Numbers
20__	%	
20__		

History of Prepayment of Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Number of Prepayments	Amount of Prepayments	Bond Call Date	Amount of Bonds Redeemed
		$		$
20__				
20__				
20__				
20__				
20__				

[insert any necessary footnotes]

ITEMS REQUIRED BY SECTION 4(a)(iii) - (iv)

[Insert a line item for each applicable listing]

EXHIBIT C

CITY OF TERRELL, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6
MAJOR IMPROVEMENT AREA PROJECT)

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____]
City: [_____, Texas _____]
Telephone: (___) ___-____
Contact Person: Attn: _____

SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE COLLECTION OF ASSESSMENTS COVERING THE PERIOD BEGINNING WITH THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN COMPLIANCE WITH SUBSECTION 5(A) OF THE ISSUER'S DISCLOSURE AGREEMENT

Foreclosure History Related To The Annual Installments(1)

Succeeding Fiscal Year	Delinquent Annual Installment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Annual Installment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
20__	$		$		$

(i) Period covered includes December 1, 20__ through March 1, 20__.

Collection and Delinquency of Annual Installments [1]

Succeeding Fiscal Year 20__	Total Annual Installments Levied $	Parcels Levied[2]	Delinquent Amount as of 3/1 $	Delinquent % as of 3/1 %	Total Annual Installments Collected[3] $

[1] Period covered includes December 1, 20__ through March 1, 20__.

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

[3] [Does/does not] include interest and penalties.

Prepayment of Assessments[1]

Succeeding Fiscal Year	Number of Prepayments	Amount of Prepayments $	Bond Call Date	Amount of Bonds Redeemed $

[1] Period covered includes December 1, 20__ through March 1, 20__.

EXHIBIT D

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES[1]

Date	Delinquency Clock (Days)	Activity
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
February 15	15	Immediately upon receipt, but in no event later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies. Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. Issuer and Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.
March 15	43/44	Trustee pays bond interest payments to Owners.
April 1	59/60	At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of a draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.

[1] Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33, and 34, Texas Tax Code, as amended (the "Code"), and the Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas, an amendment to the Code, or otherwise, such modifications shall control.

July 1	**152/153**	**If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full September payment, Issuer and/or Administrator to notify Dissemination Agent in writing for inclusion in the next Annual Report.** **Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.** If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer. If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
August 15	197/198	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent and the Trustee. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198). **Foreclosure action to be filed with the court as soon as practicable, in accordance with the Tax Assessor/Collector's procedures**. **Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing for inclusion in next Annual Report**.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the Issuer to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

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APPENDIX D-2

FORM OF DEVELOPER DISCLOSURE AGREEMENT

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CITY OF TERRELL, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6
MAJOR IMPROVEMENT AREA PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of August 1, 2025 (this "Disclosure Agreement"), is executed and delivered by and among MM Terrell 1098, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., acting solely in its capacity as dissemination agent (the "Dissemination Agent") with respect to the captioned bonds (the "Bonds"). The Developer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust, dated as of August 1, 2025, relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

"Administrator" shall have the meaning assigned to such term in the Indenture. The Issuer has selected P3Works, LLC, as the initial Administrator.

"Affiliate" shall mean an entity that owns property within the Major Improvement Area of the District and is controlled by, controls, or is under common control with the Developer, including any Homebuilder.

"Amenities" shall mean the first amenity center to be constructed within the District and the paved trails, common areas, and parks with playgrounds, tables, and benches to be constructed within the Major Improvement Area.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Annual Installment" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to such term in the Indenture.

"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 MM Terrell 1098, LLC, a Texas limited liability company, its successors and assigns, including any Affiliate of the Developer.

"Developer Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"Disclosure Agreement of Issuer" shall mean the Continuing Disclosure Agreement of 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 Arboretum Estates Public Improvement District No. 6.

"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 an Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

"Issuer" shall mean the City of Terrell, Texas.

"Listed Events" shall mean, collectively, Developer Listed Events and Significant Homebuilder Listed Events.

"Lot Purchase Agreement" shall mean, with respect to lots or land within the Major Improvement Area of the District, any agreement between a Homebuilder and the Developer to purchase lots or to purchase land.

"Major Improvement Area" shall have the meaning assigned to such term in the Indenture.

"Major Improvement Area Projects" shall have the meaning assigned to such term in the Indenture.

"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 December 31, 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 51 or more of the single family residential lots within the Major Improvement Area.

"Significant Homebuilder Listed Events" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

"Trustee" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder that is a Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with December 31, 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 an acknowledgment of

assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(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 authorize the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, no later than 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 hereof.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within the Major Improvement Area on a parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within the Major Improvement Area to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within the Major Improvement Area, including the Major Improvement Area Projects, 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 Major Improvement Area undertaken by the Developer or any of the Developer's Affiliates;

(iv) Material default by the Developer or any of Developer's Affiliates on any loan secured by property within the Major Improvement Area 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 Major Improvement Area, or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any change in the legal structure, chief executive officer, or controlling ownership of the Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 hereof.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within the Major Improvement Area on a lot or parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within the Major Improvement Area 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 Significant Homebuilder, regardless of if such Reporting Party is providing Quarterly Information on behalf of any other Significant Homebuilder.

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 Major Improvement Area Projects 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 Major Improvement Area Project 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. Additionally, for the avoidance of doubt, the Developer shall require that any Person comply with obligations of this Section 5 with respect to any subsequent transfers by such Person to any individual or entity meeting the definition of a "Developer" in the future.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilder.

(a) If a Homebuilder acquires ownership of real property in the Major Improvement Area 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 E (the "Significant Homebuilder 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 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 written acknowledgement of assumption of the Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment 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, 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 the Developer or any Significant Homebuilder under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer or such Significant Homebuilder, including their respective

affiliates and/or successors and assigns, no longer owns 51 or more single family residential lots within the Major Improvement Area, 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 or such Significant Homebuilder, 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 51 or more single family residential lots within the Major Improvement Area, 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, any Person that has executed a Developer Acknowledgement pursuant to Section 5 hereof, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof in carrying out their obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time with 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 of the Developer, any Person that has executed a Developer Acknowledgement pursuant to Section 5 hereof, or any

Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof of any change in the identity of the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator, and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Developer or any Significant Homebuilder, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into in accordance with this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Developer or any Significant Homebuilder from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If the Developer or Significant Homebuilder chooses to include any information in any Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, the Developer or the Significant Homebuilder, as applicable, shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided hereunder.

SECTION 12. Default. In the event of a failure of the Developer, any Significant Homebuilder, 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 Developer, Significant Homebuilder, 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 the Developer, Significant Homebuilder, 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 the Developer or any Significant Homebuilder, as applicable, 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 the Developer, any Significant Homebuilder, or the Administrator. Additionally, a default by the Developer of its obligations under this Disclosure Agreement shall not be deemed a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement; and, likewise, a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement shall not be deemed a default of the Developer of the Developer's obligations under this Disclosure Agreement.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by 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) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to indemnify and hold harmless the Administrator, its officers, directors, employees, and agents against any loss, expense, and liabilities

which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence, or willful misconduct. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The Developer, the Administrator, and the Dissemination Agent agree that the legal expenses of the Dissemination Agent or the Administrator to which it is expressly entitled to be paid pursuant to this subsection 13(c) are Annual Collection Costs.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 12 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future officer, agent, or employee of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder, or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or

provision or other covenant, stipulation, obligation, agreement, act, or action, or part thereof, is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof, shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Developer, 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 the Major Improvement Area, 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 Major Improvement Area, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made hereunder among or between any of the Reporting Parties, the Administrator, the Dissemination Agent and/or Participating Underwriter, shall be given or made by e-mail, facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement or Significant Homebuilder to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such party or Significant Homebuilder under this Disclosure Agreement.

If to Developer: MM Terrell 1098, LLC
Attn: Mehrdad Moayedi
1800 Valley View Lane, Suite 300
Farmers Branch, Texas 75234
Email: mehrdad@centurionamerican.com

With a copy to: Boghetich Law, PLLC
Attn: Travis Boghetich
1800 Valley View Lane, Suite 360
Farmers Branch, Texas 75234
Email: travis@txreallaw.com

If to the Trustee: BOKF, NA
Attn: Corporate Trust
5956 Sherry Lane, Suite 900
Dallas, Texas 75225

If to the Dissemination Agent: HTS Continuing Disclosure Services
Attn: Tanya Calvit
717 N. Harwood, Suite 3400
Dallas, Texas 75201
Email: Tanya.calvit@hilltopsecurities.com

If to Administrator: P3Works, LLC
9284 Huntington Square, Ste 100
North Richland Hills, Texas 76182
Email: admin@p3-works.com

If to the Issuer: City of Terrell, Texas
Attn: City Manager
201 East Nash Street
Terrell, Texas 75160
Email: mikesims@cityofterrell.org

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:

MM TERRELL 1098, LLC,
a Texas limited liability company
(as Developer)

By: MMM Ventures, LLC
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC
a Delaware limited liability company
Its Manager

By: _____
Name: Mehrdad Moayedi
Its: Manager

P3Works, LLC,
Administrator

By:_____
Name:_____
Title:_____

EXHIBIT A

CITY OF TERRELL, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6
MAJOR IMPROVEMENT AREA PROJECT)

DEVELOPER QUARTERLY REPORT
[*INSERT QUARTERLY ENDING DATE*]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.
Address:
City:
Telephone:
Contact Person: Attn:

I. Expenditures Paid from Accounts under Indenture

TOTAL BUDGETED COSTS REQUIRED TO COMPLETE THE MAJOR IMPROVEMENT AREA PROJECTS: $_____

Of the budgeted costs for Major Improvement Area Projects shown in the Service and Assessment Plan:

a. Actual costs drawn from the Improvement Area Improvement Account[1]: $_____
b. Actual costs drawn from the Major Improvement Account: $_____[2]
c. Actual costs drawn from the Developer Improvement Account: $_____[3]

II. Status of Major Improvement Area Projects

Projected/actual completion date of the Major Improvement Area Projects

1. [Actual/Expected] date of completion of the Major Improvement Area Projects: [_____]
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [_____]

[1] Improvement Area Improvement Account means the account titled Major Improvement Area Projects Account held under the Project Fund in the Indenture.
[2] Not applicable.
[3] Not applicable.

III. Unit Mix in the Major Improvement Area

Product Type	Number of Units
Single Family __'	
Single Family __'	

IV. Lot Status in the Major Improvement Area

Of the 1,875 lots in the Major Improvement Area, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 1,875
2. Planned lots as of the date of this Quarterly Report: _____
3. Lots developed: _____
4. Lots platted: _____
5. Expected completion date of all lots in the Major Improvement Area (if incomplete): _____

V. Ownership of Lots/Units in the Major Improvement Area

PLANNED LOTS IN THE MAJOR IMPROVEMENT AREA: 1,875

Of the 1,875 lots in the Major Improvement Area:

1. Number of lots owned by the Developer: _____
2. Number of lots under contract but not closed to Homebuilder(s): _____
3. Number of lots owned by all Homebuilder(s): _____[4]
    a. Number of lots owned by [*insert name of Homebuilder*]: _____[5]
    b. Number of lots owned by [*insert name of Homebuilder*]: _____
4. Number of units owned by homeowners: _____

VI. Home Sales Information in the Major Improvement Area

PLANNED HOMES IN THE MAJOR IMPROVEMENT AREA: 1,875

Of the 1,875 homes planned for Major Improvement Area:

1. How many total building permits were issued **during the current quarter**? _____
    a. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____[2]
    b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____[2]
2. How many total homes have closed with homebuyers **during the current quarter**? _____
    a. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____[2]

[4] 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.

[5] Include a line item for each individual Homebuilder.

b. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____][6]

3. How many total homes have closed with homebuyers **cumulatively**? _____
   a. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____[3]
   b. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____[3]

VII. . Amenities[7]

TOTAL [EXPECTED/ACTUAL] COSTS OF AMENITIES: $[_____]

Of the $[_____] [expected/actual] costs of the Amenities:

1. Amount spent as of Quarterly Ending Date: $[_____]
2. [Actual/Expected] completion date of Amenities: [_____]

VIII. Material Changes

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to new builder contracts, changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Lot Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgement pursuant to the Disclosure Agreement?

---

[6] Include a line item for each individual Homebuilder.

[7] Amenities means shall mean the first amenity center to be constructed within the District and the paved trails, common areas, and parks with playgrounds, tables, and benches to be constructed within the Major Improvement Area.

5. **Reserved.**

6. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.

7. **Other** – Provide any other material information that should be disclosed.

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]

[DATE]

Name of Issuer:	City of Terrell, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Major Improvement Area Project) (the "Bonds")
CUSIP Numbers:	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Developer[8]"] ["Significant Homebuilder"]) has not provided the [Quarterly Information][Quarterly Report] for the period ending on [*Insert Quarterly Ending Date*] with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer related to such Bonds, by and among MM Terrell 1098, LLC, a Texas limited liability company (the "Developer"), P3Works, 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 Terrell, Texas

[8] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer:	City of Terrell, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Major Improvement Area Project) (the "Bonds")
CUSIP Numbers.	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.
_____
_____

City of Terrell, Texas
373 Main Street
Howe, Texas 75459

MM Terrell 1098, LLC
1800 Valley View Lane, Suite 300
Farmers Branch, Texas 75234

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN that that _____, a _____ (the ["Developer[1]"] ["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 MM Terrell 1098, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent.

Dated: _____

P3Works, LLC
on behalf of the [Developer] [Significant Homebuilder],
as Administrator)

By: _____

Title: _____

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer:	City of Terrell, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Major Improvement Area Project)
CUSIP Numbers:	[insert CUSIP Numbers]
Quarterly Ending Date:	_____, 20__

Re: Quarterly Report for Arboretum Estates Public Improvement District No. 6 – Major Improvement Area

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among MM Terrell 1098, LLC, a Texas limited liability company[1] (the "Developer"), P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent, this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][_____, as a "Significant Homebuilder"], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [*Insert Quarterly Ending Date*], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

MM TERRELL 1098, LLC,
a Texas limited liability company
(as Developer)

By: _____
Name: _____
Title: _____

[OR

SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)
By:_____
Title: _____]

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF DEVELOPER REPORTING OBLIGATIONS

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Arboretum Estates Public Improvement District No. 6 – Major Improvement Area – Continuing Disclosure Obligation

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 20__, you have been assigned and have assumed the obligations, requirements, or covenants to construct one or more of the Major Improvement Area Projects or Amenities (as those terms are defined in the Disclosure Agreement of Developer (as defined herein) within the Major Improvement Area of the Arboretum Estates Public Improvement District No. 6 (the "District").

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the "Disclosure Agreement of Developer") by and among MM Terrell 1098, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc. (the "Dissemination Agent"), with respect to the "City of Terrell, Texas, Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Major Improvement Area Project)," any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Major Improvement Area Projects 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,

MM TERRELL 1098, LLC,
a Texas limited liability company
(as Developer)

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: Arboretum Estates Public Improvement District No. 6 – Major Improvement Area – Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you own ____ lots within the Major Improvement Area of Arboretum Estates Public Improvement District No. 6 (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 MM Terrell 1098, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc. (the "Dissemination Agent"), with respect to the "City of Terrell, Texas, Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Major Improvement Area Project)," any entity that owns 51 or more of the single family residential lots within the Major Improvement Area of the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations under Sections 3(d)(iv) and 4(b) of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

MM TERRELL 1098, LLC,
a Texas limited liability company
(as Developer)

By: _____
Name: _____
Title: _____

Acknowledged by:
[INSERT ASSIGNEE NAME]

By:_____
Title:_____

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APPENDIX E

APPRAISAL

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Integra Realty Resources
Dallas

Appraisal of Real Property

Arboretum Estates PID #6
A Proposed Residential Development
South side of FM-148, west of CR-305
Terrell, Kaufman County, Texas 75160

Prepared For:
FMSbonds, Inc.

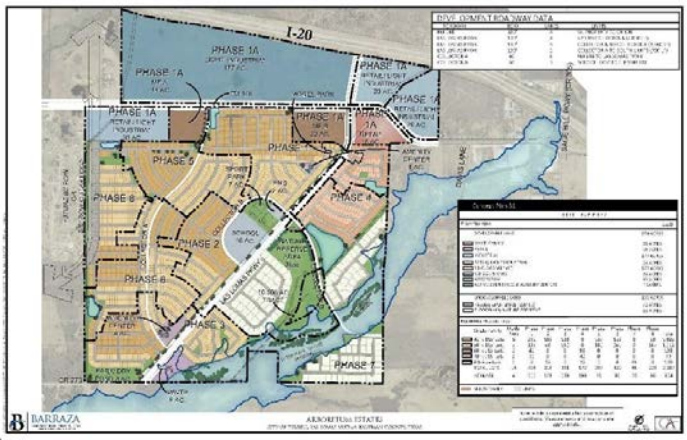
Date of the Report:
July 11, 2025

Report Format:
Appraisal Report

IRR - Dallas
File Number: 191-2025-0685



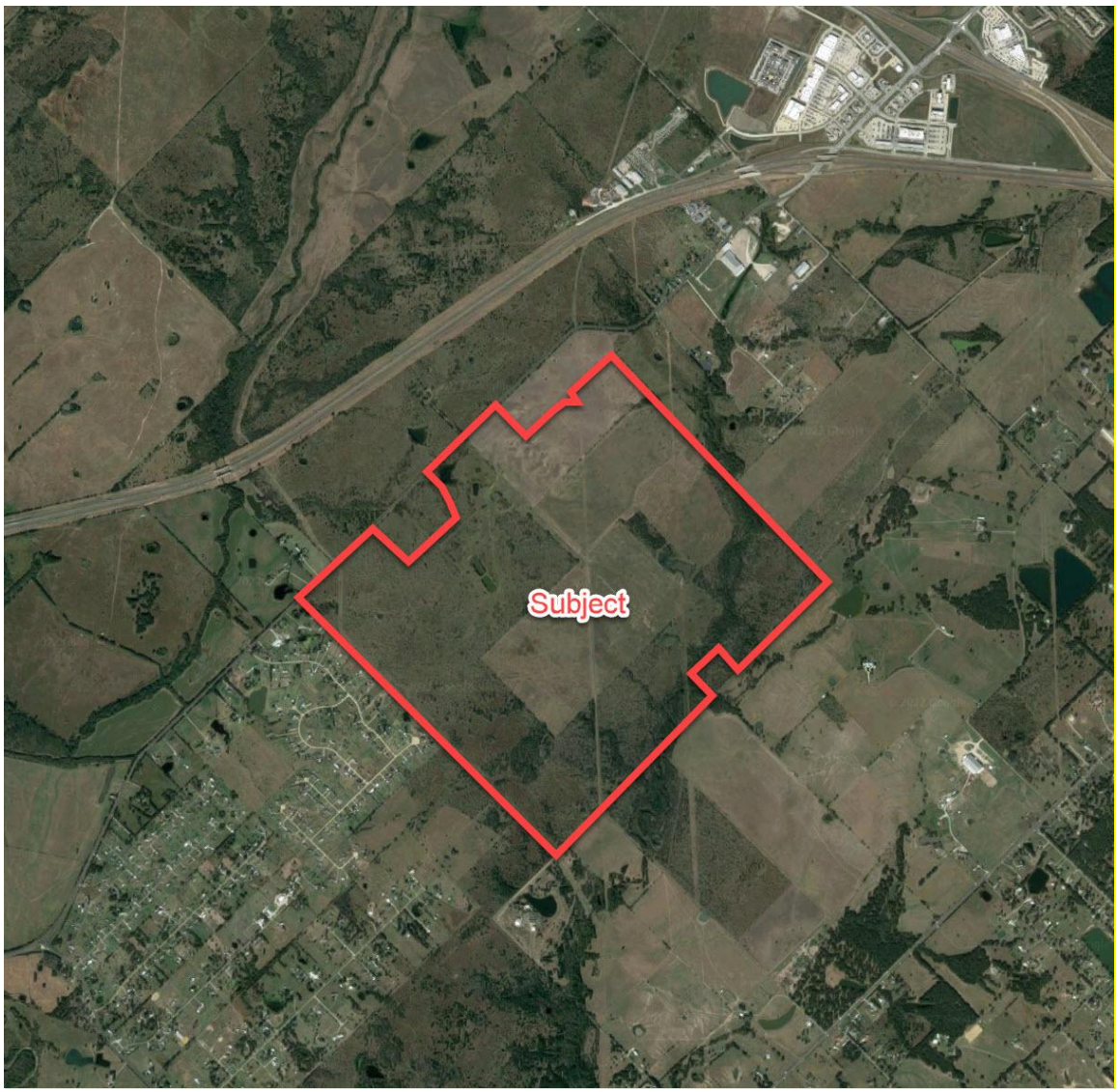
Subject Photographs





Arboretum Estates PID #6
South side of FM-148, west of CR-305
Terrell, Texas

Aerial Photographs




Phase 1
MIA
Acquisition date - 22 May 2025 21:10 UTC - Copyright © Bird.i Ltd. - Image © 2025 Maxar Technologies

Integra Realty Resources
Dallas

1100 Mira Vista Boulevard
Suite 300
Plano, TX 75093

T 972.881.7191
F 972.733.1403
www.irr.com

July 11, 2025

Mr. R.R. "Tripp" Davenport, III
Director
FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, TX 75034

SUBJECT: Market Value Appraisal
Arboretum Estates PID #6
South side of FM-148, west of CR-305
Terrell, Kaufman County, Texas 75160
IRR - Dallas File No. 191-2025-0685

Dear Mr. Davenport:

Integra Realty Resources – Dallas is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the fee simple interest in the property as of the effective date of the appraisal. The following opinions of value are provided:

- The prospective cumulative market value as completed of IA#1 as of August 1, 2026
- The prospective market value of MIA, upon completion of IA#1, as of August 1, 2026

The client for the assignment is FMSbonds, Inc., and the intended use is for the underwriting of a proposed public improvement district bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by the City nor is it the basis upon which a determination of the benefit any constructed or installed public improvements will have on properties within the “PID”; provided that it is acknowledged that this appraisal will be included in a limited offering memorandum for PID bonds.

The subject represents Improvement Area #1 (IA#1) and the Major Improvement Area (MIA) within the Arboretum Public Improvement District #6 (PID) located in the City of Terrell, Kaufman County, Texas. The PID is planned for a total of 2,387 single family lots as well as an elementary school and a large nature preserve and amenity center. IA#1 contains a total land area of 114.972 gross acres which is proposed for 498 single-family lots in the main neighborhood as well as an additional 14 lots within a model park for a total of 512 proposed lots. The lots are being developed with four typical lot sizes (40', 50', 60', and 70'). The MIA contains a land area of 667.289 gross acres (587.004 net usable) which will eventually contain 1,875 single-family lots within five lot types. All the lots are designed for front access and are located in the Terrell ISD. The land within the PID is zoned by the City as a planned development district which permits single-family residential uses within the master plan. Substantial completion of IA#1 is expected by August 1, 2026.

The unit mix for IA#1 and MIA follows:

Arboretum PID (IA#1)

		Density	Typical Lot Dimensions						Expected
Phase	Acres	Per Acre	40' x 115'	50' x 115'	60' x 115'	70' x 115'	1/2 Acre	Total Lots	Completion Date
IA#1	114.972	4.5	295	144	42	31	0	512	August 1, 2026
MIA	667.289	2.8	730	868	96	42	139	1,875	TBD

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, and applicable state appraisal regulations.

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.

Based upon the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value are as follows:

Value Conclusions

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Cumulative Market Value As Completed - IA#1	Fee Simple	August 1, 2026	$42,758,000
Prospective Market Value of MIA - Upon Completion of IA#1	Fee Simple	August 1, 2026	$66,680,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. All information relative to the subject property including land areas, lot totals, lot sizes, and other pertinent data that was provided by Barraza Consulting Group (engineering/surveyors), MM Terrell 1098, LLC (developer), T. Wilson (consultant), the city of Terrell, and the Kaufman Central Appraisal District is assumed
2. The subject is proposed construction. Therefore, this report contains a prospective opinion of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior to this prospective effective date.
3. Our opinion of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of August 1, 2026, the effective appraisal date.
4. The values presented within this report are prospective in nature. As such, we assume that local and regional lending institutions appear to remain active within the subject's market for specific projects. Therefore, we specifically assume that the financial markets will continue to function in a competitive, efficient fashion.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The opinions of value expressed in this report are based on estimates and forecasts which are prospective in nature and subject to considerable risk and uncertainty. Events may occur which could cause the performance of the property to differ materially from the estimates contained herein, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, the concluded opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, IRR is not responsible for the effects of future, unforeseen occurrences.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Dallas





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Quality Assurance

IRR Quality Assurance Program

At IRR, delivering a quality report is a top priority. Integra has an internal Quality Assurance Program in which managers review material and pass an exam in order to attain IRR Certified Reviewer status. By policy, every Integra valuation assignment is assessed by an IRR Certified Reviewer who holds the MAI designation, or is, at a minimum, a named Director with at least ten years of valuation experience.

This quality assurance assessment consists of reading the report and providing feedback on its quality and consistency. All feedback from the IRR Certified Reviewer is then addressed internally prior to delivery. The intent of this internal assessment process is to maintain report quality.

Designated IRR Certified Reviewer

The IRR Certified Reviewer who provided the quality assurance assessment for this assignment is Jimmy H. Jackson, MAI.

Executive Summary

Property Name	Arboretum Estates PID #6
Address/Location	South side of FM-148, west of CR-305 Terrell, Kaufman County, Texas 75160
Property Type	Land - Single Family Development Land
Owner of Record	MM Terrell 1098 LLC
Tax ID	9864, 9865, 16339, 16340, 16939, 40003, 214490, and 214491
School District	Terrell ISD
40' Lots	0.106 acres; 4,600 SF
50' Lots	0.132 acres; 5,750 SF
60' Lots	0.158 acres; 6,900 SF
70' Lots	0.185 acres; 8,050 SF
MIA	667.289 acres; 29,067,109 SF
Zoning Designation	Planned Development, Residential
Highest and Best Use	Single-family residential use
Exposure Time; Marketing Period	6 - 12 months; 6 - 12 months
Effective Date of the Appraisal	August 1, 2026
Date of the Report	July 11, 2025
Property Interest Appraised	Fee Simple

Value Conclusions

40' Frontage Lots	$73,800	($1,845/Front Foot)
50' Frontage Lots	$89,500	($1,790/Front Foot)
60' Frontage Lots	$105,000	($1,750/Front Foot)
70' Frontage Lots	$119,000	($1,700/Front Foot)

Value Conclusions

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Cumulative Market Value As Completed - IA#1	Fee Simple	August 1, 2026	$42,758,000
Prospective Market Value of MIA - Upon Completion of IA#1	Fee Simple	August 1, 2026	$66,680,000

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. All information relative to the subject property including land areas, lot totals, lot sizes, and other pertinent data that was provided by Barraza Consulting Group (engineering/surveyors), MM Terrell 1098, LLC (developer), T. Wilson (consultant), the city of Terrell, and the Kaufman Central Appraisal District is assumed
2. The subject is proposed construction. Therefore, this report contains a prospective opinion of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior to this prospective effective date.
3. Our opinion of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of August 1, 2026, the effective appraisal date.
4. The values presented within this report are prospective in nature. As such, we assume that local and regional lending institutions appear to remain active within the subject's market for specific projects. Therefore, we specifically assume that the financial markets will continue to function in a competitive, efficient fashion.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Strengths, Weaknesses, Opportunities, Threats (SWOT Analysis)

The analyses presented in this report consider the internal strengths and weaknesses of the subject property, as well as opportunities and external threats. The overall valuation influences are summarized in the following table.

Valuation Influences
Strengths
• Limited amount of available developed lots in market area • Continued demand for residential lots in market area • The property is located in a fast-growing area. • Easy access to major thoroughfares • Close proximity to employment centers • The property is located within a Public Improvement District. • Increasing population base
Weaknesses
• Potential competition from other developments • Land loss to Floodplain • Large supply of vacant undeveloped land
Opportunities
• Profit from lot sales • Profit from homebuilding • Demand for new housing continues • Demand for new housing remains relatively strong
Threats
• In light of the progress on inflation and the balance of risks, at the May 2025 Federal Open Market Committee (FOMC) meeting, the Federal Reserve left the federal funds rate unchanged at 4 1/4 percent pausing the interest-rate-cutting cycle that started in September 2024. The Committee will continue to take into account a wide range of information including readings on labor market conditions, inflation pressures, inflation expectations, and financial and international developments. The Committee is strongly committed to supporting maximum employment and returning inflation to • Continued potential economic downturn/inflation pressures testing the U.S. and local economies

Identification of the Appraisal Problem

Subject Description

The subject represents Improvement Area #1 (IA#1) and the Major Improvement Area (MIA) within the Arboretum Public Improvement District #6 (PID) located in the City of Terrell, Kaufman County, Texas. The PID is planned for a total of 2,387 single family lots as well as an elementary school and a large nature preserve and amenity center. IA#1 contains a total land area of 114.972 gross acres which is proposed for 498 single-family lots in the main neighborhood as well as an additional 14 lots within a model park for a total of 512 proposed lots. The lots are being developed with four typical lot sizes (40', 50', 60', and 70'). The MIA contains a land area of 667.289 gross acres (587.004 net usable) which will eventually contain 1,875 single-family lots within five lot types. All the lots are designed for front access and are located in the Terrell ISD. The land within the PID is zoned by the City as a planned development district which permits single-family residential uses within the master plan. Substantial completion of IA#1 is expected by August 1, 2026.

A legal description of the properties is provided in the addenda.

Property Identification	
Property Name	Arboretum Estates PID #6
Address	South side of FM-148, west of CR-305 Terrell, Texas 75160
Tax ID	9864, 9865, 16339, 16340, 16939, 40003, 214490, and 214491
Owner of Record	MM Terrell 1098 LLC

Sale History

No known sales or transfers of ownership have taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

To the best of our knowledge, the property, as a whole, is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date. However, all of the proposed lots are contracted as follows:

Lot Contract Summary

Home Builder	Total Lots	Lot Type	Typical Lot Dimensions	Total SF	Base Lot Price*	Base Price/FF	Absorption/Month	Total Absorption Period (Months ±)
Beazer Homes Texas	58	SF	40' x 115'	4,600	$60,000	$1,500	3.3	17.6
Beazer Homes Texas	30	SF	50' x 115'	5,750	$75,000	$1,500	2.0	15.0
Brightland Homes	58	SF	40' x 115'	4,600	$60,000	$1,500	2.3	25.2
Brightland Homes	30	SF	50' x 115'	5,750	$75,000	$1,500	1.3	23.1
Brightland Homes	21	SF	60' x 115'	6,900	$90,000	$1,500	1.0	21.0
Brightland Homes	15	SF	70' x 115'	8,050	$105,000	$1,500	0.7	21.4
Castlerock Communities	59	SF	40' x 115'	4,600	$60,000	$1,500	2.3	25.7
Castlerock Communities	30	SF	50' x 115'	5,750	$75,000	$1,500	1.3	23.1
Castlerock Communities	21	SF	60' x 115'	6,900	$90,000	$1,500	1.0	21.0
Castlerock Communities	16	SF	70' x 115'	8,050	$105,000	$1,500	0.7	22.9
First Texas Homes	59	SF	40' x 115'	4,600	$60,500	$1,513	3.3	17.9
First Texas Homes	30	SF	50' x 115'	5,750	$75,500	$1,510	2.0	15.0
Pulte Homes	58	SF	40' x 115'	6,900	$60,000	$1,500	3.3	17.6
Pulte Homes	29	SF	50' x 115'	8,050	$75,000	$1,500	2.0	14.5

*All lots are contracted with an annual 8.5% escalation with a $500/lot marketing fee and a $2,000/lot amenity fee

It is noted that the contract prices are projected to be below market upon completion of development. This is considered typical for properties with extensive development periods. Additionally, this developer has historically priced lots below market in exchange for favorable takedown schedules and earnest money requirements.

Appraisal Purpose

The purpose of the appraisal is to develop the following opinions of value:

- The prospective cumulative market value as completed of IA#1 as of August 1, 2026
- The prospective market value of MIA, upon completion of IA#1, as of August 1, 2026

The date of the report is July 11, 2025. The appraisal is valid only as of the stated effective date or dates.

Value Type Definitions

The definitions of the value types applicable to this assignment are summarized below.

Market Value
The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [1]

Appraisal Premise Definitions

The definitions of the appraisal premises applicable to this assignment are specified as follows.

Prospective Opinion of Value
A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

(Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 7th ed. [Chicago: Appraisal Institute, 2022])

Prospective Market Value As Completed
The market value of a property as of a future date when all construction is expected to be completed. It is based on market conditions forecasted to exist as of the completion date. This value premise assumes the project is complete and ready to lease to individual tenants.[2]

[1] Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also, Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472
[2] Compiled and summarized from several industry sources

Property Rights Definitions

The property rights appraised which are applicable to this assignment are defined as follows.

Fee Simple Estate
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.[3]

Client and Intended User(s)

The client and intended user is FMSbonds, Inc. No other party(s) is intended to rely on the information, opinions, and conclusions contained in this report; provided that it is acknowledged that this appraisal will be used in a limited offering memorandum for PID bonds.

Intended Use

The intended use of the appraisal is for the underwriting of a proposed public improvement district bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by the City nor is it the basis upon which a determination of the benefit any constructed or installed public improvements will have on properties within the "PID". The appraisal is not intended for any other use.

Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP)
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute
- Applicable state appraisal regulations

Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have prepared [enter number] appraisals of the subject property for another client. We have provided no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

[3] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

Appraiser Competency

No steps were necessary to meet the competency provisions established under USPAP. The assignment participants have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, appraiser competency provisions are satisfied for this assignment. Appraiser qualifications and state credentials are included in the addenda of this report.

Scope of Work

Introduction

The appraisal development and reporting processes require gathering and analyzing information about the assignment elements necessary to properly identify the appraisal problem. The scope of work decision includes the research and analyses necessary to develop credible assignment results, given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

To determine the appropriate scope of work for the assignment, the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors were considered. The concluded scope of work is described below.

Research and Analysis

The type and extent of the research and analysis conducted are detailed in individual sections of the report. The steps taken to verify comparable data are disclosed in the addenda of this report. Although effort has been made to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Subject Property Data Sources

The legal and physical features of the subject property, including size of the site, flood plain data, property zoning, existing easements and encumbrances, access and exposure were confirmed and analyzed.

Inspection

Details regarding the property inspection conducted as part of this appraisal assignment are summarized as follows:

Property Inspection

Party	Inspection Type	Inspection Date
Ernest Gatewood	On-site	May 5, 2025
Jimmy H. Jackson, MAI	None	N/A

Valuation Methodology

Three approaches to value are typically considered when developing a market value opinion for real property. These are the cost approach, the sales comparison approach, and the income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach - (Subdivision Development Analysis)	Not Applicable	Not Utilized

The Sales Comparison Approach involves research, verification, and comparison of sales of other vacant lots. The sales are then adjusted for value-related differences. Because Texas is not a full disclosure state, sales prices must be obtained from grantors, grantees, brokers, lenders, other persons involved in the transaction, or other appraisers when the information is believed to be reliable. In many cases, the sources of the information wish to remain anonymous and are not included; however, the sale data is used only if the data is believed to be accurate, and the sources of the information are kept on file.

The Cost Approach involves research, verification, and comparison of sales of other vacant land with the subject land. The sales are then adjusted for value-related differences. Because Texas is not a full disclosure state, sales prices must be obtained from grantors, grantees, brokers, lenders, other persons involved in the transaction, or other appraisers when the information is believed to be reliable. In many cases, the sources of the information wish to remain anonymous and are not included; however, the sale data is used only if the data is believed to be accurate, and the sources of the information are kept on file. Cost figures were obtained from the developer and compared to cost figures on competing developments. The cost figures are based on actual costs provided by the developer. Developer's profit is based on profit expectations reported by developers as well as actual profit on similar developments.

In the Income Capitalization Approach, specific appraisal techniques are applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.

In the Subdivision Development Approach, the retail value of the lots has been estimated. The individual lot values are based on lot sales in competing developments. The absorption rates, expenses, and discount rates are also based on competing developments. The indicated value by the Income Capitalization Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

Economic Analysis

Kaufman County Area Analysis

Kaufman County is located in North Central Texas\. It is 781 square miles in size and has a population density of 259 persons per square mile.

Population

Kaufman County has an estimated 2025 population of 201,907, which represents an average annual 6.8% increase over the 2020 census of 145,310. Kaufman County added an average of 11,319 residents per year over the 2020-2025 period, and its annual growth rate exceeded the Dallas MSA rate of 1.8%.

Looking forward, Kaufman County's population is projected to increase at a 2.8% annual rate from 2025-2030, equivalent to the addition of an average of 5,949 residents per year. Kaufman County's growth rate is expected to exceed that of the Dallas MSA, which is projected to be 1.4%.

Population Trends

	Population			Compound Ann. % Chng	
	2020 Census	2025 Estimate	2030 Projection	2020 - 2025	2025 - 2030
Kaufman County, TX	145,310	201,907	231,654	6.8%	2.8%
Dallas-Fort Worth-Arlington, TX Metro	7,637,387	8,365,633	8,960,094	1.8%	1.4%
Texas	29,145,505	31,245,372	33,006,956	1.4%	1.1%
USA	331,449,281	337,643,652	345,735,705	0.4%	0.5%

Source: Claritas

Employment

Total employment in Kaufman County was estimated at 43,473 jobs as of June 2024. Between year-end 2014 and 2024, employment rose by 15,513 jobs, equivalent to a 55.5% increase over the entire period. There were gains in employment in nine out of the past ten years. Kaufman County's rate of employment growth over the last decade surpassed that of the Dallas MSA, which experienced an increase in employment of 23.2% or 755,689 jobs over this period.

Employment Trends

	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
Year	Kaufman County	% Change	Dallas MSA	% Change	Kaufman County	Dallas MSA
2014	27,960		3,254,583		5.2%	5.1%
2015	29,556	5.7%	3,360,668	3.3%	4.1%	4.1%
2016	30,660	3.7%	3,441,839	2.4%	3.8%	3.9%
2017	31,704	3.4%	3,526,930	2.5%	3.6%	3.7%
2018	31,526	-0.6%	3,606,436	2.3%	3.5%	3.6%
2019	33,373	5.9%	3,719,023	3.1%	3.2%	3.3%
2020	33,424	0.2%	3,595,494	-3.3%	6.4%	7.2%
2021	37,237	11.4%	3,829,259	6.5%	4.9%	5.1%
2022	39,829	7.0%	3,966,180	3.6%	3.8%	3.6%
2023	42,736	7.3%	4,048,493	2.1%	4.1%	3.7%
2024*	43,473	1.7%	4,010,272	-0.9%	4.3%	3.9%
Overall Change 2014-2024	15,513	55.5%	755,689	23.2%		
Avg Unemp. Rate 2014-2024					4.3%	4.3%
Unemployment Rate - December 2024					4.0%	3.5%

*Total employment data is as of June 2024.

Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

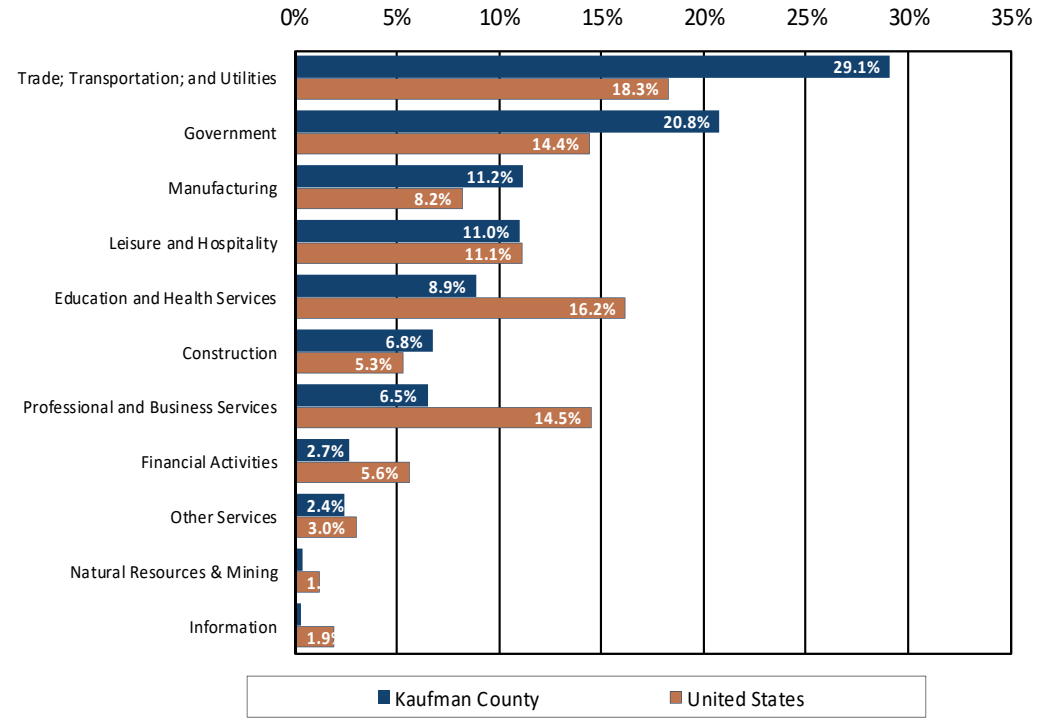
A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, Kaufman County has had a 4.3% average unemployment rate, which is the same as the rate for the Dallas MSA. The two areas are performing similarly according to this measure.

Recent data shows that the Kaufman County unemployment rate is 4.0% in comparison to a 3.5% rate for the Dallas MSA, a negative sign for the Kaufman County economy but one that must be tempered by the fact that Kaufman County has outperformed the Dallas MSA in the rate of job growth over the past two years.

Employment Sectors

The composition of the Kaufman County job market is depicted in the chart below. A complete data set is not available for the Dallas MSA, so Kaufman County will be compared to the United States. Total employment for the two areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Kaufman County jobs in each category.

Employment Sectors - 2024



Source: U.S. Bureau of Labor Statistics and Moody's Analytics

Kaufman County has greater concentrations than the United States in the following employment sectors:

1. Trade; Transportation; and Utilities, representing 29.1% of Kaufman County payroll employment compared to 18.3% for the nation overall. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Government, representing 20.8% of Kaufman County payroll employment compared to 14.4% for the nation overall. This sector includes employment in local, state, and federal government agencies.
3. Manufacturing, representing 11.2% of Kaufman County payroll employment compared to 8.2% for the nation overall. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
4. Construction, representing 6.8% of Kaufman County payroll employment compared to 5.3% for the nation overall. This sector includes construction of buildings, roads, and utility systems.

Kaufman County is underrepresented in the following sectors:

1. Leisure and Hospitality, representing 11.0% of Kaufman County payroll employment compared to 11.1% for the nation overall. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
2. Education and Health Services, representing 8.9% of Kaufman County payroll employment compared to 16.2% for the nation overall. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
3. Professional and Business Services, representing 6.5% of Kaufman County payroll employment compared to 14.5% for the nation overall. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
4. Financial Activities, representing 2.7% of Kaufman County payroll employment compared to 5.6% for the nation overall. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.

Major Employers

Major employers in Kaufman County are shown in the following table.

Major Employers - Kaufman County, TX

	Name	Number of Employees
1	Forney ISD	1,390
2	Walmart	398
3	Smurfit Kappa	260
4	Intex	250
5	Kroger Marketplace	222
6	Steve Silver Company	200
7	Austin Independent School District	165
8	St. David's Healthcare Partnership	160
9	Ascension Seton	160
10	Samsung Austin Semiconductor	120

Major employers in the DFW metro area are shown in the following table.

Major Employers - DFW Metro

	Name	Number of Employees
1	AMR Corporation	24,700
2	Bank of America Corporation	20,000
3	Texas Health Resources Inc.	19,230
4	Dallas ISD	18,314
5	Baylor Health Care System	17,097
6	AT&T	15,800
7	Lockheed Martin Aeronautics	14,126
8	JP Morgan Chase & Co.	13,500
9	UT-Southwestern Medical Center	13,122
10	City of Dallas	12,836

Source: http://www.destinationdfw.com/Largest-Employers-in-Dallas-Fort-Worth-Texas/

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area, and annual changes in Gross Domestic Product (GDP) are a gauge of economic growth.

Economic growth, as measured by annual changes in GDP, has been considerably higher in Kaufman County than the Dallas MSA overall during the past decade. Kaufman County has grown at a 5.0% average annual rate while the Dallas MSA has grown at a 3.9% rate. Kaufman County continues to perform better than the Dallas MSA. GDP for Kaufman County rose by 8.4% in 2023 while the Dallas MSA's GDP rose by 3.2%.

Kaufman County has a per capita GDP of $27,083, which is 64% less than the Dallas MSA's GDP of $75,726. This means that Kaufman County industries and employers are adding relatively less value to the economy than their counterparts in the Dallas MSA.

Gross Domestic Product

Year	($,000s) Kaufman County	% Change	($,000s) Dallas MSA	% Change
2013	3,087,422	–	419,597,444	–
2014	3,039,297	-1.6%	435,538,151	3.8%
2015	3,171,700	4.4%	456,229,575	4.8%
2016	3,275,416	3.3%	466,825,711	2.3%
2017	3,416,434	4.3%	483,732,021	3.6%
2018	3,586,380	5.0%	506,219,605	4.6%
2019	3,867,539	7.8%	526,158,780	3.9%
2020	3,943,921	2.0%	520,197,747	-1.1%
2021	4,389,754	11.3%	562,114,928	8.1%
2022	4,639,909	5.7%	594,463,828	5.8%
2023	5,029,048	8.4%	613,381,002	3.2%
Compound % Chg (2013-2023)		5.0%		3.9%
GDP Per Capita 2023	$27,083		$75,726	

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2024.
The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2017 dollars.

Household Income

Kaufman County has a higher level of household income than the Dallas MSA. Median household income for Kaufman County is $96,704, which is 9.7% greater than the corresponding figure for the Dallas MSA.

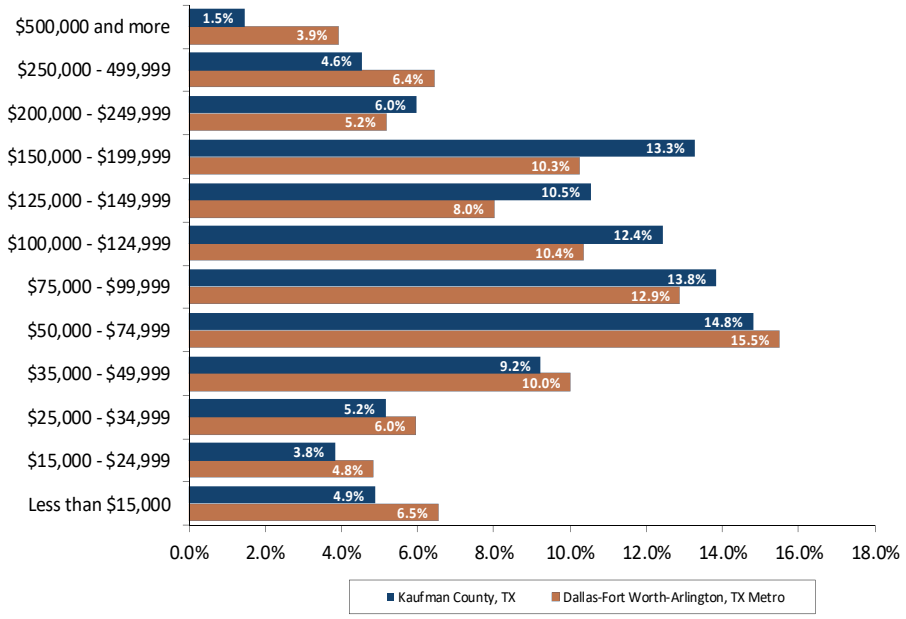
Median Household Income - 2025

	Median
Kaufman County, TX	$96,704
Dallas-Fort Worth-Arlington, TX Metro	$88,165
Comparison of Kaufman County, TX to Dallas-Fort Worth-Arlingt	+ 9.7%

Source: Claritas

The following chart shows the distribution of households across twelve income levels. Kaufman County has a greater concentration of households in the middle-income levels than the Dallas MSA. Specifically, 52% of Kaufman County households are between the $50,000 - $150,000 levels in household income as compared to 47% of Dallas MSA households. A lesser concentration of households is apparent in the lower income levels, as 23% of Kaufman County households are below the $50,000 level in household income versus 27% of Dallas MSA households.

Household Income Distribution - 2025

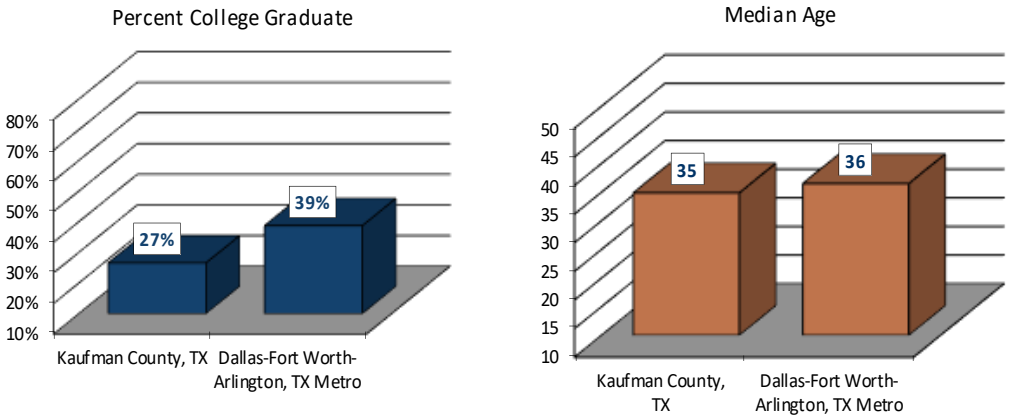


Source: Claritas

Education and Age

Residents of Kaufman County have a lower level of educational attainment than those of the Dallas MSA. An estimated 27% of Kaufman County residents are college graduates with four-year degrees, versus 39% of Dallas MSA residents.

Education & Age - 2025

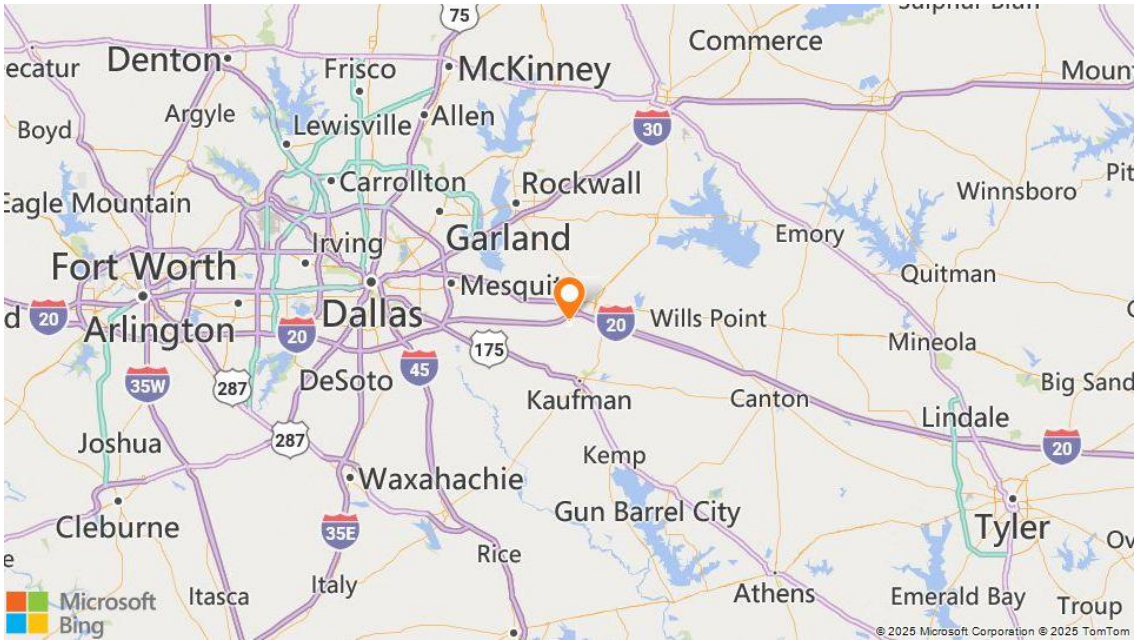


Source: Claritas

Conclusion

The Kaufman County economy will benefit from a growing population base and a higher level of median household income. Kaufman County experienced growth in the number of jobs over the past decade, and it is reasonable to assume that employment growth will occur in the future. It is anticipated that the Kaufman County economy will improve, and employment will grow, strengthening the demand for real estate.

Area Map


Denton
Frisco
McKinney
Commerce
Argyle
Lewisville
Allen
Boyd
Carrollton
Rockwall
Winnsboro
Eagle Mountain
Irving
Garland
Emory
Fort Worth
Quitman
Arlington
Dallas
Wills Point
Mineola
DeSoto
Kaufman
Canton
Big Sand
Lindale
Joshua
Kemp
Waxahachie
Gun Barrel City
Cleburne
Tyler
Rice
Italy
Itasca
Athens
Emerald Bay
Troup
Microsoft Bing
© 2025 Microsoft Corporation © 2025 TomTom

Surrounding Area Analysis

The subject is located in the northern portion of Kaufman County in the city of Terrell, Texas. Area boundaries and delineation are indicated in the following table. A map identifying the location of the property follows this section.

Boundaries & Delineation	
Boundaries	
Market Area	Dallas-Fort Worth, TX
Submarket	Terrell
Area Type	Suburban
Delineation	
North	Kaufman County Boundary Line
South	SH-175
East	Kaufman County Boundary Line
West	Kaufman County Boundary Line

Access and Linkages

Primary access and linkages to the subject area, including highways, roadways, and airports, are summarized in the following table.

Access & Linkages	
Vehicular Access	
Major Highways	IH-20 / US-80 / SH-34
Primary Corridors	FM-148
Vehicular Access Rating	Average
Airport(s)	DFW International Airport
Distance	52 Miles
Driving Time	1 Hour
Primary Transportation Mode	Automobile

The subject benefits from average daily traffic counts. Furthermore, the Dallas Central Business District (CBD), the economic and cultural center of the region, is approximately 40 miles from the property.

Life Cycle

Real estate is affected by cycles involving development trends within a market area as well as market and economic forces. Trends in demand for development in a particular market are described by the Market Area Life Cycle, while market and economic trends are described by the Real Estate Cycle.

A Market Area Life Cycle typically evolves through four stages:[4]

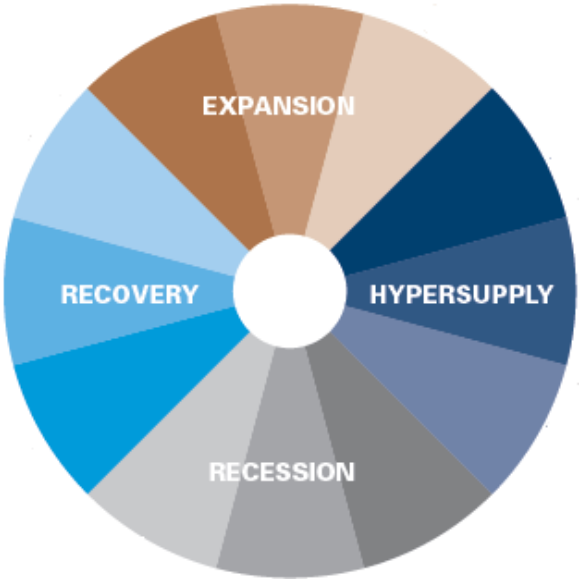
- Growth – a period during which the market area gains public favor and acceptance
- Stability – a period of equilibrium without marked gains or losses
- Decline – a period of diminishing demand
- Revitalization – a period of renewal, redevelopment, modernization, and increasing demand

The subject's market area is in the growth stage of the Market Area Life Cycle.

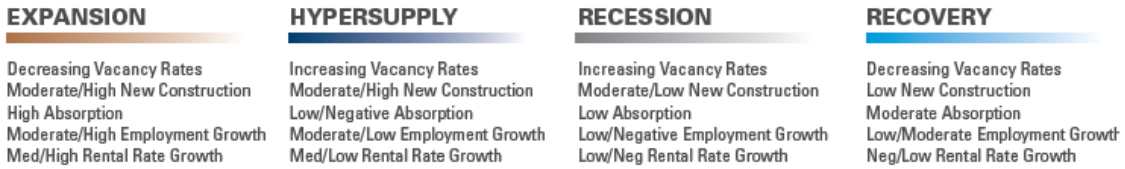
The Real Estate Cycle also impacts a neighborhood. The stages of the Real Estate Cycle include:

- Expansion – Sustained growth in demand, increasing construction
- Hypersupply – Positive but falling demand, increasing vacancy
- Recession – Falling demand, increasing vacancy
- Recovery – Increasing demand, decreasing vacancy

These stages are illustrated below, along with a summary of common characteristics of each stage of the Real Estate Cycle. The subject is in the expansion stage of the Real Estate Cycle.



[4] Appraisal Institute, *The Appraisal of Real Estate*, 15th ed. (Chicago: Appraisal Institute, 2020)



Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics

2025 Estimates	5-Minute Drive Time	10-Minute Drive Time	15-Minute Drive Time	Kaufman County, TX	Dallas-Fort Worth-Arlington, TX Metro
Population 2020	868	14,742	69,015	145,310	7,637,387
Population 2025	1,634	18,973	95,731	201,907	8,365,633
Population 2030	1,842	21,577	109,965	231,654	8,960,094
Compound % Change 2020-2025	13.5%	5.2%	6.8%	6.8%	1.8%
Compound % Change 2025-2030	2.4%	2.6%	2.8%	2.8%	1.4%
Households 2020	238	4,960	22,412	47,673	2,760,991
Households 2025	424	6,311	30,850	65,724	3,021,989
Households 2030	471	7,154	35,414	75,382	3,242,514
Compound % Change 2020-2025	12.2%	4.9%	6.6%	6.6%	1.8%
Compound % Change 2025-2030	2.1%	2.5%	2.8%	2.8%	1.4%
Median Household Income 2025	$97,488	$79,321	$97,438	$96,704	$88,165
Average Household Size	3.2	2.9	3.1	3.1	2.7
College Graduate %	20%	22%	30%	27%	39%
Median Age	38	36	34	35	36
Owner Occupied %	80%	62%	72%	77%	59%
Renter Occupied %	20%	38%	28%	23%	41%
Median Owner Occupied Housing Value	$357,013	$354,567	$362,451	$355,264	$395,602
Median Year Structure Built	2019	2001	2009	2007	1993
Average Travel Time to Work in Minutes	37	31	36	38	31

Source: Claritas

As shown above, the current population within a 10-minute drive time of the subject is 18,973, and the average household size is 2.9. Population in the area has grown since the 2020 census, and this trend is projected to continue over the next five years. Compared to Kaufman County overall, the population within a 10-minute drive time is projected to grow at a slower rate.

Median household income is $79,321, which is lower than the household income for Kaufman County. Residents within a 10-minute drive time have a lower level of educational attainment than those of Kaufman County, while median owner-occupied home values are similar.

Land Use

Predominant land uses in the immediate vicinity of the subject include a mix of single family residential and commercial along major thoroughfares. Land use characteristics of the area are summarized below.

Surrounding Area Land Uses	
Character of Area	Suburban
Predominant Age of Improvements (Years)	New to 75
Predominant Quality and Condition	Average
Approximate Percent Developed	50%
Infrastructure and Planning	Average
Predominant Location of Undeveloped	East and South
Prevailing Direction of Growth	North and West

Immediate Surroundings	
North	Vacant Land
South	Vacant Land
East	Vacant Land
West	Vacant Land



Development Activity and Trends

During the last five years, development has been predominantly of residential uses. The pace of development has generally accelerated over this time.

Medical Facilities - Hospitals and medical centers in the area include:

- Baylor Health Center at Terrell, Texas
- Presbyterian Hospital of Kaufman located in Kaufman, Texas
- Medical Center at Terrell located in Terrell, Texas
- Terrell State Hospital also located in Terrell, Texas

Trinity Valley Community College Terrell campus is located at IH-20 and Wilson Road in Terrell, Texas. The campus is located on 40 acres in a rural setting in the City of Terrell. The average student population is about 1,050 during the fall and spring semesters. The Terrell campus teaches a cadre of general education courses that transfer to senior colleges, as well as occupational courses in accounting, business and office technology, child development, computer science, cosmetology, criminal justice, fire science technology, horticulture, management, and prerequisites for nursing.

Terrell Municipal Airport is a public access airport owned by the City of Terrell. The airport offers a wide range of services for commercial and private aviation within Class G airspace. Its location at the junction of IH-20, US-80, and SH-34 makes the airport easily accessible from both east Texas and the Dallas metroplex. The Airport Industrial Park adjacent to the field is home to a diverse corporate community, including a number of Fortune 500 companies. Lodging, dining, shopping, and recreational activities offer a wide range of amenities for visitors. The airport is an integral part of the Terrell community, providing facilities for corporate aviation, recreational flying, flight training, and aerial inspections. The city hosts an annual fly-in at the airport. Aircraft operations, including local general aviation, transient general aviation, and air taxi, average 70 per day. The airport operates one asphalt runway which is 5,006 feet long and 75 feet wide. Terrell Municipal Airport is also the site of the No. 1 British Flight Training School (No. 1 BFTS), the first U.S. location to host flight training for the Royal Air Force during WWII. An on-site museum commemorates the history of this British-American collaboration.

Windmill Farms is a master-planned community located on the north side of US-80 within Kaufman County which is expected to eventually be home to over 35,000 residents occupying approximately 8,000 single-family residences and 2,000 multifamily and townhome residences. A town center and business district, along with an additional 1,198 acres along the south side of US-80, are intended to create an employment base for Windmill Farms residents over the coming years. To date, approximately 3,515 single family lots have been developed with an additional 4,928 planned in future phases with home prices ranging from $269,990 to $348,990.

Heartland is a 2,100± acre; master-planned community developed by Hillwood Development Corporation located within an unincorporated area of Kaufman County, Texas and is approximately 25 miles east of the Dallas CBD. In 2009, Heartland was awarded community of the year by The Homebuilders Association of Greater Dallas. This community is located south of IH-20, on the east side of FM-741 near the community of Forney, Texas. To date, the development has been platted and developed with a total of approximately 4,757 single-family lots with an additional 3,100 planned in future phases with lot frontages of 40', 50', and 60' frontages. Home prices are ranging from $230,990 to $576,990.

Crossroads at Terrell – is a 255-acre, 600,000 SF major power center at the junction of IH-20, SH-34, and Spur 557 off US-80. The development is being built in phases and includes mixed-use office, retail, hotel, service, and apartments. The Schulman Theatres' 74,000 square foot Film Alley Movie Entertainment Center at Oakridge Investment's Crossroads at Terrell development is now open. This multi-venue concept includes eight full-service dine-in auditoriums including one being Premium Large Format, 24 lanes of family and boutique bowling, a state-of-the-art redemption arcade featuring Virtual Reality, 5S Rock Bar & Grill with full-service dining, and private party rooms. Film Alley is directly across FM-148 from the wildly successful Buc-ee's Travel Plaza. The retail momentum at the Crossroads at Terrell has spurred the opening of Academy Sports and Outdoors, Chick-Fil-A, Freddy's Frozen Custard, Taco Bueno, Panda Express, Chili's, Chipotle, Chiangmai Thai, Hobby Lobby, Ross, Marshall's, Burkes Outlet, Petco, Ulta, Five Below, Famous Footwear, Rack Room Shoes, GoWireless by Verizon, Sport Clips, Upscale Nails & Spa and Spec's Wine, Spirits & Finer Foods. The development has had a significant impact on the immediate area.

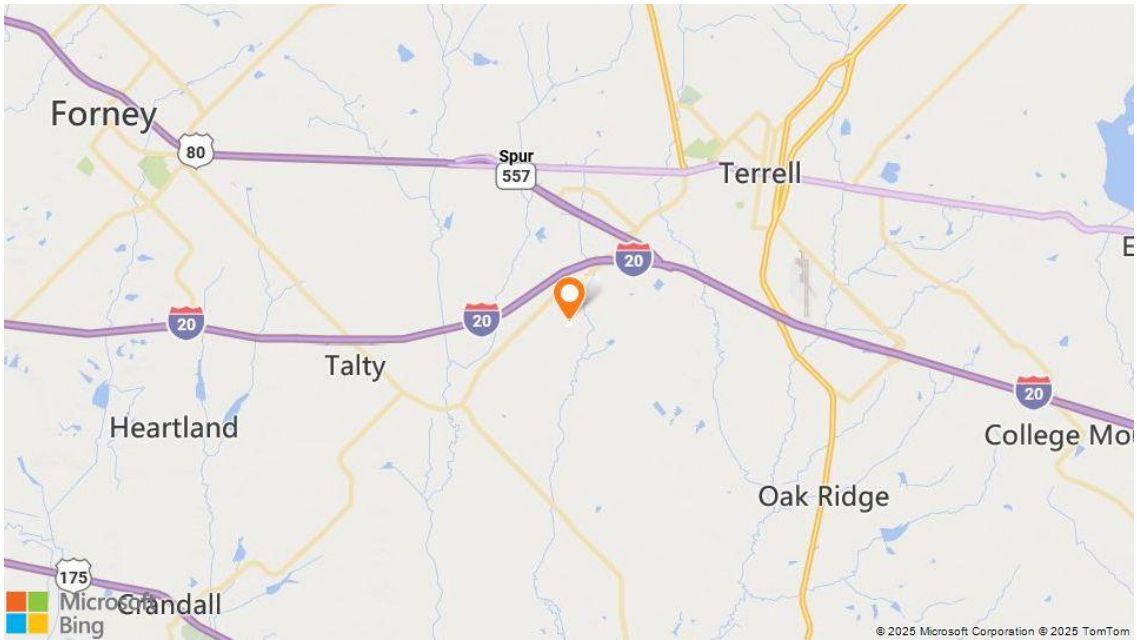
Buc-ee's Terrell is a chain of travel centers known for clean bathrooms and many fueling positions. Constructed in 2014 at the northeast corner of IH-20 and FM-148, it has quickly become a staple in Texas travel stops.

Arboretum (Las Lomas PID) is a residential development that will contain 2,387± lots ranging from 40' to 70' front foot frontages as well as half-acre lots. This Centurion American development is set to begin in January 2024 while all of the water, sewer and infrastructure is being put in place. The development was granted a development agreement from the city of Terrell and is located in the extraterritorial jurisdiction of Terrell south of US-80 and east of Helms Trail.

Outlook and Conclusions

The area is in the growth stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will increase in the near future.

Surrounding Area Map

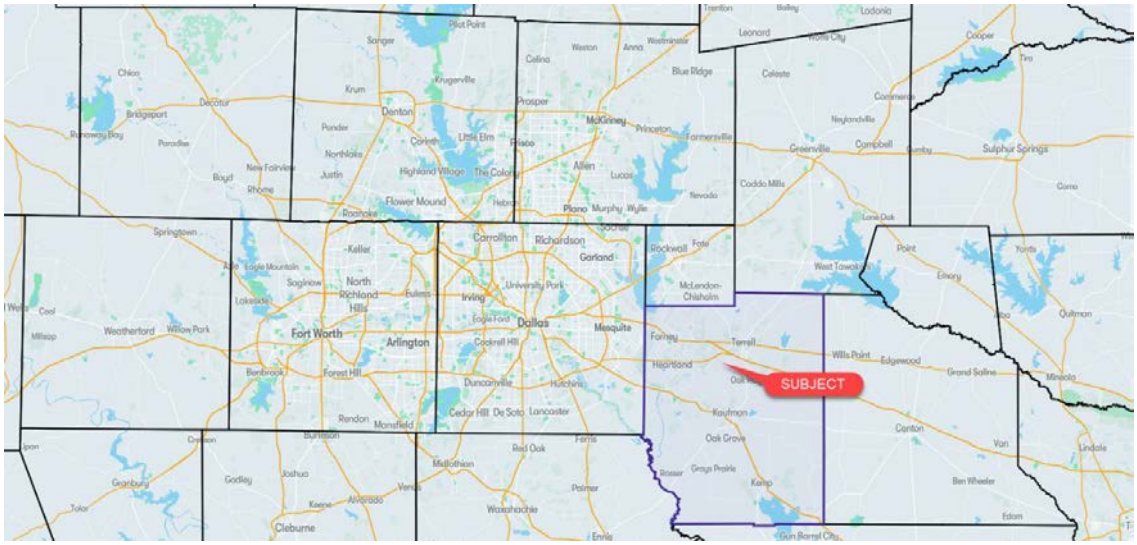


Residential Analysis

When analyzing the financially feasible and maximally productive use of the site, all of the uses that are both physically possible and legally permissible must be considered. For the subject, the primary potential use is considered to be single-family residential development. As mentioned, the subject is proposed to be developed with single-family lots. Thus, an important factor affecting development of the subject is the surrounding land usage. The neighborhood is predominantly vacant land that is being developed into single-family residential uses. The immediate area surrounding the subject is residential in nature.

During the past decade, the residential real estate market has seen many positive changes. With the steady increase in multifamily residential rental rates, coupled with the low interest rates and the large numbers pertaining to job growth, there has been a trend of individuals choosing to purchase homes rather than to rent apartments and multifamily housing. Furthermore, with the decline in the availability of vacant developable land, population growth has quickly expanded into the suburban areas of the Dallas/Fort Worth area. As such, the proposed absorption of single-family home lots in the subject's neighborhood will be analyzed using historical absorption data provided by Zonda, a nationally recognized information provider, as well as information obtained from area market participants and developers. It is important to note that our absorption data is based on historical trends. Inasmuch as we are forecasting an economy for this area that is at least equal to recent trends, using these historical trends is felt to be quite justifiable. The subject development is physically located within the city of Terrell ETJ in Kaufman County and is within the Terrell Independent School District. The Terrell market area is quite small and has limited new home activity, but the with the eastward growth of the DFW area, the market is beginning to expand. Therefore, data obtained from Zonda as of First Quarter 2025 for the defined area of "Kaufman County", as shown in the following map, will be analyzed with a summary of the details following.

Defined Submarket Map Area – Kaufman County



Historical Housing Chart

Following is a chart provided by Zonda summarizing the historical home/lot absorption from the past several years for the defined submarket area:

	4Q 2020	4Q 2021	4Q 2022	4Q 2023	2Q 2024	3Q 2024	4Q 2024	1Q 2025	YOY Change
Vacant Developed Lots	4,158	3,319	4,712	7,416	7,297	6,943	7,413	7,357	-10.05%
Quarterly Starts	1,044	876	794	882	1,110	1,145	1,067	638	-
Annual Starts	3,002	4,746	3,327	2,980	3,608	3,785	3,970	3,960	-

Defined Submarket Area

As shown in the chart on the previous page, the absorption of homes/lots within the submarket area increase dramatically from 2020 to 2021 before dropping in 2022 and 2023 with the rise in interest rates. However, absorption rebounded in 2024 increasing substantially. According to Zonda, the submarket area absorbed the following total homes/lots from 2020 to First Quarter 2025:

MetroStudy Analysis	Historical Absorption	
	Annual	**First Quarter**
Year 1 (2020)	3,002	
Year 2 (2021)	4,746	
Year 3 (2022)	3,327	
Year 4 (2023)	2,980	
Year 5 (2024)	3,970	
Year 6 (Past 4 Qtrs)	3,960	638
Historical Annual Average		**3,555**
Existing VDL	**7,357**	
Historical Absorption Average	**3,555**	
Past 12 Months	**3,970**	
Lot Supply (5.25± Year Historical)	**2.1**	**Years Supply**
Lot Supply (12 Months)	**1.9**	**Years Supply**

As can be seen, since 2020 (5.25 years), the annual average of homes/lots absorbed was 3,555 homes/lots. Utilizing the more recent 12-month absorption of homes/lots, the number of homes/lots absorbed increases to 3,970 homes/lots in the submarket. According to Zonda, the existing supply of available housing is currently within ideal levels in the submarket. However, the number of vacant developed lots in the submarket has substantially increased due to continued demand levels from a low of 3,319 in Fourth Quarter 2021 to its current level of 7,357 lots in First Quarter 2025.

Based upon the Zonda absorption figures of the past 5.25 years, there is currently a 2.1±-year (7,357 lots ÷ 3,555 lots = 2.1±-years) total supply of existing lots available in the submarket. This total supply is considered to be within the optimum lot supply levels of 2.0 to 2.5 years per Metrostudy/Zonda. Also, when utilizing the more current 12-month absorption of 3,970 home/lots, the total supply of existing lots available in the subject's defined submarket decreases to 1.9±-years (7,357 lots ÷ 3,970 lots/year = 1.9±-years), which is also within optimum lot supply levels in the submarket.

Thus, the total lot supply within the subject's submarket is estimated to be between 1.9± years to 2.1± years. Currently, this total lot supply is considered to be well below the optimum supply levels. Also, taking into consideration that new developments require a typical nine to 12-month construction period, with increasing demand and dwindling lot supply, it appears that additional lot product in the submarket is feasible at the current time.

Property Analysis

Land Description and Analysis

Location

The subject development is located on the south side of FM-148, west of its intersection with CR-305. The site is located in the Terrell city limits on the southwest side.

Land Area

As discussed, we are valuing IA#1 and the MIA upon completion of development of IA#1. The following table summarizes the subject's land and lot areas as of the date of valuation.

Land Area Summary

Subject Tract/Lot	SF	Usable SF	Unusable SF	Acres	Usable Acres	Unusable Acres
Whole site	4,600	4,600	0	0.106	0.106	0.000
50' Lots	5,750	5,750	0	0.132	0.132	0.000
60' Lots	6,900	6,900	0	0.158	0.158	0.000
70' Lots	8,050	8,050	0	0.185	0.185	0.000
Master Improvement Area	29,067,109	25,569,894	3,497,215	667.289	587.004	80.285

Source: Engineering Report

Shape and Dimensions

The overall site is rectangular in shape. Site utility based on shape and dimensions is average.

Topography

The overall site is generally level and at street grade. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Flood Hazard Status

The following table indicates applicable flood hazard information for the subject property, as determined by review of available flood maps obtained from the Federal Emergency Management Agency (FEMA).

Flood Hazard Status	
Community Panel Number	48257C0200D
Date	July 3, 2012
Zone	A
Description	Within 100-year floodplain
Insurance Required?	Yes

It is noted that a portion of the overall site is located in a flood hazard area. However, there is no flood loss in IA#1. Furthermore, based on the exhibit provided by Barraza Consulting Group, Inc., the flood loss in the MIA is approximately 80.285 acres and will be utilized as a nature preserve.

Environmental Hazards

An environmental assessment report was not provided for review, and during the inspection, no obvious signs of contamination on or near the subject were observed. However, environmental issues are beyond the scope of expertise of the assignment participants. It is assumed the property is not adversely affected by environmental hazards.

Ground Stability

A soils report was not provided for review. Based on the viewing of the subject and development on nearby sites, there are no apparent ground stability problems. However, soils analyses are beyond the scope of expertise of the assignment participants. It is assumed the subject's soil bearing capacity is sufficient to support a variety of uses, including those permitted by the development agreement.

Streets, Access and Frontage

Details pertaining to street access and frontage are provided in the following table.

Streets, Access and Frontage	
Street	South side of FM-148, west of FM-305
Frontage Feet	915±
Paving	Asphalt
Curbs	None
Sidewalks	None
Lanes	2 way, 1 lane each way
Direction of Traffic	East/West
Condition	Average
Traffic Levels	Moderate
Signals/Traffic Control	None
Access/Curb Cuts	None
Visibility	Average

Utilities

Utilities available to the subject are summarized below.

Utilities	
Service	Provider
Water	City of Terrell
Sewer	City of Terrell

Zoning

The land within the PID has been zoned by the City as a planned development district pursuant to Ordinance No. 2952 adopted by the City. The planned development district ordinance allows for single family uses

According to the local planning department, there are no pending or prospective zoning changes.

Interpretation of zoning ordinances is beyond the scope of expertise of the assignment participants. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Other Land Use Regulations

There are no other known land use regulations that would affect the property.

Easements, Encroachments and Restrictions

Based upon a review of the property survey, there are no apparent easements, encroachments, or restrictions that would adversely affect value. This valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Site Analysis

Overall, the physical characteristics and the availability of utilities result in a functional site, suitable for a variety of uses including those permitted by the development agreement. Uses permitted by the development agreement include single family. No other restrictions on development are apparent.

General Description - Arboretum Estates PID #6

The subject represents Improvement Area #1 (IA#1) and the Major Improvement Area (MIA) within the Arboretum Public Improvement District #6 (PID) located in the City of Terrell, Kaufman County, Texas. The PID is planned for a total of 2,387 single family lots as well as an elementary school and a large nature preserve and amenity center. IA#1 contains a total land area of 114.972 gross acres which is proposed for 498 single-family lots in the main neighborhood as well as an additional 14 lots within a model park for a total of 512 proposed lots. The lots are being developed with four typical lot sizes (40', 50', 60', and 70'). The MIA contains a land area of 667.289 gross acres (587.004 net usable) which will eventually contain 1,875 single-family lots within five lot types. All the lots are designed for front access and are located in the Terrell ISD. The land within the PID is zoned by the City as a planned development district which permits single-family residential uses within the master plan. Substantial completion of IA#1 is expected by August 1, 2026.

Site improvements will include concrete streets with curbs and gutters, streetlights, landscaping, and an entry feature. The Arboretum Estates PID #6 is summarized in the following exhibit:

Add Summary of Unit Mix

Arboretum PID (IA#1)

		Density	Typical Lot Dimensions						Expected
Phase	Acres	Per Acre	40' x 115'	50' x 115'	60' x 115'	70' x 115'	1/2 Acre	Total Lots	Completion Date
IA#1	114.972	4.5	295	144	42	31	0	512	August 1, 2026
MIA	667.289	2.8	730	868	96	42	139	1,875	TBD









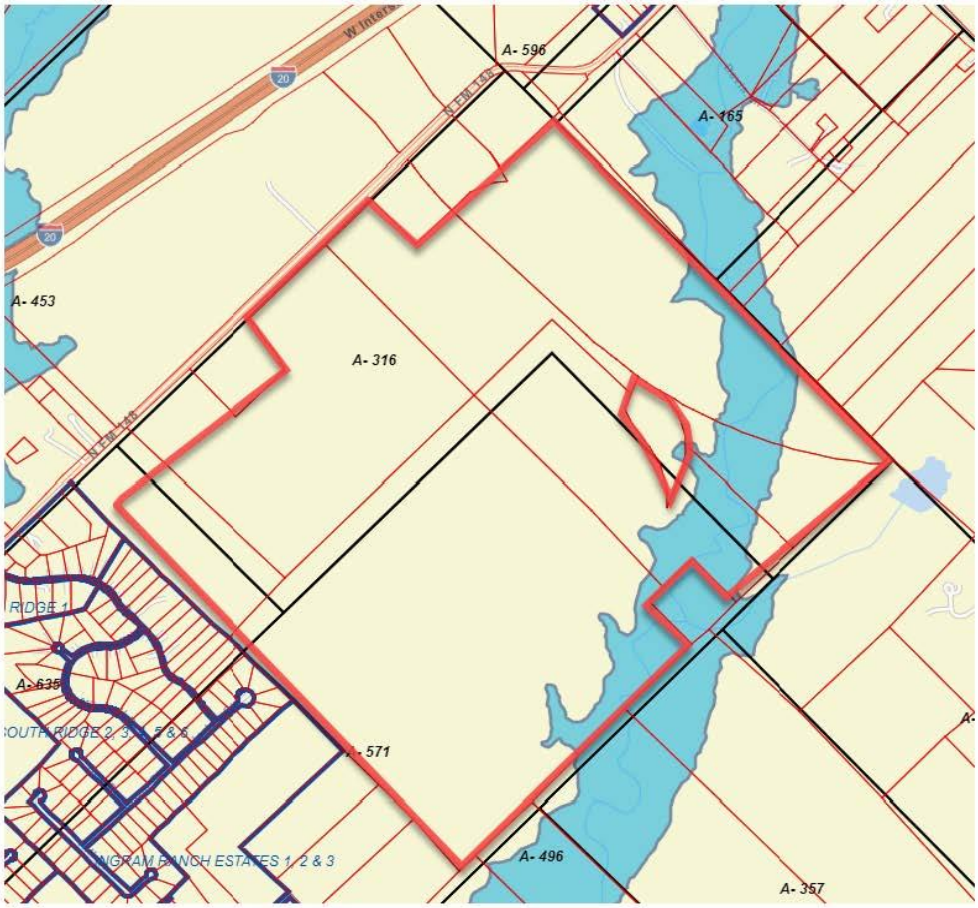


Aerial Photographs

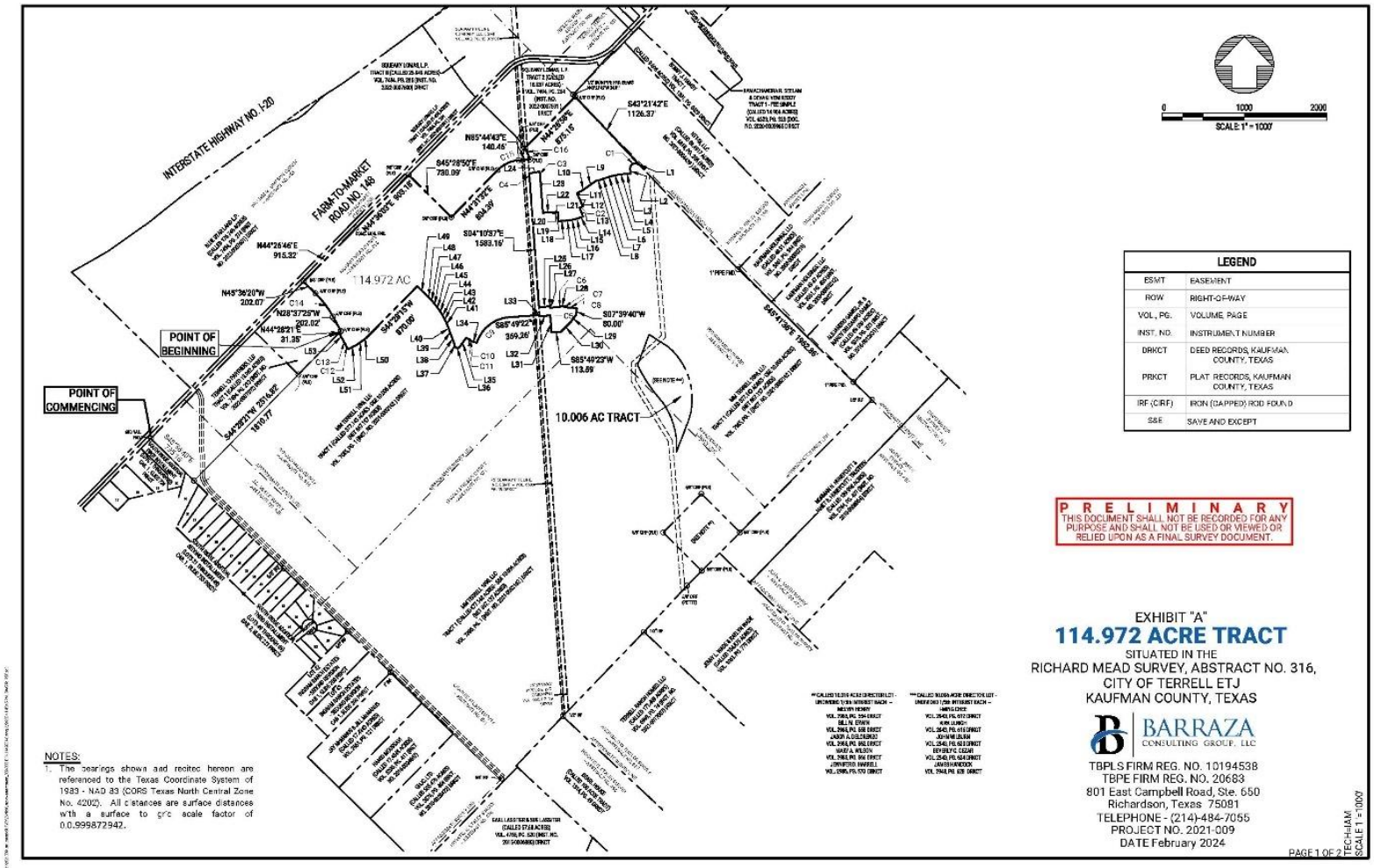



Phase 1
MIA
Acquisition date - 22 May 2025 21:10 UTC - Copyright © Bird.i Ltd. - Image © 2025 Maxar Technologies

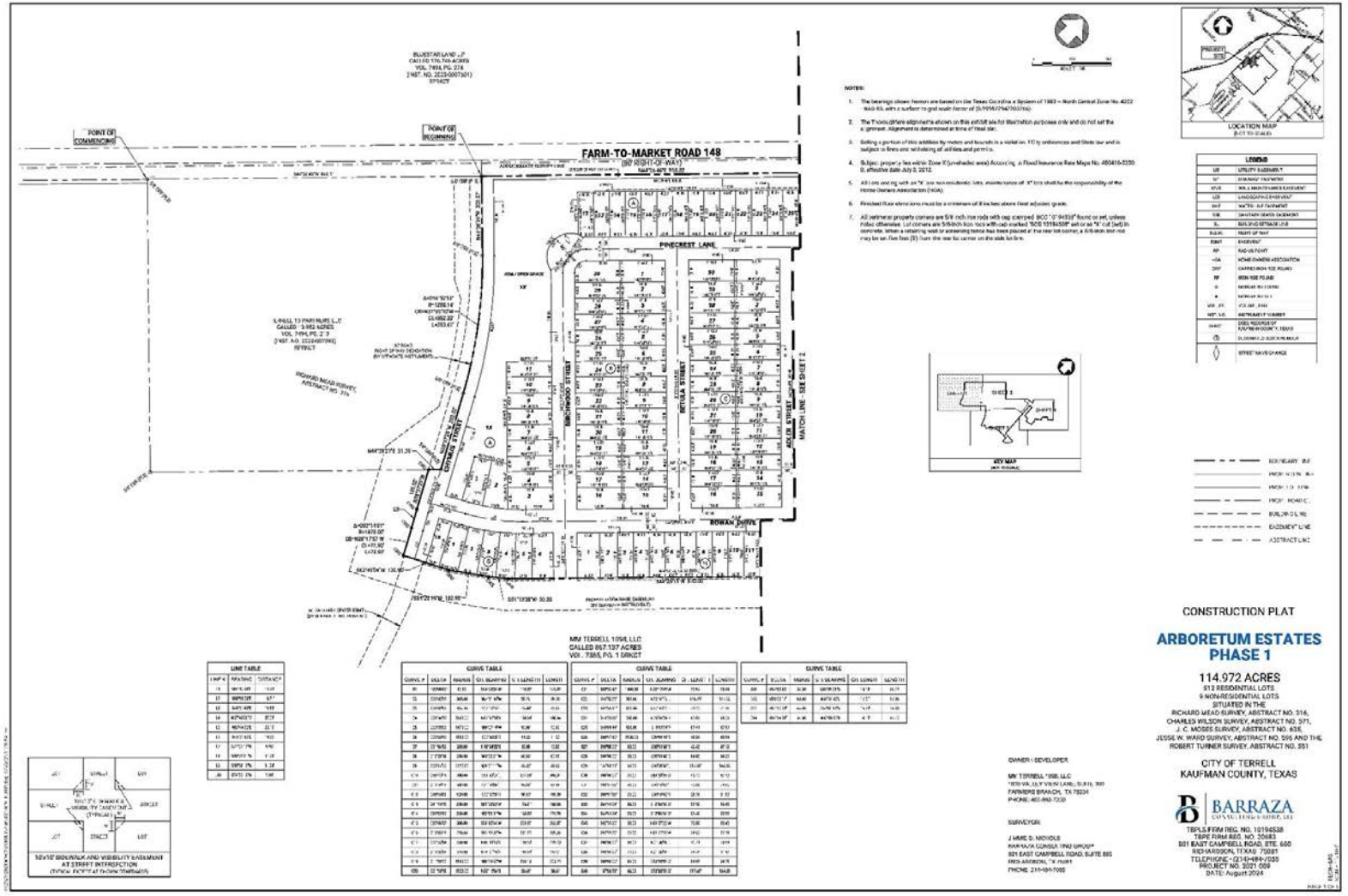
Tax Plat Map

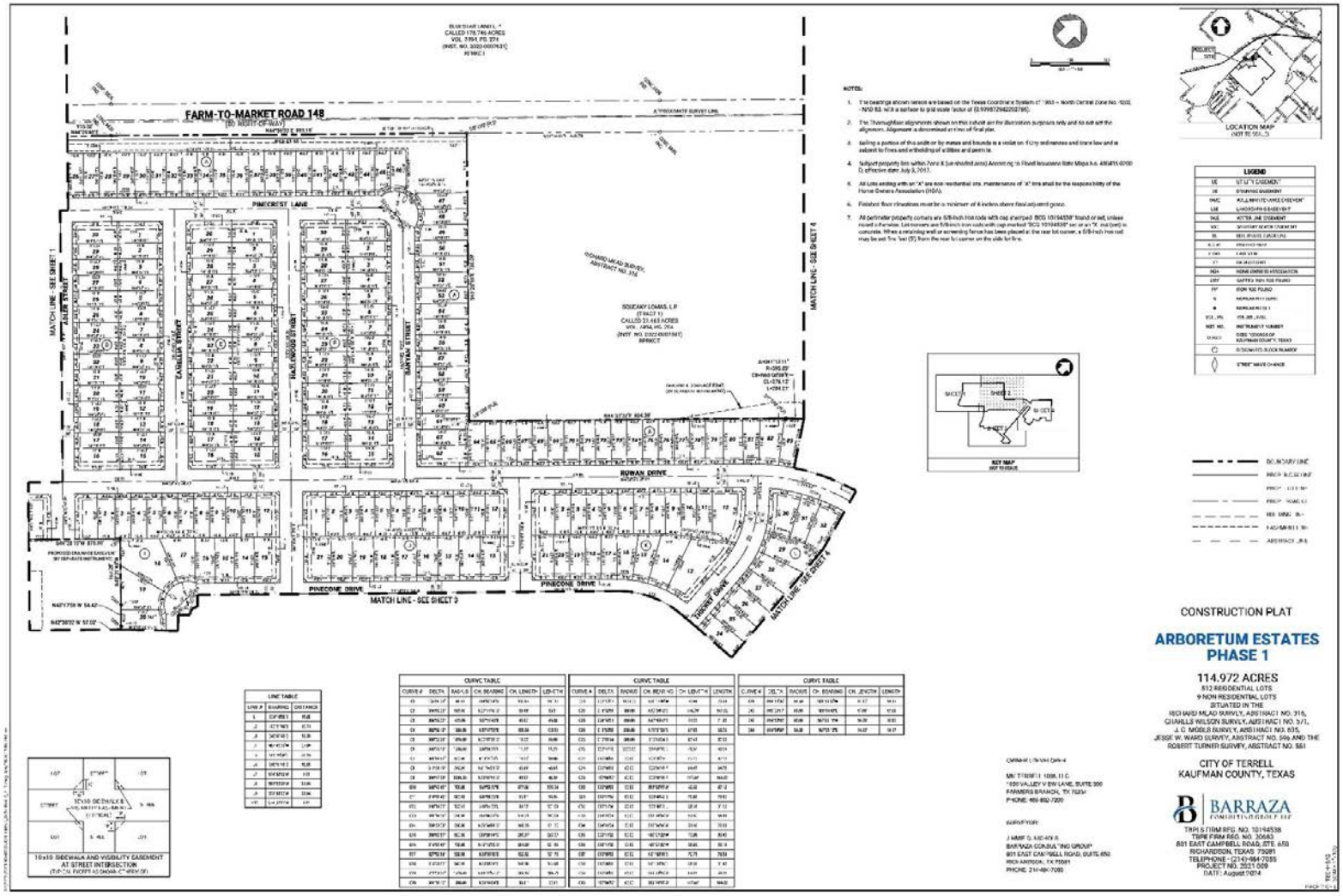


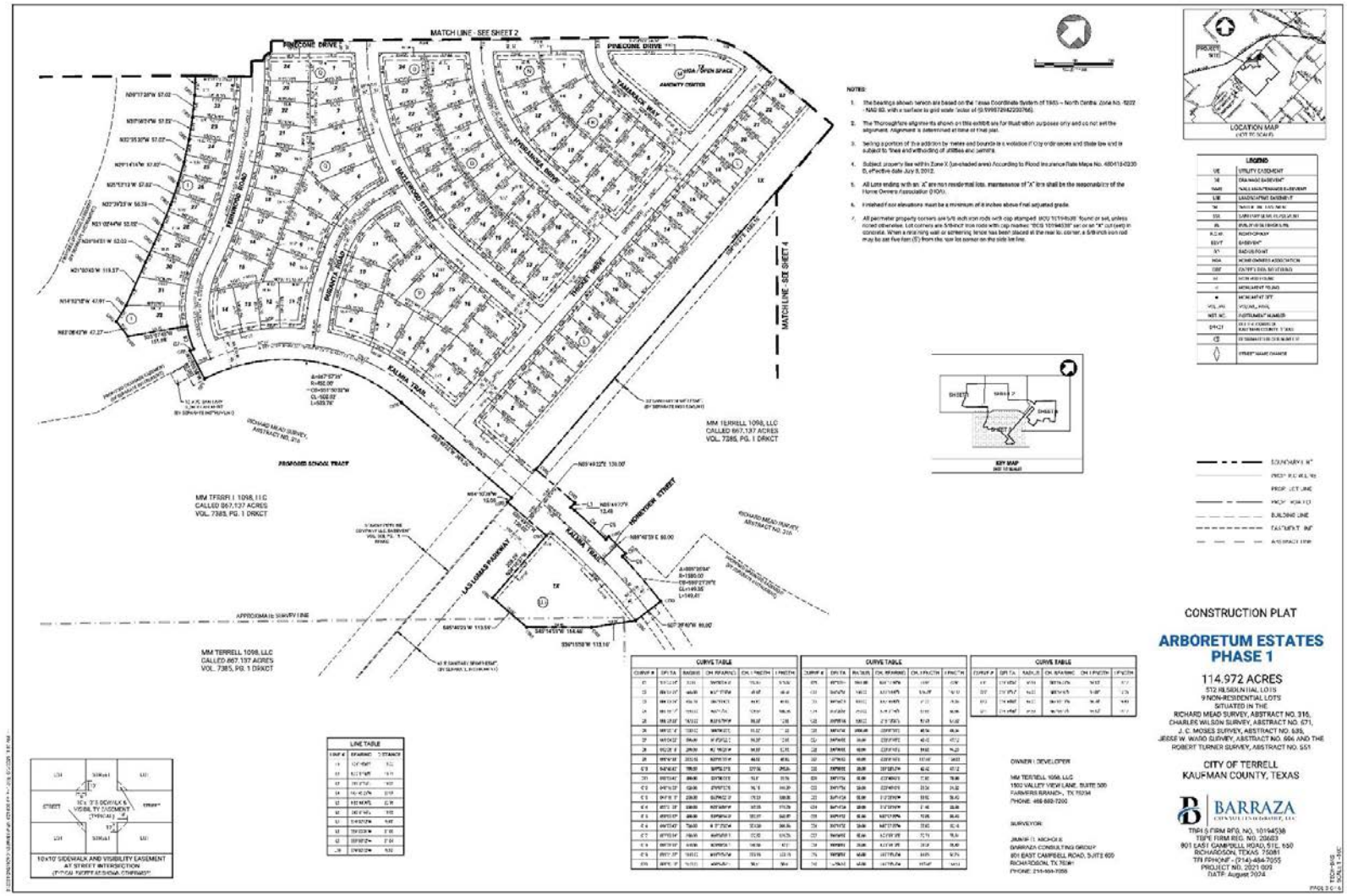
Survey - IA#1

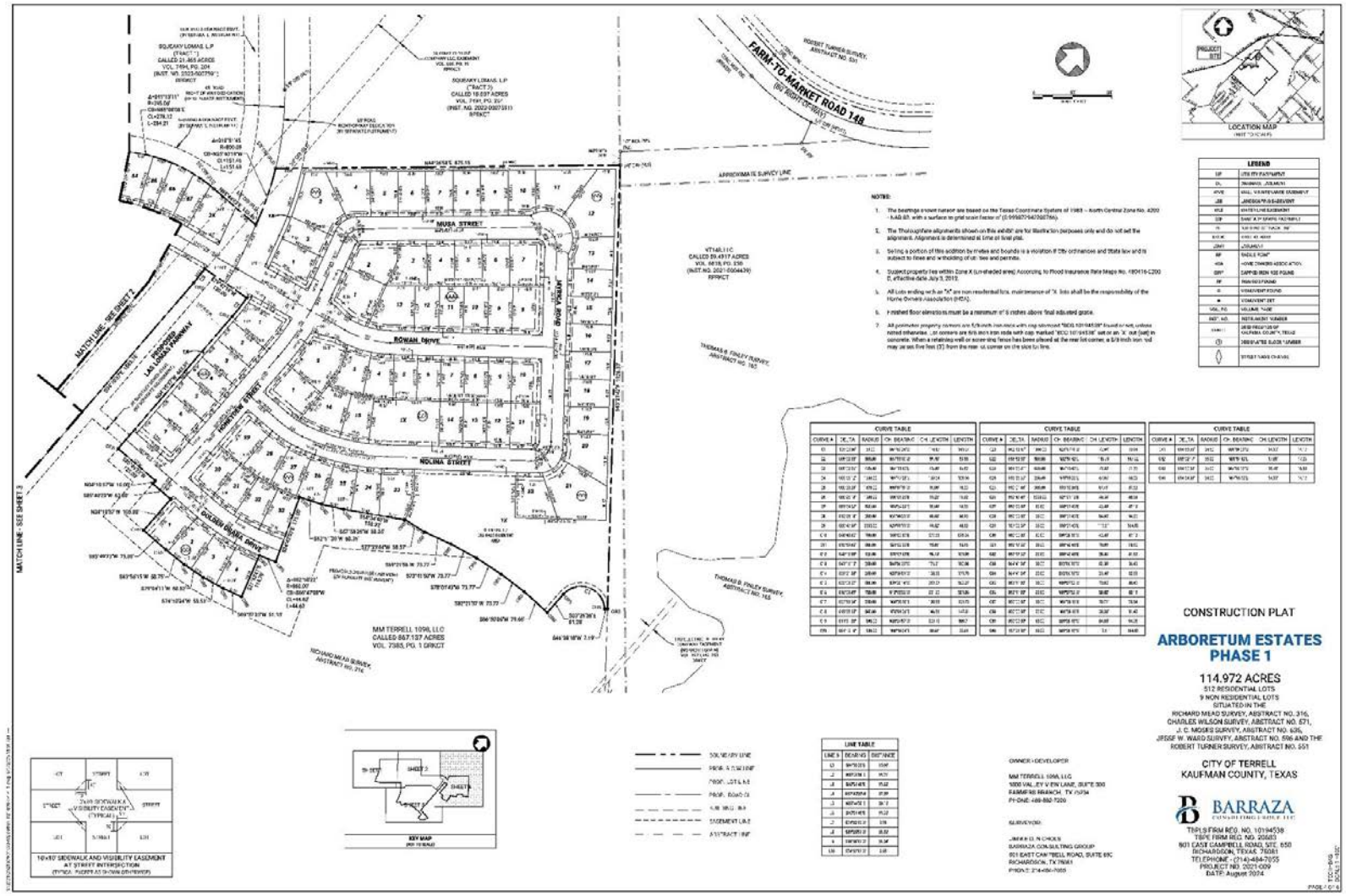

INTERSTATE HIGHWAY NO. 20
FARM-TO-MARKET ROAD NO. 148
POINT OF BEGINNING
POINT OF COMMENCING
114.972 AC
10.006 AC TRACT
S43°21'42"E 1126.37
N85°44'43"E 140.46'
S45°28'50"E 730.09'
S04°10'37"E 1583.19'
S07°39'40"W 80.00'
S85°49'23"W 369.26'
S85°49'23"W 113.89'
S44°28'21"E 31.35'
S44°28'21"W 2514.82'
1610.77
N44°25'46"E 915.32
N45°36'20"W 202.07
N28°37'25"W 202.02
S44°28'15"W 870.89'
N44°39'39"E 875.16'
N44°31'52"E 804.39'
0 1000 2000
SCALE 1" = 1000'
LEGEND
ESMT EASEMENT
ROW RIGHT-OF-WAY
VOL., PG. VOLUME, PAGE
INST. NO. INSTRUMENT NUMBER
DRKCT DEED RECORDS, KAUFMAN COUNTY, TEXAS
PRKCT PLAT RECORDS, KAUFMAN COUNTY, TEXAS
IRF (CIRF) IRON (CAPPED) ROD FOUND
S&E SAVE AND EXCEPT
PRELIMINARY
THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT.
EXHIBIT "A"
114.972 ACRE TRACT
SITUATED IN THE
RICHARD MEAD SURVEY, ABSTRACT NO. 316,
CITY OF TERRELL ETJ
KAUFMAN COUNTY, TEXAS
BARRAZA
CONSULTING GROUP, LLC
TBPLS FIRM REG. NO. 10194538
TBPE FIRM REG. NO. 20683
801 East Campbell Road, Ste. 650
Richardson, Texas 75081
TELEPHONE - (214)-484-7055
PROJECT NO. 2021-009
DATE February 2024
PAGE 1 OF 2
TECH-HAM
SCALE 1" = 1000'
NOTES:
1. The bearings shown and recited hereon are referenced to the Texas Coordinate System of 1983 - NAD 83 (CORS Texas North Central Zone No. 4202). All distances are surface distances with a surface to grid scale factor of 0.0.999872942.

Final Plat - IA#1

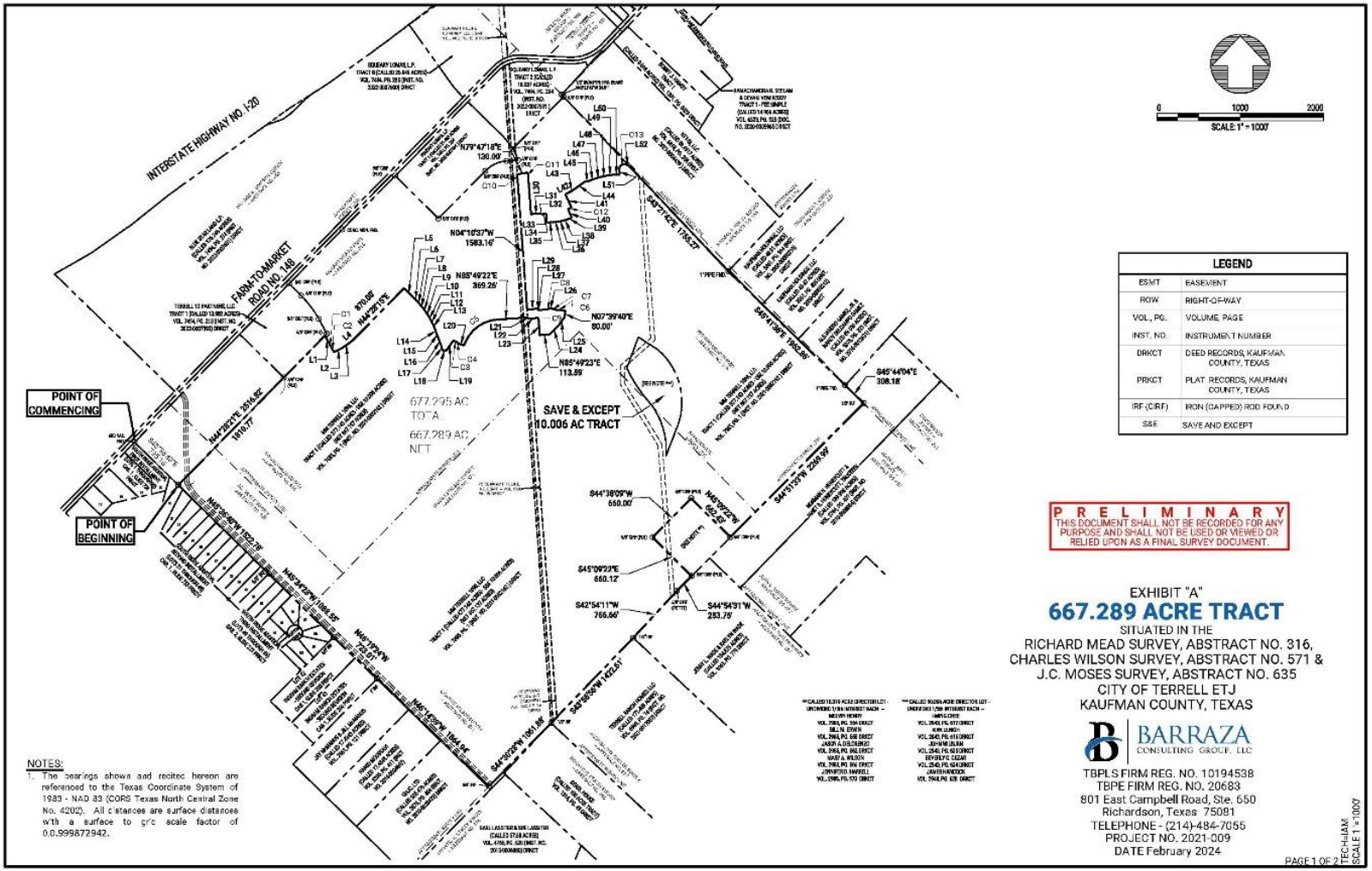



FARM-TO-MARKET ROAD 148
(80' RIGHT-OF-WAY)
PINECREST LANE
CAMILLA STREET
HAZELWOOD STREET
BAYRAM STREET
ROWAN DRIVE
PINECONE DRIVE
TIMBER DRIVE
MATCH LINE - SEE SHEET 1
MATCH LINE - SEE SHEET 4
MATCH LINE - SEE SHEET 3
SOSEAKY LOMAS, L.P.
(TRACT 1)
CALLED 21.443 ACRES
VOL. ____, PG. ____
(INST. NO. 2022-00017347)
RPRKCT
RICHARD MEAD SURVEY, ABSTRACT NO. 316
LOCATION MAP
(NOT TO SCALE)
KEY MAP
NOTES:
LEGEND
CONSTRUCTION PLAT
ARBORETUM ESTATES
PHASE 1
114.972 ACRES
512 RESIDENTIAL LOTS
9 NON RESIDENTIAL LOTS
SITUATED IN THE
RICHARD MEAD SURVEY, ABSTRACT NO. 316,
CHARLES WILSON SURVEY, ABSTRACT NO. 371,
J. C. NOBLE SURVEY, ABSTRACT NO. 535,
JESSE W. WARD SURVEY, ABSTRACT NO. 549, AND THE
ROBERT TURNER SURVEY, ABSTRACT NO. 561
CITY OF TERRELL
KAUFMAN COUNTY, TEXAS
BARRAZA
CONSULTING GROUP, LLC
TBPE/S FIRM REG. NO. 10194538
TBPE FIRM REG. NO. 20643
801 EAST CAMPBELL ROAD, STE. 650
RICHARDSON, TEXAS 75081
TELEPHONE - (214)-864-7083
PROJECT NO. 2021.009
DATE: August 2024
OWNER / DEVELOPER:
MK TERRELL 1099, LLC
1700 VALLEY VIEW LANE, SUITE 300
FARMERS BRANCH, TX 75234
PHONE: 469-892-7200
SURVEYOR:
J. MARK D. NIX, R.P.L.S.
BARRAZA CONSULTING GROUP
801 EAST CAMPBELL ROAD, SUITE 650
RICHARDSON, TX 75081
PHONE: 214-864-7083
LINE TABLE
CURVE TABLE
CURVE TABLE
CURVE TABLE
10'x10' SIDEWALK AND VISIBILITY EASEMENT AT STREET INTERSECTION

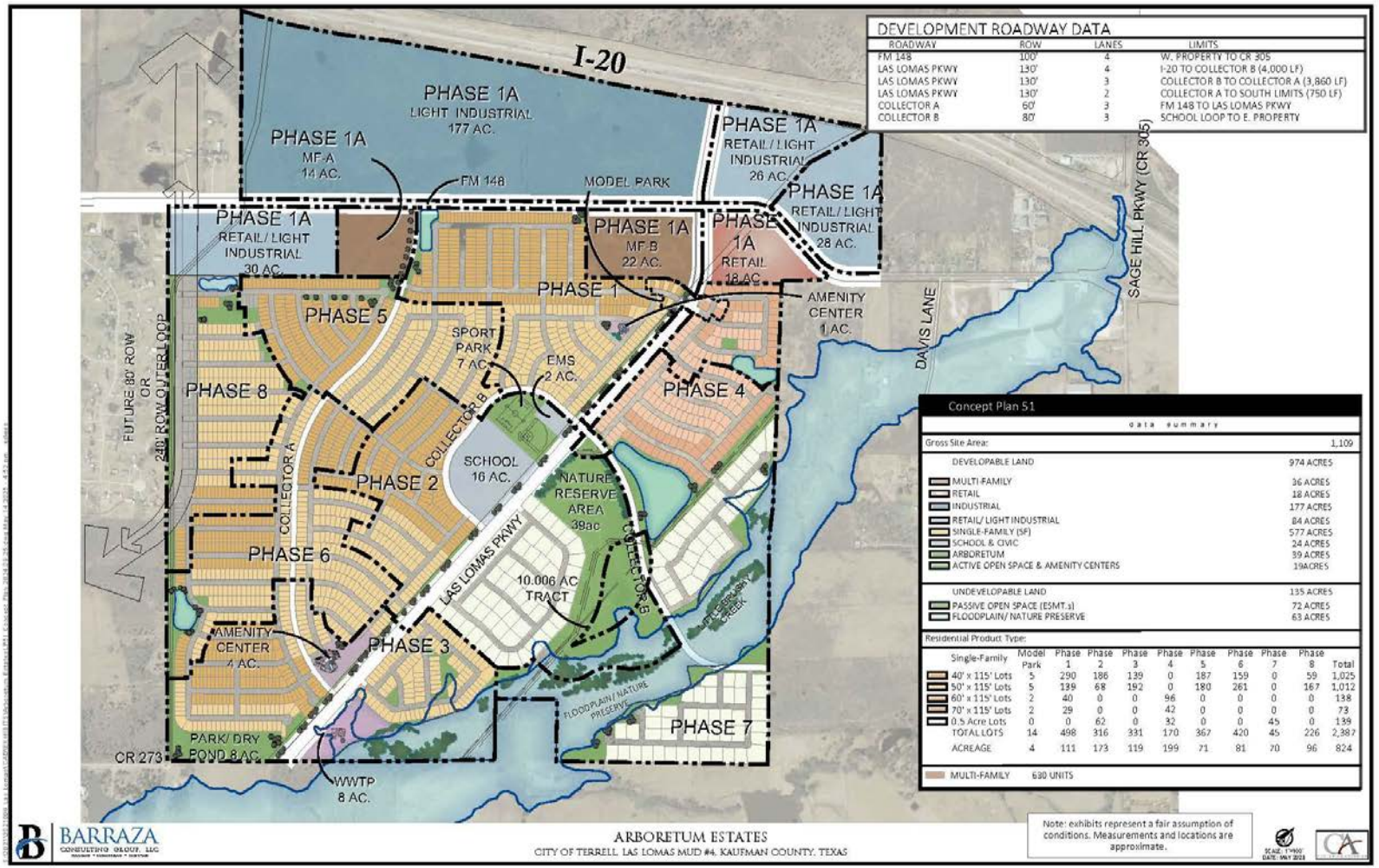

MATCH LINE - SEE SHEET 2
PINECONE DRIVE
HONEYCOMB STREET
KALIMA TRAIL
LAS LOMAS FREEMAN
MM TERRELL 1098, LLC
CALLED 867.137 ACRES
VOL. 7385, PG. 1 DRKCT
PROPOSED SCHOOL TRACT
RICHARD MEAD SURVEY, ABSTRACT NO. 316
APPROXIMATE SURVEY LINE
LOCATION MAP
KEY MAP
CONSTRUCTION PLAT
ARBORETUM ESTATES
PHASE 1
114.972 ACRES
512 RESIDENTIAL LOTS
9 NON-RESIDENTIAL LOTS
SITUATED IN THE
RICHARD MEAD SURVEY, ABSTRACT NO. 316,
CHARLES WILSON SURVEY, ABSTRACT NO. 671,
J. C. MOSES SURVEY, ABSTRACT NO. 635,
JESSE W. WARD SURVEY, ABSTRACT NO. 664 AND THE
ROBERT TURNER SURVEY, ABSTRACT NO. 551
CITY OF TERRELL
KAUFMAN COUNTY, TEXAS
OWNER / DEVELOPER
SURVEYOR
BARRAZA
10'x10' SIDEWALK AND VISIBILITY EASEMENT AT STREET INTERSECTION


FARM-TO-MARKET ROAD 148
MUSA STREET
ROWAN DRIVE
NOLINA STREET
GOLDEN GRASS DRIVE
MATCH LINE - SEE SHEET 3
MM TERRELL 1098, LLC
CALLED 867.137 ACRES
VOL. 7383, PG. 1 DRCT
CONSTRUCTION PLAT
ARBORETUM ESTATES
PHASE 1
114.972 ACRES
512 RESIDENTIAL LOTS
9 NON RESIDENTIAL LOTS
SITUATED IN THE
RICHARD MEAD SURVEY, ABSTRACT NO. 316,
CHARLES WILSON SURVEY, ABSTRACT NO. 571,
J. C. MOSES SURVEY, ABSTRACT NO. 626,
JESSE W. WARD SURVEY, ABSTRACT NO. 596 AND THE
ROBERT TURNER SURVEY, ABSTRACT NO. 551
CITY OF TERRELL
KAUFMAN COUNTY, TEXAS
BARRAZA
CONSULTING GROUP, LLC
TBPLS FIRM REG. NO. 10194538
TBPE FIRM REG. NO. 20583
801 EAST CAMPBELL ROAD, STE. 650
RICHARDSON, TEXAS 75081
TELEPHONE - (214) 494-7055
PROJECT NO. 2021-009
DATE: August 2024
LOCATION MAP
KEY MAP
LEGEND
NOTES:
CURVE TABLE
LINE TABLE
OWNER / DEVELOPER
SURVEYOR

Survey - MIA


INTERSTATE HIGHWAY NO. I-20
FARM-TO-MARKET ROAD NO. 148
POINT OF COMMENCING
POINT OF BEGINNING
677.295 AC TOTAL
667.289 AC NET
SAVE & EXCEPT 10.006 AC TRACT
SCALE 1" = 1000'
LEGEND
ESMT EASEMENT
ROW RIGHT-OF-WAY
VOL., PG. VOLUME, PAGE
INST. NO. INSTRUMENT NUMBER
DRKCT DEED RECORDS, KAUFMAN COUNTY, TEXAS
PRKCT PLAT RECORDS, KAUFMAN COUNTY, TEXAS
IRF (CIRF) IRON (CAPPED) ROD FOUND
S&E SAVE AND EXCEPT
PRELIMINARY
THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT.
EXHIBIT "A"
667.289 ACRE TRACT
SITUATED IN THE
RICHARD MEAD SURVEY, ABSTRACT NO. 316,
CHARLES WILSON SURVEY, ABSTRACT NO. 571 &
J.C. MOSES SURVEY, ABSTRACT NO. 635
CITY OF TERRELL ETJ
KAUFMAN COUNTY, TEXAS
BARRAZA CONSULTING GROUP, LLC
TBPLS FIRM REG. NO. 10194538
TBPE FIRM REG. NO. 20683
801 East Campbell Road, Ste. 650
Richardson, Texas 75081
TELEPHONE - (214)-484-7055
PROJECT NO. 2021-009
DATE February 2024
PAGE 1 OF 2
TECH-HAM
SCALE 1" = 1000'
NOTES:
1. The bearings shown and recited hereon are referenced to the Texas Coordinate System of 1983 - NAD 83 (CORS Texas North Central Zone No. 4202). All distances are surface distances with a surface to grid scale factor of 0.0.999872942.

Concept Plan



Legend

Concept Plan 51

data summary

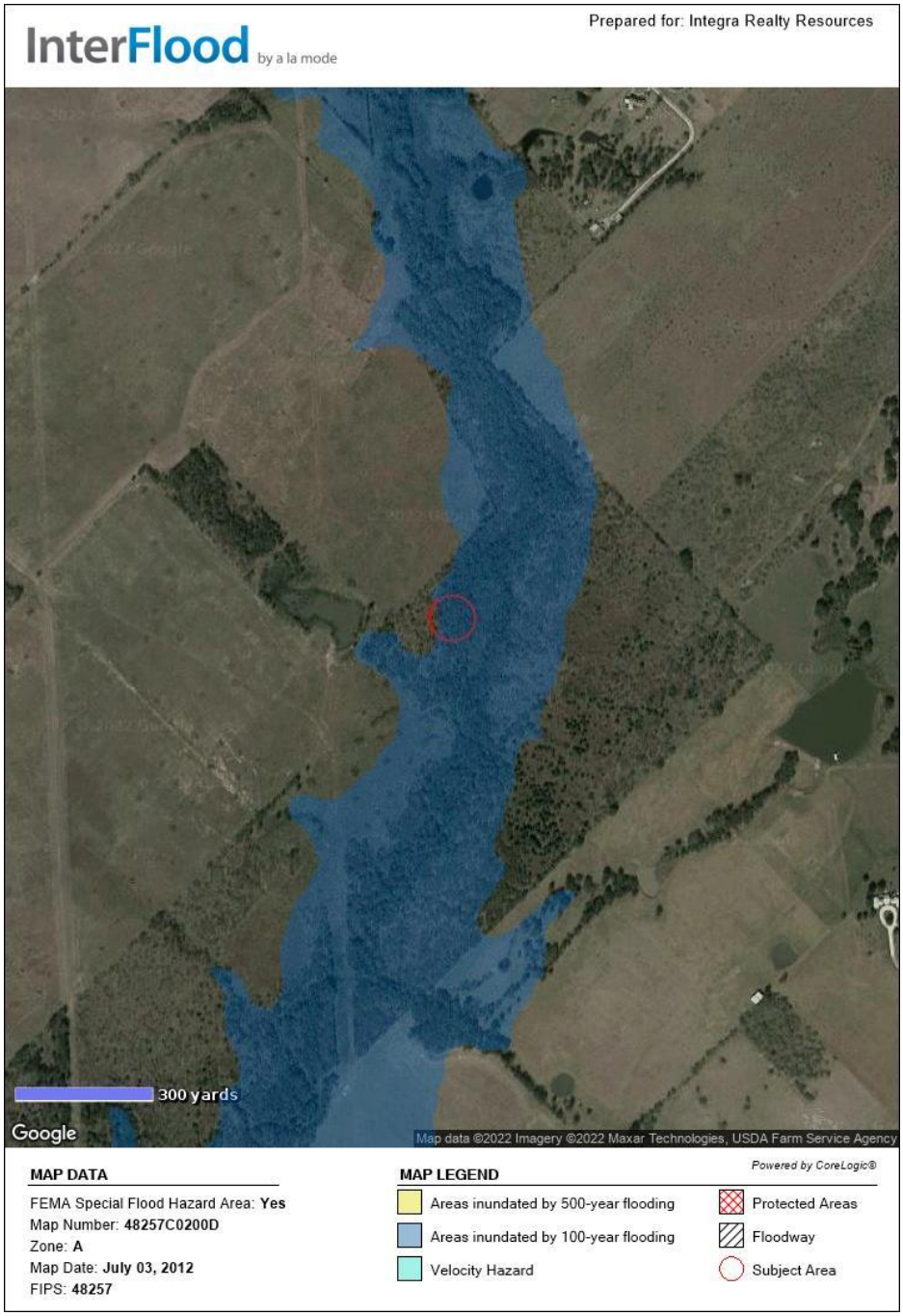
Gross Site Area:	1,109
DEVELOPABLE LAND	974 ACRES
MULTI-FAMILY	36 ACRES
RETAIL	18 ACRES
INDUSTRIAL	177 ACRES
RETAIL/ LIGHT INDUSTRIAL	84 ACRES
SINGLE-FAMILY (SF)	577 ACRES
SCHOOL & CIVIC	24 ACRES
ARBORETUM	39 ACRES
ACTIVE OPEN SPACE & AMENITY CENTERS	19ACRES
UNDEVELOPABLE LAND	135 ACRES
PASSIVE OPEN SPACE (ESMT.s)	72 ACRES
FLOODPLAIN/ NATURE PRESERVE	63 ACRES

Residential Product Type:

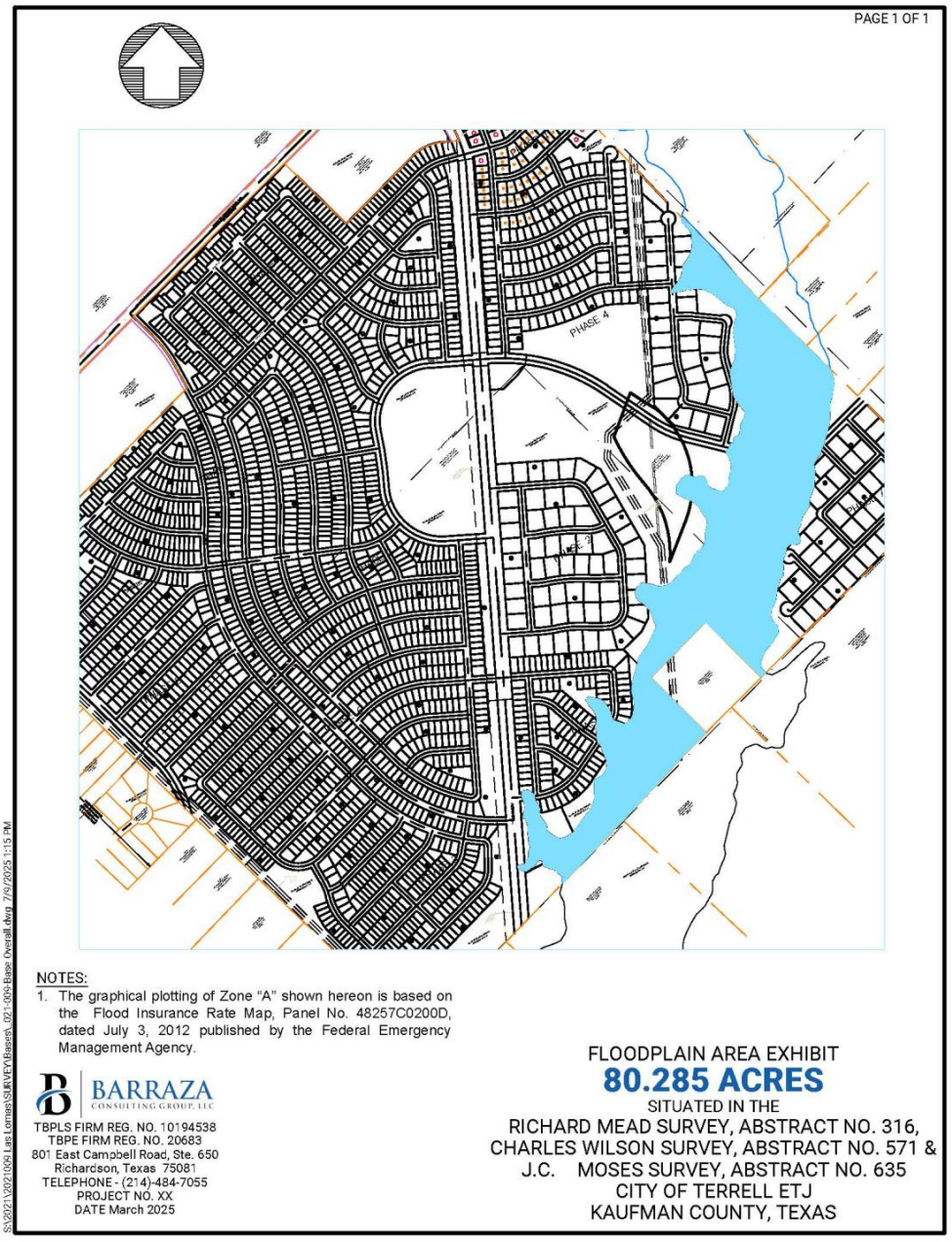
Single-Family	Model Park	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	Phase 8	Total
40' x 115' Lots	5	290	186	139	0	187	159	0	59	1,025
50' x 115' Lots	5	139	68	192	0	180	261	0	167	1,012
60' x 115' Lots	2	40	0	0	96	0	0	0	0	138
70' x 115' Lots	2	29	0	0	42	0	0	0	0	73
0.5 Acre Lots	0	0	62	0	32	0	0	45	0	139
TOTAL LOTS	14	498	316	331	170	367	420	45	226	2,387
ACREAGE	4	111	173	119	199	71	81	70	96	824

MULTI-FAMILY 630 UNITS

Flood Hazard Map



Flood Hazard Exhibit



Allocation of Authorized Improvements

Based on information provided in the Engineer's Report by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with the City's standards and specifications and will be owned and operated by the City. The budget for the Authorized Improvements is shown on **Exhibit B**.

A. Improvement Area #1 Improvements

- *Wet Utilties*
    - *Water System*

      Improvements including trench excavation and embedment, trench safety, PVC piping, valves, fire hydrants, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1.

    - *Sanitary Sewer System*

      Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.

    - *Drainage System*

      Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, detention ponds, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #1.

- *Street Improvements*

  Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, barricades, traffic control, platting, staking, and streetlights. All related earthwork, excavation, erosion control, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #1.

- *Soft Costs*

  Costs related to designing, constructing, and installing the Improvement Area #1 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal fees, and consultant fees.

B. Major Improvements

- *Wet Utilties*
  - *Sanitary Sewer Transmission*

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

  - *Sanitary Sewer Capacity*

    Improvements including wastewater treatment facilities, wastewater lift stations, related earthwork, excavation, and erosion control, and all necessary appurtenances required to pump and/or process sewage from all Lots within the District.

  - *Water*

    Improvements including trench excavation and embedment, trench safety, PVC piping, valves, fire hydrants, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within the District.

- *Street Improvements*

  Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within the District.

- *Landscape and Irrigation*

  Improvements including parkway landscape and irrigation within FM 148, Los Lomas Parkway, and collector roads.

- *Parks and Trails*

  Improvements including parks and trails around detention ponds and public parkways.

- *ROW Dedication*

  The right-of-way dedication includes right-of-way for streets and parks and/or a public safety site within the District. The total area within the right-of way totals 32.49 acres.

- *Soft Costs*

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

C. Bond Issuance Cost

- *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 such PID Bonds.

- *Underwriters Discount*

  Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds in connection with the issuance of PID Bonds, including the fee of counsel to the Underwriter.

- *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 costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

D. 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 Bond.

EXHIBIT B – PROJECT COSTS

	Total Project Costs[a]	City Oversizing[b]	Non-Assessed Property[c]	Private	Authorized Improvements	Improvement Area #1		Major Improvement Area	
						%	$	%	$
Improvement Area #1 Improvements									
Wet Utilities[d]									
Water	$ 2,147,562	$ -	$ -	$ -	$ 2,147,562	100.00%	$ 2,147,562	0.00%	$ -
Sanitary Sewer	3,486,165	-	-	-	3,486,165	100.00%	3,486,165	0.00%	-
Drainage	3,462,616	-	-	-	3,462,616	100.00%	3,462,616	0.00%	-
Street Improvements	5,259,715	-	-	-	5,259,715	100.00%	5,259,715	0.00%	-
Soft Costs[e]	2,320,272	-	-	-	2,320,272	100.00%	2,320,272	0.00%	-
	$ 16,676,330	$ -	$ -	$ -	$ 16,676,330		$ 16,676,330		$ -
Major Improvements [f]									
Wet Utilities[d]									
Water	$ 3,003,599	$ 424,690	$ 52,748	$ -	$ 2,526,161	19.61%	$ 495,330	80.39%	$ 2,030,831
Sanitary Sewer	5,661,246	822,000	98,980	-	4,740,266	19.61%	929,473	80.39%	3,810,794
Street Improvements	4,987,750	-	102,017	-	4,885,733	19.61%	957,996	80.39%	3,927,737
Landscape and Irrigation	342,000	-	6,995	-	335,005	19.61%	65,688	80.39%	269,317
Parks and Trails	251,378	-	5,142	-	246,236	19.61%	48,282	80.39%	197,954
ROW Dedication	3,260,000	-	66,679	-	3,193,321	19.61%	626,147	80.39%	2,567,174
District Formation Costs	1,400,000	-	28,635	-	1,371,365	19.61%	268,898	80.39%	1,102,467
Soft Costs[e]	2,763,833	-	56,530	-	2,707,303	19.61%	530,849	80.39%	2,176,454
	$ 21,669,806	$ 1,246,690	$ 417,725	$ -	$ 20,005,391		$ 3,922,663		$ 16,082,728
Private Improvements [g]									
Grading and Site Preparation	$ 3,493,913	$ -	$ -	$ 3,493,913	$ -		$ -		$ -
Monumentation	100,000	-	-	100,000	-		-		-
Screening Walls	684,000	-	-	684,000	-		-		-
Retaining Walls	752,000	-	-	752,000	-		-		-
Dry Utilities	488,400	-	-	488,400	-		-		-
Soft Costs[e]	269,462	-	-	269,462	-		-		-
	$ 5,787,775	$ -	$ -	$ 5,787,775	$ -		$ -		$ -
Bond Issuance Costs [h]									
Debt Service Reserve Fund	$ 3,787,925	$ -	$ -	$ -	$ 3,787,925		$ 1,658,425		$ 2,129,500
Capitalized Interest	5,891,344	-	-	-	5,891,344		1,736,719		4,154,625
Underwriter's Discount	919,900	-	-	-	919,900		427,500		492,400
Underwriter's Counsel	459,950	-	-	-	459,950		213,750		246,200
Cost of Issuance	2,759,700	-	-	-	2,759,700		1,282,500		1,477,200
	$ 13,818,819	$ -	$ -	$ -	$ 13,818,819		$ 5,318,894		$ 8,499,925
Other Costs [h]									
Deposit to Administrative Fund	$ 80,000	$ -	$ -	$ -	$ 80,000		$ 40,000		$ 40,000
	$ 80,000	$ -	$ -	$ -	$ 80,000		$ 40,000		$ 40,000
Total	**$ 58,032,730**	**$ 1,246,690**	**$ 417,725**	**$ 5,787,775**	**$ 50,580,540**		**$ 25,957,887**		**$ 24,622,653**

Footnotes:

[a] As provided in the Engineer's Report dated 05/23/2025 and subject to change. Authorized Improvement costs are estimates and will be updated with each Annual Service Plan Update, or Amended and Restated Service and Assessment Plan as appropriate.

[b] To be funded with amounts available to the City and to be deposited into the Indenture for the Major Improvement Area Bonds in order to fund the costs of oversizing the wet utilities, and applicable soft costs, as needed to serve property outside of the District. This amount will not be funded with Assessments or proceeds from any PID Bonds.

[c] The Developer has agreed to pay for the allocable share of the Actual Costs of these Authorized Improvement that benefits the Non-Assessed Property. These costs are non-reimbursable to the Developer from Assessment or PID Bonds. The Non-Assessed Property is approximately 16 acres, and the District is approximately 782 acres. Therefore, the Non-Assessed Property is allocated 2.05% of costs (16/782=2.05%).

[d] Wet Utilities include Water, Sanitary Sewer, and Drainage.

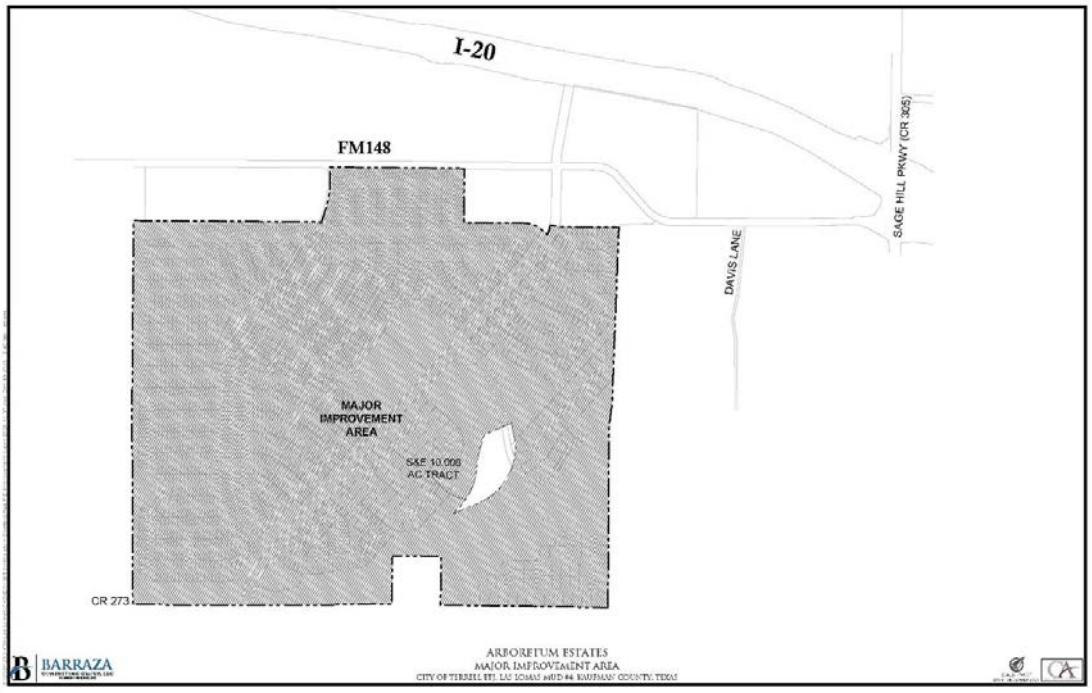
[e] Soft Costs include Civil Engineering, Surveying, Flood Studies, Environmental, Wetlands, SWPPP Administration, Traffic Studies, Construction Administration, City Construction Inspection, Construction Management, Material Testing, City Fees, and Contingency Costs.

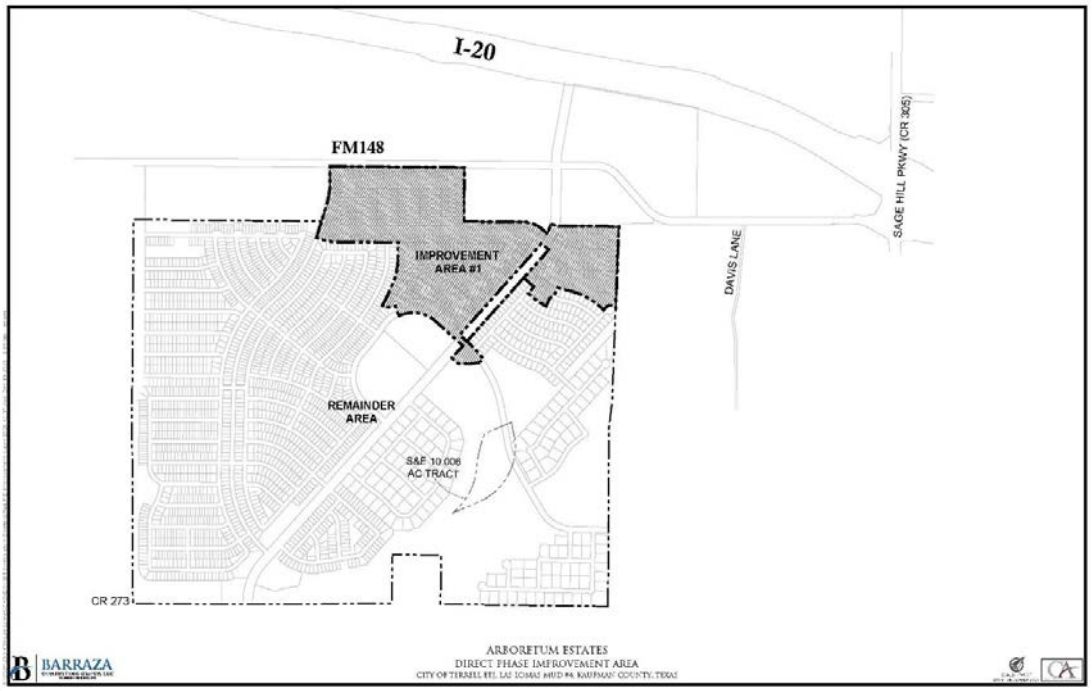
[f] The Major Improvements are allocated and/or apportioned pro rata based on Estimated Buildout Value between Improvement Area #1 and the Major Improvement Area.

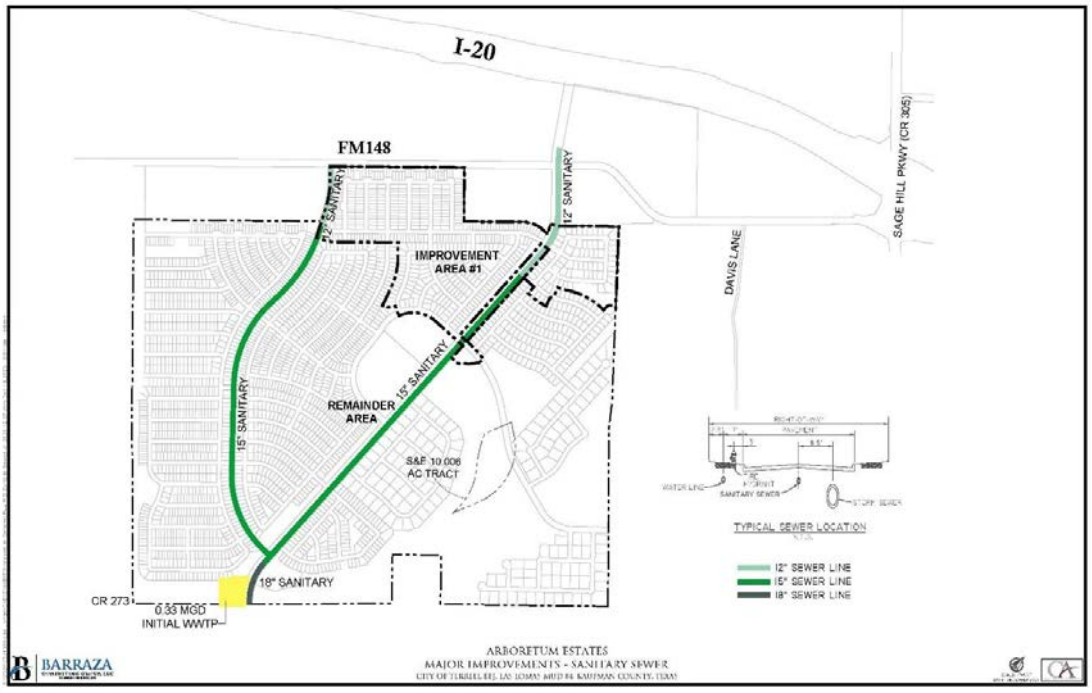
[g] Non-reimbursable to Developer from Assessments or PID Bonds.

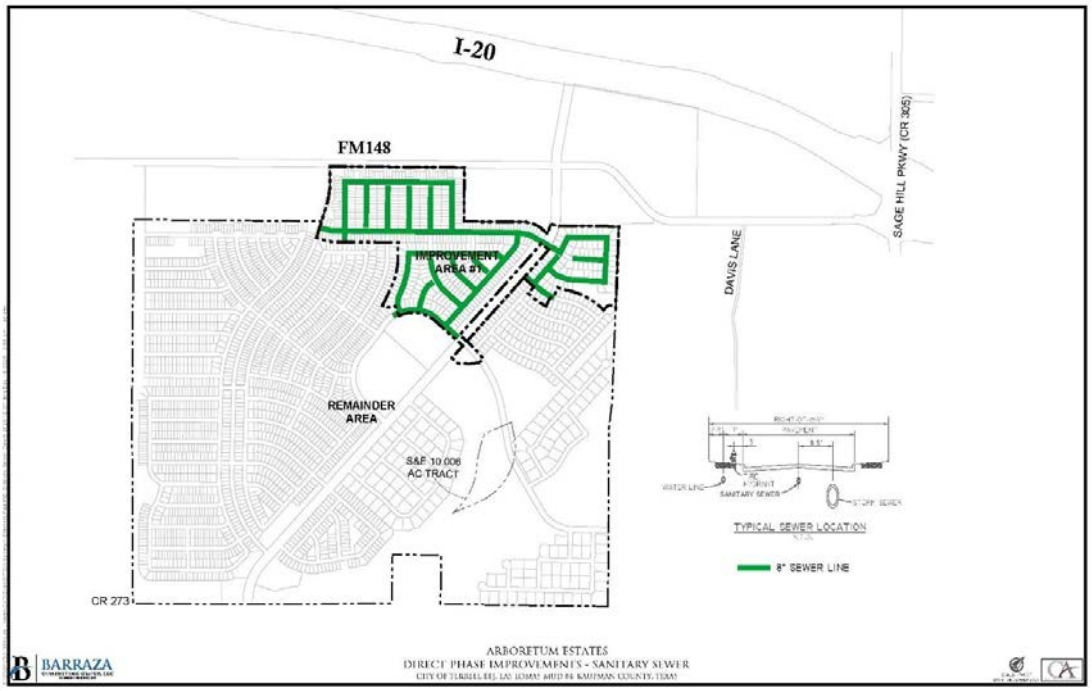
[h] Preliminary estimates only and subject to change upon the issuance of PID Bonds.

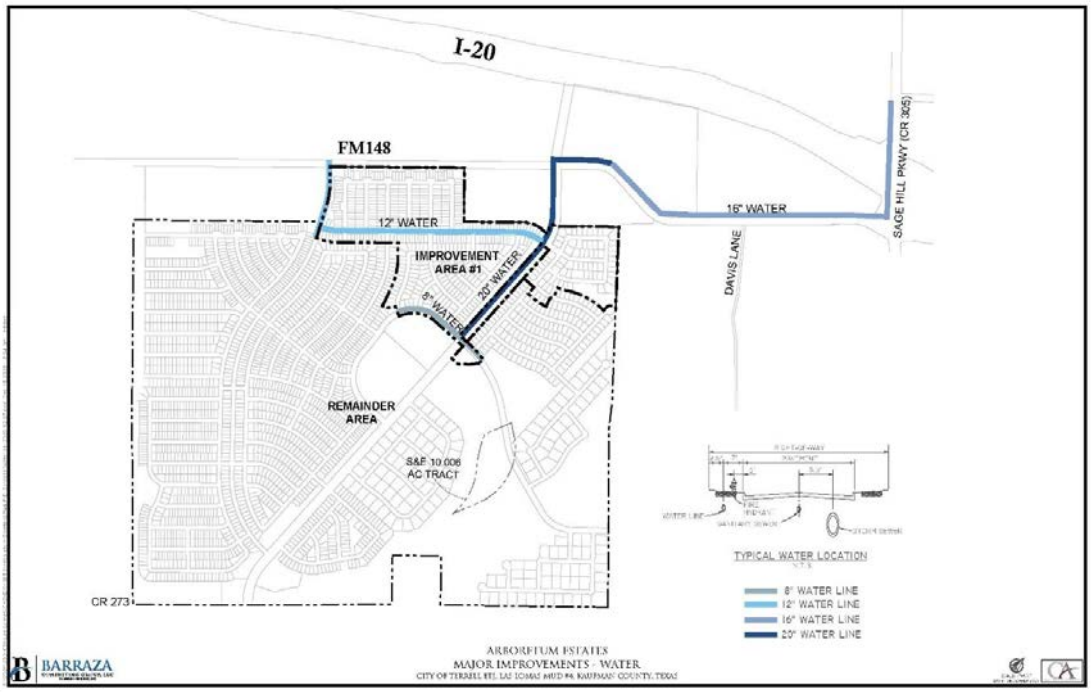
Authorized Improvements

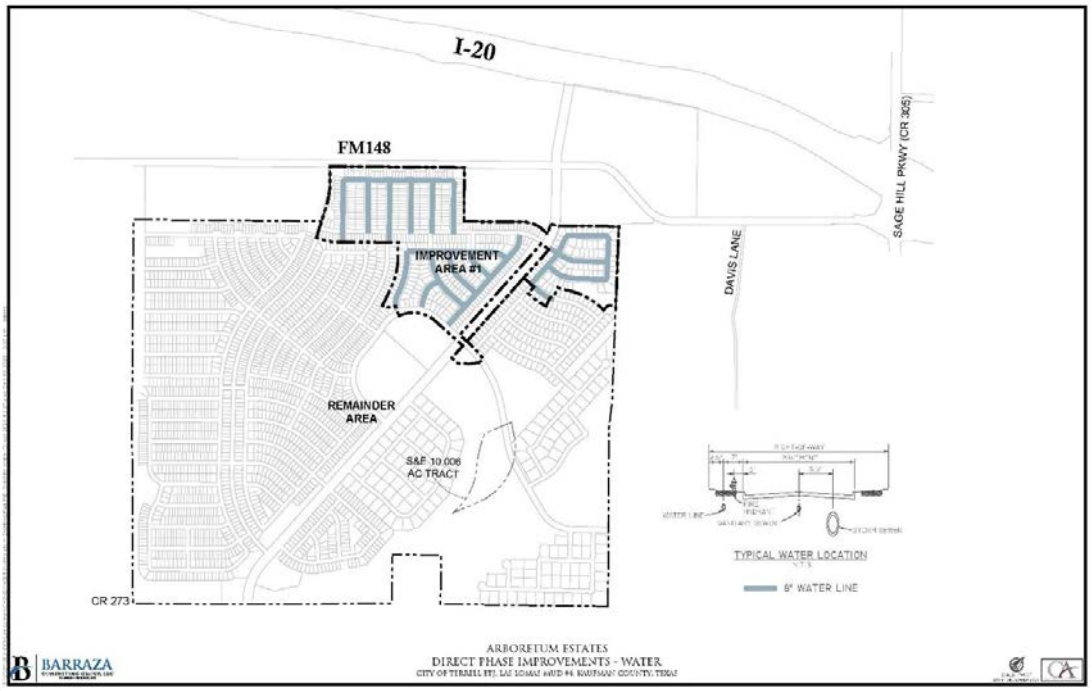


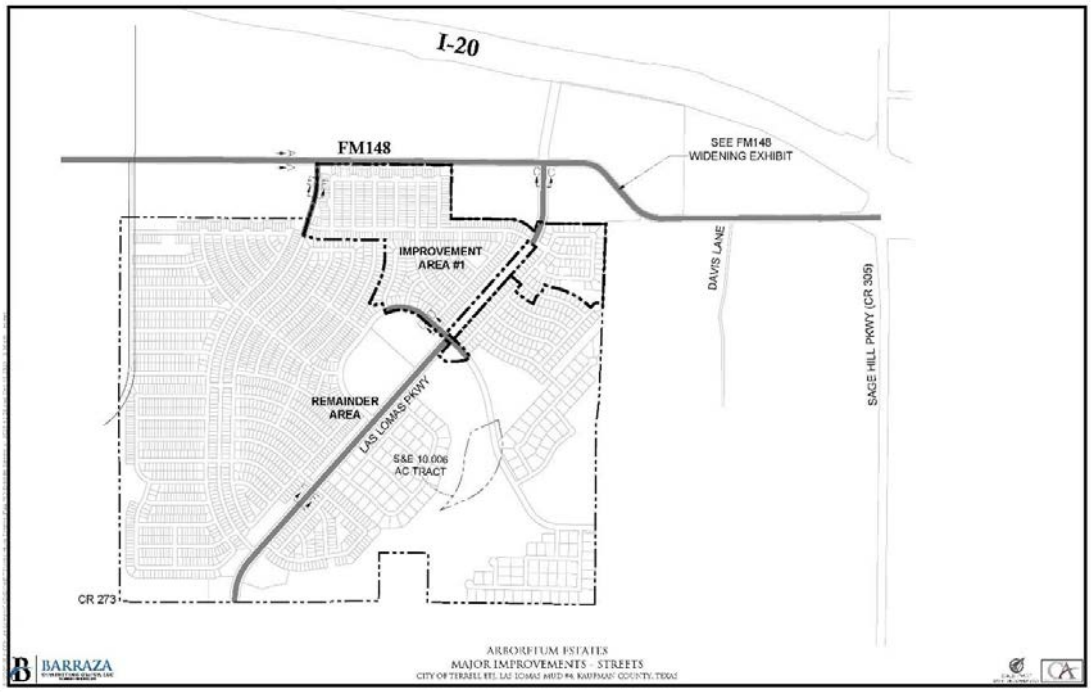

I-20
FM148
SAGE HILL PKWY (CR 305)
DAVIS LANE
IMPROVEMENT AREA #1
REMAINDER AREA
S&F 10.006 AC TRACT
CR 273
BARRAZA
ARBORETUM ESTATES
DIRECT PHASE IMPROVEMENT AREA

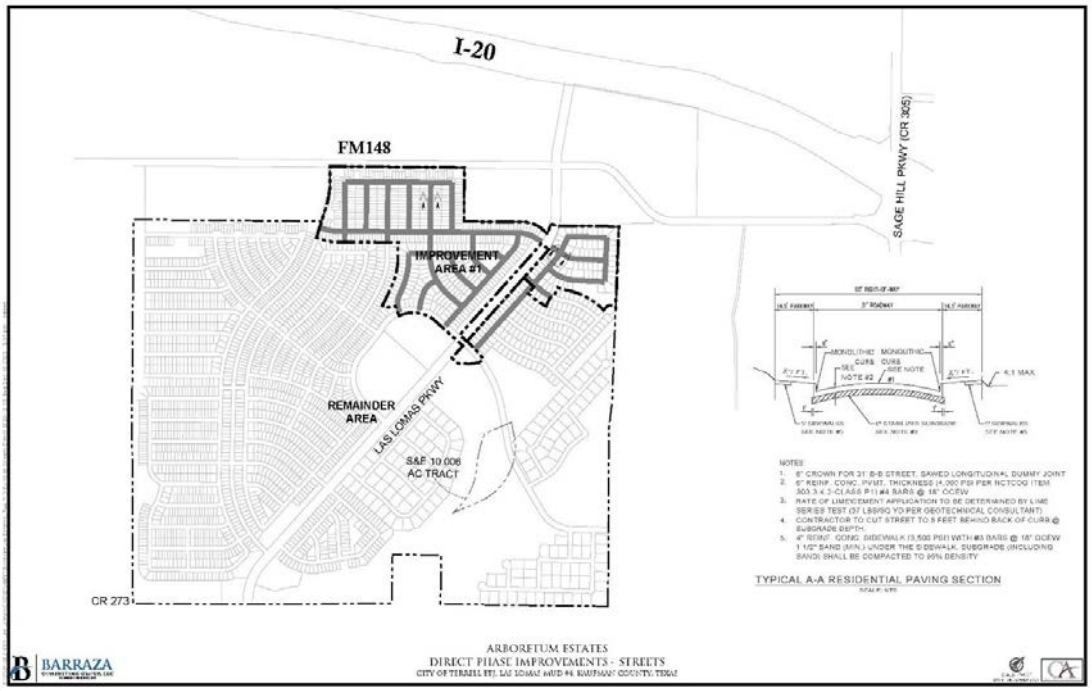

I-20
FM148
SAGE HILL PKWY (CR 305)
DAVIS LANE
12" SANITARY
12" SANITARY
IMPROVEMENT AREA #1
15" SANITARY
15" SANITARY
REMAINDER AREA
S&F 10.006 AC TRACT
18" SANITARY
CR 273
0.33 MGD INITIAL WWTP
TYPICAL SEWER LOCATION
12" SEWER LINE
15" SEWER LINE
18" SEWER LINE
BARRAZA
ARBORETUM ESTATES
MAJOR IMPROVEMENTS - SANITARY SEWER


I-20
FM148
SAGE HILL PKWY (CR 305)
DAVIS LANE
IMPROVEMENT AREA #1
REMAINDER AREA
S&F 10.006 AC TRACT
CR 273
TYPICAL SEWER LOCATION
8" SEWER LINE
BARRAZA
ARBORETUM ESTATES
DIRECT PHASE IMPROVEMENTS - SANITARY SEWER


I-20
FM148
SAGE HILL PKWY (CR 305)
DAVIS LANE
12" WATER
16" WATER
IMPROVEMENT AREA #1
20" WATER
8" WATER
REMAINDER AREA
S&F 10.006 AC TRACT
CR 273
TYPICAL WATER LOCATION
8" WATER LINE
12" WATER LINE
16" WATER LINE
20" WATER LINE
BARRAZA
ARBORETUM ESTATES
MAJOR IMPROVEMENTS - WATER


I-20
FM148
SAGE HILL PKWY (CR 305)
DAVIS LANE
IMPROVEMENT AREA #1
REMAINDER AREA
S&E 10.006 AC TRACT
CR 273
TYPICAL WATER LOCATION
8" WATER LINE
BARRAZA
ARBORETUM ESTATES
DIRECT PHASE IMPROVEMENTS - WATER


I-20
FM148
SEE FM148 WIDENING EXHIBIT
DAVIS LANE
SAGE HILL PKWY (CR 305)
IMPROVEMENT AREA #1
REMAINDER AREA
LAS LOMAS PKWY
S&E 10.006 AC TRACT
CR 273
BARRAZA
ARBORETUM ESTATES
MAJOR IMPROVEMENTS - STREETS


I-20
FM148
SAGE HILL PKWY (CR 305)
IMPROVEMENT AREA #1
REMAINDER AREA
LAS LOMAS PKWY
S&F 10.006 AC TRACT
CR 273
TYPICAL A-A RESIDENTIAL PAVING SECTION
BARRAZA
ARBORETUM ESTATES
DIRECT PHASE IMPROVEMENTS - STREETS

Real Estate Taxes

Real estate tax assessments are administered by the Kaufman Central Appraisal District and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The tax rates are certified in October.

The subject is currently assessed as vacant land while the values contained herein are based on the property upon completion of site improvements. As such, the assessed value as vacant land is irrelevant. The estimated taxes for the subject's developed lots will be based upon our market value opinions within the discounted cash flow statements within this report.

Texas is a non-disclosure State with a mandate to assess property at 100% of market value. Some Texas County Assessors are more successful at achieving the mandate than others. In Texas Counties with little or no transaction activity, values can lag the market. However, there is no limit on increases in the event of a re-assessment.

Property owners in Texas may protest ad valorem assessments using the one of two tests, 1) Market Value or 2) "Equal Appraisal". Market Value is self-explanatory. "Equal Appraisal" means there is a burden on the District's Assessor to ensure mass appraisal methods produce consistent results from property to property. To measure equality, the Appraisal Review Board will consider the assessed values of competing properties in the District. The process involves generation of "ratio study" in which, after appropriate adjustments, the "median value" is the conclusion of "Equal Appraisal".

Highest and Best Use

The highest and best use of a property is the reasonably probable use resulting in the highest value, and represents the use of an asset that maximizes its productivity.

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as though vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible
- Legally permissible under the zoning regulations and other restrictions that apply to the site
- Financially feasible
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses

As Though Vacant

First, the property is evaluated as though vacant, with no improvements.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The subject is governed by development agreement with the city of Terrell and the Terrell Economic Development Corporation dated July 28, 2023, which restricts IA#1 and the MIA to single family development as shown on the enclosed concept plan.

There are no apparent legal restrictions, such as easements or deed restrictions, effectively limiting the use of the property. Given prevailing land use patterns in the area, only single-family residential use is given further consideration in determining highest and best use of the site.

Financially Feasible

Based on the accompanying analysis of the market, there is currently adequate demand for single-family residential use in the subject's area. It appears a newly developed single-family residential use on the site would have a value commensurate with its cost. Therefore, single-family residential use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than single-family residential use. Accordingly, single-family residential use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for single-family residential use is the only use which meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property.

Most Probable Buyer

Taking into account the characteristics of the site, as well as area development trends, the probable buyer is a developer / homebuilder.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach - (Subdivision Development Analysis)	Not Applicable	Not Utilized

Sales Comparison Approach

To develop an opinion of the subject's lot values within Improvement Area #1, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties.

As discussed previously, the property is divided for valuation purposes relative to the four lot types, being 40-feet, 50-feet, 60- feet, and 70-feet in lot width.

The Sales Comparison Approach will be utilized to determine lot values for the individual lot types as well as the other land tracts which are summarized as follows:

Land Parcels

Name	SF	Usable SF	Acres	Usable Acres	Width/ # Units	Unit of Comparison
40' Lots	4,600	4,600	0.106	0.106	40	Front Foots
50' Lots	5,750	5,750	0.132	0.132	50	Front Foots
60' Lots	6,900	6,900	0.158	0.158	60	Front Foots
70' Lots	8,050	8,050	0.185	0.185	70	Front Foots
MIA	29,067,109	25,569,894	667.289	587.004	1,875	Usable SF

40' Lots (40’ x 115’ = 4,600 SF)

To apply the sales comparison approach to the 40' Lots, the research focused on transactions within the following parameters:

- Location: General Market Area
- Size: 40’ to 50’ in Width
- Use: Residential
- Transaction Date: Past 18 months or Pending

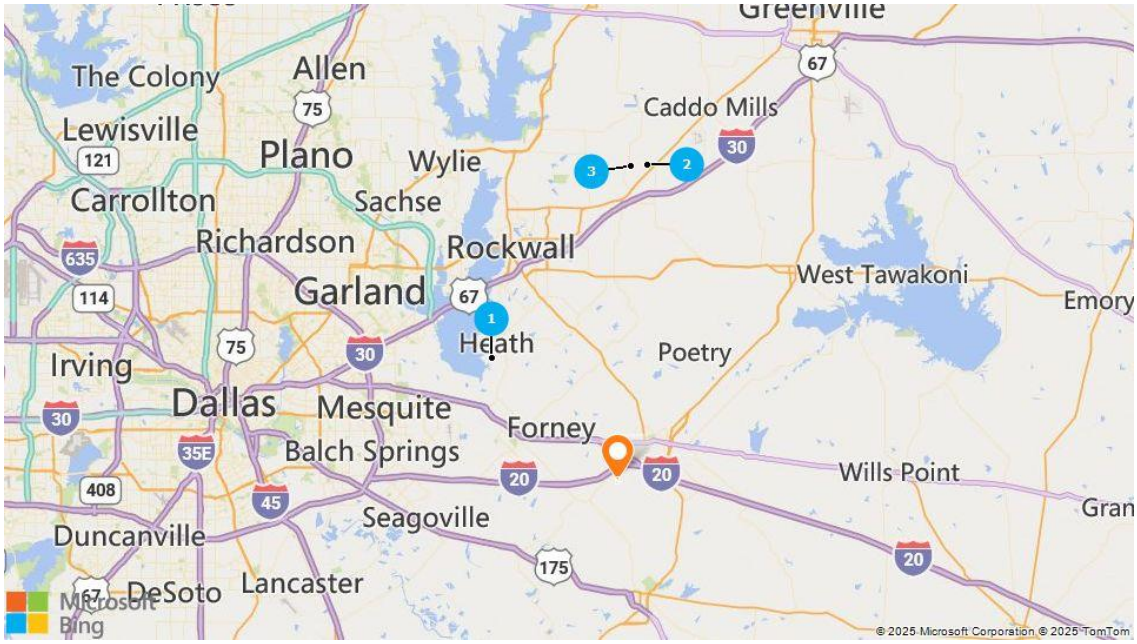
After an extensive search within these parameters, only two sales were identified. Therefore, the search was expanded to include 30’ to 50’ widths.

For this analysis, price per front foot is used as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table:

Summary of Comparable Land Sales - 40' Lots

No.	Name/Address	Sale Date; Status	Sale Price	Usable SF; Usable Acres	Front Footage	Zoning	$/Front Foot	$/SF Land
1	Heath Golf & Yacht Club, Phase 1A - 40' Lots North side of Morris Crossing, west of Bechtol Drive Heath Rockwall County TX	Apr-24 Closed	$98,000		40	PD	$2,450	$15.81
	Comments: This lot is located in a golf/lake master-planned development and is within the Rockwall ISD.							
2	Creekside PID, IA #2 (Phase 2B) - 40' Lots Northwest of SH-66 at River Bend Road Royse City Collin County TX	Mar-25 Closed	$70,000		40	PD	$1,750	$15.91
	Comments: Lots in Phase 2B are located within the Creekside PID, IA #2 and were completed in First Quarter 2025. All lots are within the Royse City ISD.							
3	Clearview Ranch, Phase 1 South - 50' Lots East side of FM-1777, south of CR-677 Royse City Collin County TX	Nov-24 Closed	$81,000		50	PD	$1,620	$13.50
	Comments: Lots in this phase of development are within the Royse City ISD. The property is within the Clearview Ranch PID, IA #1.							
	Subject Arboretum Estates PID #6 Terrell, TX			4,600 0.11	40	Planned Development		

Comparable Land Sales Map – 40' Lots





Sale 1
Heath Golf & Yacht Club, Phase 1A - 40' Lots



Sale 2
Creekside PID, IA #2 (Phase 2B) - 40' Lots



Sale 3
Clearview Ranch, Phase 1 South - 50' Lots

Analysis and Adjustment of Sales

Adjustments are based on a rating of each comparable sale in relation to the subject. The adjustment process is typically applied through either quantitative or qualitative analysis, or a combination of both analyses. Quantitative adjustments are often developed as dollar or percentage amounts and are most credible when there is sufficient data to perform a paired sales analysis.

While percentage adjustments are presented in the adjustment grid, they are based on qualitative judgment rather than empirical research, as there is not sufficient data to develop a sound quantitative estimate. Although the adjustments appear to be mathematically precise, they are merely intended to illustrate an opinion of typical market activity and perception. With the exception of market conditions, the adjustments are based on a scale, with a minor adjustment in the range of 1-5% and a substantial adjustment considered to be 20% or greater.

The rating of each comparable sale in relation to the subject is the basis for the adjustments. If the comparable is superior to the subject, its sale price is adjusted downward to reflect the subject's relative attributes; if the comparable is inferior, its price is adjusted upward.

Transactional adjustments are applied for property rights conveyed, financing, conditions of sale, expenditures made immediately after purchase, and market conditions. In addition, property adjustments include – but are not limited to – location, access/exposure, size, quality, effective age, economic and legal characteristics, and non-realty components of value. Adjustments are considered for the following factors, in the sequence shown below.

Transactional Adjustments

Real Property Rights Conveyed

The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts, and conditions, covenants and restrictions (CC&Rs). All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

This category considers expenditures incurred immediately after the purchase of a property. There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

In addition to transaction data, which is slowly materializing, we have interviewed market participants (developers, investors, lenders, brokers) as a leading indicator of where the market is currently, and where they believe the market is heading. These survey results have been analyzed and incorporated into our analysis and conclusions.

It is noted that most all lot contracts still contain interest carry clauses providing for increased sale prices through the take down period. The most current take down contracts found in the market area still include from 6 to 8.5% interest carry. As such, we have included a market conditions adjustment of 7% through the date of valuation. The sales took place or will take place from April 2024 to March 2025. Thus, the adjustment grid accounts for this trend with upward adjustments through the date of valuation.

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sales 2 and 3 are similar to the subject. No adjustments are necessary. Sale 1 is adjusted downward for superior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

Sale 3 is similar to the subject and requires no adjustment. Sales 1 and 2 are superior to the subject. Downward adjustments are applied.

Size

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

All of the comparables are similar to the subject. No adjustments are necessary.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

All of the comparables are similar to the subject. No adjustments are necessary.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of Planned Development - Residential.

All of the comparables are similar to the subject. No adjustments are necessary.

Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid - 40' Lots

	Subject	Comparable 1	Comparable 2	Comparable 3
Name	Arboretum Estates PID #6	Heath Golf & Yacht Club, Phase 1A - 40' Lots	Creekside PID, IA #2 (Phase 2B) - 40' Lots	Clearview Ranch, Phase 1 South - 50' Lots
Address	South side of FM-148, west of CR-305	North side of Morris Crossing, west of Bechtol Drive	Northwest of SH-66 at River Bend Road	East side of FM-1777, south of CR-677
City	Terrell	Heath	Royse City	Royse City
County	Kaufman	Rockwall	Collin	Collin
State	Texas	TX	TX	TX
Sale Date		Apr-24	Mar-25	Nov-24
Sale Status		Closed	Closed	Closed
Sale Price		$98,000	$70,000	$81,000
Square Feet	4,600	6,200	4,400	6,000
Number of Front Foots	40	40	40	50
Price per Front Foot		**$2,450**	**$1,750**	**$1,620**
Transactional Adjustments				
Property Rights		Fee Simple	Fee Simple	Fee Simple
% Adjustment		–	–	–
Financing Terms		Cash to seller	Cash to seller	Cash to seller
% Adjustment		–	–	–
Conditions of Sale				
% Adjustment		–	–	–
Expenditures Made Immediately After Purchase				
$ Adjustment		–	–	–
Market Conditions	8/1/2026	Apr-24	Mar-25	Nov-24
Annual % Adjustment	7%	16%	10%	12%
Cumulative Adjusted Price		**$2,842**	**$1,925**	**$1,814**
Property Adjustments				
Location		-10%	–	–
Access/Exposure		-20%	-10%	–
Size		–	–	–
Shape and Topography		–	–	–
Zoning		–	–	–
Net Property Adjustments ($)		-$853	-$193	$0
Net Property Adjustments (%)		-30%	-10%	0%
Final Adjusted Price		**$1,989**	**$1,733**	**$1,814**

Range of Adjusted Prices	**$1,733 - $1,989**
Average	**$1,845**
Indicated Value	**$1,845**

Land Value Conclusion – 40' Lots

Prior to adjustments, the sales reflect a range of $1,620 - $2,450 per front foot. After adjustment, the range is narrowed to $1,733 - $1,989 per front foot, with an average of $1,845 per front foot. To arrive at an indication of value, equal weight is given to all sales.

Based upon the preceding analysis, the land value conclusion for the subject is presented as follows:

Land Value Conclusion	
40' Lots	
Indicated Value per Front Foot	$1,845
Subject Front Foots	40
Indicated Value	$73,800
Rounded	$73,800

50' Lots (50’ x 115’ = 5,750 SF)

To apply the sales comparison approach to the 50' Lots, the research focused on transactions within the following parameters:

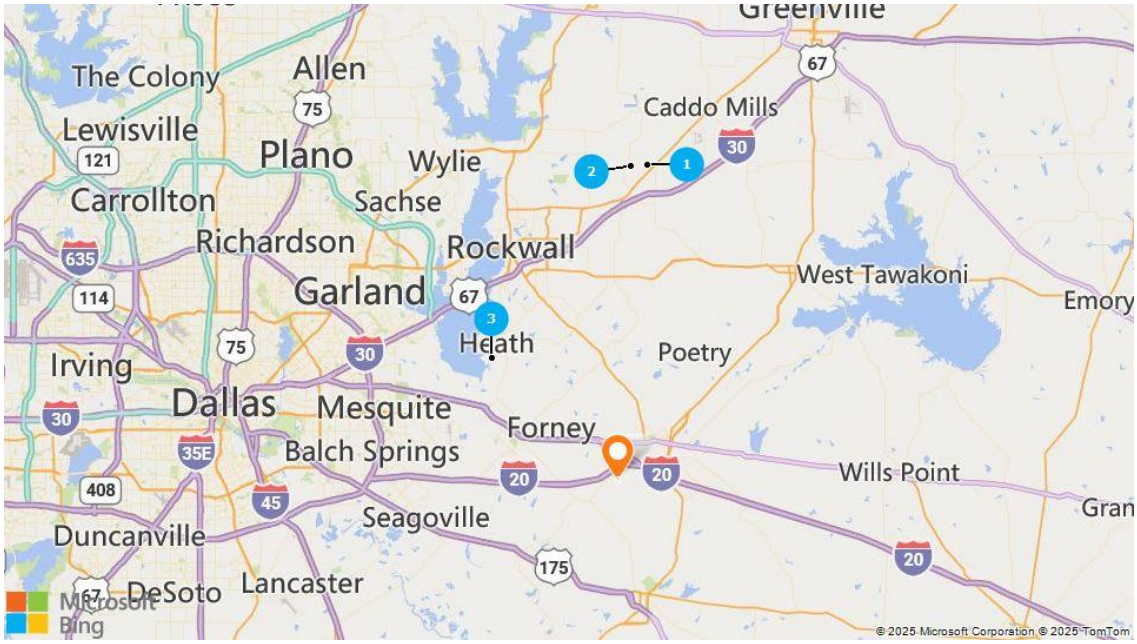
- Location: General Market Area
- Size: 50’ Widths
- Use: Residential
- Transaction Date: Past 12 months

For this analysis, price per front foot is used as the appropriate unit of comparison. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales - 50' Lots

No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Front Footage	Zoning	$/Front Foot	$/SF Land
1	Creekside, Phase 2B - 50' Lots Northwest of SH-66 at River Bend Road Royse City Collin County TX *Comments: Lots in Phase 2B are part of the Creekside PID. All lots are located in the Royse City ISD.*	Mar-25 Closed	$83,750	5,500 0.13	50	PD	$1,675	$15.23
2	Clearview Ranch, Phase 1 South - 50' Lots East side of FM-1777, south of CR-677 Royse City Collin County TX *Comments: Lots in this phase of development are within the Royse City ISD. The property is within the Clearview Ranch PID, IA #1.*	Nov-24 Closed	$81,000	6,000 0.14	50	PD	$1,620	$13.50
3	Heath Golf & Yacht Club - 55 ' Lot Southeast side of Morris Crossing, west of Sonnet Drive Heath Rockwall County TX *Comments: Sale of a single-family lot located within Heath Golf & Yacht Club. The lot is located on a cul-de-sac; however, it backs to a major thoroughfare.*	Nov-24 Closed	$120,000	12,371 0.28	55	PD-SF (Planned Development)	$2,182	$9.70
	Subject Arboretum Estates PID #6 Terrell, TX			5,750 0.13	50	Planned Development		

Comparable Land Sales Map – 50' Lots





Sale 1
Creekside, Phase 2B - 50' Lots



Sale 2
Clearview Ranch, Phase 1 South - 50' Lots



Sale 3
Heath Golf & Yacht Club - 55 ' Lot

Analysis and Adjustment of Sales

Adjustments are considered for the following factors in the sequence shown below.

Transactional Adjustments

Real Property Rights Conveyed

All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

In addition to transaction data, which is slowly materializing, we have interviewed market participants (developers, investors, lenders, brokers) as a leading indicator of where the market is currently, and where they believe the market is heading. These survey results have been analyzed and incorporated into our analysis and conclusions.

It is noted that most all lot contracts still contain interest carry clauses providing for increased sale prices through the take down period. The most current take down contracts found in the market area still include from 6 to 8.5% interest carry. As such, we have included a market conditions adjustment of 7% through the date of valuation. The sales took place or will take place from November 2024 to March 2025. Thus, the adjustment grid accounts for this trend with upward adjustments through the date of valuation.

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sales 1 and 2 are similar to the subject. No adjustments are necessary. Sale 3 is adjusted downward for superior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

Sales 1 and 2 are similar to the subject and require no adjustment. Sale 3 is superior to the subject. A downward adjustment is applied.

Size

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

All of the comparables are similar to the subject. No adjustments are necessary.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

All of the comparables are similar to the subject. No adjustments are necessary.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of Planned Development - Residential.

All of the comparables are similar to the subject. No adjustments are necessary.

Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid - 50' Lots

	Subject	Comparable 1	Comparable 2	Comparable 3
Name	Arboretum Estates PID #6	Creekside, Phase 2B - 50' Lots	Clearview Ranch, Phase 1 South - 50' Lots	Heath Golf & Yacht Club - 55 ' Lot
Address	South side of FM-148, west of CR-305	Northwest of SH-66 at River Bend Road	East side of FM-1777, south of CR-677	Southeast side of Morris Crossing, west of Sonnet Drive
City	Terrell	Royse City	Royse City	Heath
County	Kaufman	Collin	Collin	Rockwall
State	Texas	TX	TX	TX
Sale Date		Mar-25	Nov-24	Nov-24
Sale Status		Closed	Closed	Closed
Sale Price		$83,750	$81,000	$120,000
Square Feet	5,750	5,500	6,000	12,371
Number of Front Foots	50	50	50	55
Price per Front Foot		**$1,675**	**$1,620**	**$2,182**
Transactional Adjustments				
Property Rights		Fee Simple	Fee Simple	Fee Simple
% Adjustment		–	–	–
Financing Terms		Cash to seller	Cash to seller	Cash to seller
% Adjustment		–	–	–
Conditions of Sale				Arm's-length
% Adjustment		–	–	–
Expenditures Made Immediately After Purchase				
$ Adjustment		–	–	–
Market Conditions	8/1/2026	Mar-25	Nov-24	Nov-24
Annual % Adjustment	7%	10%	12%	12%
Cumulative Adjusted Price		**$1,843**	**$1,814**	**$2,444**
Property Adjustments				
Location		–	–	-10%
Access/Exposure		–	–	-20%
Size		–	–	–
Shape and Topography		–	–	–
Zoning		–	–	–
Net Property Adjustments ($)		$0	$0	-$733
Net Property Adjustments (%)		0%	0%	-30%
Final Adjusted Price		**$1,843**	**$1,814**	**$1,711**

Range of Adjusted Prices	**$1,711 - $1,843**
Average	**$1,789**
Indicated Value	**$1,790**

Land Value Conclusion – 50' Lots

Prior to adjustments, the sales reflect a range of $1,620 - $2,182 per front foot. After adjustment, the range is narrowed to $1,711 - $1,843 per front foot, with an average of $1,789 per front foot. To arrive at an indication of value, equal weight is given to all sales.

Based upon the preceding analysis, the land value conclusion is as follows:

Land Value Conclusion	
Indicated Value per Front Foot	$1,790
Subject Front Foots	50
Indicated Value	$89,500
Rounded	$89,500

60' Lots (60’ x 115’ = 6,900 SF)

To apply the sales comparison approach to the 60' Lots, the research focused on transactions within the following parameters:

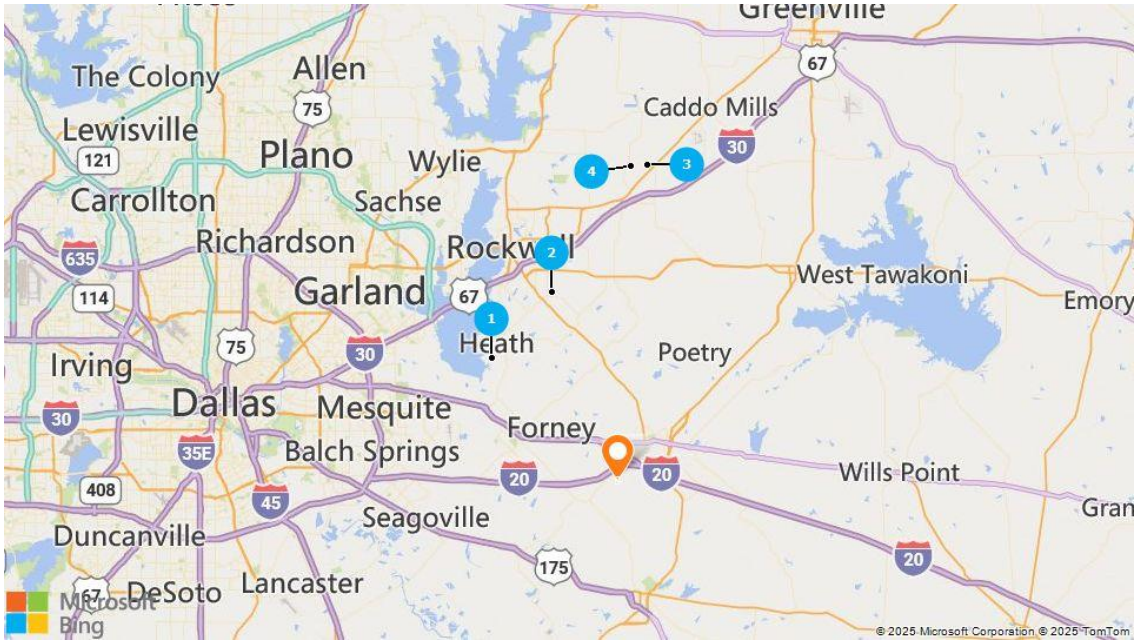
- Location: General Market Area
- Size: 55’ to 65’ Widths
- Use: Residential
- Transaction Date: Past 12 months

For this analysis, price per front foot is used as the appropriate unit of comparison. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales - 60' Lots

No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Front Footage	Zoning	$/Front Foot	$/SF Land
1	Heath Golf & Yacht Club - 55 ' Lot Southeast side of Morris Crossing, west of Sonnet Heath Rockwall County TX	Nov-24 Closed	$120,000	12,371 0.28	55	PD-SF (Planned Development)	$2,182	$9.70
	Comments: Sale of a single-family lot located within Heath Golf & Yacht Club. The lot is located on a cul-de-sac; however, it backs to a major thoroughfare.							
2	Homestead, Phase 1 - 62' Lots Northeast quadrant of FM-549 and FM-1139 Rockwall Rockwall County TX	Aug-24 Closed	$117,825	7,440 0.17	62	PD-92	$1,900	$15.84
	Comments: This development was completed in August 2024 and is located in the Rockwall ISD.							
3	Creekside PID, IA #2 (Phase 2B) - 60' Lots Northwest of SH-66 at River Bend Road Royse City Collin County TX	Dec-24 Closed	$96,000	7,200 0.17	60	PD	$1,600	$13.33
	Comments: Lots in Phase 2B are located within the Creekside PID. All lots are located in the Royse City ISD.							
4	Clearview Ranch, Phase 1 South - 60' Lots East side of FM-1777, south of CR-677 Royse City Collin County TX	Nov-24 Closed	$93,600	8,100 0.19	60	PD	$1,560	$11.56
	Comments: Lots in this development are located within the Clearview Ranch PID, IA #1 and are within the Royse City ISD.							
	Subject Arboretum Estates PID #6 Terrell, TX			6,900 0.16	60	Planned Development		

Comparable Land Sales Map – 60' Lots





Sale 1
Heath Golf & Yacht Club - 55 ' Lot



Sale 2
Homestead, Phase 1 - 62' Lots



Sale 3
Creekside PID, IA #2 (Phase 2B) - 60' Lots



Sale 4
Clearview Ranch, Phase 1 South - 60' Lots

Analysis and Adjustment of Sales

Adjustments are considered for the following factors in the sequence shown below.

Transactional Adjustments

Real Property Rights Conveyed

All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

In addition to transaction data, which is slowly materializing, we have interviewed market participants (developers, investors, lenders, brokers) as a leading indicator of where the market is currently, and where they believe the market is heading. These survey results have been analyzed and incorporated into our analysis and conclusions.

It is noted that most all lot contracts still contain interest carry clauses providing for increased sale prices through the take down period. The most current take down contracts found in the market area still include from 6 to 8.5% interest carry. As such, we have included a market conditions adjustment of 7% through the date of valuation. The sales took place or will take place from August 2024 to December 2024. Thus, the adjustment grid accounts for this trend with upward adjustments through the date of valuation.

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sales 3 and 4 are similar to the subject. No adjustments are necessary. Sales 1 and 2 are adjusted downward for superior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

Sales 2 and 4 are similar to the subject and require no adjustment. Sales 1 and 3 are superior to the subject. Downward adjustments are applied.

Size

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

All of the comparables are similar to the subject. No adjustments are necessary.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

All of the comparables are similar to the subject. No adjustments are necessary.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of Planned Development - Residential.

All of the comparables are similar to the subject. No adjustments are necessary.

Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid - 60' Lots

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Arboretum Estates PID #6	Heath Golf & Yacht Club - 55 ' Lot	Homestead, Phase 1 - 62' Lots	Creekside PID, IA #2 (Phase 2B) - 60' Lots	Clearview Ranch, Phase 1 South - 60' Lots
Address	South side of FM-148, west of CR-305	Southeast side of Morris Crossing, west of Sonnet Drive	Northeast quadrant of FM-549 and FM-1139	Northwest of SH-66 at River Bend Road	East side of FM-1777, south of CR-677
City	Terrell	Heath	Rockwall	Royse City	Royse City
County	Kaufman	Rockwall	Rockwall	Collin	Collin
State	Texas	TX	TX	TX	TX
Sale Date		Nov-24	Aug-24	Dec-24	Nov-24
Sale Status		Closed	Closed	Closed	Closed
Sale Price		$120,000	$117,825	$96,000	$93,600
Square Feet	6,900	12,371	7,440	7,200	8,100
Number of Front Foots	60	55	62	60	60
Price per Front Foot		**$2,182**	**$1,900**	**$1,600**	**$1,560**
Transactional Adjustments					
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		–	–	–	–
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		–	–	–	–
Conditions of Sale		Arm's-length			
% Adjustment		–	–	–	–
Expenditures Made Immediately After Purchase					
$ Adjustment		–	–	–	–
Market Conditions	8/1/2026	Nov-24	Aug-24	Dec-24	Nov-24
Annual % Adjustment	7%	12%	13%	11%	12%
Cumulative Adjusted Price		**$2,444**	**$2,147**	**$1,776**	**$1,747**
Property Adjustments					
Location		-10%	-10%	–	–
Access/Exposure		-20%	–	-10%	–
Size		–	–	–	–
Shape and Topography		–	–	–	–
Zoning		–	–	–	–
Net Property Adjustments ($)		-$733	-$215	-$178	$0
Net Property Adjustments (%)		-30%	-10%	-10%	0%
Final Adjusted Price		**$1,711**	**$1,933**	**$1,598**	**$1,747**

Range of Adjusted Prices	**$1,598 - $1,933**
Average	**$1,747**
Indicated Value	**$1,750**

Land Value Conclusion – 60' Lots

Prior to adjustments, the sales reflect a range of $1,560 - $2,182 per front foot. After adjustment, the range is narrowed to $1,598 - $1,933 per front foot, with an average of $1,747 per front foot. To arrive at an indication of value, equal weight is given to all sales.

Based on the preceding analysis, the land value conclusion is as follows:

Land Value Conclusion	
Indicated Value per Front Foot	$1,750
Subject Front Foots	60
Indicated Value	$105,000
Rounded	$105,000

70' Lots (70’ x 115’ = 8,050 SF)

To apply the sales comparison approach to the 70' Lots, the research focused on transactions within the following parameters:

- Location: General Market Area
- Size: 60’ to 75’ Widths
- Use: Residential
- Transaction Date: Past 12 months or Pending

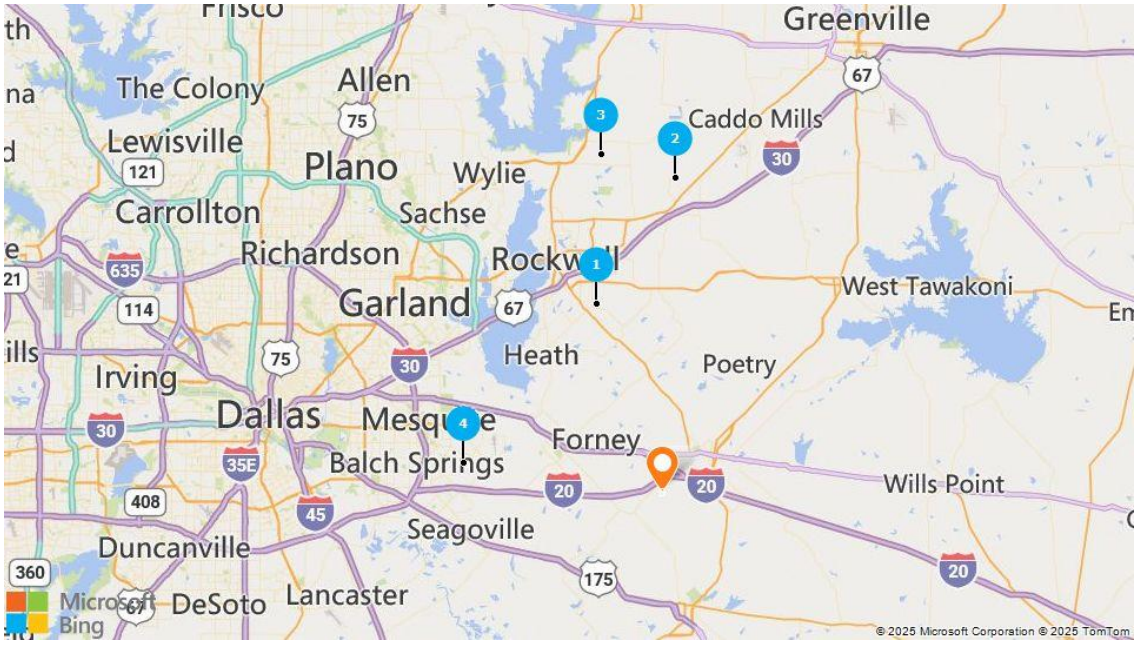
After an extensive search within these parameters, only two sales were identified. Therefore, the search was expanded to include 60’ lots.

For this analysis, price per front foot is used as the appropriate unit of comparison. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales - 70' Lots

No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Front Footage	Zoning	$/Front Foot	$/SF Land
1	Homestead - 70' Lots Northeast quadrant of FM-549 and FM-1139 Rockwall Rockwall County TX	Aug-24 Closed	$134,325	8,400 0.19	70	PD-92	$1,919	$15.99
	Comments: Lots in this development were completed in October 2024. The development is located in the Rockwall ISD.							
2	Clearview Ranch, Phase 1 South - 70' Lots East side of FM-1777, south of CR-677 Royse City Collin County TX	Nov-24 Closed	$105,000	9,450 0.22	70	PD	$1,500	$11.11
	Comments: Lots in this development are located within the Clearview Ranch PID, IA #1 and are within the Royse City ISD.							
3	Elevon, Phase 2F - 70' Lots Northeast corner of Elevon Parkway and Dewy Lake Lavon Collin County TX	Aug-25 In-Contract	$140,000	9,100 0.21	70	PD	$2,000	$15.38
	Comments: This development under construction is located in the Elevon Public Improvement District and is within the Community ISD.							
4	Solterra, Phase 1D - 70' Lots East side of Blossom Trail, north of Faithon P. Lucas Sr Boulevard Mesquite Dallas County TX	Jul-24 Closed	$104,672	9,100 0.21	70	PD	$1,495	$11.50
	Comments: Lots in this development are located in the Mesquite ISD and are within a public improvement district.							
	Subject Arboretum Estates PID #6 Terrell, TX			8,050 0.18	70	Planned Development		

Comparable Land Sales Map – 70' Lots





Sale 1
Homestead - 70' Lots



Sale 2
Clearview Ranch, Phase 1 South - 70' Lots



Sale 3
Elevon, Phase 2F - 70' Lots



Sale 4
Solterra, Phase 1D - 70' Lots

Analysis and Adjustment of Sales

Adjustments are considered for the following factors in the sequence shown below.

Transactional Adjustments

Real Property Rights Conveyed

All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

In addition to transaction data, which is slowly materializing, we have interviewed market participants (developers, investors, lenders, brokers) as a leading indicator of where the market is currently, and where they believe the market is heading. These survey results have been analyzed and incorporated into our analysis and conclusions.

It is noted that most all lot contracts still contain interest carry clauses providing for increased sale prices through the take down period. The most current take down contracts found in the market area still include from 6 to 8.5% interest carry. As such, we have included a market conditions adjustment of 7% through the date of valuation. The sales took place or will take place from July 2024 to August 2025. Thus, the adjustment grid accounts for this trend with upward adjustments through the date of valuation.

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

All of the comparables are similar to the subject. No adjustments are necessary.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

Sales 2 and 4 are similar to the subject and require no adjustment. Sales 1 and 3 are superior to the subject. Downward adjustments are applied.

Size

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

All of the comparables are similar to the subject. No adjustments are necessary.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

All of the comparables are similar to the subject. No adjustments are necessary.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of Planned Development - Residential.

All of the comparables are similar to the subject. No adjustments are necessary.

Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid - 70' Lots

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Arboretum Estates PID #6	Homestead - 70' Lots	Clearview Ranch, Phase 1 South - 70' Lots	Elevon, Phase 2F - 70' Lots	Solterra, Phase 1D - 70' Lots
Address	South side of FM-148, west of CR-305	Northeast quadrant of FM-549 and FM-1139	East side of FM-1777, south of CR-677	Northeast corner of Elevon Parkway and Dewy Lake Place	East side of Blossom Trail, north of Faithon P. Lucas Sr Boulevard
City	Terrell	Rockwall	Royse City	Lavon	Mesquite
County	Kaufman	Rockwall	Collin	Collin	Dallas
State	Texas	TX	TX	TX	TX
Sale Date		Aug-24	Nov-24	Aug-25	Jul-24
Sale Status		Closed	Closed	In-Contract	Closed
Sale Price		$134,325	$105,000	$140,000	$104,672
Square Feet	8,050	8,400	9,450	9,100	9,100
Number of Front Foots	70	70	70	70	70
Price per Front Foot		**$1,919**	**$1,500**	**$2,000**	**$1,495**
Transactional Adjustments					
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		–	–	–	–
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		–	–	–	–
Conditions of Sale					
% Adjustment		–	–	–	–
Expenditures Made Immediately After Purchase					
$ Adjustment		–	–	–	–
Market Conditions	8/1/2026	Aug-24	Nov-24	Aug-25	Jul-24
Annual % Adjustment	7%	13%	12%	7%	14%
Cumulative Adjusted Price		**$2,168**	**$1,680**	**$2,140**	**$1,705**
Property Adjustments					
Location		–	–	–	–
Access/Exposure		-20%	–	-20%	–
Size		–	–	–	–
Shape and Topography		–	–	–	–
Zoning		–	–	–	–
Net Property Adjustments ($)		-$434	$0	-$428	$0
Net Property Adjustments (%)		-20%	0%	-20%	0%
Final Adjusted Price		**$1,735**	**$1,680**	**$1,712**	**$1,705**

Range of Adjusted Prices	**$1,680 - $1,735**
Average	**$1,708**
Indicated Value	**$1,700**

Land Value Conclusion – 70' Lots

Prior to adjustments, the sales reflect a range of $1,495 - $2,000 per front foot. After adjustment, the range is narrowed to $1,680 - $1,735 per front foot, with an average of $1,708 per front foot. To arrive at an indication of value, equal weight is given to all sales.

Based upon the preceding analysis, the land value conclusion is as follows:

Land Value Conclusion

Indicated Value per Front Foot	$1,700
Subject Front Foots	70
Indicated Value	$119,000
Rounded	$119,000

Summary of Lot Values

Based upon this analysis, the individual values are summarized as follows:

Summary of Lot Values

Parcel	Unit of Comparison	Units	Indicated Unit Value	Indicated Value
40' Lots	Front Foots	40	$1,845	$73,800
50' Lots	Front Foots	50	$1,790	$89,500
60' Lots	Front Foots	60	$1,750	$105,000
70' Lots	Front Foots	70	$1,700	$119,000

Cumulative Retail Lot Value – IA#1

Following is the calculation for the total cumulative retail lot value for the subject's 512 proposed lots within IA#1.

Cumulative Retail Lot Value Calculation

Total Lots	Front Footage	Average Price/Lot	Price/FF	Total Cumulative Retail Value
295	40	$73,800	$1,845	$21,771,000
144	50	$89,500	$1,790	$12,888,000
42	60	$105,000	$1,750	$4,410,000
31	70	$119,000	$1,700	$3,689,000
512		**$83,512**		**$42,758,000**

As shown, the total cumulative retail lot value equates to $42,758,000 or $83,512/lot average.

It should be clearly understood that the summation of lot values does not represent our opinion of the market discounted/bulk value, as if the lots are all sold in bulk in a single transaction.

MIA (667.289 Gross Acres; or 587.004 Net Acres)

To apply the sales comparison approach to the MIA, the research focused on transactions within the following parameters:

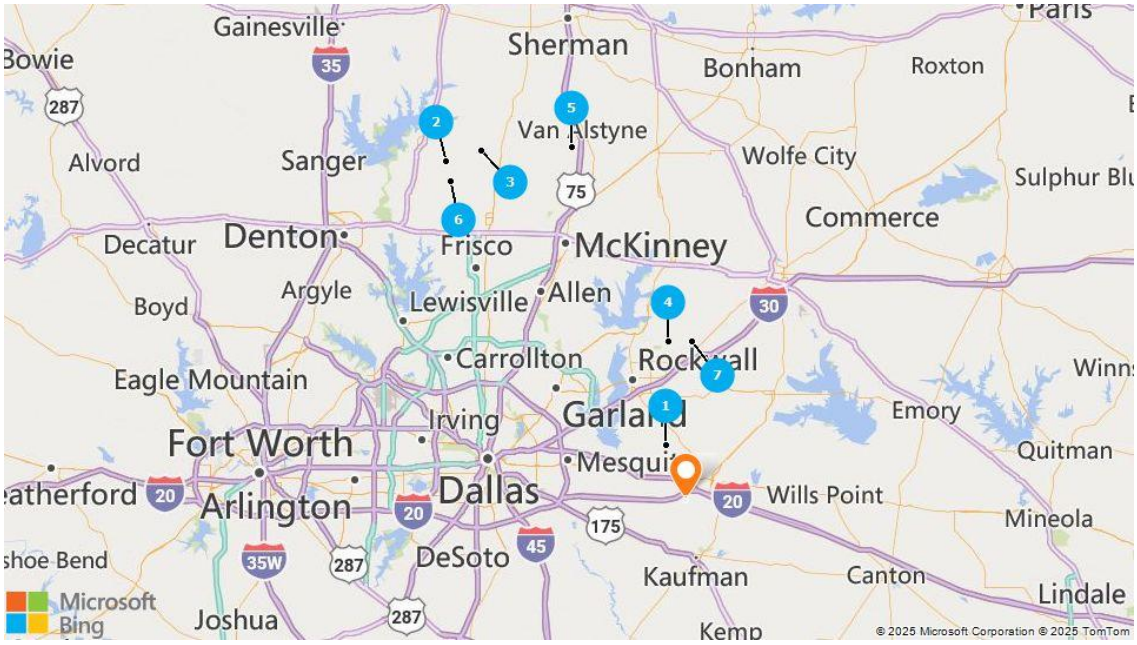
- Location: General Market Area
- Size: Greater than 200 Acres
- Use: Residential
- Transaction Date: Past 24 months

For this analysis, price per usable square foot is used as the appropriate unit of comparison. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales - MIA

No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Usable SF; Usable Acres	Zoning	$/SF Land	$/Usable SF
1	SF Land - Kaufman/Rockwall Counties Northwest corner of FM-548 and Mann Road Unincorporated Kaufman County TX	Jun-22 Closed	$66,207,157	45,976,752 1,055.48	35,788,068 821.58	None	$1.44	$1.85
	Comments: This irregular-shaped property is planned as a future master-planned community. It is noted the total flood area was estimated by the appraiser utilizing the FEMA flood determination software and includes 61 acres within two soil conservation areas. The majority of the property is within the Forney ISD. Only 95 acres is within Rockwall County with the remainder in Kaufman County.							
2	SF Land - Pilot Point, TX East side of FM-1385, north of Friendship Road Pilot Point ETJ Denton County TX	Jul-22 Closed	$40,152,660	29,150,831 669.21	29,091,590 667.85	N/A	$1.38	$1.38
	Comments: This irregular-shaped property is being acquired to be developed for mixed-use (multifamily, commercial, and single-family residential). The property was reportedly located within a MUD and is located within the Pilot Point ISD.							
3	Legacy Hills - Pulte Tract West side of CR-58 (future Celina Parkway), north of CR-59 Celina Collin County TX	Mar-22 Closed	$23,720,660	9,939,913 228.19	9,939,913 228.19	PD (Planned Development)	$2.39	$2.39
	Comments: This irregular-shaped property represents a portion of the Legacy Hills development and is planned to be developed with residential lots with 40', 50', 60', and 65' frontages. The property is within the Celina ISD. This property is located in the Legacy Hills Public Improvement District. However, the seller retained the reimburseables. The first closing was for the takedown of 793 lots within Phase 1 for $23,720,660 and closed March of 2022. The second takedown will be for 707 paper lots 36 months after the initial close with 4% annual carry. The third takedown will be for 673 paper lots 30 months after the							
4	Residential Land - 150.660 Acres Northwest corner of FM-1138 and CR-800 Royse City Collin County TX	Jun-25 Offer Pending	$18,000,000	6,562,750 150.66	6,562,750 150.66	Ag.	$2.74	$2.74
	Comments: This represents a letter of intent for the rectangular-shaped property located in the Community ISD. The LOI is based upon the condition that all regulatory approvals including zoning, site plan approvals, building permits, utility connections have been approved for the development of 738 single-family lots (4.9 upa) in a subdivision to be known as Preserve at Royse City.							
5	Mantua Site in Van Alstyne Southwest quadrant of CR-290 and CR-222 Van Alstyne ETJ Collin County TX	Aug-24 Closed	$53,500,000	29,037,532 666.61	26,008,195 597.07	Mantua Development Agreement	$1.84	$2.06
	Comments: This irregular-shaped is part of the Mantua master planned community. Site allows for approximately 2,500 residential units/lots.							
6	Bryson Ranch - Pilot Point, TX Northeast corner of FM-1385 and Mobberly Road Pilot Point ETJ Denton County TX	Jun-24 Closed	$83,760,000	45,607,320 1,047.00	27,364,392 628.20	Development Agreement	$1.84	$3.06
	Comments: This irregular-shaped property is being acquired to be developed for single-family residential development. Property is located within the Bryson Ranch MUD #1 and is located within the Pilot Point ISD. Approximately 3,000+/- lots are planned. Purchaser will resell approximately 120+/- acres of commercial and multi-family zoned property at closing.							
7	Clearview Ranch PID, IA #1 South side of CR-677, east of FM-1777 Royse City Collin County TX	May-23 Closed	$9,450,000	4,381,526 100.59	3,847,176 88.32	PD	$2.16	$2.46
	Comments: This property is within the Clearview Ranch PID as part of IA #1 and is within the Royse City ISD.							
	Subject Arboretum Estates PID #6 Terrell, TX			29,067,109 667.29	25,569,894 587.00	Planned Development		

Comparable Land Sales Map – MIA





Sale 1
SF Land - Kaufman/Rockwall Counties



Sale 2
SF Land - Pilot Point, TX



Sale 3
Legacy Hills - Pulte Tract



Sale 4
Residential Land - 150.660 Acres



Sale 5
Mantua Site in Van Alstyne



Sale 6
Bryson Ranch - Pilot Point, TX



Sale 7
Clearview Ranch PID, IA #1

Analysis and Adjustment of Sales

Adjustments are considered for the following factors in the sequence shown below.

Transactional Adjustments

Real Property Rights Conveyed

All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

In addition to transaction data, which is slowly materializing, we have interviewed market participants (developers, investors, lenders, brokers) as a leading indicator of where the market is currently, and where they believe the market is heading. These survey results have been analyzed and incorporated into our analysis and conclusions.

The sales took place or are scheduled to close from March 2022 to June 2025. Until mid-year 2022, market conditions had generally been strengthening in the subject's market area. However, since the rapid increase in interest rates during 2022, value increases have been tempered and currently remain flat. Thus, the adjustment grid accounts for this trend with upward adjustments through June 1, 2022, with no change through the date of valuation.

Market Conditions Adjustment								
	Comp #	1	2	3	4	5	6	7
	Sale Date	6/22/2022	7/7/2022	3/15/2022	6/30/2025	8/15/2024	6/24/2024	5/15/2023
Date	Annual Growth							
6/1/2022	10%	0.00%	0.00%	2.14%	0.00%	0.00%	0.00%	0.00%
1/1/2024	0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8/1/2026	5%	12.92%	12.92%	12.92%	5.44%	9.81%	10.52%	12.92%
Total		12.92%	12.92%	15.05%	5.44%	9.81%	10.52%	12.92%
Rounded		13%	13%	15%	5%	10%	11%	13%

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sales 1, 4, 5 and 7 are similar to the subject. No adjustments are necessary. Sales 3 and 6 are adjusted downward for superior location. Sale 2 is adjusted upward for inferior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All of the comparables are similar to the subject. No adjustments are necessary.

Size

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

Sales 1, 2, 3, 5 and 6 are similar to the subject and require no adjustment. Sales 4 and 7 are smaller than the subject, and downward adjustments are applied.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

All of the comparables are similar to the subject. No adjustments are necessary.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of Planned Development - Residential.

Sales 1, 2, 3, 4, 5 and 7 are similar to the subject and require no adjustment. Sale 6 is superior to the subject. A downward adjustment is applied.

The adjustment for entitlements (location within a public improvement district) will be discussed after the adjustment grid.

Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid - MIA

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Address	South side of FM-148, west of CR-305	Northwest corner of FM-548 and Mann Road	East side of FM-1385, north of Friendship Road	West side of CR-58 (future Celina Parkway), north of CR-59	Northwest corner of FM-1138 and CR-800	Southwest quadrant of CR-290 and CR-222	Northeast corner of FM-1385 and Mobberly Road	South side of CR-677, east of FM-1777
City	Terrell	Unincorporated	Pilot Point ETJ	Celina	Royse City	Van Alstyne ETJ	Pilot Point ETJ	Royse City
County	Kaufman	Kaufman	Denton	Collin	Collin	Collin	Denton	Collin
State	Texas	TX	TX	TX	TX	TX	TX	TX
Sale Date		Jun-22	Jul-22	Mar-22	Jun-25	Aug-24	Jun-24	May-23
Sale Status		Closed	Closed	Closed	Offer Pending	Closed	Closed	Closed
Sale Price		$66,207,157	$40,152,660	$23,720,660	$18,000,000	$53,500,000	$83,760,000	$9,450,000
Acres	667.289	1,055.481	669.211	228.189	150.660	666.610	1,047.000	100.586
Usable Acres	587.004	821.581	667.851	228.189	150.660	597.066	628.200	88.319
Price per Usable Square Foot		**$1.85**	**$1.38**	**$2.39**	**$2.74**	**$2.06**	**$3.06**	**$2.46**
Transactional Adjustments								
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		–	–	–	–	–	–	–
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		–	–	–	–	–	–	–
Conditions of Sale								
% Adjustment		–	–	–	–	–	–	–
Expenditures Made Immediately After Purchase								
$ Adjustment		–	–	–	–	–	–	–
Market Conditions	8/1/2026	Jun-22	Jul-22	Mar-22	Jun-25	Aug-24	Jun-24	May-23
Annual % Adjustment	Variable	13%	13%	15%	5%	10%	11%	13%
Cumulative Adjusted Price		**$2.09**	**$1.56**	**$2.74**	**$2.88**	**$2.26**	**$3.40**	**$2.78**
Property Adjustments								
Location		–	25%	-20%	–	–	-20%	–
Access/Exposure		–	–	–	–	–	–	–
Size		–	–	–	-20%	–	–	-20%
Shape and Topography		–	–	–	–	–	–	–
Zoning		–	–	–	–	–	-20%	–
Net Property Adjustments ($)		$0.00	$0.39	-$0.55	-$0.58	$0.00	-$1.36	-$0.56
Net Property Adjustments (%)		0%	25%	-20%	-20%	0%	-40%	-20%
Final Adjusted Price		**$2.09**	**$1.95**	**$2.20**	**$2.30**	**$2.26**	**$2.04**	**$2.22**

Range of Adjusted Prices	**$1.95 - $2.30**
Average	**$2.15**
Indicated Value	**$2.15**

Public Improvement District Entitlement Adjustment

As mentioned earlier in this report, the subject is located within a Public Improvement District (PID) and can be reimbursed for certain development costs. None of the comparables utilized in valuing the five tracts of land have this attribute or did not have this attribute at the date of sale. However, instead of a flat percentage adjustment for this differential life the other attributes/detriments, we have applied a straight-line item adjustment for this factor to the subject after the physical analysis. This line-item adjustment is based on our premium abstraction analysis from actual sales in the general marketplace. We have obtained the sale and resale of several properties that were purchased as unentitled land and subsequently resold as entitled with the right to receive reimbursements for the future development/maintenance costs of various on and off-site infrastructure improvements including but not limited to water, sanitary sewer, sewage treatment plants, storm drainage related to roads and road improvements for the community. Thus, the resale of these municipal utility district (MUD) and public improvement district (PID) properties will be allowed to sell bonds which will be used to repay the developers for a large majority of their expenses. There have been limited sales/resales of properties with this attribute (Entitlements) in the market area over the past five years. As such, we have provided several comparisons from other similar areas to assist in determining the premium for having reimbursements. The comparisons consist of three known sales and resales of properties located in the general/similar market area around the D/FW area that sold between 2017 and 2021 along with two sales of adjacent properties, one with and one without entitlements. A summary of these sales along with a map of their locations follows:

Entitlement Sale Comparison update

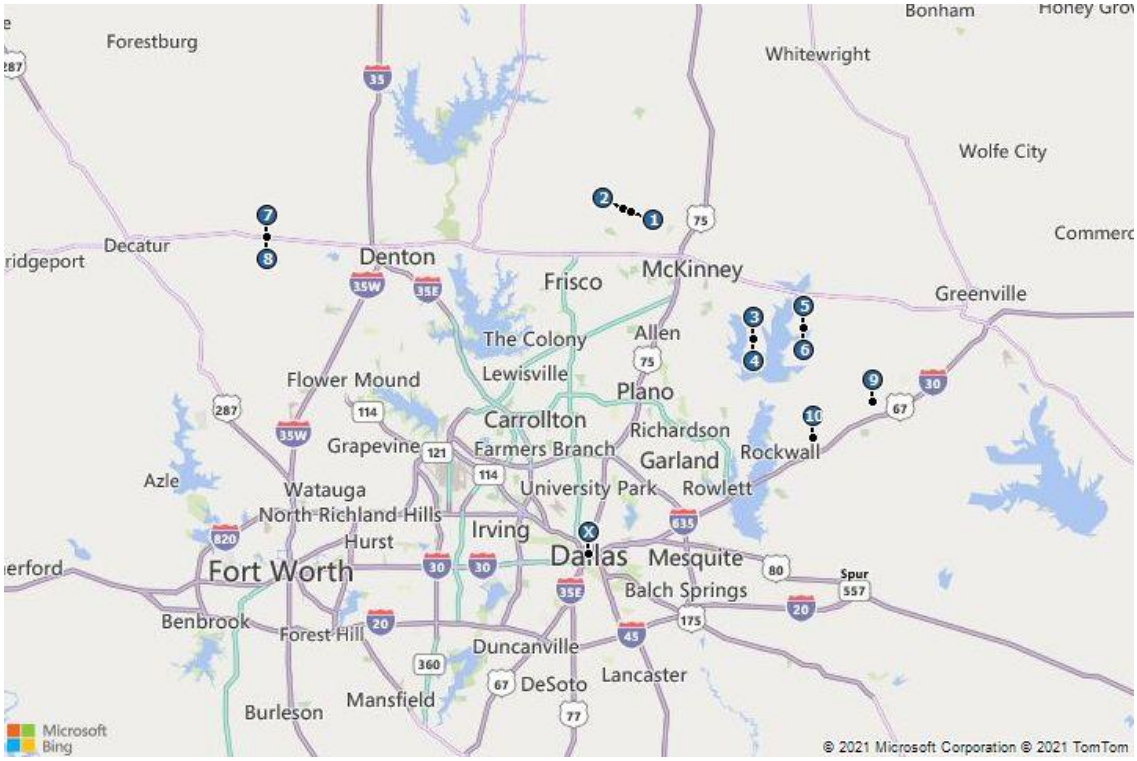
Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Zoning	$/SF Land	$/Acre
1	249.4 Acres in Collin County East side of Custer Road, south of Choate Parkway/CR-125 Unincorporated Collin County TX	Feb-18 Closed	$9,000,000	10,867,262 249.48	Located outside of city limits	$0.83	$36,075
	Comments: Public sewer will not be available to the site for a many years. It is in the McKinney ETJ.						
2	Residential land in Collin County Southwest corner of Custer Road (FM-2478) and Choate Parkway (CR-88/125) Unincorporated Collin County TX	Feb-19 Closed	$29,750,000	24,255,950 556.84	The subject is not located within the city limits	$1.23	$53,426
	Comments: Although not located in a Public Improvement District (PID), the purchaser owns the adjacent Mustangs Lakes "PID"and this property is to be future phases of the master planned community.						
3	Country Lakes development south of Princeton Southeast corner of FM-546 and FM 437 Unincorporated Collin County TX	Jun-17 Closed	$6,392,126	22,454,919 515.49	None	$0.28	$12,400
	Comments: This assemblage of three properties took place between June 26, 2017 and September 15, 2017. Subsequently, the purchasers created a Municipal Utility District (MUD) and resold the site to Lennar Homes for a price of $35,000/gross acre in 2018.						
4	Country Lakes development south of Princeton Southeast corner of FM-546 and FM 437 Unincorporated Collin County TX	Dec-18 Closed	$18,042,290	22,454,919 515.49	None	$0.80	$35,000
	Comments: This sale represents the first closing of 171.991 acres of a larger multi parcel take down of the entire 515.494 acres over a four-year period. The sale was subject to the establishment of a Municipal Utility District (MUD) by the seller. The development has been platted as "Bridgewater" with plans for approximately 1,932 single family lots. The purchase price was reported to be $35,000 per acre, plus 6% annual interest carry for the subsequent purchases. The second take down of 117.197 acres occurred on December 10, 2019.						

Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Zoning	$/SF Land	$/Acre
5	471.016 Acres - Farmersville ETJ, Texas North side of CR-550, west of SH-78 Farmersville ETJ Collin County TX	Jul-19 Closed	$10,000,000	20,517,457 471.02	None - Farmersville ETJ	$0.49	$21,231
	Comments: This property was acquired to be developed with approximately 2,000 residential units including single-family, townhomes, and apartments along with a school, a public safety building, and parks. Development is projected to begin in two years. The property was not located within the Lake Haven Municipal Utility District (MUD) at the date of sale and is within the Farmersville ISD.						
6	471.016 Acres - Farmersville ETJ, Texas North side of CR-550, west of SH-78 Farmersville ETJ Collin County TX	Jun-21 Closed	$22,932,000	20,520,506 471.09	None - Farmersville ETJ	$1.12	$48,679
	Comments: This property was acquired to be developed with 1,911 residential units including single-family, townhomes, and apartments along with a school, a public safety building, and parks. Development is projected to begin in two years. The property was located within the Lakehaven Municipal Utility District (MUD) at the date of sale and is within the Farmersville ISD. The sale price was configured at $12,000 per lot.						
7	Residential Land in Krum ETJ Northwest quadrant of US-380 and Jackson Road Unincorporated Denton County TX	Oct-18 Closed	$6,600,000	19,184,216 440.41	Unincorporated	$0.34	$14,986
	Comments: The site was purchased without entitlements. It has since been entitled as Big Sky Municipal Utility District and zoned by the City of Krum and resold to a major homebuilder.						
8	Residential Land in Krum ETJ Northwest quadrant of US-380 and Jackson Road Unincorporated Denton County TX	Dec-19 Closed	$16,950,000	19,184,216 440.41	Unincorporated	$0.88	$38,487
	Comments: The site was purchased for future residential development. Big Sky MUD (Municipal Utility District) and development agreement with the City of Krum was in place at time of sale. The sale took place in two takedowns over a one year period between December 2018 and December 2019. Total of 1,250 lots included plus 36 acres of commercial along the US-380 highway frontage. The site is located within the Krum ISD.						
9	Land - 287.28 Acres, Royse City North side of SH-66, southwest of FM-2642 Royse City Collin County TX	Nov-19 Closed	$6,150,000	12,513,917 287.28	Development Agreement with City of Royse City	$0.49	$21,408
	Comments: After the purchase, the Creekside PID was created for the development of 1,075 lots with 40', 50', and 60' frontages within seven phases.						
10	Monterra Public Improvement District West side of Ben Payne Road, north of W. Holiday Road (SH-66) Fate Rockwall County TX	Jul-21 Closed	$10,000,000	10,073,738 231.26	Planned Development	$0.99	$43,241
	Comments: It is noted that the Monterra Public Improvement District was created in March 2021 and the property was purchased with the PID in place. The property is approved for 653 single-family lots.						

Entitlement Sale Comparison Map



Land Sales Adjustment Grid

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7	Comparable 8	Comparable 9	Comparable 10
Name	249.4 Acres in Collin County	Residential land in Collin County	Country Lakes development south of Princeton	Country Lakes development south of Princeton	471.016 Acres - Farmersville ETJ, Texas	471.016 Acres - Farmersville ETJ, Texas	Residential Land in Krum ETJ	Residential Land in Krum ETJ	Land - 287.28 Acres, Royse City	Monterra Public Improvement District
Address	East side of Custer Road, south of Choate Parkway/CR-125	Southwest corner of Custer Road (FM-2478) and Choate Parkway (CR-88/125)	Southeast corner of FM-546 and FM 437	Southeast corner of FM-546 and FM 437	North side of CR-550, west of SH-78	North side of CR-550, west of SH-78	Northwest quadrant of US-380 and Jackson Road	Northwest quadrant of US-380 and Jackson Road	North side of SH-66, southwest of FM-2642	West side of Ben Payne Road, north of W. Holiday Road (SH-66)
City	Unincorporated	Unincorporated	Unincorporated	Unincorporated	Farmersville ETJ	Farmersville ETJ	Unincorporated	Unincorporated	Royse City	Fate
County	Collin	Collin	Collin	Collin	Collin	Collin	Denton	Denton	Collin	Rockwall
State	TX	TX	TX	TX	TX	TX	TX	TX	TX	TX
Sale Date	Feb-18	Feb-19	Jun-17	Dec-18	Jul-19	Jun-21	Oct-18	Dec-19	Nov-19	Jul-21
Sale Status	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Sale Price	$9,000,000	$29,750,000	$6,392,126	$18,042,290	$10,000,000	$22,932,000	$6,600,000	$16,950,000	$6,150,000	$10,000,000
Acres	249.48	556.84	515.49	515.49	471.02	471.09	440.41	440.41	287.28	231.26
Usable Acres	249.48	556.84	515.49	515.49	451.02	451.02	440.41	440.41	287.28	231.26
Price per Usable Acre	**$36,075**	**$53,426**	**$12,400**	**$35,000**	**$22,172**	**$50,845**	**$14,986**	**$38,487**	**$21,408**	**$43,241**
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment	–	–	–	–	–	–	–	–	–	–
Financing Terms	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment	–	–	–	–	–	–	–	–	–	–
Conditions of Sale										
% Adjustment	–	–	–	–	–	–	–	–	–	–
Market Conditions	Feb-18	Feb-19	Jun-17	Dec-18	Jul-19	Jun-21	Oct-18	Dec-19	Nov-19	Jul-21
Annual % Adjustment	6%	–	9%	–	11%	–	7%	–	10%	–
Cumulative Adjusted Price	**$38,240**	**$53,426**	**$13,516**	**$35,000**	**$24,611**	**$50,845**	**$16,035**	**$38,487**	**$23,548**	**$43,241**
Net $ Adjustment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net % Adjustment	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Final Adjusted Price	**$38,240**	**$53,426**	**$13,516**	**$35,000**	**$24,611**	**$50,845**	**$16,035**	**$38,487**	**$23,548**	**$43,241**
Overall Adjustment	6%	0%	9%	0%	11%	0%	7%	0%	10%	0%

Entitlement Sale Differential Comparison

PID/Entitlement Sale Differential

Comparable Sales	Sale Price Before PID/Entitlements	Sale Price Before PID/Entitlements/Acre*	Sale Price After PID/Entitlements	Sale Price After PID/Entitlements/Acre	Price Differential	Price Differential/Acre
Sales 1 & 2	$9,000,000	$38,240	$29,750,000	$53,426	$20,750,000	$15,186
Sales 3 & 4	$6,392,126	$13,516	$18,042,290	$35,000	$11,650,164	$21,484
Sales 5 & 6	$10,000,000	$24,611	$22,932,000	$48,679	$12,932,000	$24,068
Sales 7 & 8	$6,600,000	$16,035	$16,950,000	$38,487	$10,350,000	$22,452
Sales 9 & 10	$6,150,000	$23,548	$10,000,000	$43,241	$3,850,000	$19,693

Source: IRR Database

* Adjusted for market conditions

Sales 1 and 2 represent the purchase of two tracts located across the street from each other. Sale 1 was purchased without entitlements in 2018 while Sale 2 was purchased by the adjacent landowner to add to their existing Public Improvement District approximately one year later in 2019. It is noted that the entitled sale was substantially larger (inferior) in size. The adjusted price differential supports a premium of approximately $15,186 per acre. As this comparison was not of the same tract it has the least reliability.

Sales 3 and 4 represent the purchase of the same tract before and after entitlements. The time between transactions was approximately 18 months. Thus, it is noted that the entitled sale was affected by the upward change in market conditions. The adjusted price differential supports a premium of approximately $21,484 per acre.

Sales 5 and 6 represent the purchase of the same tract before and after entitlements. The time between transactions was approximately 24 months. Thus, it is noted that the entitled sale was affected by the upward change in market conditions. The price differential supports a premium of approximately $24,068 per acre. Although this sale is the most recent, the comparison is based on almost two years' time difference and has been adjusted accordingly.

Sales 7 and 8 represent the purchase of the same tract before and after entitlements. The time between transactions was approximately 14 months. Thus, it is noted that the entitled sale was affected by the upward change in market conditions. The adjusted price differential supports a premium of approximately $22,452 per acre.

Sales 9 and 10 represent the purchase of two tracts located in the same market area. Sale 9 was purchased without entitlements in late 2019 while Sale 10 was purchased with a Public Improvement District in place in mid-2021. It is noted that both sales are generally similar in size; however, it also sold 18-months later and is affected by the upward change in market conditions. The adjusted price differential supports a premium of approximately $19,693 per acre. As this comparison was not of the same tract it has the less reliability.

Overall, the "Non-Entitled" sales form a range of $13,516 to $38,240 per acre after adjustment for market conditions, (average of $23,190/acre), while the "Entitled" sales form a range of $35,000 to $53,426 per acre (average of $43,737/acre). As such, a general comparison of the averages suggests a price differential between "District" and "Non-District" sales of approximately $20,547 per acre.

Thus, considering the fact that all of these sales have other subtle differences including location, size, and date of sale, it is our opinion that the "Entitlements" contribute approximately $20,000 to $24,000 per acre. Based upon the preceding, we will apply a $22,000 per net acre premium (**rounded to $11,700,000**), as a line-item adjustment to the determined value of the MIA tract, without consideration of entitlements as follows:

Land Value Conclusion – MIA

Prior to adjustments, the sales reflect a range of $1.38 - $3.06 per usable square foot. After adjustment, the range is narrowed to $1.95 - $2.30 per usable square foot, with an average of $2.15 per usable square foot. To arrive at an indication of value, equal weight is given to all sales.

Based upon the preceding analysis, the land value conclusion is as follows:

Land Value Conclusion

MIA		
Indicated Value per Usable Square Foot	$2.15	
Subject Usable Square Feet	25,569,894	
Indicated Value	$54,975,273	
Adjustments		
Public Improvement District	$11,700,000	
Total Adjustments	$11,700,000	
Indicated Value	$66,675,273	
Rounded	$66,680,000	Equates to $2.65 net SF or $2.12 gross SF

Reconciliation and Conclusion of Value the Developed Lots

As discussed previously, only the sales comparison approach is used to develop an opinion of value for the subject lots and excess land. The cost and income approaches are not applicable and are not used.

Based upon the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinion of value is as follows:

Value Conclusions

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Cumulative Market Value As Completed - IA#1	Fee Simple	August 1, 2026	$42,758,000
Prospective Market Value of MIA - Upon Completion of IA#1	Fee Simple	August 1, 2026	$66,680,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. All information relative to the subject property including land areas, lot totals, lot sizes, and other pertinent data that was provided by Barraza Consulting Group (engineering/surveyors), MM Terrell 1098, LLC (developer), T. Wilson (consultant), the city of Terrell, and the Kaufman Central Appraisal District is assumed
2. The subject is proposed construction. Therefore, this report contains a prospective opinion of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior to this prospective effective date.
3. Our opinion of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of August 1, 2026, the effective appraisal date.
4. The values presented within this report are prospective in nature. As such, we assume that local and regional lending institutions appear to remain active within the subject's market for specific projects. Therefore, we specifically assume that the financial markets will continue to function in a competitive, efficient fashion.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from the stated estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, these opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, the assignment participants are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on review of recent sales transactions for similar properties and analysis of supply and demand in the local land market, the probable exposure time for the subject at the concluded market value / values stated previously is 6 - 12 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. As no significant changes in market conditions are foreseen in the near term, a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, the subject's marketing period is estimated at 6 - 12 months.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have prepared [enter number] appraisals of the subject property for another client. We have provided no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Ernest Gatewood has made a personal inspection of the property that is the subject of this report. Jimmy H. Jackson, MAI has not personally inspected the subject.
12. No one provided significant real property appraisal assistance to the persons signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Jimmy H. Jackson, MAI, has completed the continuing education program for Designated Members of the Appraisal Institute.

15. As of the date of this report, Ernest Gatewood has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.





Ernest Gatewood, III
Senior Director
Texas Certified General Real Estate Appraiser
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Email: egatewood @irr.com

Jimmy H. Jackson, MAI
Senior Managing Director
Texas Certified General Real Estate Appraiser
TX #1324004 G
Telephone: 972.725.7724
Email: jhjackson@irr.com

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.

6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.

20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR - Dallas, Integra Realty Resources, Inc., and their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.

21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.

22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.

23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

24. **IRR - Dallas is an independently owned and operated company. The parties hereto agree that Integra shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR - Dallas. In addition, it is expressly agreed that in any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.**

25. IRR - Dallas is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.

27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. All information relative to the subject property including land areas, lot totals, lot sizes, and other pertinent data that was provided by Barraza Consulting Group (engineering/surveyors), MM Terrell 1098, LLC (developer), T. Wilson (consultant), the city of Terrell, and the Kaufman Central Appraisal District is assumed
2. The subject is proposed construction. Therefore, this report contains a prospective opinion of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior to this prospective effective date.
3. Our opinion of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of August 1, 2026, the effective appraisal date.
4. The values presented within this report are prospective in nature. As such, we assume that local and regional lending institutions appear to remain active within the subject's market for specific projects. Therefore, we specifically assume that the financial markets will continue to function in a competitive, efficient fashion.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Addendum A

Appraiser Qualifications

Jimmy H. Jackson, MAI

Experience

Senior Managing Director with the Dallas, Lubbock/West Texas and Oklahoma City offices of Integra Realty Resources, a full-service real estate consulting and appraisal firm.

Jimmy H. Jackson, MAI has over 39 years of experience as a commercial appraiser as well as years of experience as a seasoned real estate investor. Prior to joining Integra Realty Resources, Jackson was one of the original two founding partners of Jackson Claborn, Inc. (JCI), a real estate consulting/valuation firm that was established in 1992. JCI grew to have one of the largest staffs of commercial and residential appraisers in the Southwest and has performed valuation and consulting on a vast number of commercial property types across Texas as well as the United States. Mr. Jackson holds the MAI designation and has been involved in the analysis of virtually all types of commercial and residential properties. Mr. Jackson has experience in state and federal courts as an expert witness. Testimony has involved such varied issues as bankruptcy, taxation and condemnation. Mr. Jackson has also been involved in numerous real estate developments and personal real estate investments.

A major philanthropic achievement for Mr. Jackson was consulting with and influencing family members to provide the start-up expertise as well as the seed funding in 1994 for the formation of The Parent Project for Muscular Dystrophy/PPMD (www.parentprojectmd.org). The PPMD organization has developed into a worldwide non-profit centered to provide research funds for children suffering from Duchenne Muscular Dystrophy. Since inception, the PPMD organization has directly funded more than $50 million in direct research and assisted and helped leverage more than $500 million of other research related to other genetic diseases through government grants and other private funding sources. In 2008, Mr. Jackson received a Humanitarian Award from Texas Gov. Rick Perry for charitable work associated with National Jewish Hospital/NJH in Denver. Mr. Jackson currently serves as a national trustee for NJH which is the #1 respiratory care hospital in the world.

Mr. Jackson graduated from Texas Tech University in 1984 with a B.B.A. in Finance with a Real Estate Emphasis. Mr. Jackson has served on numerous professional boards, including serving on the Ethics and Counseling Panel of the North Texas Chapter of the Appraisal Institute as well as serving on the Board of Directors as well as being Chair and Co-Chair of the Public Relations Committee.

As a college student, Mr. Jackson was a member of Phi Delta Theta social fraternity and the Texas Tech Finance Association. Mr. Jackson served for eight (8) years on the Advisory Board for the Jerry Rawls College of Business Administration (COBA) at Texas Tech University. Mr. Jackson has also served as a guest lecturer on real estate entrepreneurship to upper-level COBA students at Texas Tech over the years.



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Jimmy H. Jackson, MAI

Experience (Cont'd)

Basic Core Real Estate Appraisal Services
Feasibility Studies, Absorption Studies & Demographic Studies
Highest & Best Use Studies for All Property Types
3rd Party Appraisal Reviews
Detrimental Conditions Valuation & Consulting
Encroachment Analysis
Land Use Studies & Planning/Zoning Studies
Litigation/Litigation Support
In-Depth Market Analysis for All Property Types
Tax Assessment & Mass Appraisal Analysis
Fair & Equitable Appraisal Analysis
Right of Way Analysis Appraisals
Mediation, Arbitration, & Dispute Resolution
Portfolio Valuation & Analysis
Retrospective Valuation Opinions

Appraisal of all property types including the following:

Residential
High-Rise Condominium and Garden-Style Multi-Family and Townhome Projects
High-End Residential Property
Historical Residential Property
All types of Single-Family Appraisals (Conventional, Relocation, Unique / Historical Property)

Land
Acreage (Commercial Mixed-Use)
Subdivided Land (Mixed-Use, Commercial and Industrial)
Standard Single-Family Subdivision Lot development appraisals
PID/MUD Single-Family Subdivision Lot development appraisals

Commercial, Office & Retail
Branch Banks / Financial Building
Convenience Stores / Service Stations
Convention Center / Hotel / Resort /Motel
Office Building (High Rise, over three stories)
Office Building (Low Rise, three stories or less)
Parking Facility (Lot or Garage)
Retail (Single Tenant or Free Standing)
Shopping Center (Local, Strip, Neighborhood, Community, Etc.)
Shopping Center (Power Center, Outlet Center, Lifestyle, Etc.)
Shopping Center (Super Regional, Regional Mall)

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Jimmy H. Jackson, MAI

Experience (Cont'd)

Industrial
Industrial (Heavy (Manufacturing)
Industrial (Small Office Warehouse / Mfg.)
Industrial Light (Distribution, Storage)

Special Purpose
Automobile Dealerships
Church Facilities
Collegiate Student Housing
Self-Serve and Full-Service Car Wash Facilities
Self-Storage Facilities

Professional Activities & Affiliations

Appraisal Institute, Member (MAI) Appraisal Institute

Licenses

Texas, Certified General Real Estate Appraiser, TX 1324004 G, Expires November 2026
Oklahoma, Certified General Real Estate Appraiser, 13279CGA, Expires September 2026
New Mexico, Certified General Real Estate Appraiser, 03819-G, Expires April 2027
Louisiana, Certified General Real Estate Appraiser, APR.05151 CGA, Expires December 2026

Education

Mr. Jackson is a graduate of Texas Tech University where he received a Bachelor of Business Administration in Finance with a Real Estate Emphasis.

Miscellaneous

Member of Region 8 Ethics and Counseling Regional Panel (1992-1995)
Chair - Public Relations North Texas Chapter (2003, 2004)
Co-Chair - Public Relations North Texas Chapter (2005)
Board Member - North Texas Chapter (2005-2007)

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TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **Jimmy Huel Jackson**
License #: **TX 1324004 G** License Expires: **11/30/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

Ernest Gatewood



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Experience

Senior Director PID/MUD/SF Lot Development Valuation Specialist with the Dallas office of Integra Realty Resources DFW, a full-service real estate consulting and appraisal firm.

Mr. Gatewood has been in the appraisal field for over 40 years. This extensive experience has formed knowledge of the Texas real estate market as well as select areas throughout the entire United States. This experience has formed an understanding of the dynamics of market forces in both increasing, as well as declining markets. Mr. Gatewood began his appraisal career in 1980 at Crosson Dannis, Inc. where he spent 10 years specializing in master-planned communities. Mr. Gatewood's appraisals were utilized in the funding of Legacy Business Park in Plano, Texas as well as Stonebridge Ranch in McKinney, Texas. In 1991, Mr. Gatewood joined Heartland (Seattle, Washington) as Acquisitions Director for Texas. In this role, Mr. Gatewood was key to the development of several single-family subdivisions, a property type which he still specializes into this day. From 1992 until 2017, Mr. Gatewood represented Jackson Claborn, Inc. as the Vice President of the Commercial Division where he has helped manage the production of the commercial appraisal practice which has enhanced JCI's strong commitment to client services.

Mr. Gatewood has experience in appraising commercial, industrial, multifamily, and investment-grade real property and related tangible assets to provide opinions of value for purposes of mortgage lending, sale or purchase, financial reporting, federal tax, capital lease testing, litigation support, allocation of purchase price, estate tax planning/settlement, ad valorem taxation, property exchange, internal planning, and partial taking/just compensation by eminent domain agencies.

Property types include vacant land, agricultural land, rights of way (road and pipeline), shopping centers, single-tenant retail buildings, CBD and suburban office projects, air rights, truck terminals, light industrial facilities, heavy manufacturing plants, corporate headquarters, hospitals, surgery centers, medical office buildings, self-storage facilities, religious facilities, hotels, mixed-use developments, apartment projects, convenience stores, and single-family subdivision analyses.

Licenses

Texas, Certified General Real Estate Appraiser, TX 1324355 G, Expires December 2026
Texas, Licensed Real Estate Salesman, 277705, Expires December 2025

Education

Richland Junior College, Dallas, Texas
The University of North Texas, Denton, Texas

Miscellaneous

An Associate Member of the Appraisal Institute

egatewood@irr.com - 972.725.7755



TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **Ernest Elva Gatewood III**
License #: **TX 1324355 G** License Expires: **12/31/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

irr.com

Addendum B

IRR Quality Assurance Survey

IRR Quality Assurance Survey

We welcome your feedback!

At IRR, providing a quality work product and delivering on time is what we strive to accomplish. Our local offices are determined to meet your expectations. Please reach out to your local office contact so they can resolve any issues.

Integra Quality Control Team

Integra does have a Quality Control Team that responds to escalated concerns related to a specific assignment as well as general concerns that are unrelated to any specific assignment. We also enjoy hearing from you when we exceed expectations! You can communicate with this team by clicking on the link below. If you would like a follow up call, please provide your contact information and a member of this Quality Control Team will call contact you.

Link to the IRR Quality Assurance Survey: quality.irr.com

Addendum C

Definitions

Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022), unless otherwise noted.

As Is Market Value
The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Disposition Value
The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Effective Date
1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analysis, opinions, and conclusions apply; also referred to as *date of value*. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect.

Entitlement
In the context of ownership, use, or development of real estate, governmental approval for annexation, zoning, utility extensions, number of lots, total floor area, construction permits, and occupancy or use permits.

Entrepreneurial Incentive
The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project.

Entrepreneurial Profit

1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motived by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovation change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.
2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Exposure Time

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Fee Simple Estate
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Floor Area Ratio (FAR)
The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (ISV)

3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (IVS)

Lease

A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Estate

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Marketing Time
An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal.

Market Value
The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their own best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Prospective Opinion of Value
A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Retrospective Value Opinion
A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.”

Definition of Aggregate of Retail Values

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Bulk Sale

The sale of multiple parcels of real estate to one buyer in one transaction. A bulk sale may include dissimilar properties in different locations or a group of lots or units in the same project. Typically, the bulk sale price is less than the sum of the values of the individual parcels.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Bulk Value

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Development Procedure

In land valuation, a technique for valuing undeveloped acreage that involves discounting the cost of development and the probable proceeds from the sale of developed sites.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Subdivision Development Method

A method of estimating land value when subdividing and developing a parcel of land is the highest and best use of that land. When all direct and indirect costs and entrepreneurial incentive are deducted from an estimate of the anticipated gross sales price of the finished lots (or the completed improvements on those lots), the resultant net sales proceeds are then discounted to present value at a market-derived rate over the development and absorption period to indicate the value of the land.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Allocation

1) The process of separating the contributory value of a component or part of an asset from the total value of the asset. 2) A method of estimating land value in which sales of improved properties are analyzed to establish a typical ratio of land value to total property value and this ratio is applied to the property being appraised or the comparable sale being analyzed."

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Extraction

1) A method of estimating land value in which the depreciated cost of the improvements on an improved property is calculated and deducted from the total sale price to arrive at an estimated sale price for the land. 2) A method of deriving capitalization rates from property sales when sale price and net operating income are known.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Residual

The quantity left over; in appraising, a term used to describe the result of an appraisal procedure in which known components of value are accounted for, thus solving for the quantity that is left over, such as land residual or building residual.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Addendum D

Property Information

Tax Data

Kaufman CAD Property Search

Property Details

Account		
Property ID:	9864	**Geographic ID:** 99.0316.0000.0005.00.06.06
Type:	R	**Zoning:**
Property Use:		**Condo:**
Location		
Situs Address:	0 FM RD 148 TX	
Map ID:	D3-D-3	**Mapsco:**
Legal Description:	RICHARD MEADE, TRACT 5.00; 90.03 ACRES	
Abstract/Subdivision:	A0316	
Neighborhood:	(28-001) Terrell ISD	
Owner		
Owner ID:	242023	
Name:	MM TERRELL 1098 LLC	
Agent:		
Mailing Address:	1800 VALLEY VIEW LN STE 300 FARMERS BRANCH, TX 75234	
% Ownership:	100.0%	
Exemptions:	For privacy reasons not all exemptions are shown online.	

Property Values

Improvement Homesite Value:	$0 (+)
Improvement Non-Homesite Value:	$0 (+)
Land Homesite Value:	$0 (+)
Land Non-Homesite Value:	$520,000 (+)
Agricultural Market Valuation:	$200,240 (+)
Market Value:	$720,240 (=)
Agricultural Value Loss:	$196,157 (-)
Appraised Value:	$524,083 (=)
HS Cap Loss:	$0 (-)
Circuit Breaker:	$0 (-)
Assessed Value:	$524,083
Ag Use Value:	$4,083

Information provided for research purposes only. Legal descriptions and acreage amounts are for Appraisal District use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

Property Taxing Jurisdiction

Owner: MM TERRELL 1098 LLC **%Ownership:** 100.0%

Entity	Description	Market Value	Taxable Value	Freeze Ceiling

CT	CITY OF TERRELL	$720,240	N/A	
KC	KAUFMAN COUNTY	$720,240	N/A	
ST	TERRELL ISD	$720,240	N/A	
TV	TRINITY VALLEY CC	$720,240	N/A	
P1	PRECINCT 1	$720,240	N/A	
RB	ROAD & BRIDGE	$720,240	N/A	
CAD	KAUFMAN CAD	$720,240	N/A	
TPID6	TERRELL PID 6	$720,240	N/A	
TPID7	TERRELL PID 7	$720,240	N/A	

Property Land

Type	Description	Acreage	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
ZB	IMPROVED PASTURES	25.03	1,090,306.80	0.00	0.00	$200,240	$4,083
NON AG	NON AG USE LAND	65.00	2,831,400.00	0.00	0.00	$520,000	$0

Property Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap Loss	Assessed
2025	$0	$720,240	$4,083	$524,083	$0	$524,083
2024	$0	$720,240	$13,037	$13,037	$0	$13,037
2023	$0	$720,240	$13,312	$13,312	$0	$13,312
2022	$0	$720,240	$13,166	$13,166	$0	$13,166
2021	$0	$447,728	$13,571	$13,571	$0	$13,571
2020	$0	$741,930	$38,670	$38,670	$0	$38,670
2019	$0	$741,930	$37,510	$37,510	$0	$37,510
2018	$0	$889,170	$40,060	$40,060	$0	$40,060
2017	$0	$889,170	$40,060	$40,060	$0	$40,060
2016	$0	$889,170	$40,060	$40,060	$0	$40,060

Property Deed History

Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Number
12/15/2021	SWD	SPECIAL WARRANTY DEED	SINACOLA JAMES M & ETAL	MM TERRELL 1098 LLC	7385	1	52162
12/10/2021	WD	WARRANTY DEED			7373	410	51224
12/15/2021	WD	WARRANTY DEED	TERRELL 1132 LLC	SINACOLA JAMES M & ETAL	7384	552	52158

Kaufman CAD Property Search

Property Details

Account		
Property ID:	9865	**Geographic ID:** 99.0316.0000.0005.01.06.06
Type:	R	**Zoning:**
Property Use:		**Condo:**
Location		
Situs Address:	0 FM RD 148 TX	
Map ID:	D3-C-4	**Mapsco:**
Legal Description:	RICHARD MEADE, TRACT 5.01; 169.654 ACRES	
Abstract/Subdivision:	A0316	
Neighborhood:	(28-001) Terrell ISD	
Owner		
Owner ID:	242023	
Name:	MM TERRELL 1098 LLC	
Agent:		
Mailing Address:	1800 VALLEY VIEW LN STE 300 FARMERS BRANCH, TX 75234	
% Ownership:	100.0%	
Exemptions:	For privacy reasons not all exemptions are shown online.	

Property Values

Improvement Homesite Value:	$0 (+)
Improvement Non-Homesite Value:	$0 (+)
Land Homesite Value:	$0 (+)
Land Non-Homesite Value:	$0 (+)
Agricultural Market Valuation:	$1,357,232 (+)
Market Value:	$1,357,232 (=)
Agricultural Value Loss:	$1,343,860 (-)
Appraised Value:	$13,372 (=)
HS Cap Loss:	$0 (-)
Circuit Breaker:	$0 (-)
Assessed Value:	$13,372
Ag Use Value:	$13,372

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Property Taxing Jurisdiction

Owner: MM TERRELL 1098 LLC **%Ownership:** 100.0%

Entity	Description	Market Value	Taxable Value	Freeze Ceiling

CT	CITY OF TERRELL	$1,357,232	N/A	
KC	KAUFMAN COUNTY	$1,357,232	N/A	
ST	TERRELL ISD	$1,357,232	N/A	
TV	TRINITY VALLEY CC	$1,357,232	N/A	
P1	PRECINCT 1	$1,357,232	N/A	
RB	ROAD & BRIDGE	$1,357,232	N/A	
CAD	KAUFMAN CAD	$1,357,232	N/A	
TPID6	TERRELL PID 6	$1,357,232	N/A	
TPID7	TERRELL PID 7	$1,357,232	N/A	

Property Land

Type	Description	Acreage	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
ZC	NATIVE PASTURE	169.65	7,390,128.24	0.00	0.00	$1,357,232	$13,372

Property Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap Loss	Assessed
2025	$0	$1,357,232	$13,372	$13,372	$0	$13,372
2024	$0	$1,482,832	$13,168	$13,168	$0	$13,168
2023	$0	$1,482,832	$13,305	$13,305	$0	$13,305
2022	$0	$1,482,832	$13,783	$13,783	$0	$13,783
2021	$0	$896,850	$27,185	$27,185	$0	$27,185
2020	$0	$498,250	$25,970	$25,970	$0	$25,970
2019	$0	$498,250	$25,190	$25,190	$0	$25,190
2018	$0	$597,140	$26,910	$26,910	$0	$26,910
2017	$0	$597,140	$26,910	$26,910	$0	$26,910
2016	$0	$597,140	$26,910	$26,910	$0	$26,910

Property Deed History

Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Number
12/15/2021	SWD	SPECIAL WARRANTY DEED	SINACOLA JAMES M & ETAL	MM TERRELL 1098 LLC	7385	1	52162
12/10/2021	WD	WARRANTY DEED			7373	410	51224
12/15/2021	WD	WARRANTY DEED	TERRELL 1132 LLC	SINACOLA JAMES M & ETAL	7384	552	52158

Kaufman CAD Property Search

Property Details

Account		
Property ID:	16339	**Geographic ID:** 99.0571.0000.0010.00.06.06
Type:	R	**Zoning:**
Property Use:		**Condo:**
Location		
Situs Address:	0 FM RD 148 TX	
Map ID:	D3-C-4	**Mapsco:**
Legal Description:	CHAS WILSON, TRACT 10; 191.64 ACRES	
Abstract/Subdivision:	A0571	
Neighborhood:	(28-001) Terrell ISD	
Owner		
Owner ID:	242023	
Name:	MM TERRELL 1098 LLC	
Agent:	184841	
Mailing Address:	1800 VALLEY VIEW LN STE 300 FARMERS BRANCH, TX 75234	
% Ownership:	100.0%	
Exemptions:	For privacy reasons not all exemptions are shown online.	

Property Values

Improvement Homesite Value:	$0 (+)
Improvement Non-Homesite Value:	$0 (+)
Land Homesite Value:	$0 (+)
Land Non-Homesite Value:	$0 (+)
Agricultural Market Valuation:	$1,533,120 (+)
Market Value:	$1,533,120 (=)
Agricultural Value Loss:	$1,511,068 (-)
Appraised Value:	$22,052 (=)
HS Cap Loss:	$0 (-)
Circuit Breaker:	$0 (-)
Assessed Value:	$22,052
Ag Use Value:	$22,052

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Property Taxing Jurisdiction

Owner: MM TERRELL 1098 LLC **%Ownership:** 100.0%

Entity	Description	Market Value	Taxable Value	Freeze Ceiling

CT	CITY OF TERRELL	$1,533,120	N/A	
KC	KAUFMAN COUNTY	$1,533,120	N/A	
ST	TERRELL ISD	$1,533,120	N/A	
TV	TRINITY VALLEY CC	$1,533,120	N/A	
P1	PRECINCT 1	$1,533,120	N/A	
RB	ROAD & BRIDGE	$1,533,120	N/A	
CAD	KAUFMAN CAD	$1,533,120	N/A	
TPID6	TERRELL PID 6	$1,533,120	N/A	
TPID7	TERRELL PID 7	$1,533,120	N/A	

Property Land

Type	Description	Acreage	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
ZB	IMPROVED PASTURES	91.64	3,991,838.40	0.00	0.00	$733,120	$14,948
ZGT	GRAZING TIMBER	100.00	4,356,000.00	0.00	0.00	$800,000	$7,104

Property Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap Loss	Assessed
2025	$0	$1,533,120	$22,052	$22,052	$0	$22,052
2024	$0	$1,533,120	$20,374	$20,374	$0	$20,374
2023	$0	$1,533,120	$20,728	$20,728	$0	$20,728
2022	$0	$1,533,120	$20,837	$20,837	$0	$20,837
2021	$0	$862,380	$26,140	$26,140	$0	$26,140
2020	$0	$479,100	$24,970	$24,970	$0	$24,970
2019	$0	$479,100	$24,220	$24,220	$0	$24,220
2018	$0	$574,180	$25,870	$25,870	$0	$25,870
2017	$0	$574,180	$25,870	$25,870	$0	$25,870
2016	$0	$574,180	$25,870	$25,870	$0	$25,870

Property Deed History

Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Number
12/15/2021	SWD	SPECIAL WARRANTY DEED	SINACOLA JAMES M & ETAL	MM TERRELL 1098 LLC	7385	1	52162
12/10/2021	WD	WARRANTY DEED			7373	410	51224
12/15/2021	WD	WARRANTY DEED	TERRELL 1132 LLC	SINACOLA JAMES M & ETAL	7384	552	52158

Kaufman CAD Property Search

Property Details

Account		
Property ID:	16340	**Geographic ID:** 99.0571.0000.0010.01.06.06
Type:	R	**Zoning:**
Property Use:		**Condo:**
Location		
Situs Address:	0 FM RD 148 TX	
Map ID:	D3-D-3	**Mapsco:**
Legal Description:	CHAS WILSON, TRACT 10.01; 132.999 ACRES	
Abstract/Subdivision:	A0571	
Neighborhood:	(28-001) Terrell ISD	
Owner		
Owner ID:	242023	
Name:	MM TERRELL 1098 LLC	
Agent:		
Mailing Address:	1800 VALLEY VIEW LN STE 300 FARMERS BRANCH, TX 75234	
% Ownership:	100.0%	
Exemptions:	For privacy reasons not all exemptions are shown online.	

Property Values

Improvement Homesite Value:	$0 (+)
Improvement Non-Homesite Value:	$0 (+)
Land Homesite Value:	$0 (+)
Land Non-Homesite Value:	$0 (+)
Agricultural Market Valuation:	$1,063,992 (+)
Market Value:	$1,063,992 (=)
Agricultural Value Loss:	$1,042,673 (-)
Appraised Value:	$21,319 (=)
HS Cap Loss:	$0 (-)
Circuit Breaker:	$0 (-)
Assessed Value:	$21,319
Ag Use Value:	$21,319

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Property Taxing Jurisdiction

Owner: MM TERRELL 1098 LLC **%Ownership:** 100.0%

Entity	Description	Market Value	Taxable Value	Freeze Ceiling

CT	CITY OF TERRELL	$1,063,992	N/A	
KC	KAUFMAN COUNTY	$1,063,992	N/A	
ST	TERRELL ISD	$1,063,992	N/A	
TV	TRINITY VALLEY CC	$1,063,992	N/A	
P1	PRECINCT 1	$1,063,992	N/A	
RB	ROAD & BRIDGE	$1,063,992	N/A	
CAD	KAUFMAN CAD	$1,063,992	N/A	
TPID6	TERRELL PID 6	$1,063,992	N/A	
TPID7	TERRELL PID 7	$1,063,992	N/A	

Property Land

Type	Description	Acreage	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
ZGT	GRAZING TIMBER	4.09	178,160.40	0.00	0.00	$32,720	$291
ZB	IMPROVED PASTURES	128.91	5,615,276.04	0.00	0.00	$1,031,272	$21,028

Property Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap Loss	Assessed
2025	$0	$1,063,992	$21,319	$21,319	$0	$21,319
2024	$0	$1,072,720	$19,116	$19,116	$0	$19,116
2023	$0	$1,072,720	$19,516	$19,516	$0	$19,516
2022	$0	$1,072,720	$19,315	$19,315	$0	$19,315
2021	$0	$603,405	$18,290	$18,290	$0	$18,290
2020	$0	$335,230	$17,470	$17,470	$0	$17,470
2019	$0	$335,230	$16,950	$16,950	$0	$16,950
2018	$0	$401,760	$18,100	$18,100	$0	$18,100
2017	$0	$401,760	$18,100	$18,100	$0	$18,100
2016	$0	$401,760	$18,100	$18,100	$0	$18,100

Property Deed History

Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Number
12/15/2021	SWD	SPECIAL WARRANTY DEED	SINACOLA JAMES M & ETAL	MM TERRELL 1098 LLC	7385	1	52162
12/10/2021	WD	WARRANTY DEED			7373	410	51224
12/15/2021	WD	WARRANTY DEED	TERRELL 1132 LLC	SINACOLA JAMES M & ETAL	7384	552	52158

Kaufman CAD Property Search

Property Details

Account		
Property ID:	16939	**Geographic ID:** 99.0635.0000.0040.00.06.06
Type:	R	**Zoning:**
Property Use:		**Condo:**
Location		
Situs Address:	0 FM RD 148 TX	
Map ID:	D3-C-4	**Mapsco:**
Legal Description:	J C MOSES, TRACT 40.00; 28.7 ACRES	
Abstract/Subdivision:	A0635	
Neighborhood:	(28-001) Terrell ISD	
Owner		
Owner ID:	242023	
Name:	MM TERRELL 1098 LLC	
Agent:		
Mailing Address:	1800 VALLEY VIEW LN STE 300 FARMERS BRANCH, TX 75234	
% Ownership:	100.0%	
Exemptions:	For privacy reasons not all exemptions are shown online.	

Property Values

Improvement Homesite Value:	$0 (+)
Improvement Non-Homesite Value:	$0 (+)
Land Homesite Value:	$0 (+)
Land Non-Homesite Value:	$229,600 (+)
Agricultural Market Valuation:	$0 (+)
Market Value:	$229,600 (=)
Agricultural Value Loss:	$0 (-)
Appraised Value:	$229,600 (=)
HS Cap Loss:	$0 (-)
Circuit Breaker:	$0 (-)
Assessed Value:	$229,600
Ag Use Value:	$0

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Property Taxing Jurisdiction

Owner: MM TERRELL 1098 LLC **%Ownership:** 100.0%

Entity	Description	Market Value	Taxable Value	Freeze Ceiling

CT	CITY OF TERRELL	$229,600	N/A	
KC	KAUFMAN COUNTY	$229,600	N/A	
ST	TERRELL ISD	$229,600	N/A	
TV	TRINITY VALLEY CC	$229,600	N/A	
P1	PRECINCT 1	$229,600	N/A	
RB	ROAD & BRIDGE	$229,600	N/A	
CAD	KAUFMAN CAD	$229,600	N/A	
TPID6	TERRELL PID 6	$229,600	N/A	
TPID7	TERRELL PID 7	$229,600	N/A	

Property Land

Type	Description	Acreage	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
PA	PASTURE	28.70	1,250,172.00	0.00	0.00	$229,600	$0

Property Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap Loss	Assessed
2025	$0	$229,600	$0	$229,600	$0	$229,600
2024	$0	$346,400	$0	$346,400	$0	$346,400
2023	$0	$346,400	$0	$346,400	$0	$346,400
2022	$0	$346,400	$0	$346,400	$0	$346,400
2021	$0	$194,850	$5,906	$5,906	$0	$5,906
2020	$0	$108,250	$5,640	$5,640	$0	$5,640
2019	$0	$108,250	$5,470	$5,470	$0	$5,470
2018	$0	$129,730	$5,850	$5,850	$0	$5,850
2017	$0	$129,730	$5,850	$5,850	$0	$5,850
2016	$0	$129,730	$5,850	$5,850	$0	$5,850

Property Deed History

Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Number
12/15/2021	SWD	SPECIAL WARRANTY DEED	SINACOLA JAMES M & ETAL	MM TERRELL 1098 LLC	7385	1	52162
12/10/2021	WD	WARRANTY DEED			7373	410	51224
12/15/2021	WD	WARRANTY DEED	TERRELL 1132 LLC	SINACOLA JAMES M & ETAL	7384	552	52158

Kaufman CAD Property Search

Property Details

Account		
Property ID:	214490	**Geographic ID:** 99.0316.0000.0005.03.06.06
Type:	R	**Zoning:**
Property Use:		**Condo:**
Location		
Situs Address:	FM RD 148 TERRELL, TX 75160	
Map ID:	D3-D-3	**Mapsco:**
Legal Description:	RICHARD MEADE, TRACT 5.03; 139.239 ACRES	
Abstract/Subdivision:	A0316	
Neighborhood:	(28-001) Terrell ISD	
Owner		
Owner ID:	242023	
Name:	MM TERRELL 1098 LLC	
Agent:		
Mailing Address:	1800 VALLEY VIEW LN STE 300 FARMERS BRANCH, TX 75234	
% Ownership:	100.0%	
Exemptions:	For privacy reasons not all exemptions are shown online.	

Property Values

Improvement Homesite Value:	$0 (+)
Improvement Non-Homesite Value:	$0 (+)
Land Homesite Value:	$0 (+)
Land Non-Homesite Value:	$80,000 (+)
Agricultural Market Valuation:	$1,033,896 (+)
Market Value:	$1,113,896 (=)
Agricultural Value Loss:	$1,015,762 (-)
Appraised Value:	$98,134 (=)
HS Cap Loss:	$0 (-)
Circuit Breaker:	$0 (-)
Assessed Value:	$98,134
Ag Use Value:	$18,134

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Property Taxing Jurisdiction

Owner: MM TERRELL 1098 LLC **%Ownership:** 100.0%

Entity	Description	Market Value	Taxable Value	Freeze Ceiling

CT	CITY OF TERRELL	$1,113,896	N/A	
KC	KAUFMAN COUNTY	$1,113,896	N/A	
ST	TERRELL ISD	$1,113,896	N/A	
TV	TRINITY VALLEY CC	$1,113,896	N/A	
P1	PRECINCT 1	$1,113,896	N/A	
RB	ROAD & BRIDGE	$1,113,896	N/A	
CAD	KAUFMAN CAD	$1,113,896	N/A	
MUD4C	LAS LOMAS MUD 4C	$1,113,896	N/A	
TPID6	TERRELL PID 6	$1,113,896	N/A	
TPID7	TERRELL PID 7	$1,113,896	N/A	

Property Land

Type	Description	Acreage	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
NON AG	NON AG USE LAND	10.00	435,600.00	0.00	0.00	$80,000	$0
ZB	IMPROVED PASTURES	97.24	4,235,643.72	0.00	0.00	$777,896	$15,861
ZGT	GRAZING TIMBER	32.00	1,393,920.00	0.00	0.00	$256,000	$2,273

Property Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap Loss	Assessed
2025	$0	$1,113,896	$18,134	$98,134	$0	$98,134
2024	$0	$1,113,912	$17,269	$17,269	$0	$17,269
2023	$0	$1,113,912	$17,603	$17,603	$0	$17,603
2022	$0	$1,113,912	$17,542	$17,542	$0	$17,542
2021	$0	$1,505,484	$22,816	$775,558	$0	$775,558

Property Deed History

Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Number
12/15/2021	SWD	SPECIAL WARRANTY DEED	SINACOLA JAMES M & ETAL	MM TERRELL 1098 LLC	7385	1	52162
12/10/2021	WD	WARRANTY DEED			7373	410	51224
12/15/2021	WD	WARRANTY DEED	TERRELL 1132 LLC	SINACOLA JAMES M & ETAL	7384	552	52158

Kaufman CAD Property Search

Property Details

Account		
Property ID:	214491	**Geographic ID:** 99.0316.0000.0005.04.06.06
Type:	R	**Zoning:**
Property Use:		**Condo:**
Location		
Situs Address:		
Map ID:	D3-D-3	**Mapsco:**
Legal Description:	RICHARD MEADE, TRACT 5.04; 30.0 ACRES	
Abstract/Subdivision:	A0316	
Neighborhood:	(28-001) Terrell ISD	
Owner		
Owner ID:	242023	
Name:	MM TERRELL 1098 LLC	
Agent:		
Mailing Address:	1800 VALLEY VIEW LN STE 300 FARMERS BRANCH, TX 75234	
% Ownership:	100.0%	
Exemptions:	For privacy reasons not all exemptions are shown online.	

Property Values

Improvement Homesite Value:	$0 (+)
Improvement Non-Homesite Value:	$0 (+)
Land Homesite Value:	$0 (+)
Land Non-Homesite Value:	$0 (+)
Agricultural Market Valuation:	$240,000 (+)
Market Value:	$240,000 (=)
Agricultural Value Loss:	$237,685 (-)
Appraised Value:	$2,315 (=)
HS Cap Loss:	$0 (-)
Circuit Breaker:	$0 (-)
Assessed Value:	$2,315
Ag Use Value:	$2,315

Information provided for research purposes only. Legal descriptions and acreage amounts are for Appraisal District use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

Property Taxing Jurisdiction

Owner: MM TERRELL 1098 LLC **%Ownership:** 100.0%

Entity	Description	Market Value	Taxable Value	Freeze Ceiling

CT	CITY OF TERRELL	$240,000	N/A	
KC	KAUFMAN COUNTY	$240,000	N/A	
ST	TERRELL ISD	$240,000	N/A	
TV	TRINITY VALLEY CC	$240,000	N/A	
P1	PRECINCT 1	$240,000	N/A	
RB	ROAD & BRIDGE	$240,000	N/A	
CAD	KAUFMAN CAD	$240,000	N/A	
TPID6	TERRELL PID 6	$240,000	N/A	
TPID7	TERRELL PID 7	$240,000	N/A	

Property Land

Type	Description	Acreage	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
ZB	IMPROVED PASTURES	2.00	87,120.00	0.00	0.00	$16,000	$326
ZGT	GRAZING TIMBER	28.00	1,219,680.00	0.00	0.00	$224,000	$1,989

Property Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap Loss	Assessed
2025	$0	$240,000	$2,315	$2,315	$0	$2,315
2024	$0	$240,000	$2,279	$2,279	$0	$2,279
2023	$0	$240,000	$2,306	$2,306	$0	$2,306
2022	$0	$240,000	$2,374	$2,374	$0	$2,374
2021	$0	$135,000	$4,092	$4,092	$0	$4,092

Property Deed History

Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Number
12/15/2021	SWD	SPECIAL WARRANTY DEED	SINACOLA JAMES M & ETAL	MM TERRELL 1098 LLC	7385	1	52162
12/10/2021	WD	WARRANTY DEED			7373	410	51224
12/15/2021	WD	WARRANTY DEED	TERRELL 1132 LLC	SINACOLA JAMES M & ETAL	7384	552	52158

EXHIBIT L-1 – DISTRICT LEGAL DESCRIPTION

DESCRIPTION – 792.268 ACRES

BEING that certain tract of land situated in the Richard Mead Survey, Abstract No. 316, the Charles Wilson Survey, Abstract No. 571, and the J. C. Moses Survey, Abstract No. 635, in Kaufman County, Texas and being part of that certain called 877.143 acre tract of land (save and except 10.006 acres) described as Tract 1 in deed to MM Terrell 1098, LLC recorded in Volume 7385, Page 1, of the Deed Records of Kaufman County, Texas (DRKCT), and including all of that certain called 10.006 acre tract of land described in the following five deeds (undivided 1/5th interest each) to I-Ming Chee recorded in Volume 2943, Page 612, DRKCT, Kirk Ulrich recorded in Volume 2943, Page 616, DRKCT, John Wilburn recorded in Volume 2943, Page 620, DRKCT, Beverly C. Cezar recorded in Volume 2943, Page 624, DRKCT, and James Hancock recorded in Volume 2943, Page 628, DRKCT, and being more particularly described as follows:

COMMENCING at a 60d nail found on the southeast right-of-way line of Farm-to-Market Road No. 148 (variable width right-of-way), and being the most westerly west corner of said MM Terrell 1098, LLC tract, and the north corner of Lot 20 of South Ridge Addition, First Installment, an addition to the County of Kaufman recorded in Cabinet I, Slide 728, of the Plat Records of Kaufman County, Texas (PRKCT);

THENCE South 45°36'40" East, with the southwest line of the MM Terrell 1098, LLC tract, and the northeast line of said Lot 20, and Lot 10, of said South Ridge Addition, First Installment, a distance of 735.16 feet to the **POINT OF BEGINNING**;

THENCE North 44°28'21" East, over and across said MM Terrell 1098, LLC tract, passing at a distance of 1810.77 feet a 5/8-inch iron rod with cap stamped "PLS" found at the south corner of that certain called 13.982 acre tract of land described as Tract 1 in deed to Terrell 13 Partners, LLC recorded in Volume 7494, Page 213, DRKCT, continuing with the southeast line of said Tract 1 in deed to Terrell 13 Partners, LLC, in all, a total distance of 2548.17 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner;

THENCE with the northeast line of said Tract 1 of the Terrell 13 Partners, LLC tract, the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

North 28°37'25" West, a distance of 202.02 feet to the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 16°52'53", a radius of 1200.14 feet, a chord which bears North 37°05'10" West, a chord distance of 352.33 feet, and for an arc distance of 353.61 feet;

And North 45°36'20" West, a distance of 202.07 feet, said iron rod being located at the north corner of Tract 1, of the Terrell 13 Partners, LLC tract, and on said southeast right-of-way line of Farm-to-Market Road No. 148;

THENCE North 44°26'46" East, with said southeast right-of-way line of Farm-to-Market Road No. 148, a distance of 915.32 feet to a concrete monument found for corner;

THENCE North 44°36'03" East, continuing with said southeast right-of-way line of Farm-to-Market Road No. 148, a distance of 903.18 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the west corner of that

certain called 21.465 acre tract of land described as Tract 1 in deed to Squeaky Lomas, L.P. recorded in Volume 7494, Page 204, DRKCT;

THENCE with the southwest and southeast lines of said Tract 1 in deed to Squeaky Lomas, L.P., the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

South 45°28'50" East, a distance of 730.09 feet;

North 44°31'32" East, a distance of 804.39 feet to the beginning of a non-tangent curve to the right;

Northeasterly, with said curve which has a central angle of 41°13'11", a radius of 395.05 feet, a chord which bears North 65°08'08" East, a chord distance of 278.12 feet, and for an arc distance of 284.21 feet;

North 85°44'43" East, a distance of 140.46 feet to the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 10°51'45", a radius of 800.09 feet, a chord which bears North 25°40'19" West, a chord distance of 151.46 feet, and for an arc distance of 151.69 feet, said iron rod being the south corner of that certain called 18.037 acre tract described as Tract 2 in said deed to Squeaky Lomas, L.P. recorded in Volume 7494, Page 204, DRKCT;

THENCE North 44°26'58" East, with the southeast line of said Tract 2, a distance of 875.15 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the east corner of said Tract 2, and being located on the southeast line of that certain called 59.4917 acre tract of land described in deed to NT148, LLC recorded in Volume 6818, Page 258, DRKCT, from which a 1/2-inch iron pipe found at the west corner of said NT148, LLC tract bears North 43°21'42" West, a distance of 34.91 feet;

THENCE South 43°21'42" East, with the southwest line of said NT148, LLC tract, a distance of 2881.64 feet to a 1-inch pipe found for corner at the south corner of said NT148, LLC tract;

THENCE South 45°41'36" East, with a northeast line of said Tract 1 of the MM Terrell 1098, LLC tract, a distance of 1962.86 feet to a 1-inch iron pipe found for corner at the south corner of that certain called 69.500 acre tract of land described in deed to Alejandro Gamez, Jr. and Nancy Delcampo Gamez recorded in Volume 5078, Page 321, DRKCT, and a west corner of that certain called 189.998 acre tract of land described in deed to Norman N. Huneycutt and Janet R. Huneycutt, Trustees, recorded in Volume 3746, Page 407, DRKCT;

THENCE South 45°44'04" East, with a southwest line of said Norman N. Huneycutt and Janet R. Huneycutt tract, a distance of 308.18 feet to a 1/2 inch iron rod found for corner at an ell corner of said Norman N. Huneycutt and Janet R. Huneycutt tract;

THENCE South 44°51'33" West, with a northwest line of said Norman N. Huneycutt and Janet R. Huneycutt tract, a distance of 2269.99 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the east corner of that certain called 10.019 acre tract of land described in the following five deeds (undivided 1/5th interest each) to Melvin Henry recorded in Volume 2985, Page 554, DRKCT, Bill M. Erwin recorded in Volume 2985, Page 558, DRKCT, Jason A. Delorenzo recorded in Volume 2985, Page 562, DRKCT, Mary A. Wilson recorded in Volume 2985, Page 566, DRKCT, and Jennifer D. Harrell recorded in Volume 2985, Page 570, DRKCT;

THENCE with the northeast, northwest, and southwest lines of said 10.019 acre tract, the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

North 45°09'22" West, a distance of 662.43 feet;

South 44°38'09" West, a distance of 660.00 feet;

And South 45°09'22" East, a distance of 660.12 feet, said iron rod being the south corner of said 10.019 acre tract, and being located on the northwest line of that certain called 154.875 acre tract of land described in deed to Jerry L. Wade and Raelyn Wade recorded in Volume 1061, Page 779, DRKCT;

THENCE South 44°54'31" West, said northwest line of the Jerry L. Wade and Raelyn Wade tract, a distance of 253.75 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner;

THENCE South 42°54'11" West, continuing with said northwest line of the Jerry L. Wade and Raelyn Wade tract, a distance of 766.66 feet to a 1/2 inch iron rod found for corner at the north corner of that certain called 171.409 acre tract of land described in deed to Terrell Ranch Homes, LLC recorded in Volume 6969, Page 74, DRKCT;

THENCE South 43°56'56" West, with the northwest line of said Terrell Ranch Homes, LLC tract, and a southeast line of said Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1422.61 feet to a 1/2 inch iron rod found for corner at the west corner of said Terrell Ranch Homes, LLC tract;

THENCE South 44°30'28" West, with a southeast line of said Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1061.88 feet to a 5/8-inch iron rod found for corner at the most southerly south corner of Tract 1 in deed to MM Terrell 1098, LLC;

THENCE North 46°14'39" West, with a southwest line of Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1864.94 feet to a 1-inch iron rod found at the east corner of Lot 43 of Ingram Ranch Estates, Second Revision, an addition to Kaufman County, Texas according to Final Plat recorded in Cabinet 1, Slide 260, PRKCT;

THENCE North 46°19'24" West, with the northeast line of said Lot 43, and Lot 42, of said Ingram Ranch Estates, Second Revision, a distance of 723.01 feet to a 5/8-inch iron rod found for corner at the east corner of South Ridge Addition, Third Installment (Lots 49 through 69), an addition to the County of Kaufman recorded in Cabinet 2, Slide 221, PRKCT;

THENCE North 45°34'23" West, with the northeast line of said South Ridge Addition, Third Installment, a distance of 1088.55 feet to 5/8" iron rod found for corner;

THENCE North 45°36'40" West, continuing with said northeast line of South Ridge Addition, Third Installment, and the northeast line of South Ridge Addition, Second Installment (Lots 21 through 48), an addition to the County of Kaufman recorded in Cabinet 1, Slide 755, PRKCT, and said northeast line of Lot 10, of South Ridge Addition, First Installment, a distance of 1522.78 feet to the **POINT OF BEGINNING**, and containing an area of 792.268 acres of land.

NOTES:

The bearings shown and recited hereon are referenced to the Texas Coordinate System of 1983 ~ North Central Zone No. 4202 - NAD 83. (All distances are surface distances with a surface to grid scale factor of 0.999872942).

EXHIBIT L-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

DESCRIPTION –114.972 ACRES

BEING that certain tract of land situated in the Richard Mead Survey, Abstract No. 316, in Kaufman County, Texas and being part of that certain called 877.143 acre tract of land (save and except 10.006 acres) described as Tract 1 in deed to MM Terrell 1098, LLC recorded in Volume 7385, Page 1, of the Deed Records of Kaufman County, Texas (DRKCT), and being more particularly described as follows:

COMMENCING at a 60d nail found on the southeast right-of-way line of Farm-to-Market Road No. 148 (variable width right-of-way), and being the most westerly west corner of said MM Terrell 1098, LLC tract, and the north corner of Lot 20 of South Ridge Addition, First Installment, an addition to the County of Kaufman recorded in Cabinet I, Slide 728, of the Plat Records of Kaufman County, Texas (PRKCT);

THENCE South 45°36'40" East, with the southwest line of the MM Terrell 1098, LLC tract, and the northeast line of said Lot 20, and Lot 10, of said South Ridge Addition, First Installment, a distance of 735.16 feet;

THENCE North 44°28'21" East, over and across said MM Terrell 1098, LLC tract, passing at a distance of 1810.77 feet a 5/8-inch iron rod with cap stamped "PLS" found at the south corner of that certain called 13.982 acre tract of land described as Tract 1 in deed to Terrell 13 Partners, LLC recorded in Volume 7494, Page 213, DRKCT, continuing with the southeast line of said Tract 1 in deed to Terrell 13 Partners, LLC, in all, a total distance of 2516.82 feet on the southeast line of Tract and to the **POINT OF BEGINNING**;

THENCE North 44°28'21" East, continuing with the southeast line of said Tract 1 in deed to Terrell 13 Partners, LLC, a distance of 31.35 feet to a 5/8-inch iron rod with cap stamped "PLS" found;

THENCE with the northeast line of said Tract 1 of the Terrell 13 Partners, LLC tract, the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

North 28°37'25" West, a distance of 202.02 feet to the beginning of a tangent curve to the left;

Northwesterly, with said curve which has a central angle of 16°52'53", a radius of 1200.14 feet, a chord which bears North 37°05'10" West, a chord distance of 352.33 feet, and for an arc distance of 353.61 feet;

And North 45°36'20" West, a distance of 202.07 feet, said iron rod being located at the north corner of Tract 1, of the Terrell 13 Partners, LLC tract, and on said southeast right-of-way line of Farm-to-Market Road No. 148;

THENCE North 44°26'46" East, with said southeast right-of-way line of Farm-to-Market Road No. 148, a distance of 915.32 feet to a concrete monument found for corner;

THENCE North 44°36'03" East, continuing with said southeast right-of-way line of Farm-to-Market Road No. 148, a distance of 903.18 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the west corner of that certain called 21.465 acre tract of land described as Tract 1 in deed to Squeaky Lomas, L.P. recorded in Volume 7494, Page 204, DRKCT;

THENCE with the southwest and southeast lines of said Tract 1 in deed to Squeaky Lomas, L.P., the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

South 45°28'50" East, a distance of 730.09 feet;

North 44°31'32" East, a distance of 804.39 feet to the beginning of a tangent curve to the right;

Northeasterly, with said curve which has a central angle of 41°13'11", a radius of 395.05 feet, a chord which bears North 65°08'08" East, a chord distance of 278.12 feet, and for an arc distance of 284.21 feet;

North 85°44'43" East, a distance of 140.46 feet to the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 10°51'45", a radius of 800.09 feet, a chord which bears North 25°40'19" West, a chord distance of 151.46 feet, and for an arc distance of 151.69 feet, said iron rod being the south corner of that certain called 18.037 acre tract described as Tract 2 in said deed to Squeaky Lomas, L.P. recorded in Volume 7494, Page 204, DRKCT;

THENCE North 44°26'58" East, with the southeast line of said Tract 2, a distance of 875.15 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the east corner of said Tract 2, and being located on the southeast line of that certain called 59.4917 acre tract of land described in deed to NT148, LLC recorded in Volume 6818, Page 258, DRKCT, from which a 1/2-inch iron pipe found at the west corner of said NT148, LLC tract bears North 43°21'42" West, a distance of 34.91 feet;

THENCE South 43°21'42" East, with the southwest line of said NT148, LLC tract, a distance of 1126.37 feet on the southwest line of said NT148, LLC tract;

THENCE leaving the southwest line of said NT148, LLC tract, and over and across Tract 1 of MM Terrell 1098, LLC tract, the following courses:

South 46°38'18" West, a distance 7.19 feet to the beginning of a non-tangent curve to the left;

Southwesterly, with said curve which has a central angle of 135°00'00", a radius of 60.00 feet, a chord which bears South 64°03'24" West, a chord distance of 110.87 feet, and an arc distance of 141.37 feet;

South 03°26'36" East, a distance of 61.28 feet;

South 86°50'06" West, a distance of 79.66 feet;

South 82°21'37" West, a distance of 73.77 feet;

South 78°01'43" West, a distance 73.77 feet;

South 73°41'50" West, a distance 73.77 feet;

South 69°21'56" West, a distance of 73.77 feet;

South 77°23'44" West, a distance of 58.37 feet;

South 54°34'40" West, a distance of 158.22 feet;

South 57°58'36" West, a distance of 58.35 feet;

South 62°51'30" West, a distance of 58.35 feet;

South 24°42'03" East, a distance of 175.00 feet to the beginning of a non-tangent curve to the right;

Southwesterly, with said curve which has a central angle of 02°58'22", a radius of 860.00 feet, a chord which bears South 66°47'08" West, a chord distance of 44.62 feet, and an arc distance of 44.62 feet;

South 21°43'41" East, a distance of 114.79 feet;

South 69°37'25" West, a distance of 51.15 feet;

South 74°10'24" West, a distance of 58.53 feet;

South 79°04'11" West, a distance of 58.52 feet;

South 83°56'15" West, a distance of 58.75 feet;

South 85°49'23" West, a distance of 75.00 feet;

North 04°10'37" West, a distance of 105.00 feet;

South 85°49'23" West, a distance of 60.00 feet;

North 04°10'37" West, a distance of 10.00 feet;

South 85°49'23" West, a distance of 125.00 feet;

North 04°10'37" West, a distance of 443.69 feet to the beginning of a tangent curve to the left;

Northwesterly, with said curve which has a central angle of 06°02'05", a radius of 565.00 feet, a chord which bears North 07°11'40" West, a chord distance of 59.48 feet, and an arc distance of 59.51 feet;

South 79°47'18"West, a distance of 130.00 feet to the beginning of a non-tangent curve to the right;

Southeasterly, with said curve which has a central angle of 06°02'05", a radius of 435.00 feet, a chord which bears South 07°11'40" East, a chord distance of 45.80 feet, and an arc distance of 45.82 feet;

South 04°10'37" East, a distance of 1583.16 feet;

North 85°49'22" East, a distance of 130.00 feet;

South 04°10'38" East, a distance of 15.00 feet;

North 85°49'22" East, a distance of 12.48 feet to the beginning of a non-tangent curve to the right;

Northeasterly, with said curve which has a central angle of 03°56'12", a radius of 1580.00 feet, a chord which bears North 87°47'28" East, a chord distance of 108.54 feet, and an arc distance of 108.56 feet to the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 00°23'23", a radius of 1470.00 feet, a chord which bears North 00°07'19" West, a chord distance of 10.00 feet, and an arc distance of 10.00 feet;

North 89°40'59" East, a distance of 60.00 feet to the beginning of a non-tangent curve to the right;

Southeasterly, with said curve which has a central angle of 00°25'13", a radius of 1530.00 feet, a chord which bears South 00°06'25" East, a chord distance of 11.22 feet, and an arc distance of 11.22 feet to the beginning of a non-tangent curve to the right;

Southeasterly, with said curve which has a central angle of 05°25'04", a radius of 1580.00 feet, a chord which bears South 85°21'20" East, a chord distance of 149.35, and an arc distance of 149.41 feet;

South 07°39'40" West, a distance of 80.00 feet;

South 36°15'30" West, a distance of 113.16 feet;

South 45°14'59" West, a distance of 164.46 feet;

South 85°49'23" West, a distance of 113.59 feet;

North 04°10'37" West, a distance of 208.29 feet;

South 85°49'22" West, a distance of 130.00 feet;

North 04°10'38" West, a distance of 15.00 feet;

South 85°49'22" West, a distance of 369.26 feet to the beginning of a tangent curve to the left;

Southwesterly, with said curve which has a central angle of 67°57'39", a radius of 450.00 feet, a chord which bears South 51°50'32" West, a chord distance of 503.02 feet, and an arc distance of 533.76 feet;

North 72°06'50" West, a distance of 80.00 feet to the beginning of a non-tangent curve to the right;

Northeasterly, with said curve which has a central angle of 01°04'52", a radius of 530.00 feet, a chord which bears North 18°24'22" East, a chord distance of 10.00 feet, and an arc distance of 10.00 feet to the beginning of a non-tangent curve to the right;

Northwesterly, with said curve which has a central angle of 12°28'18", a radius of 280.00 feet, a chord which bears North 61°06'21" West, a chord distance of 60.83 feet, and an arc distance of 60.95 feet;

South 35°07'48" West, a distance of 151.98 feet;

North 83°08'42" West, a distance of 47.27 feet;

North 14°02'18" West, a distance of 47.91 feet;

North 21°00'40" West, a distance of 119.57 feet;

North 20°04'51" West, a distance of 52.02 feet;

North 21°02'44" West, a distance of 52.02 feet;

North 22°39'25" West, a distance of 55.39 feet;

North 25°53'12" West, a distance of 57.02 feet;

North 29°14'16" West, a distance of 57.02 feet

North 32°35'20" West, a distance of 57.02 feet;

North 35°56'24" West, a distance of 57.02 feet;

North 39°17'28" West, a distance of 57.02 feet;

North 42°38'32" West, a distance of 57.02 feet;

North 45°17'59" West, a distance of 54.43 feet;

North 45°31'45" West, a distance of 167.28 feet;

South 44°28'15" West, a distance of 870.00 feet;

South 51°13'38" West, a distance of 50.35 feet;

South 54°22'19" West, a distance of 102.90 feet;

South 62°49'04" West, a distance of 120.90 feet to the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 02°14'01", a radius of 1870.00 feet, a chord which bears North 28°17'57" West, a chord distance of 72.90 feet, and an arc distance of 72.90 feet to the beginning of a tangent reverse curve to the right;

Northwesterly, with said curve which has a central angle of 00°47'33", a radius of 3530.00 feet, a chord which bears North 29°01'11" West, a chord distance of 48.82 feet, and an arc distance of 48.82 feet;

North 28°37'25" West, a distance of 105.02 feet to the **POINT OF BEGINNING**, and containing an area of 114.972 acres of land.

NOTES:

The bearings shown and recited hereon are referenced to the Texas Coordinate System of 1983 ~ North Central Zone No. 4202 - NAD 83. (All distances are surface distances with a surface to grid scale factor of 0.999872942).

This document does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in Real Property.

EXHIBIT L-3 – MAJOR IMPROVEMENT AREA LEGAL DESCRIPTION

DESCRIPTION – 667.289 ACRES

BEING that certain tract of land situated in the Richard Mead Survey, Abstract No. 316, the Charles Wilson Survey, Abstract No. 571, and the J. C. Moses Survey, Abstract No. 635, in Kaufman County, Texas and being part of that certain called 877.143 acre tract of land (save and except 10.006 acres) described as Tract 1 in deed to MM Terrell 1098, LLC recorded in Volume 7385, Page 1, of the Deed Records of Kaufman County, Texas (DRKCT), and including all of that certain called 10.006 acre tract of land described in the following five deeds (undivided 1/5th interest each) to I-Ming Chee recorded in Volume 2943, Page 612, DRKCT, Kirk Ulrich recorded in Volume 2943, Page 616, DRKCT, John Wilburn recorded in Volume 2943, Page 620, DRKCT, Beverly C. Cezar recorded in Volume 2943, Page 624, DRKCT, and James Hancock recorded in Volume 2943, Page 628, DRKCT, and being more particularly described as follows:

COMMENCING at a 60d nail found on the southeast right-of-way line of Farm-to-Market Road No. 148 (variable width right-of-way), and being the most westerly west corner of said MM Terrell 1098, LLC tract, and the north corner of Lot 20 of South Ridge Addition, First Installment, an addition to the County of Kaufman recorded in Cabinet I, Slide 728, of the Plat Records of Kaufman County, Texas (PRKCT);

THENCE South 45°36'40" East, with the southwest line of the MM Terrell 1098, LLC tract, and the northeast line of said Lot 20, and Lot 10, of said South Ridge Addition, First Installment, a distance of 735.16 feet to the **POINT OF BEGINNING**;

THENCE North 44°28'21" East, over and across said MM Terrell 1098, LLC tract, passing at a distance of 1810.77 feet a 5/8-inch iron rod with cap stamped "PLS" found at the south corner of that certain called 13.982 acre tract of land described as Tract 1 in deed to Terrell 13 Partners, LLC recorded in Volume 7494, Page 213, DRKCT, continuing with the southeast line of said Tract 1 in deed to Terrell 13 Partners, LLC, in all, a total distance of 2516.82 feet;

THENCE leaving the southeast line of said Tract 1 of Terrell 13 Partners, LLC, and over and across Tract 1 of the MM Terrell 1098, LLC tract, the following courses:

South 28°37'25" East, a distance of 105.02 feet to the beginning of a tangent curve to the left;

Southeasterly, with said curve which has a central angle of 00°47'33", a radius of 3530.00 feet, a chord which bears South 29°01'11" East, a distance of 48.82 feet, and an arc length of 48.82 feet to the beginning of a tangent reverse curve to the right;

Southeasterly, with said curve which has a central angle of 02°14'01", a radius of 1870.00 feet, a chord which bears South 28°17'57" East, a distance of 72.90 feet, and an arc length of 72.90 feet;

North 62°49'04" East, a distance of 120.90 feet;

North 54°22'19" East, a distance of 102.90 feet;

North 51°13'38" East, a distance of 50.35 feet;

North 44°28'15" East, a distance of 870.00 feet;

South 45°31'45" East, a distance of 167.28 feet;

South 45°17'59" East, a distance of 54.43 feet;

South 42°38'32" East, a distance of 57.02 feet;

South 39°17'28" East, a distance of 57.02 feet;

South 35°56'24" East, a distance of 57.02 feet;

South 32°35'20" East, a distance of 57.02 feet;

South 29°14'16" East, a distance of 57.02 feet;

South 25°53'12" East, a distance of 57.02 feet;

South 22°39'25" East, a distance of 55.39 feet;

South 21°02'44" East, a distance of 52.02 feet;

South 20°04'51" East, a distance of 52.02 feet;

South 21°00'40" East, a distance of 119.57 feet;

South 14°02'18" East, a distance of 47.91 feet;

South 83°08'42" East, a distance of 47.27 feet;

North 35°07'48" East, a distance of 151.98 feet to the beginning of a non-tangent curve to the left;

Southeasterly, with said curve which has a central angle of 12°28'18", a radius of 280.00 feet, a chord which bears South 61°06'21" East, a distance of 60.83 feet, and an arc length of 60.95 feet to the beginning of a non-tangent curve to the left;

Southwesterly, with said curve which has a central angle of 01°04'52", a radius of 530.00 feet, a chord which bears South 18°24'22" West, a distance of 10.00 feet, and an arc length of 10.00 feet;

South 72°06'50" East, a distance of 80.00 feet to the beginning of a non-tangent curve to the right;

Northeasterly, with said curve which has a central angle of 67°57'39", a radius of 450.00 feet, a chord which bears North 51°50'32" East, a distance of 503.02 feet, and an arc length of 533.76 feet;

North 85°49'22" East, a distance of 369.26 feet;
South 04°10'38" East, a distance of 15.00 feet;

North 85°49'22" East, a distance of 130.00 feet;

South 04°10'37" East, a distance of 208.29 feet

North 85°49'23" East, a distance of 113.59 feet;

North 45°14'59" East, a distance of 164.46 feet;

North 36°15'30" East, a distance of 113.16 feet;

North 07°39'40" East, a distance of 80.00 feet to the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 05°25'04", a radius of 1580.00 feet, a chord which bears North 85°21'20" West, a distance of 149.35 feet, and an arc length of 149.41 feet to the beginning of non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 00°25'13", a radius of 1530.00 feet, a chord which bears North 00°06'25" West, a distance of 11.22 feet, and an arc length of 11.22 feet;

South 89°40'59" West, a distance of 60.00 feet to the beginning of a non-tangent curve to the right;

Southeasterly, with said curve which has a central angle of 00°23'23", a radius of 1470.00 feet, a chord which bears South 00°07'19" East, a distance of 10.00 feet, and an arc length of 10.00 feet to the beginning of a non-tangent curve to the left;

Southwesterly, with said curve which has a central angle of 03°56'12", a radius of 1580.00 feet, a chord which bears South 87°47'28" West, a distance of 108.54 feet, and an arc length of 108.56 feet;

South 85°49'22" West, a distance of 12.48 feet;

North 04°10'38" West, a distance of 15.00 feet;

South 85°49'22" West, a distance of 130.00 feet;

North 04°10'37" West, a distance of 1583.16 feet to the beginning of a tangent curve to the left;

Northwesterly, with said curve which has a central angle of 06°02'05", a radius of 435.00 feet, a chord which bears North 07°11'40" West, a distance of 45.80 feet, and an arc length of 45.82 feet;

North 79°47'18" East, a distance of 130.00 feet to the beginning of a non-tangent curve to the right;

Southeasterly, with said curve which has a central angle of 06°02'05", a radius of 565.00 feet, a chord which bears South 07°11'40" East, a distance of 59.48 feet, and an arc length of 59.51 feet;

South 04°10'37" East, a distance of 443.69 feet;

North 85°49'23" East, a distance of 125.00 feet;

South 04°10'37" East, a distance of 10.00 feet;

North 85°49'23" East, a distance of 60.00 feet;

South 04°10'37" East, a distance of 105.00 feet;

North 85°49'23" East, a distance of 75.00 feet;

North 83°56'15" East, a distance of 58.75 feet;

North 79°04'11" East, a distance of 58.52 feet;

North 74°10'24" East, a distance of 58.53 feet;

North 69°37'25" East, a distance of 51.15 feet;

North 21°43'41" West, a distance of 114.79 feet to the beginning of a non-tangent curve to the left;

Northeasterly, with said curve which has a central angle of 02°58'22", a radius of 860.00 feet, a chord which bears North 66°47'08" East, a distance of 44.62 feet, and an arc length of 44.62 feet;

North 24°42'03" West, a distance of 175.00 feet;

North 62°51'30" East, a distance of 58.35 feet;

North 57°58'36" East, a distance of 58.35 feet;

North 54°34'40" East, a distance of 158.22 feet;

North 77°23'44" East, a distance of 58.37 feet;

North 69°21'56" East, a distance of 73.77 feet;

North 73°41'50" East, a distance of 73.77 feet;

North 78°01'43" East, a distance of 73.77 feet;

North 82°21'37" East, a distance of 73.77 feet;

North 86°50'06" East, a distance of 79.66 feet;

North 03°26'36" West, a distance of 61.28 feet to the beginning of a tangent curve to the right;

Northeasterly, with said curve which has a central angle of 135°00'00", a radius of 60.00 feet, a chord which bears North 64°03'24" East, a distance of 110.87 feet, and an arc length of 141.37 feet;

North 46°38'18" East, a distance of 7.19 feet to a point located on the southeast line of that certain called 59.4917 acre tract of land described in deed to NT148, LLC recorded in Volume 6818, Page 258, DRKCT;

THENCE South 43°21'42" East, with the southwest line of said NT148, LLC tract, a distance of 1755.27 feet to a 1-inch pipe found for corner at the south corner of said NT148, LLC tract;

THENCE South 45°41'36" East, with a northeast line of said Tract 1 of the MM Terrell 1098, LLC tract, a distance of 1962.86 feet to a 1-inch iron pipe found for corner at the south corner of that certain called 69.500 acre tract of land described in deed to Alejandro Gamez, Jr. and Nancy Delcampo Gamez recorded in Volume 5078, Page 321, DRKCT, and a west corner of that certain called 189.998 acre tract of land described in deed to Norman N. Huneycutt and Janet R. Huneycutt, Trustees, recorded in Volume 3746, Page 407, DRKCT;

THENCE South 45°44'04" East, with a southwest line of said Norman N. Huneycutt and Janet R. Huneycutt tract, a distance of 308.18 feet to a 1/2 inch iron rod found for corner at an ell corner of said Norman N. Huneycutt and Janet R. Huneycutt tract;

THENCE South 44°51'33" West, with a northwest line of said Norman N. Huneycutt and Janet R. Huneycutt tract, a distance of 2269.99 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the east corner of that certain called 10.019 acre tract of land described in the following five deeds (undivided 1/5th interest each) to Melvin Henry recorded in Volume 2985, Page 554, DRKCT, Bill M. Erwin recorded in Volume 2985, Page 558, DRKCT, Jason A. Delorenzo recorded in Volume 2985, Page 562, DRKCT, Mary A. Wilson recorded in Volume 2985, Page 566, DRKCT, and Jennifer D. Harrell recorded in Volume 2985, Page 570, DRKCT;

THENCE with the northeast, northwest, and southwest lines of said 10.019 acre tract, the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

North 45°09'22" West, a distance of 662.43 feet;

South 44°38'09" West, a distance of 660.00 feet;

And South 45°09'22" East, a distance of 660.12 feet, said iron rod being the south corner of said 10.019 acre tract, and being located on the northwest line of that certain called 154.875 acre tract of land described in deed to Jerry L. Wade and Raelyn Wade recorded in Volume 1061, Page 779, DRKCT;

THENCE South 44°54'31" West, said northwest line of the Jerry L. Wade and Raelyn Wade tract, a distance of 253.75 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner;

THENCE South 42°54'11" West, continuing with said northwest line of the Jerry L. Wade and Raelyn Wade tract, a distance of 766.66 feet to a 1/2 inch iron rod found for corner at the north corner of that certain called 171.409 acre tract of land described in deed to Terrell Ranch Homes, LLC recorded in Volume 6969, Page 74, DRKCT;

THENCE South 43°56'56" West, with the northwest line of said Terrell Ranch Homes, LLC tract, and a southeast line of said Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1422.61 feet to a 1/2 inch iron rod found for corner at the west corner of said Terrell Ranch Homes, LLC tract;

THENCE South 44°30'28" West, with a southeast line of said Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1061.88 feet to a 5/8-inch iron rod found for corner at the most southerly south corner of Tract 1 in deed to MM Terrell 1098, LLC;

THENCE North 46°14'39" West, with a southwest line of Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1864.94 feet to a 1-inch iron rod found at the east corner of Lot 43 of Ingram Ranch Estates, Second Revision, an addition to Kaufman County, Texas according to Final Plat recorded in Cabinet 1, Slide 260, PRKCT;

THENCE North 46°19'24" West, with the northeast line of said Lot 43, and Lot 42, of said Ingram Ranch Estates, Second Revision, a distance of 723.01 feet to a 5/8-inch iron rod found for corner at the east corner of South Ridge Addition, Third Installment (Lots 49 through 69), an addition to the County of Kaufman recorded in Cabinet 2, Slide 221, PRKCT;

THENCE North 45°34'23" West, with the northeast line of said South Ridge Addition, Third Installment, a distance of 1088.55 feet to 5/8" iron rod found for corner;

THENCE North 45°36'40" West, continuing with said northeast line of South Ridge Addition, Third Installment, and the northeast line of South Ridge Addition, Second Installment (Lots 21 through 48), an addition to the County of Kaufman recorded in Cabinet 1, Slide 755, PRKCT, and said northeast line of Lot 10, of South Ridge Addition, First Installment, a distance of 1522.78 feet to the **POINT OF BEGINNING**, and containing an area of 677.295 acres of land.

Save and Except all of a called 10.006 acres tract of land describe in Deed to I-Ming Chee as recorded in Volume 2943, Page 612, Official Records, Kaufman County, Texas, and being more particularly described herein as follows:

BEGINNING at a 5/8 inch iron rod with plastic cap stamped "PLS, INC" (typical) set for the north corner of said Chee Tract, from which a 3/4 inch pipe found for an interior corner of said Tract 1 bears North 17 degrees 33 minutes 15 seconds West, a distance of 3,054.81 feet, said corner being in a curve to the left having a radius of 5,280.00 feet;

THENCE with the Easterly line of said Chee tract, the following three (3) courses and distances:

1. Southeasterly, along the arc of said curve, a distance of 270.05 feet with a delta angle of 2 degrees 55 minutes 50 seconds, a chord bearing of South 57 degrees 27 minutes 01 seconds East, and a chord distance of 270.02 feet a 5/8 inch iron rod set at the beginning of a curve to the right having a radius of 827.58 feet;

2. Southeasterly, along the arc of said curve, a distance of 1,029.50 feet with a delta angle of 71 degrees 16 minutes 31 seconds a chord bearing of South 14 degrees 24 minutes 10 seconds East, and a chord distances of 964.39 feet to a 5/8 inch iron rod set for corner.

3. South 21 degrees 14 minutes 06 seconds West, a distance of 373.32 feet to a 5/8 inch iron rod set for the South corner of said Chee tract, from which a 3 inch steel fence corner post found for the East corner of said Tract 1 bears North 75 degrees 05 minutes 04 seconds East, a distance of 2,455.74 feet, said corner being in a curve to the left having a radius of 895.00 feet

THENCE with the Westerly line of said Chee tract, the following four (4) courses and distances:

1. Northerly, along the arc of said curve, a distance of 268.19 feet with a delta angle of 17 degrees 10 minutes 09 seconds, a chord bearing of North 03 degrees 47 minutes 29 seconds West, and a chord distance of 894.45 feet;

2. Northwesterly, along the arc of said curve, a distance of 446.03 feet with a delta angle of 28 degrees 34 minutes 16 seconds, a chord bearing of North 26 degrees 39 minutes 10 seconds West, and a chord distance of 441.42 feet to a 5/8 inch iron rod set at the beginning of a curve to the right having a radius of 1,704.45 feet;

3. Northwesterly, along the arc of said curve, a distance of 470.65 feet with a delta angle of 15 degrees 49 minutes 16 seconds, a chord bearing of North 33 degrees 01 minutes 26 seconds West, and a chord distance of 469.16 feet to a 5/8 inch iron rod set for corner;

4. North 20 degrees 27 minutes 32 seconds East, a distance of 397.95 feet to the **POINT OF BEGINNING** and containing, within the metes and bounds herein recited, 10.006 acres of land, more or less.

Leaving a net area of 667.289 acres.

NOTES:

The bearings shown and recited hereon are referenced to the Texas Coordinate System of 1983 ~ North Central Zone No. 4202 - NAD 83. (All distances are surface distances with a surface to grid scale factor of 0.999872942).

This document does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in Real Property.

Addendum E

Comparable Data

Land Sales - 40' Lots

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	Heath Golf & Yacht Club, Phase 1A - 40' Lots
Sub-Property Type:	Residential, Finished SFR Lots
Address:	North side of Morris Crossing, west of Bechtol Drive
City/State/Zip:	Heath, TX 75126
County:	Rockwall
Submarket:	Forney
Market Orientation:	Suburban
Property Location:	1418 Morris Crossing
IRR Event ID:	3244739



Sale Information

Sale Price:	$98,000
Effective Sale Price:	$98,000
Sale Date:	04/23/2024
Sale Status:	Closed
$/Acre(Gross):	$688,686
$/Land SF(Gross):	$15.81
$/Unit (Potential):	$2,450 /Unit
Grantor/Seller:	Liemi Investments, LLC
Grantee/Buyer:	F & S Builders, LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	20240000006908
Verified By:	Shelley Sivakumar
Verification Date:	06/14/2024
Confirmation Source:	Bill Brown (214-336-0802)
Verification Type:	Confirmed-Seller Broker

Improvement and Site Data

Legal/Tax/Parcel ID:	Heath Golf & Yacht Club, Phase 1A, Block I, Lot 22/Tax ID 88924
Acres(Gross):	0.14
Land-SF(Gross):	6,200
No. of Units (Potential):	40
Shape:	Rectangular
Topography:	Level
Frontage Feet:	40
Frontage Desc.:	40' x 155'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

This lot is located in a golf/lake master-planned development and is within the Rockwall ISD.

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Creekside PID, IA #2 (Phase 2B) - 40' Lots
Sub-Property Type:	Residential, Finished SFR Lots
Address:	Northwest of SH-66 at River Bend Road
City/State/Zip:	Royse City, TX 75189
County:	Collin
Submarket:	RoyseCity
Market Orientation:	Suburban
IRR Event ID:	3225884



Sale Information

Sale Price:	$70,000
Effective Sale Price:	$70,000
Sale Date:	03/13/2025
Sale Status:	Closed
$/Acre(Gross):	$693,069
$/Land SF(Gross):	$15.91
$/Unit (Potential):	$1,750 /Unit
Grantor/Seller:	HDP WRH TX LOTS
Grantee/Buyer:	Ryan William Homes Texas, Inc.
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set for substantial completion expected by 4Q2024. All lots are contracted with a 6% escalation and miscellaneous fees.
Document Type:	Warranty Deed
Recording No.:	2025000030287
Verified By:	Shelley Sivakumar
Verification Date:	02/09/2024
Confirmation Source:	Doug Wolfe (972-742-0393)
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	Part of Tax ID 2805420 as vacant land
Acres(Gross):	0.10
Land-SF(Gross):	4,400
No. of Units (Potential):	40
Shape:	Rectangular
Topography:	Level
Frontage Feet:	40
Frontage Desc.:	40' x 110'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Date:	06/02/2009
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

Lots in Phase 2B are located within the Creekside PID, IA #2 and were completed in First Quarter 2025. All lots are within the Royse City ISD.

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	Clearview Ranch, Phase 1 South - 50' Lots
Sub-Property Type:	Residential, Single Family Residence Site
Address:	East side of FM-1777, south of CR-677
City/State/Zip:	Royse City, TX 75189
County:	Collin
Submarket:	RoyseCity
Market Orientation:	Suburban
IRR Event ID:	3235579



Sale Information

Sale Price:	$81,000
Effective Sale Price:	$81,000
Sale Date:	11/07/2024
Sale Status:	Closed
$/Acre(Gross):	$588,235
$/Land SF(Gross):	$13.50
$/Unit (Potential):	$1,620 /Unit
Grantor/Seller:	Clearview Ranch Land, LLC
Grantee/Buyer:	DR Horton-Texas LTD
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at $81,000/lot at substantial completion in November 2024. The lot price was discounted as the lots are contracted on an accelerated takedown schedule (within 4 months for 73 - 50' lots).
Document Type:	Deed
Recording No.:	2024000139524

Verified By:	Shelley Sivakumar
Verification Date:	03/05/2025
Confirmation Source:	Gary Erlemann (gary.erlemann@S2LD.com)
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	Clearview Ranch, Phase 1 South, Block U, Lot 7/Tax ID 2931782
Acres(Gross):	0.14
Land-SF(Gross):	6,000
No. of Units (Potential):	50
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	50' x 120'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

Lots in this phase of development are within the Royse City ISD. The property is within the Clearview Ranch PID, IA #1.

Comments (Cont'd)

Land Sales - 50' Lots

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	Creekside, Phase 2B - 50' Lots
Sub-Property Type:	Residential, Finished SFR Lots
Address:	Northwest of SH-66 at River Bend Road
City/State/Zip:	Royse City, TX 75189
County:	Collin
Submarket:	RoyseCity
Market Orientation:	Suburban
Property Location:	2420 Wheatfield Nook Road
IRR Event ID:	3225814



Sale Information

Sale Price:	$83,750
Effective Sale Price:	$83,750
Sale Date:	03/13/2025
Sale Status:	Closed
$/Acre(Gross):	$663,104
$/Land SF(Gross):	$15.23
$/Unit (Potential):	$1,675 /Unit
Grantor/Seller:	HDP WRH TX LOTS LLC
Grantee/Buyer:	William Ryan Homes Texas, Inc.
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set for substantial completion by 1Q2025. Lots are contracted with an annual 6% escalation plus additional fees.
Document Type:	Warranty Deed
Recording No.:	2025000030287
Verified By:	Shelley Sivakumar
Verification Date:	12/18/2024
Confirmation Source:	Doug Wolfe (972-742-0393)
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	Creekside, Phase 2B, Block K, Lot 5/Tax ID 2927216
Acres(Gross):	0.13
Land-SF(Gross):	5,500
No. of Units (Potential):	50
Shape:	Rectangular
Topography:	Level
Frontage Feet:	50
Frontage Desc.:	50' x 110'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Date:	06/02/2009
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

Lots in Phase 2B are part of the Creekside PID. All lots are located in the Royse City ISD.

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Clearview Ranch, Phase 1 South - 50' Lots
Sub-Property Type:	Residential, Single Family Residence Site
Address:	East side of FM-1777, south of CR-677
City/State/Zip:	Royse City, TX 75189
County:	Collin
Submarket:	RoyseCity
Market Orientation:	Suburban
IRR Event ID:	3235579



Sale Information

Sale Price:	$81,000
Effective Sale Price:	$81,000
Sale Date:	11/07/2024
Sale Status:	Closed
$/Acre(Gross):	$588,235
$/Land SF(Gross):	$13.50
$/Unit (Potential):	$1,620 /Unit
Grantor/Seller:	Clearview Ranch Land, LLC
Grantee/Buyer:	DR Horton-Texas LTD
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at $81,000/lot at substantial completion in November 2024. The lot price was discounted as the lots are contracted on an accelerated takedown schedule (within 4 months for 73 - 50' lots).
Document Type:	Deed
Recording No.:	2024000139524

Verified By:	Shelley Sivakumar
Verification Date:	03/05/2025
Confirmation Source:	Gary Erlemann (gary.erlemann@S2LD.com)
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	Clearview Ranch, Phase 1 South, Block U, Lot 7/Tax ID 2931782
Acres(Gross):	0.14
Land-SF(Gross):	6,000
No. of Units (Potential):	50
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	50' x 120'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

Lots in this phase of development are within the Royse City ISD. The property is within the Clearview Ranch PID, IA #1.

Comments (Cont'd)

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	Heath Golf & Yacht Club - 55 ' Lot
Sub-Property Type:	Residential, Single Family Residence Site
Address:	Southeast side of Morris Crossing, west of Sonnet Drive
City/State/Zip:	Heath, TX 75126
County:	Rockwall
Submarket:	Forney
Market Orientation:	Suburban
IRR Event ID:	3328766



Sale Information

Sale Price:	$120,000
Effective Sale Price:	$120,000
Contract Date:	02/18/2025
Listing Price:	$129,900
Listing Date:	10/17/2024
Sale Status:	Closed
$/Acre(Gross):	$422,535
$/Land SF(Gross):	$9.70
$/Acre(Usable):	$422,535
$/Land SF(Usable):	$9.70
$/Unit (Potential):	$2,182 /Unit
Grantor/Seller:	Meygan Isabella & Michael Anthony Barajas
Grantee/Buyer:	Cares Home Builder, Inc
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	20250000001437
Verified By:	Ms. Caitlin Fitzgerald
Verification Date:	02/18/2025
Confirmation Source:	David Maisch
Verification Type:	Confirmed-Seller Broker

Improvement and Site Data

Legal/Tax/Parcel ID:	Lot 30, Block I, Heath Golf & Yacht Club, Phase 1A / Tax #88932
Acres(Usable/Gross):	0.28/0.28
Land-SF(Usable/Gross):	12,371/12,371
Usable/Gross Ratio:	1.00
No. of Units (Potential):	55
Shape:	Rectangular
Topography:	Level
Corner Lot:	No
Frontage Feet:	55
Frontage Desc.:	55' x 150'
Frontage Type:	2 way, 1 lane each way
Zoning Code:	PD-SF (Planned Development)
Zoning Desc.:	Single Family
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

Sale of a single-family lot located within Heath Golf & Yacht Club. The lot is located on a cul-de-sac; however, it backs to

Comments (Cont'd)

a major thoroughfare.

Land Sales - 60' Lots

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	Heath Golf & Yacht Club - 55 ' Lot
Sub-Property Type:	Residential, Single Family Residence Site
Address:	Southeast side of Morris Crossing, west of Sonnet Drive
City/State/Zip:	Heath, TX 75126
County:	Rockwall
Submarket:	Forney
Market Orientation:	Suburban
IRR Event ID:	3328766



Sale Information

Sale Price:	$120,000
Effective Sale Price:	$120,000
Contract Date:	02/18/2025
Listing Price:	$129,900
Listing Date:	10/17/2024
Sale Status:	Closed
$/Acre(Gross):	$422,535
$/Land SF(Gross):	$9.70
$/Acre(Usable):	$422,535
$/Land SF(Usable):	$9.70
$/Unit (Potential):	$2,182 /Unit
Grantor/Seller:	Meygan Isabella & Michael Anthony Barajas
Grantee/Buyer:	Cares Home Builder, Inc
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	20250000001437
Verified By:	Ms. Caitlin Fitzgerald
Verification Date:	02/18/2025
Confirmation Source:	David Maisch
Verification Type:	Confirmed-Seller Broker

Improvement and Site Data

Legal/Tax/Parcel ID:	Lot 30, Block I, Heath Golf & Yacht Club, Phase 1A / Tax #88932
Acres(Usable/Gross):	0.28/0.28
Land-SF(Usable/Gross):	12,371/12,371
Usable/Gross Ratio:	1.00
No. of Units (Potential):	55
Shape:	Rectangular
Topography:	Level
Corner Lot:	No
Frontage Feet:	55
Frontage Desc.:	55' x 150'
Frontage Type:	2 way, 1 lane each way
Zoning Code:	PD-SF (Planned Development)
Zoning Desc.:	Single Family
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

Sale of a single-family lot located within Heath Golf & Yacht Club. The lot is located on a cul-de-sac; however, it backs to

Comments (Cont'd)

a major thoroughfare.

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Homestead, Phase 1 - 62' Lots
Sub-Property Type:	Residential, Finished SFR Lots
Address:	Northeast quadrant of FM-549 and FM-1139
City/State/Zip:	Rockwall, TX 75032
County:	Rockwall
Submarket:	Rockwall
Market Orientation:	Suburban
Property Location:	3141 Lora Lee Lane
IRR Event ID:	2892446



Sale Information

Sale Price:	$117,825
Effective Sale Price:	$117,825
Sale Date:	08/30/2024
Sale Status:	Closed
$/Acre(Gross):	$689,842
$/Land SF(Gross):	$15.84
$/Unit (Potential):	$1,900 /Unit
Grantor/Seller:	SH Development Klutts Rockwall, LLC
Grantee/Buyer:	DFH Coventry LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at $117,825 as of August 2024.
Document Type:	Deed
Recording No.:	20240000015213
Verified By:	Shelley Sivakumar
Verification Date:	12/19/2024
Confirmation Source:	Shaddock Homes
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	Homestead, Phase 1, Block G, Lot 20/Tax ID 336536
Acres(Gross):	0.17
Land-SF(Gross):	7,440
No. of Units (Potential):	62
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	62' x 120'
Zoning Code:	PD-92
Zoning Desc.:	Single Family
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

This development was completed in August 2024 and is located in the Rockwall ISD.

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	Creekside PID, IA #2 (Phase 2B) - 60' Lots
Sub-Property Type:	Residential, Finished SFR Lots
Address:	Northwest of SH-66 at River Bend Road
City/State/Zip:	Royse City, TX 75189
County:	Collin
Submarket:	RoyseCity
Market Orientation:	Suburban
IRR Event ID:	3225818



Sale Information

Sale Price:	$96,000
Effective Sale Price:	$96,000
Sale Date:	12/19/2024
Sale Status:	Closed
$/Acre(Gross):	$580,762
$/Land SF(Gross):	$13.33
$/Unit (Potential):	$1,600 /Unit
Grantor/Seller:	HT Hwy 66 Development, LP
Grantee/Buyer:	William Ryan Homes Texas, Inc.
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set for substantial completion in December 2024 with an annual 6% escalation plus various fees.
Document Type:	Deed
Recording No.:	2024000158755
Verified By:	Shelley Sivakumar
Verification Date:	03/05/2025
Confirmation Source:	Doug Wolfe (972-742-0393)
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	Creekside, Phase 2B, Block N, Lot 36/Tax ID 2927088
Acres(Gross):	0.17
Land-SF(Gross):	7,200
No. of Units (Potential):	60
Shape:	Rectangular
Topography:	Level
Frontage Feet:	60
Frontage Desc.:	60' x 120'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

Lots in Phase 2B are located within the Creekside PID. All lots are located in the Royse City ISD.

Land Sale Profile

Sale No. 4

Location & Property Identification

Property Name:	Clearview Ranch, Phase 1 South - 60' Lots
Sub-Property Type:	Residential, Single Family Residence Site
Address:	East side of FM-1777, south of CR-677
City/State/Zip:	Royse City, TX 75189
County:	Collin
Submarket:	RoyseCity
Market Orientation:	Suburban
IRR Event ID:	3235587



Sale Information

Sale Price:	$93,600
Effective Sale Price:	$93,600
Sale Date:	11/07/2024
Sale Status:	Closed
$/Acre(Gross):	$503,226
$/Land SF(Gross):	$11.56
$/Unit (Potential):	$1,560 /Unit
Grantor/Seller:	Clearview Ranch Land, LLC
Grantee/Buyer:	DR Horton-Texas LTD
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at $93,600/lot for substantial completion in November 2024. The lots are discounted as they are contracted on an accelerated takedown basis with 4 months (68 - 60' lots). Escalation is based on an annual 8% rate.
Document Type:	Deed
Recording No.:	2024000139524

Verified By:	Shelley Sivakumar
Verification Date:	03/05/2025
Confirmation Source:	Gary Erlemann (gary.erlemann@S2LD.com)
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	Clearview Ranch, Phase 1 South, Block V, Lot 2/Tax ID 2931804
Acres(Gross):	0.19
Land-SF(Gross):	8,100
No. of Units (Potential):	60
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	60' x 135'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

Lots in this development are located within the Clearview Ranch PID, IA #1 and are within the Royse City ISD.

Comments (Cont'd)

Land Sales - 70' Lots

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	Homestead - 70' Lots
Sub-Property Type:	Residential, Single Family Residence Site
Address:	Northeast quadrant of FM-549 and FM-1139
City/State/Zip:	Rockwall, TX 75032
County:	Rockwall
Submarket:	Rockwall
Market Orientation:	Suburban
IRR Event ID:	2892447



Sale Information

Sale Price:	$134,325
Effective Sale Price:	$134,325
Sale Date:	08/30/2024
Sale Status:	Closed
$/Acre(Gross):	$696,706
$/Land SF(Gross):	$15.99
$/Unit (Potential):	$1,919 /Unit
Grantor/Seller:	SH Development Klutts Rockwall, LLC
Grantee/Buyer:	DFH Coventry, LLC (MHI Homes)
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at $134,325 for substantial completion in October 2024.
Document Type:	Warranty Deed
Recording No.:	20240000015213
Verified By:	Shelley Sivakumar
Verification Date:	05/09/2023
Confirmation Source:	Shaddock Homes
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	J. A. Ramsey Survey, Abstract No. 186/Tax ID 115169 as vacant land
Acres(Gross):	0.19
Land-SF(Gross):	8,400
No. of Units (Potential):	70
Shape:	Rectangular
Topography:	Level
Frontage Feet:	70
Frontage Desc.:	70' x 120'
Frontage Type:	2 way, 1 lane each way
Zoning Code:	PD-92
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

Lots in this development were completed in October 2024. The development is located in the Rockwall ISD.

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Clearview Ranch, Phase 1 South - 70' Lots
Sub-Property Type:	Residential, Single Family Residence Site
Address:	East side of FM-1777, south of CR-677
City/State/Zip:	Royse City, TX 75189
County:	Collin
Submarket:	RoyseCity
Market Orientation:	Suburban
IRR Event ID:	3235591



Sale Information

Sale Price:	$105,000
Effective Sale Price:	$105,000
Sale Date:	11/07/2024
Sale Status:	Closed
$/Acre(Gross):	$484,094
$/Land SF(Gross):	$11.11
$/Unit (Potential):	$1,500 /Unit
Grantor/Seller:	Clearview Ranch Land, LLC
Grantee/Buyer:	DR Horton-Texas LTD
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at $105,000/lot for substantial completion in November 2024. Lot prices are discounted due to an accelerated takedown period of 4 months with an annual 8% escalation rate.
Document Type:	Deed
Recording No.:	2024000139524
Verified By:	Shelley Sivakumar
Verification Date:	03/05/2025
Confirmation Source:	Gary Erlemann (gary.erlemann@S2LD.com)
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	Clearview Ranch, Phase 1 South, Block T, Lot 14/Tax ID 2931763
Acres(Gross):	0.22
Land-SF(Gross):	9,450
No. of Units (Potential):	70
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	70' x 135'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

Lots in this development are located within the Clearview Ranch PID, IA #1 and are within the Royse City ISD.

Clearview Ranch, Phase 1 South - 70' Lots

Land Sale Profile

Sale No. 3

Location & Property Identification



Property Name:	Elevon, Phase 2F - 70' Lots
Sub-Property Type:	Residential, Single Family Residence Site
Address:	Northeast corner of Elevon Parkway and Dewy Lake Place
City/State/Zip:	Lavon, TX 75166
County:	Collin
Submarket:	Lavon
Market Orientation:	Suburban
IRR Event ID:	3244498

Sale Information

Sale Price:	$140,000
Effective Sale Price:	$140,000
Sale Date:	08/01/2025
Sale Status:	In-Contract
$/Acre(Gross):	$670,177
$/Land SF(Gross):	$15.38
$/Acre(Usable):	$670,177
$/Land SF(Usable):	$15.38
$/Unit (Potential):	$2,000 /Unit
Grantor/Seller:	MA Elevon 429, LLC
Grantee/Buyer:	Grand Acquisition, Inc.
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set in 2024 for substantial completion expected by 3Q2025 with an annual escalation equivalent to the WSJ prime rate with a floor of 6% as well as a $4,000/lot amenity fee and a $1,500/lot marketing fee.

Document Type:	Contract of Sale
Verified By:	Shelley Sivakumar
Verification Date:	06/14/2024
Confirmation Source:	Centurion American
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	Elevon, Phase 2F, Block A, Lot 2/Tax ID as vacant land 2850242
Acres(Usable/Gross):	0.21/0.21
Land-SF(Usable/Gross):	9,100/9,100
Usable/Gross Ratio:	1.00
No. of Units (Potential):	70
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	70' x 130'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

This development under construction is located in the Elevon Public Improvement District and is within the

Comments (Cont'd)

Community ISD.

Land Sale Profile

Sale No. 4

Location & Property Identification

Property Name:	Solterra, Phase 1D - 70' Lots
Sub-Property Type:	Residential, Finished SFR Lots
Address:	East side of Blossom Trail, north of Faithon P. Lucas Sr Boulevard
City/State/Zip:	Mesquite, TX 75181
County:	Dallas
Submarket:	Mesquite
Market Orientation:	Suburban
Property Location:	21 Blossom Trail
IRR Event ID:	3310127



Sale Information

Sale Price:	$104,672
Effective Sale Price:	$104,672
Sale Date:	07/15/2024
Sale Status:	Closed
$/Acre(Gross):	$501,063
$/Land SF(Gross):	$11.50
$/Unit (Potential):	$1,495 /Unit
Grantor/Seller:	HC Solterra LLC
Grantee/Buyer:	Castlerock Communities LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at $96,250/lot with an annual 7% escalation for substantial completion in 2Q2023.
Document Type:	Deed
Recording No.:	202400139910
Verified By:	Shelley Sivakumar
Verification Date:	12/20/2024
Confirmation Source:	Debie Tjandra (Huffines)
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	Solterra, Phase 1D/Block M, Lot 21/Tax ID 381945500M0210000
Acres(Gross):	0.21
Land-SF(Gross):	9,100
No. of Units (Potential):	70
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	70' x 130'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

Lots in this development are located in the Mesquite ISD and are within a public improvement district.

Land Sales - MIA

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	SF Land - Kaufman/Rockwall Counties
Sub-Property Type:	Residential, Single Family Development Land
Address:	Northwest corner of FM-548 and Mann Road
City/State/Zip:	Unincorporated, TX 75126
County:	Kaufman
Submarket:	Forney
Market Orientation:	Suburban
IRR Event ID:	3066924



Sale Information

Sale Price:	$66,207,157
Effective Sale Price:	$66,207,157
Sale Date:	06/22/2022
Sale Status:	Closed
$/Acre(Gross):	$62,727
$/Land SF(Gross):	$1.44
$/Acre(Usable):	$80,585
$/Land SF(Usable):	$1.85
$/Unit (Potential):	$23,979 /Unit
Grantor/Seller:	Janice Sue Mann
Grantee/Buyer:	Tellus Mann LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	Sale price is based upon $62,727/gross acre for two sites. Deed Number for the 95 acres in Rockwall County is 2022000001
Document Type:	Deed
Recording No.:	2022-23782
Verified By:	Shelley Sivakumar
Verification Date:	11/03/2023

Confirmation Source:	Terry Wheeler (214-770-8755)
Verification Type:	Confirmed-Other

Improvement and Site Data

Legal/Tax/Parcel ID:	Ruth Peckum Survey, Abstract No. 374/Tax IDs 10981,10982, 10983, 10985, 11030, 11111, 10984, 10929, 11029 (Kaufman), 12158 (Rockwall)
Acres(Usable/Gross):	821.58/1,055.48
Land-SF(Usable/Gross):	35,788,068/45,976,752
Usable/Gross Ratio:	0.78
No. of Units (Potential):	2761
Shape:	Irregular
Topography:	Rolling
Frontage Desc.:	Mann Road, FM-548
Frontage Type:	2 way, 1 lane each way
Zoning Code:	None
Zoning Desc.:	None
Flood Plain:	Yes
Flood Area(SF):	10,188,684
Flood Zone Designation:	A
Comm. Panel No.:	48257C0050D
Utilities:	Water Public
Source of Land Info.:	Public Records

Land Sale Profile Sale No. 1

Comments

This irregular-shaped property is being developed as a master-planned community called Meraki. It is noted the total flood area was estimated by the appraiser utilizing the FEMA flood determination software and includes 61 acres within two soil conservation areas. The majority of the property is within the Forney ISD. Only 95 acres is within Rockwall County with the remainder in Kaufman County. The site plan as of 2024 indicates 2,761 single family lots, as well as a small retail site, a town center site, and a flex site totaling approximately 5-10% of the site.

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	SF Land - Pilot Point, TX
Sub-Property Type:	Residential, Single Family Development Land
Address:	East side of FM-1385, north of Friendship Road
City/State/Zip:	Pilot Point ETJ, TX 76258
County:	Denton
Submarket:	PilotPoint
Market Orientation:	Suburban
IRR Event ID:	2787441



Sale Information

Sale Price:	$40,152,660
Effective Sale Price:	$40,152,660
Sale Date:	07/07/2022
Sale Status:	Closed
$/Acre(Gross):	$60,000
$/Land SF(Gross):	$1.38
$/Acre(Usable):	$60,122
$/Land SF(Usable):	$1.38
Grantor/Seller:	Eland Farms, LP
Grantee/Buyer:	TOLLWAY WEST POINT 1385 LP & COIT MAIN REDEMPTION LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Document Type:	Warranty Deed
Recording No.:	2022-101379
Verified By:	Shelley Sivakumar
Verification Date:	03/21/2022
Confirmation Source:	Vijay Borra (972-469-2799)
Verification Type:	Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID:	Marshall University Survey, Abstract No. 799/Tax IDs 41290, 41302
Acres(Usable/Gross):	667.85/669.21
Land-SF(Usable/Gross):	29,091,590/29,150,831
Usable/Gross Ratio:	1.00
Shape:	Irregular
Topography:	Level
Frontage Desc.:	FM-1385 and Lights Ranch Road
Frontage Type:	2 way, 1 lane each way
Zoning Code:	N/A
Zoning Desc.:	Unincorporated
Flood Plain:	No
Utilities:	Water Public
Utilities Desc.:	Co-op Water; Septic Sewer
Source of Land Info.:	Engineering Report

Comments

This irregular-shaped property is being acquired to be developed for mixed-use (multifamily, commercial, and single-family residential). The property was reportedly located within a MUD and is located within the Pilot Point ISD.

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	Legacy Hills - Pulte Tract
Sub-Property Type:	Residential, Single Family Development Land
Address:	West side of CR-58 (future Celina Parkway), north of CR-59
City/State/Zip:	Celina, TX 75009
County:	Collin
Submarket:	Celina
Market Orientation:	Suburban
IRR Event ID:	2784528



Sale Information

Sale Price:	$23,720,660
Effective Sale Price:	$23,720,660
Sale Date:	03/15/2022
Sale Status:	Closed
$/Acre(Gross):	$103,952
$/Land SF(Gross):	$2.39
$/Acre(Usable):	$103,952
$/Land SF(Usable):	$2.39
$/Unit (Potential):	$29,913 /Unit
Grantor/Seller:	MM Celina 3200 LLC
Grantee/Buyer:	Pulte Homes of Texas, L.P.
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The contract is for the purchase of 587.7 acres (2,173 paper lots) over a 5.5 year period at a price of $65,000,000 or $29,912.56/lot.
Document Type:	Warranty Deed
Recording No.:	20220315000419450
Verified By:	Ernest Gatewood
Verification Date:	02/16/2022
Confirmation Source:	Centurion American Acquisitions, LLC (Mehrdad Moayedi)
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	Part of BBB & CRY CO Survey/Part of Tax #990967
Acres(Usable/Gross):	228.19/228.19
Land-SF(Usable/Gross):	9,939,913/9,939,913
Usable/Gross Ratio:	1.00
No. of Units (Potential):	793
Shape:	Irregular
Topography:	Gently Sloping
Corner Lot:	No
Frontage Type:	2 way, 1 lane each way
Zoning Code:	PD (Planned Development)
Zoning Desc.:	Single family
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

This irregular-shaped property represents a portion of the Legacy Hills development and is planned to be developed with residential lots with 40', 50', 60', and 65' frontages.

Land Sale Profile

Sale No. 3

Comments (Cont'd)

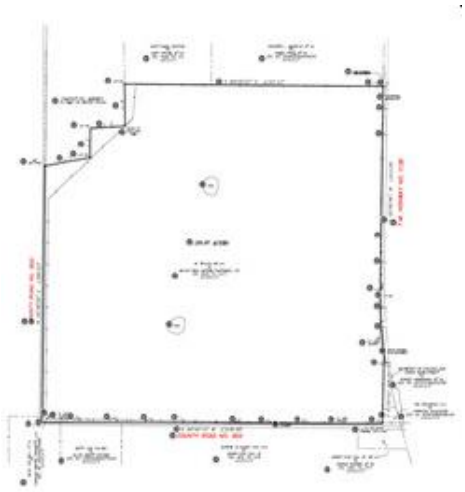
The property is within the Celina ISD. This property is located in the Legacy Hills Public Improvement District. However, the seller retained the reimburseables. The first closing was for the takedown of 793 lots within Phase 1 for $23,720,660 and closed March of 2022. The second takedown will be for 707 paper lots 36 months after the initial close with 4% annual carry. The third takedown will be for 673 paper lots 30 months after the close of Phase 2 with 4% annual carry.

Land Sale Profile

Sale No. 4

Location & Property Identification

Property Name:	Residential Land - 150.660 Acres
Sub-Property Type:	Residential, Single Family Development Land
Address:	Northwest corner of FM-1138 and CR-800
City/State/Zip:	Royse City, TX 75189
County:	Collin
Submarket:	RoyseCity
Market Orientation:	Suburban
IRR Event ID:	3345900



Sale Information

Sale Price:	$18,000,000
Effective Sale Price:	$18,000,000
Sale Date:	06/30/2025
Sale Status:	Offer Pending
$/Acre(Gross):	$119,474
$/Land SF(Gross):	$2.74
$/Acre(Usable):	$119,474
$/Land SF(Usable):	$2.74
$/Unit (Potential):	$24,390 /Unit
Grantor/Seller:	Fieldside Development LLC
Grantee/Buyer:	Century Land Holdings of Texas, LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Document Type:	Other
Verified By:	Shelley Sivakumar
Verification Date:	04/02/2025
Confirmation Source:	Terence Burnside (terence@fieldsideco.com)
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	A. Horton Survey, Abstract No. 451/Tax ID 1281829
Acres(Usable/Gross):	150.66/150.66
Land-SF(Usable/Gross):	6,562,750/6,562,750
Usable/Gross Ratio:	1.00
No. of Units (Potential):	738
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	FM-1138 and CR-800
Zoning Code:	Ag.
Zoning Desc.:	Agriculture
Flood Plain:	No
Utilities Desc.:	Co-op Water; Septic Sewer
Source of Land Info.:	Public Records

Comments

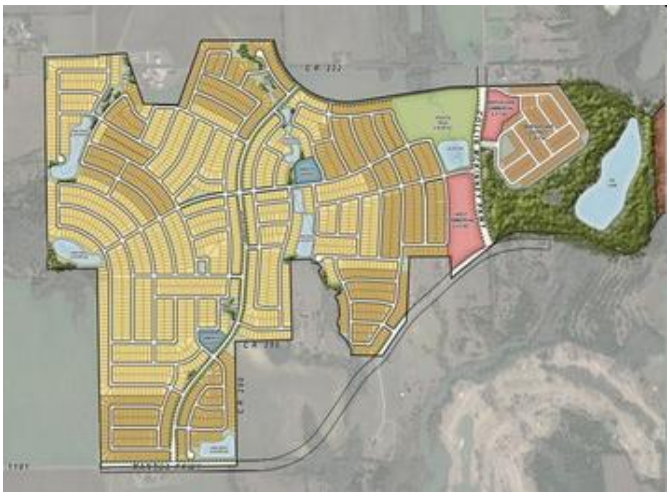
This represents a letter of intent for the rectangular-shaped property located in the Community ISD. The LOI is based upon the condition that all regulatory approvals including zoning, site plan approvals, building permits, utility connections have been approved for the development of 738 single-family lots (4.9 upa) in a subdivision to be known as Preserve at Royse City.

Land Sale Profile

Sale No. 5

Location & Property Identification

Property Name:	Mantua Site in Van Alstyne
Sub-Property Type:	Residential, Single Family Development Land
Address:	Southwest quadrant of CR-290 and CR-222
City/State/Zip:	Van Alstyne ETJ, TX 75454
County:	Collin
Submarket:	Melissa
Market Orientation:	Suburban
IRR Event ID:	3352730



Sale Information

Sale Price:	$53,500,000
Effective Sale Price:	$53,500,000
Sale Date:	08/15/2024
Sale Status:	Closed
$/Acre(Gross):	$80,257
$/Land SF(Gross):	$1.84
$/Acre(Usable):	$89,605
$/Land SF(Usable):	$2.06
$/Unit (Potential):	$21,400 /Unit
Grantor/Seller:	Risland Mantua, LLC
Grantee/Buyer:	MM Mantua 701, LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Document Type:	Warranty Deed
Recording No.:	2024000100812
Verified By:	Ernest Gatewood
Verification Date:	04/22/2025
Confirmation Source:	Trevor Kollinger (469-892-7274)
Verification Type:	Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID:	Part of J. C. BURGE SURVEY, ABSTRACT NO. 106, DAVIS ARNSPIGER SURVEY ABSTRACT No. 15, E. T. BERRY SURVEY ABSTRACT NO. 41, JONAS WHITAKER SURVEY, ABSTRACT NO. 981, NELSON H. HANNY SURVEY, ABSTRACT NO. 431 & W. P. BURNS SURVEY, ABSTRACT NO. 100 / Tax #N/A
Acres(Usable/Gross):	597.07/666.61
Land-SF(Usable/Gross):	26,008,195/29,037,532
Usable/Gross Ratio:	0.90
No. of Units (Potential):	2500
Shape:	Irregular
Topography:	Level
Corner Lot:	No
Frontage Type:	2 way, 1 lane each way
Zoning Code:	Mantua Development Agreement
Zoning Desc.:	Residential
Flood Plain:	Yes
Flood Zone:	Approximately 10% along eastern boundary
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Land Sale Profile

Sale No. 5

Comments

This irregular-shaped is part of the Mantua master planned community. Site allows for approximately 2,500 residential units/lots.

Land Sale Profile

Sale No. 6

Location & Property Identification

Property Name:	Bryson Ranch - Pilot Point, TX
Sub-Property Type:	Residential, Single Family Development Land
Address:	Northeast corner of FM-1385 and Mobberly Road
City/State/Zip:	Pilot Point ETJ, TX 76258
County:	Denton
Submarket:	PilotPoint
Market Orientation:	Suburban
IRR Event ID:	3237547



Sale Information

Sale Price:	$83,760,000
Effective Sale Price:	$83,760,000
Sale Date:	06/24/2024
Contract Date:	09/19/2023
Sale Status:	Closed
$/Acre(Gross):	$80,000
$/Land SF(Gross):	$1.84
$/Acre(Usable):	$133,333
$/Land SF(Usable):	$3.06
$/Unit (Potential):	$27,920 /Unit
Grantor/Seller:	Bryson Ranch LP, 103 ac Denton BSL, LLC and Blue Star Land, LP
Grantee/Buyer:	MM Bryson Ranch LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Document Type:	Warranty Deed
Recording No.:	2024-66316
Verified By:	Ernest Gatewood
Verification Date:	05/24/2024
Confirmation Source:	Trevor Kollinger
Verification Type:	Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID:	Part of the A. Burton, Survey, Abstract #98 and the MEP & PRR Survey Abstract #1504 / Multiple Tax ID including 78617 and 43390
Acres(Usable/Gross):	628.20/1,047.00
Land-SF(Usable/Gross):	27,364,392/45,607,320
Usable/Gross Ratio:	0.60
No. of Units (Potential):	3000
Shape:	Irregular
Topography:	Rolling
Corner Lot:	Yes
Frontage Type:	2 way, 1 lane each way
Zoning Code:	Development Agreement
Zoning Desc.:	Single Family
Flood Plain:	Yes
Flood Zone:	Estimated at 40%
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

This irregular-shaped property is being acquired to be developed for single-family residential development.

Land Sale Profile

Sale No. 6

Comments (Cont'd)

Property is located within the Bryson Ranch MUD #1 and is located within the Pilot Point ISD. Approximately 3,000+/- lots are planned. Purchaser will resell approximately 120+/- acres of commercial and multi-family zoned property at closing.

Land Sale Profile

Sale No. 7

Location & Property Identification

Property Name:	Clearview Ranch PID, IA #1
Sub-Property Type:	Residential, Single Family Development Land
Address:	South side of CR-677, east of FM-1777
City/State/Zip:	Royse City, TX 75189
County:	Collin
Submarket:	RoyseCity
Market Orientation:	Suburban
IRR Event ID:	3235597



Sale Information

Sale Price:	$9,450,000
Effective Sale Price:	$9,450,000
Sale Date:	05/15/2023
Sale Status:	Closed
$/Acre(Gross):	$93,949
$/Land SF(Gross):	$2.16
$/Acre(Usable):	$106,998
$/Land SF(Usable):	$2.46
$/Unit (Potential):	$26,695 /Unit
Grantor/Seller:	S2 Land Development, LLC
Grantee/Buyer:	Qualico Developments US, Inc.
Property Rights:	Fee Simple
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	2023000053623
Verified By:	Shelley Sivakumar
Verification Date:	05/20/2024
Confirmation Source:	Gary Erlemann (gary.erlemann@S2Land.com)
Verification Type:	Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID:	John W. Foote Survey, Abstract No. 333/Tax ID 2892837 and 2892846
Acres(Usable/Gross):	88.32/100.59
Land-SF(Usable/Gross):	3,847,176/4,381,526
Usable/Gross Ratio:	0.88
No. of Units (Potential):	354
Shape:	Rectangular
Topography:	Level
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	Yes
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

This property is within the Clearview Ranch PID as part of IA #1 and is within the Royse City ISD.

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APPENDIX F

FORM OF CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

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ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6 MAJOR IMPROVEMENT AREA PROJECTS CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

THIS ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT NO. 6 MAJOR IMPROVEMENT AREA PROJECTS CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT (this "Agreement"), dated as of August 5, 2025, is by and between the **CITY OF TERRELL, TEXAS**, a home rule municipality of the State of Texas (the "City"), and **MM TERRELL 1098, LLC**, a Texas limited liability company, (the "Developer").

ARTICLE I
DEFINITIONS

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

"Act" means the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended.

"Actual Costs" means the costs of the Major Improvement Area Projects actually paid or incurred for construction and installation of the Major Improvement Area Projects in accordance with the Service and Assessment Plan.

"Administrator" means, initially, P3Works, LLC., or any other individual or entity designated by the City to administer the District.

"Annual Service Plan Update" means the annual update to the Service and Assessment Plan conducted by the Administrator pursuant to the Service and Assessment Plan.

"Authorized Improvements" means improvements authorized by Section 372.003 of the Act, including, but not limited to, the Major Improvement Area Projects, and as listed in Section III of the Service and Assessment Plan.

"Bond Ordinance" means the ordinance adopted by the City Council on August 5, 2025 authorizing the issuance of the Bonds pursuant to the Indenture.

"Bonds" means the City's bonds designated "City of Terrell, Texas, Special Assessment Revenue Bonds, Series 2025 (Arboretum Estates Public Improvement District No. 6 Major Improvement Area Project)".

"Budgeted Costs" means the anticipated, agreed upon costs of the Major Improvement Area Projects as shown in Exhibit B of the Service and Assessment Plan.

"Certification for Payment" means a certificate, substantially in the form of **Exhibit A** hereto or otherwise agreed to by the Developer and a City Representative, executed by a Person

approved by a City Representative, provided no more frequently than once per month, delivered to a City Representative and the Trustee, specifying the amount of work performed related to the Major Improvement Area Projects and the Actual Costs thereof, and requesting payment for such costs of such Major Improvement Area Project from money on deposit in an account of the Project Fund.

"City Contribution Improvement Cost Overrun" means, with respect to City Contribution Improvement, the cost of such City Contribution Improvement in excess of the amount on deposit in the City Contribution Improvements Account of the City Contribution Improvements Fund.

"City Contribution Improvements" means public infrastructure and improvements, specifically wet utilities that serve as property outside the District and that benefit other properties and developments within the City that are authorized to be funded by the City in accordance with the Service and Assessment Plan.

"City Contribution Improvements Account" means the Account of such name established pursuant to Section 6.1 of the Indenture.

"City Contribution Improvements Certification for Payment" means a certificate, substantially in the form of **Exhibit A-1** hereto or otherwise agreed to by the Developer and a City Representative, executed by a Person approved by a City Representative, provided no more frequently than once per month, delivered to a City Representative and the Trustee, specifying the amount of work performed related to the City Contribution Improvements and the actual costs thereof, and requesting payment for such actual costs of such City Contribution Improvements from money on deposit in an account of the City Contribution Improvements Account of the City Contribution Improvements Fund.

"City Contribution Improvements Fund" means the Fund of such name established pursuant to Section 6.1 of the Indenture.

"City Inspector" means an individual employed by or an agent of the City whose job is, in part or in whole, to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

"City Manager" means the City Manager of the City, or its designee.

"City Representative" means the City Manager, or any other official or agent of the City later authorized by the City to undertake the action referenced herein.

"Closing Date" means the date of the initial delivery of and payment for the Bonds and is August 28, 2025.

"Closing Disbursement Request" means the certificate, substantially in the form of **Exhibit B** hereto or otherwise approved by the Developer and a City Representative executed by a City Representative or a Person approved by a City Representative, delivered to a City

Representative and the Trustee at the time of the Closing Date, specifying the costs incurred in the establishment, administration, and operation of the District or issuing the Bonds, and requesting payment for such costs from money on deposit in the Cost of Issuance Account of the Project Fund.

"Construction Contracts" means the contracts for the construction of a Major Improvement Area Project. "Construction Contract" means any one of the Construction Contracts.

"Cost" means the Budgeted Costs or the cost of a Major Improvement Area Project as reflected in a Construction Contract, if greater than the Budgeted Costs.

"Costs of Issuance Account" means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

"Cost Overrun" means, with respect to each Major Improvement Area Project, the Actual Cost, as appropriate, of such Major Improvement Area Project in excess of the Budgeted Cost.

"Development Agreement" means that certain Arboretum Estates Development Agreement, executed by and among the City and MM Terrell 1098, LLC, a Texas limited liability company (the "Developer"), Terrell 13 Partners, LLC, a Texas limited liability company, Blue Star Land LP, a Texas limited partnership and Squeaky Lomas, L.P., a Texas limited partnership, effective August 22, 2023, and as may be amended from time to time.

"District" shall mean the Arboretum Estates Public Improvement District No. 6 created January 9, 2024.

"Final Completion" means the time at which the construction of a Major Improvement Area Project (or specified segment, section or part thereof) has progressed to the point where such Major Improvement Area Project (or a specified segment, section or part thereof) is sufficiently complete in accordance with the Construction Contracts related thereto so that such Major Improvement Area Project (or a specified segment, section or part thereof) can be utilized for the purposes for which it is intended and is in compliance with existing City standards and specifications for dedication to the City.

"Indenture" means that certain Indenture of Trust between the City and BOKF, NA, as trustee, dated as of August 1, 2025 relating to the Bonds.

"Major Improvements" means the Authorized Improvements which benefit all of the property within the District, as more particularly described in Section III.B of the Service and Assessment Plan and as allocated to the Major Improvement Area as shown on Exhibit B of the Service and Assessment Plan.

"Major Improvement Area" means the property within the District excluding Improvement Area #1, as further identified and depicted in Exhibit A-3 of the Service and Assessment Plan.

"Major Improvement Area Projects" means the pro rata portion of the Major Improvements allocable to the Major Improvement Area, as more particularly described in Section III of the Service and Assessment Plan.

"Major Improvement Area Projects Account" means the account of such name in the Project Fund created under Section 6.1 of the 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.

"Plans" means the plans, specifications, schedules and related construction contracts for the Major Improvement Area Projects, respectively, approved pursuant to the applicable standards, ordinances, procedures, policies and directives of the City, the Development Agreement, and any other applicable governmental entity.

"Project Fund" means the fund, including the accounts created and established under such fund, where monies from the proceeds of the sale of the Bonds and any funds received from the Developer, excluding those deposited in other funds in accordance with the Indenture, shall be deposited, and the fund by such name created under the Indenture.

"Service and Assessment Plan" means the Arboretum Estates Public Improvement District No. 6 Service and Assessment Plan adopted by City ordinance on August 5, 2025 by the City Council, prepared pursuant to the Act.

ARTICLE II
RECITALS

Section 2.01. The District and the Major Improvement Area Projects.

(a) The City has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Major Improvement Area Projects.

(b) The City has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Ordinance and the Indenture, the proceeds of which Bonds shall be used, in part, to finance all or a portion of the Major Improvement Area Projects in accordance with the terms and limitations of the Development Agreement, this Agreement, and the Service and Assessment Plan.

(c) All Major Improvement Area Projects are eligible to be financed with proceeds of the Bonds, to the extent specified herein.

(d) The proceeds from the issuance and sale of the Bonds and funds received from the City concurrently with the closing of the Bonds shall be deposited in accordance with the Indenture.

(e) The Developer will undertake, oversee, or ensure the construction and development of the Major Improvement Area Projects for acquisition and acceptance by the City, in accordance with the terms and conditions contained in the Development Agreement and this Agreement.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

ARTICLE III
FUNDING

Section 3.01. Bonds.

(a) The City, in connection with this Agreement, is proceeding with the issuance and delivery of the Bonds.

(b) The projects to be partially financed with the proceeds of the Bonds are the Major Improvement Area Projects. The payment of costs from the proceeds of the Bonds for such Major Improvement Area Projects shall be made from the Major Improvement Area Projects Account of the Project Fund established under the Indenture.

(c) The City's obligation with respect to the payment of the Major Improvement Area Projects shall be limited to the lesser of the Actual Costs or Budgeted Costs, and shall be payable solely from amounts on deposit for the payment of such costs as provided herein and in the Indenture. The Developer agrees and acknowledges that it is responsible for all Cost Overruns and all expenses related to the Major Improvement Area Projects, qualified, however, by the distribution of Cost Underrun (as defined in Section 4.04 hereof) monies, as detailed in Section 4.04. The City agrees and acknowledges that it is responsible for all City Contribution Improvements Cost Overruns and all expenses related to the City Contribution Improvements pursuant to the Development Agreement.

(d) The City shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment.

(e) The Developer acknowledges that any lack of availability of amounts in the funds or accounts established in the Indenture to pay the Costs of the Major Improvement Area Projects shall in no way diminish any obligation of the Developer with respect to the construction of the Major Improvement Area Projects or the City Contribution Improvements required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

Section 3.02 Accounts. All disbursements from the Major Improvement Area Projects Account of the Project Fund and the City Contribution Improvement Account of the City

Contribution Improvements Fund, as applicable, shall be made by the City in accordance with provisions of the Development Agreement, the Service and Assessment Plan, this Agreement, and the Indenture.

ARTICLE IV
CONSTRUCTION OF THE MAJOR IMPROVEMENT AREA PROJECTS AND CITY CONTRIBUTION IMPROVEMENTS

Section 4.01. Duty of Developer to Construct.

(a) All Major Improvement Area Projects and City Contribution Improvements shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Major Improvement Area Projects and City Contribution Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ, at all times, adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Major Improvement Area Projects and City Contribution Improvements to be acquired and accepted by the City, from the Developer, as provided in this Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Major Improvement Area Project and City Contribution Improvement and, upon completion, inspection, and acceptance, convey each such Major Improvement Area Project and City Contribution Improvement to the City, in accordance with the terms hereof, even if there are insufficient funds in the Project Fund or other funds or accounts created under the Indenture to pay the Actual Costs thereof. In any event, this Agreement shall not affect any obligation of the Developer under any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject, with respect to the Major Improvement Area Projects and City Contribution Improvements required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. The Major Improvement Area Projects and City Contribution Improvements shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City with respect to the Major Improvement Area Projects and City Contribution Improvements.

Section 4.04. Remaining Funds After Completion of a Major Improvement Area Project. (a) Upon the Final Completion of a Major Improvement Area Project and payment of all outstanding invoices for such Major Improvement Area Project, if the Actual Cost of such Major

Improvement Area Project is less than the Budgeted Cost (a "Cost Underrun"), any remaining Budgeted Cost may be made available to pay Cost Overruns on any other Major Improvement Area Project. The City shall promptly confirm to the Administrator that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other Major Improvement Area Projects and shall include an update reflecting such change in the subsequent Annual Service Plan Update. Any Cost Underrun for any Major Improvement Area Project is available to pay Cost Overruns on any other Major Improvement Area Project.

(b) Upon the Final Completion of a City Contribution Improvement and payment of all outstanding invoices for such City Contribution Improvement, if the Actual Cost of such City Contribution Improvement is less than the Budgeted Cost (a "Cost Underrun"), any remaining Budgeted Cost may be made available to pay Cost Overruns on any other City Contribution Improvement. The City shall promptly confirm to the Administrator that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other City Contribution Improvements and shall include an update reflecting such change in the subsequent Annual Service Plan Update. Any Cost Underrun for any City Contribution Improvement is available to pay Cost Overruns on any other City Contribution Improvement.

Section 4.05. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as "change orders") required for the construction of the Major Improvement Area Projects and City Contribution Improvements. Developer or its contractors may approve and implement any change orders, even if such change order would increase the Actual Cost of a Major Improvement Area Project or City Contribution Improvement, but the Developer shall be solely responsible for payment of any Cost Overruns for a Major Improvement Area Project resulting from such change orders except to the extent amounts are available, or become available, pursuant to Section 4.04. The City shall be solely responsible for payment of any City Contribution Improvement Cost Overruns for a City Contribution Improvement resulting from such change orders. If any change order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under Section 4.01, then such revisions made by an engineer must be submitted to the City for approval by the City's engineer prior to execution of the change order.

ARTICLE V
ACQUISITION, CONSTRUCTION, AND PAYMENT

Section 5.01. Payment Requests for Disbursements at Closing. In order to receive disbursement from the Costs of Issuance Account of the Project Fund at closing of the Bonds related to costs of issuance of the Bonds or costs incurred in the creation of the District, the Developer shall execute a Closing Disbursement Request, substantially in the form of **Exhibit B** hereto or in a form otherwise acceptable and agreed to by the City, to be delivered to the City no less than five (5) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. In order to receive disbursement for a Major

Improvement Area Project from the Major Improvement Area Projects Account of the Project Fund at closing of the Bonds, the Developer shall execute a Certification for Payment, substantially in the form of **Exhibit A** hereto or otherwise agreed to by the City, to be delivered to the City no later than five (5) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. In order to receive disbursement for a City Contribution Improvement from the City Contribution Improvements Account of the City Contribution Improvements Fund at closing of the Bonds, the Developer shall execute a City Contribution Improvements Certification for Payment, substantially in the form of **Exhibit A-1** hereto or otherwise agreed to by the City, to be delivered to the City no later than five (5) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. Upon approval by the City, the City shall submit a Closing Disbursement Request, a Certification for Payment, or City Contribution Improvements Certification for Payment, as applicable, to the Trustee for disbursement to be made from the Costs of Issuance Account of the Project Fund, the Major Improvement Area Projects Account of the Project Fund, or the City Contribution Improvements Account of the City Contribution Improvements Fund, as applicable.

Section 5.02. Certification for Payment for a Major Improvement Area Project or a City Contribution Improvement.

(a) No payment hereunder shall be made to the Developer from the Project Fund for work on a Major Improvement Area Project or City Contribution Improvements Fund for work on a City Contribution Improvement until a Certification for Payment or City Contribution Improvements Certification for Payment, as applicable, is received from the Developer. Upon receipt of a Certification for Payment substantially in the form of **Exhibit A** or **Exhibit A-1**, as applicable, hereto (and all accompanying documentation required by the City) from the Developer, the City Inspector shall conduct a review in order to confirm that such request is complete, that the work with respect to such Major Improvement Area Project or City Contribution Improvement identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement, the Development Agreement, and verify and approve the cost of such work specified in such Certification for Payment (collectively, the "Developer Compliance Requirements"). The City Inspector and/or the City Representative shall also conduct such review as is required in his discretion to confirm the matters certified in the Certification for Payment. The Developer agrees to cooperate with the City Inspector and/or City Representative in conducting each such review and to provide the City Inspector and/or City Representative with such additional information and documentation as is reasonably necessary for the City Inspector and/or City Representative to conclude each such review.

(b) Within ten (10) business days of receipt of any Certification for Payment, the City Representative shall either (i) approve and execute the Certification for Payment and forward the same to the Administrator for approval and delivery to the Trustee for payment to the Developer in accordance with Section 5.03(a) hereof or (ii) in the event the City Representative disapproves the Certification for Payment, give written notification to the Developer of the City Representative's disapproval, in whole or in part, of such Certification for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such

Certification for Payment. If a Certification for Payment seeking reimbursement is approved only in part, the City Representative shall specify the extent to which the Certification for Payment is approved and shall deliver such partially approved Certification for Payment to the Administrator for approval in accordance with Section 5.03 hereof and delivery to the Developer in accordance with Section 5.02(c) hereof, and any such partial work shall be processed for payment under Section 5.03 notwithstanding such partial disapproval.

(c) If the City Representative disapproves the Certification for Payment, the disapproval must be in writing, stating the reason(s) for disapproval. The disapproval may be appealed to the City Council by the Developer in writing within thirty (30) days after Developer's receipt of the City's disapproval pursuant to Section 5.02(b) of this Agreement. Disapproval of the Certification for Payment by the City Council shall be attempted to be resolved by half-day mediation between the parties in the event an agreement is not otherwise reached by the parties, with the mediator's fee being paid by Developer. The Certification for Payment shall not be forwarded to the Trustee for payment until the dispute is resolved by the City and the Developer.

(d) The Developer shall deliver the approved or partially approved Certification for Payment to the Trustee for payment and the Trustee shall make such payment from the Project Fund in accordance with Section 5.03 below.

Section 5.03. Payment for Major Improvement Area Projects and City Contribution Improvements.

(a) Upon receipt of a reviewed and approved Certification for Payment, or City Contribution Improvements Certification for Payment, the Trustee shall make payment from the Major Improvement Area Projects Account of the Project Fund or the City Contribution Improvements Account of the City Contribution Improvements Fund, as applicable, pursuant to the terms of the Certification for Payment, the City Contribution Improvements Certification for Payment, and the Indenture. The amount distributed under the Major Improvement Area Projects Account of the Project Fund shall not exceed the Budgeted Cost for the particular Major Improvement Area Project, unless a Cost Overrun amount has been approved for a particular Major Improvement Area Project. If a Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Amount plus the approved Cost Overrun amount.

(b) Approved Certifications for Payment that await reimbursement shall not accrue interest.

(c) Notwithstanding any other provisions of this Agreement, when payment is made, the Trustee shall make payment (i) directly to the general contractor or supplier of materials or services, or (ii) jointly to Developer (or any permitted assignee of such Developer) and the general contractor or supplier of materials or services, as indicated in an approved Certification for Payment, out of available and appropriate funds in the Project Fund or City Contribution Improvements Fund. If the request for payment results in ninety percent (90%) or more of the Budgeted Costs for such Major Improvement Area Project or City Contribution Improvement identified in such request for payment being paid, then Trustee shall hold the payment until work with respect to that Major Improvement Area Project or City Contribution Improvement,

respectively, has been completed and accepted by the City. If an unconditional lien release related to the items referenced in the Certification for Payment is attached to such Certification for Payment, the Trustee shall make such payment to the Developer or any permitted assignee of the Developer. In the event the Developer provides a general contractor's or supplier of materials' unconditional lien release for a portion of the work covered by a Certification for Payment, the Trustee will make such payment directly to the Developer or any permitted assignee of the Developer to the extent of such lien release.

(d) Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Major Improvement Area Project or City Contribution Improvements to foreclosure, forfeiture, or sale. In the event that any such mechanics or materialman's lien and/or judgment with respect to any Major Improvement Area Project or City Contribution Improvements is contested, the Developer shall post or cause delivery of a surety bond in the amount reasonably determined by the City or City may decline to accept the Major Improvement Area Projects or City Contribution Improvements until such mechanics or materialman's lien and/or judgment is satisfied.

ARTICLE VI
OWNERSHIP AND TRANSFER OF MAJOR IMPROVEMENT AREA PROJECTS AND CITY CONTRIBUTUON IMPROVEMENTS

Section 6.01. Major Improvement Area Project and City Contribution Improvements to be Owned by the City – Title Evidence. If required by the City, the Developer shall furnish to the City, a preliminary title report for land with respect to a Major Improvement Area Project and/or City Contribution Improvements to be acquired and accepted by the City, from the Developer, and not previously dedicated or otherwise conveyed to the City, for review and approval at least thirty (30) calendar days prior to the transfer of title of a Major Improvement Area Project or City Contribution Improvement to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the City does not approve the preliminary title report the City shall not be obligated to accept title to the Major Improvement Area Project or City Contribution Improvement until the Developer has cured such objections to title to the reasonable satisfaction of the City.

Section 6.02. Major Improvement Area Project and City Contribution Improvements Constructed on City Land or Developer Land. If the Major Improvement Area Project or City Contribution Improvement is 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 by the City) of the Major Improvement Area Project or City Contribution Improvement. If the Major Improvement Area Project or City Contribution Improvement is on land owned by the Developer, the Developer hereby grants to the City a

nonexclusive easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance by the City) of the Major Improvement Area Project or City Contribution Improvement. The grant of a permanent easement shall not relieve the Developer of any obligation to grant the City title to property and/or easements related to the Major Improvement Area Project or City Contribution Improvements as required by the Development Agreement or as should, in the City's reasonable judgment, be granted to provide for convenient access to and routine and emergency maintenance of such Major Improvement Area Project or City Contribution Improvements. The provisions for inspection and acceptance of such Major Improvement Area Project or City Contribution Improvements otherwise provided herein shall apply.

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the City as follows:

(a) Organization. The Developer consists of one limited liability company duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to fulfill its obligations in this Agreement and the Development Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands in the District or the Major Improvement Area Projects/City Contribution Improvements in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Major Improvement Area Projects/City Contribution Improvements.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Project Fund for the acquisition, construction or installation of any improvements that are not part of the costs associated with the Major Improvement Area Projects, (ii) it will not request payment from the City Contribution Improvements Fund for the acquisition, construction or installation of any improvements that are not part of the costs associated with the City Contribution Improvements, and (iii) it will diligently follow all procedures set forth in this Agreement with respect to the Certification for Payment.

(f) Financial Records. For a period of two years after completion of the Major Improvement Area Projects and City Contribution Improvements, the Developer covenants to maintain proper books of record and account for the construction of the Major Improvement Area Projects, City Contribution Improvements and all costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles, and shall be available for inspection by the City or its agents at any reasonable time during regular business hours on reasonable notice.

(g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that, subject to the terms hereof, the Major Improvement Area Projects and City Contribution Improvements have been or will be constructed in full compliance with such Plans and any change orders thereto consistent with the Act, this Agreement and the Development Agreement. Developer shall provide as-built plans for all Major Improvement Area Projects and City Contribution Improvements to the City.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the initial purchaser of the Bonds, the City Manager and the City Representative related to the status of construction of the Major Improvement Area Projects and City Contribution Improvements within the District, the anticipated completion dates for future improvements and any other matter that the initial purchaser of the Bonds or City Representative deems material to the investment quality of the Bonds.

(i) Continuing Disclosure Agreement. The Developer agrees to provide the information required pursuant to the Continuing Disclosure Agreement executed by the Developer in connection with the Bonds.

(j) Tax Certificate. The City will deliver a certificate relating to the Bonds (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the "Tax Certificate") containing covenants and agreements designed to satisfy the requirements of 26 U.S. Code Sections 103 and 141 through 150, inclusive, and the federal income tax regulations issued thereunder relating to the use of the proceeds of the Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of 26 U.S. Code Section 148 (collectively, "Bond Proceeds").

The Developer covenants to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Developer further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the Bonds and will be, to the best of the knowledge of the officers of the Developer providing such facts and estimates, true, correct and complete as of that date, and (ii) the Developer will make reasonable inquires to ensure such truth, correctness and completeness. The Developer covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds (including,

but not limited to, the use of the Major Improvement Area Projects and City Contribution Improvements) that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Bonds for federal income tax purposes.

(k) Financial Resources. The Developer represents and warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement, the Service and Assessment Plan and the Development Agreement.

Section 7.02. Indemnification and Hold Harmless. THE DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS THE CITY INSPECTOR, THE CITY, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN "INDEMNIFIED PARTY"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSES OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE NEGLIGENT DESIGN, ENGINEERING, AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE MAJOR IMPROVEMENT AREA PROJECTS AND CITY CONTRIBUTION 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 OF THE MAJOR IMPROVEMENT AREA PROJECTS AND CITY CONTRIBUTION IMPROVEMENTS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE MAJOR IMPROVEMENT AREA PROJECTS AND CITY CONTRIBUTION 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 MAJOR IMPROVEMENT AREA PROJECTS, CITY CONTRIBUTION IMPROVEMENTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE MAJOR IMPROVEMENT AREA PROJECTS AND CITY CONTRIBUTION IMPROVEMENTS INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE SOLE OR PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF ANY INDEMNIFIED PARTY, DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

IN ITS REASONABLE DISCRETION, CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE

INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND THE INDEMNIFIED PARTIES OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY THE INDEMNIFIED PARTIES, PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, THE INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND DEVELOPER SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

THIS SECTION 7.02 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT AND THE EXPRESS NEGLIGENCE TEST, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

Section 7.03. Use of Monies by City; Changes to Indenture. The City agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies held in the Project Fund or City Contribution Improvements Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Major Improvement Area Projects or City Contribution Improvements, the City agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement: (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the Costs of the Major Improvement Area Projects or City Contribution Improvements is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer are or may be increased or otherwise adversely affected in any manner, or (c) the rights of the Developer are or may be modified, limited, restricted or otherwise substantially adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied as of the effective date of this Agreement.

ARTICLE VIII
TERMINATION

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the City and the Developer, in which event the City may either execute contracts for or perform any remaining work related to the Major Improvement Area Projects or City Contribution

Improvements not accepted by the City or other appropriate entity and use all or any portion of funds on deposit in the Project Fund and/or City Contribution Improvements Fund, or other amounts transferred to the Project Fund under the terms of the Indenture to pay for same, and the Developer shall have no claim or right to any further payments for the Costs of a Major Improvement Area Project or City Contribution Improvement, hereunder, except as otherwise may be provided in such written consent.

Section 8.02. City's Election for Cause.

(a) The City, upon notice to Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such breach or default described in Section 8.02(a) occurs, the City shall give written notice of its knowledge of such breach or default to the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice). Upon receipt of such notice, Developer agrees to promptly meet and confer with the City Inspector and other appropriate City staff and consultants as to available options to assure timely completion, subject to the terms of this Agreement, of the Major Improvement Area Projects and/or City Contribution Improvements. The City shall allow the Developer a minimum of forty-five (45) days to eliminate or to mitigate such breach or default to the reasonable satisfaction of the City ("Cure Period"). The Cure Period may be extended, at the sole discretion of the City, if the Developer, to the reasonable satisfaction of the City, is proceeding with diligence to eliminate or mitigate such breach or default. If at the end of the Cure Period (and any extension thereof), as determined reasonably by the City, the Developer has not eliminated or completely mitigated such grounds to the reasonable satisfaction of the City, the City may then terminate this Agreement. Upon termination of this Agreement, the City shall (i) provide written notice of such termination to the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice) and (ii) instruct the Trustee to cease making payments for the costs of Major Improvement Area Projects and/or City Contribution Improvements, provided that the Developer shall receive payment of the costs, as appropriate, of any Major Improvement Area Projects and/or or City Contribution Improvements that were accepted by the City at the time of termination, so long as the Developer has complied with the requirements of the Development Agreement, this Agreement and the Indenture.

(c) If this Agreement is terminated by the City for cause, the City may either execute contracts for or perform any remaining work related to the Major Improvement Area Projects or City Contribution Improvements not accepted by the City and use all or any portion of the funds on deposit in the Project Fund or City Contribution Improvements Fund or other amounts transferred to the Project Fund and the Developer shall have no claim or right to any further payments for the Major Improvement Area Projects or City Contribution Improvements hereunder, except as otherwise may be provided upon the mutual written consent of the City and the Developer. The City shall have no obligation to perform any work related to a Major Improvement Area Project or City Contribution Improvements or to incur any expense or cost in excess of the remaining balance of the Project Fund or City Contribution Improvements Fund.

Section 8.03. Termination Upon Redemption or Defeasance of Bonds. This Agreement will terminate automatically and with no further action by the City or the Developer upon the redemption or defeasance of all outstanding Bonds (including any refunding bonds issued to fund the Bonds) issued under the Indenture.

Section 8.04. Construction of the Major Improvement Area Projects and/or City Contribution Improvements Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Major Improvement Area Projects and/or City Contribution Improvements in accordance with this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the party (financial inability excepted) ("Force Majeure"), then the specified time for performance shall be extended by the amount of the delay actually so caused. The extension of time to perform allowed by this Section 8.05 shall not apply unless, within ten (10) business days of the occurrence of an event of Force Majeure, the party needing additional time to perform notifies the other party of the event of Force Majeure and the amount of additional time reasonably required as a result of the occurrence of the event of Force Majeure.

ARTICLE IX
MISCELLANEOUS

Section 9.01. Limited Liability of City. The Developer agrees that any and all obligations of the City arising out of or related to this Agreement are special obligations of the City, and the City's obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Project Fund and/or or City Contribution Improvements Fund, and from no other source. Neither the City, the City Inspector, City Representative nor any other City employee, officer, official or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The City Inspector, City Representative or a finance officer of the City shall have the right, during normal business hours and upon the giving of three business days' prior written notice to a Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Major Improvement Area Projects and/or City Contribution Improvements and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same

within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	Attn: City Manager City of Terrell 201 E Nash Street, Terrell, TX 75160
With a copy to:	Attn: Mary Gayle Ramsey, City Attorney Mary Gayle Ramsey, P.C. 607 N. Rockwall Avenue Terrell, TX 75160
And to:	Attn: Bond Counsel Paul Braden Norton Rose Fulbright US LLP 2200 Ross Avenue, Suite 3600 Dallas, Texas 75201
To the Developer:	Attn: Mehrdad Moayedi MM Terrell 1098, LLC 1800 Valley View Lane, Suite 300 Farmers Branch, Texas 75234
With a copy to:	Attn: Travis Boghetich Boghetich Law, PLLC 1800 Valley View Lane, Suite 360 Farmers Branch, Texas 75234

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

The City shall advise the Developer of the name and address of any person who is to receive any notice or other communication pursuant to this Agreement.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to the City pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lien holder on the Property, without prior written consent of the City. The obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-

affiliate or non-related entity of the Developer without prior written consent of the City Manager, (which consent shall not be unreasonably withheld if assignee demonstrates financial ability to perform), except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for a Major Improvement Area Project or a City Contribution Improvement, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such Person elects to complete the Major Improvement Area Project or the City Contribution Improvement. No such assignment shall be made by the Developer or any successor or assignee of the Developer that results in the City being an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the City. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned and may not otherwise amend the terms of this Agreement. The City may assign by a separate writing certain rights as described in this Agreement and in the Indenture, to the Trustee and the Developer hereby consents to such assignment.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the City's or the Developer's rights or duties to perform their respective obligations under other agreements, use regulations, ordinances or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this Agreement and the Development Agreement, the Development Agreement shall control. To the extent there is a conflict between this Agreement and the Indenture, the Indenture shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the City or the Developer shall be for the sole and exclusive benefit of the City and the Developer.

Section 9.10. Amendment. Except as otherwise provided in Section 9.05, upon agreement by the parties, this Agreement may be amended, from time to time in a manner consistent with the Act, the Indenture, and the Bond Ordinance by written supplement hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective upon its execution and delivery, on the Closing Date of the Bonds, by the parties hereto. All representations and warranties set forth therein shall be deemed to have been made on the Closing Date of the Bonds.

Section 9.13. Term. The term of this Agreement, other than the provisions contained in Section 7.02, which shall survive the termination of this Agreement, shall be the earlier of thirty (30) years or defeasance of the Bonds (including any refunding bonds issued to refund the Bonds) issued under the Indenture. If the Developer defaults under this Agreement or the Development Agreement, this Agreement and the Development Agreement shall not terminate with respect to the costs of the Major Improvement Area Projects and/or City Contribution Improvements that have been approved by the City pursuant to a Certification for Payment prior to the date of termination based on such default.

Section 9.14 No Waiver of Powers or Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

Section 9.15 Statutory Verifications.

The Developer makes the following 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 Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned Company. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

Section 9.16. Form 1295. Submitted herewith is a completed Form 1295 in connection with the Developer's participation in the execution of this 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 City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of _____, 2025.

CITY OF TERRELL, TEXAS

By: _____
Name: E. Rick Carmona
Title: Mayor

ATTEST:

_____
Name: Dawn Steil
Title: City Secretary

(City Seal)

APPROVED AS TO FORM:

_____
Mary Gayle Ramsey, City Attorney

DEVELOPER:

MM Terrell 1098, LLC
a Texas limited liability company

By: MMM Ventures, LLC
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC
a Delaware limited liability company
Its Manager

By: _____
Name: Mehrdad Moayedi
Its: Manager

Exhibit A
CERTIFICATION FOR PAYMENT FORM – MAJOR IMPROVEMENT AREA PROJECTS

CERTIFICATION FOR PAYMENT NO. _____

The undersigned is a lawfully authorized representative for MM Terrell 1098, LLC (the "Developer") and requests payment from the Major Improvement Area Projects Account of the Project Fund from BOKF, NA (the "Trustee") in the amount of _____ for labor, materials, fees, and/or other general costs related to the construction and installation of the following Major Improvement Area Projects related to the Arboretum Estates Public Improvement District No. 6 (the "Major Improvement Area Projects"):

[insert specific Major Improvement Area Project this request is for here]

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Arboretum Estates Public Improvement District No. 6 Major Improvement Area Construction, Funding, and Acquisition Agreement.

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certification for Payment Form on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the above- referenced Major Improvement Area Project(s) has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.

3. The itemized amounts listed for the Major Improvement Area Project(s) below is a true and accurate representation of the Actual Costs incurred by Developer with the construction and installation of said Major Improvement Area Project(s) identified above, and such costs are (i) in compliance with the Arboretum Estates Public Improvement District No. 6 Construction, Funding and Acquisition Agreement, and (ii) consistent with the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Arboretum Estates Public Improvement District No. 6 Construction, Funding and Acquisition Agreement, the Indenture, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The work with respect to the Major Improvement Area Project(s) identified above (or its completed segment, portion or segment) has been completed and the City has inspected or may begin inspection of the Major Improvement Area Project(s). If this request for payment results in ninety percent (90%) or more of the Budgeted Costs for the Major Improvement Area Project(s) identified above being paid, then the work with respect to the Major Improvement Area Project(s) has been completed and the City has inspected and accepted the Major Improvement Area Project(s).

7. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested are as follows:

Payee / Description of Major Improvement Area Project	**Total Cost of Major Improvement Area Project**	**Budgeted Cost of Major Improvement Area Project**	**Amount to be paid from the Project Fund**

Attached hereto, are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments.

Pursuant to the Arboretum Estates Public Improvement District No. 6 Major Improvement Area Construction, Funding, and Acquisition Agreement, after receiving this Certification for Payment, the City is authorized to inspect the Major Improvement Area Project (or completed segment, portion or segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

I hereby declare that the above representations and warranties are true and correct.

MM TERRELL 1098, LLC

By:_____
Name: _____
Title: _____
Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certification for Payment. After reviewing the Certification for Payment, the City approves the Certification for Payment and shall include said payments in a city certificate submitted to the Trustee directing payments to be made from the appropriate Project Fund account. The City's approval of the Certification for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Arboretum Estates Public Improvement District No. 6 Major Improvement Area Construction, Funding, and Acquisition Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in the Major Improvement Area Projects.

CITY OF TERRELL, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

Exhibit A-1
CITY CONTRIBUTION IMPROVEMENTS CERTIFICATION FOR PAYMENT FORM

CERTIFICATION FOR PAYMENT NO. _____

The undersigned is a lawfully authorized representative for MM Terrell 1098, LLC (the "Developer") and requests payment from the City Contribution Improvements Account of the City Contribution Improvements Fund from BOKF, NA (the "Trustee") in the amount of _____ for labor, materials, fees, and/or other general costs related to the construction and installation of the following City Contribution Improvements related to the Arboretum Estates Public Improvement District No. 6 (the "City Contribution Improvements"):

[insert specific City Contribution Improvement this request is for here]

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Arboretum Estates Public Improvement District No. 6 Major Improvement Area Construction, Funding, and Acquisition Agreement.

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this City Contribution Improvements Certification for Payment Form on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the above referenced City Contribution Improvement(s) has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.

3. The itemized amounts listed for the City Contribution Improvement(s) below is a true and accurate representation of the actual costs incurred by Developer with the construction and installation of said City Contribution Improvement(s) identified above, and such costs are (i) in compliance with the Arboretum Estates Public Improvement District No. 6 Construction, Funding and Acquisition Agreement, and (ii) consistent with the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Arboretum Estates Public Improvement District No. 6 Construction, Funding and Acquisition Agreement, the Indenture, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The work with respect to the City Contribution Improvement(s) identified above (or its completed segment, portion or segment) has been completed and the City has inspected or may begin inspection of the City Contribution Improvement(s). If this request

for payment results in ninety percent (90%) or more of the Budgeted Costs for the City Contribution Improvement(s) identified above being paid, then the work with respect to the City Contribution Improvement(s) has been completed and the City has inspected and accepted the City Contribution Improvement(s).

7. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested are as follows:

Payee / Description of City Contribution Improvement	**Total Cost of City Contribution Improvement**	**Budgeted Cost of City Contribution Improvement**	**Amount to be paid from the City Contribution Improvements Fund**

Attached hereto, are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments.

Pursuant to the Arboretum Estates Public Improvement District No. 6 Major Improvement Area Construction, Funding, and Acquisition Agreement, after receiving this Certification for Payment, the City is authorized to inspect the City Contribution Improvement (or completed segment, portion or segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

I hereby declare that the above representations and warranties are true and correct.

MM TERRELL 1098, LLC

By:_____
Name: _____
Title: _____
Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached City Contribution Improvements Certification for Payment. After reviewing the City Contribution Improvements Certification for Payment, the City approves the City Contribution Improvements Certification for Payment and shall include said payments in a city certificate submitted to the Trustee directing payments to be made from the City Contribution Improvements Fund. The City's approval of the City Contribution Improvements Certification for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Arboretum Estates Public Improvement District No. 6 Major Improvement Area Construction, Funding, and Acquisition Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in the City Contribution Improvements.

CITY OF TERRELL, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT B

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for MM Terrell 1098, LLC, (the "Developer") and requests payment from:

the Costs of Issuance Account of the Project Fund (as defined in the Arboretum Estates Public Improvement District No. 6 Major Improvement Area Construction, Funding, and Acquisition Agreement) from BOKF, NA (the "Trustee") in the amount of _____DOLLARS ($_____) for costs incurred in the establishment, administration, and operation of the Arboretum Estates Public Improvement District No. 6 (the "District"), as follows:

Closing Costs Description	**Cost**	**PID Allocated Cost**
TOTAL		

In connection to the above referenced payments, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.

3. The amount listed for the above itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Arboretum Estates Public Improvement District No. 6 Major Improvement Area Construction, Funding, and Acquisition Agreement, the Indenture, or the Service and Assessment Plan.

5. All conditions set forth in the Indenture (as defined in the Arboretum Estates Public Improvement District No. 6 Major Improvement Area Construction, Funding, and Acquisition Agreement) for the payment hereby requested have been satisfied.

6. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

a. X amount to Person or Account Y for Z goods or services.
b. Etc.

I hereby declare that the above representations and warranties are true and correct.

MM TERRELL 1098, LLC

By: _____
Name: _____
Title: _____
Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in a city certificate submitted to the Trustee directing payments to be made from the Costs of Issuance Account of the Project Fund upon delivery of the Bonds. The City's approval of the Closing Disbursement Request shall not have the effect of estopping or preventing the City from asserting claims under the Arboretum Estates Public Improvement District No. 6 Major Improvement Area Construction, Funding and Acquisition Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in a Major Improvement Area Project.

CITY OF TERRELL, TEXAS

By: _____
Name: _____
Title: _____

Date: _____

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APPENDIX G

DEVELOPMENT AGREEMENT

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Kaufman County
Laura Hughes
County Clerk

Instrument Number: 2023-0023933

Billable Pages: 312
Number of Pages: 313

FILED AND RECORDED – REAL RECORDS		CLERKS COMMENTS
On:	08/24/2023 at 10:14 AM	E-RECORDING
Document Number:	2023-0023933	
Receipt No:	23-22384	**RECORDERS MEMORANDUM:** At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, photo-copy, discolored paper, etc. All black outs, additions and changes were present at the time the instrument was filed and recorded.
Amount:	**$** 1270.00	
Vol/Pg:	V:8203 P:23	

STATE OF TEXAS
COUNTY OF KAUFMAN
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the Official Public Records of Kaufman County, Texas.

Laura A. Hughes

Laura Hughes, County Clerk

Recorded By: Beatriz Sauceda **, Deputy**

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Record and Return To:
SILVER STAR TITLE, LLC DBA SENDERA TITLE
1409 SUMMIT AVENUE
FORT WORTH, TX 76102

ARBORETUM ESTATES
DEVELOPMENT AGREEMENT

BY AND AMONG
MM TERRELL 1098, LLC

AND

TERRELL ECONOMIC DEVELOPMENT CORPORATION

AND

THE CITY OF TERRELL, TEXAS

July 28, 2023

ARBORETUM ESTATES DEVELOPMENT AGREEMENT

This Arboretum Estates Development Agreement (this "Agreement") is executed by and among **MM Terrell 1098, LLC**, a Texas limited liability company (the "Developer"), **Terrell 13 Partners, LLC**, a Texas limited liability company ("Terrell 13P"), **Squeaky Lomas, L.P.**, a Texas limited partnership ("Squeaky"), **Blue Star Land LP**, a Texas limited partnership ("Blue Star"), and the **City of Terrell, Texas** (the "City") to be effective on the Effective Date (as defined below).

RECITALS

WHEREAS, certain terms used in these recitals are defined in Article I; and

WHEREAS, Developer, and the City are sometimes individually referred to as a "Party" and collectively as the "Parties"; and

WHEREAS, the City is a home-rule municipality of the state of Texas located within Kaufman County (the "County"); and

WHEREAS, the Developer is the owner and/or the master developer of approximately 1,098 acres of real property located within the extraterritorial jurisdiction of the City (the "Property"), which Property is more particularly described by metes and bounds and depicted on **Exhibit A** attached hereto; and

WHEREAS, the Developer sold approximately 284 acres of real property within the Property as more particularly described on **Exhibit A-1** (the "Master Developer Property") to Terrell 13P, Squeaky and Blue Star, and entered into private agreements with each such purchaser to be the master developer with such owners of the Master Developer Property with the authority to negotiate the terms and conditions of this Agreement; and

WHEREAS, the Developer anticipates the acquisition of approximately 10.006 acres of land located within the Property more particularly described on **Exhibit A-2** (the "Additional Land") and upon the acquisition, or if the City acquires the Additional Land, the Additional Land will be included in the Property for all intents and purposes of this Agreement; and

WHEREAS, the County and the City have entered into an Interlocal Cooperation Agreement whereby the City has exclusive jurisdiction over platting regulations for property located within the City's extraterritorial jurisdiction; and

WHEREAS, the Parties intend for this Agreement to take effect on the date this Agreement is executed by all Parties (the "Effective Date"); and

WHEREAS, the Developer plans to develop the Property as a mixed use development consisting of residential (single-family and multifamily), commercial, retail, and industrial uses upon the execution of this Agreement and subsequent issuance of PID Bonds for the payment of certain costs for the construction and acquisition of certain public improvements and certain other associated costs to benefit the residential portion of Property, and for the repayment to Developer

for certain costs advanced for the construction and acquisition of certain public improvements to benefit the Property as set forth in this Agreement and as determined by future PID related agreements; and

WHEREAS, in consideration of the Developer's agreements contained herein to accomplish the high-quality development of the Property envisioned by the Parties and to provide financing for the Authorized Improvements, the City intends to create a PID in accordance with Chapter 372 of the Texas Local Government Code, as amended (the "PID Act"), and has created a TIRZ in accordance with Chapter 311 of the Texas Tax Code, as amended (the "TIRZ Act"), for the Property proposed to be developed; and

WHEREAS, water, sewer, drainage, roadway, and other public infrastructure (the "Public Infrastructure") is not currently available to serve the Parties' intended development of the Property; and

WHEREAS, the Terrell Economic Development Corporation (the "TEDC") has paid for an initial engineering feasibility study to determine the best method and probable costs for providing water utilities to the Property; and

WHEREAS, the Developer desires and intends to design, construct and install public improvements to serve the development of the Property. Public improvements that are constructed and that are also eligible for PID reimbursement are considered ("Authorized Improvements"), which Authorized Improvements are generally identified in **Exhibit B** and are intended by the Developer to be the same as those described in the Service and Assessment Plan; and

WHEREAS, the Developer intends for the design, construction and installation of the Authorized Improvements to occur in phases and to dedicate such Authorized Improvements to the City for use and maintenance, subject to approval of the plans and inspection of the Authorized Improvements in accordance with this Agreement and contingent upon the partial or total financing of such Authorized Improvements; and

WHEREAS, the Developer estimates that the cost of the Authorized Improvements will be approximately Two hundred twenty-one million, three hundred sixty-nine thousand, three hundred dollars ($221,369,300) and is the proposed maximum amount that Developer will seek to finance and will seek for reimbursement from the PID; and

WHEREAS, in accordance with Article III, Chapter 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code ("Chapter 380"), the City recognizes the positive impact that the Authorized Improvements and the Development will bring to the City, and that the Authorized Improvements will promote state and local economic development; stimulate business and commercial activity in the municipality; promote the development and diversification of the economy of the state; promote development and expansion of commerce in the state; and promote the elimination of unemployment or underemployment in the state. The provisions of this Agreement ensure that a public purpose is satisfied, and that the City receives a benefit in return; and

WHEREAS, in consideration of the Developer's agreements contained herein, the City shall consider adoption of a PID pursuant to Developer's form of petition to provide alternative

financing arrangements that will enable the Developer to do the following in accordance with the procedures and requirements of the PID Act: (i) fund a specified portion of the costs of the Authorized Improvements using the proceeds of PID Bonds; and (ii) obtain reimbursement for a specified portion of the costs of the Authorized Improvements, the source of which reimbursement will be installment payments from Assessments within the Property, provided that such reimbursements shall be subordinate to the payment of PID Bonds and Administrative Expenses; and

WHEREAS, the City, subject to the consent and approval of the City Council, and in accordance with the PID Act, will: (i) consider and act upon the creation of a PID encompassing the residential Property, as shown in **Exhibit C-1** attached hereto and incorporated herein by this reference for all purposes, in accordance with the PID Act; (ii) consider adoption of a Service and Assessment Plan; (iii) consider adoption of an Assessment Ordinance (to pay for a specified portion of the Budgeted Cost of the Authorized Improvements which are estimated to encompass the costs described in **Exhibit B-1** and the costs associated with the administration of the PID and issuance of the PID Bonds; and (iv) consider issuance of PID Bonds up to Two hundred twenty-one million, three hundred sixty-nine thousand, three hundred dollars ($221,369,300) in the principal amount of PID Bonds for the purpose of financing a specified portion of the costs of the Authorized Improvements and paying associated costs as authorized by the PID Act; and

WHEREAS, prior to the sale of the first PID Bond issue: (i) the City Council shall have approved and adopted the PID Resolution, a Service and Assessment Plan, and an Assessment Ordinance (collectively, the "PID Documents"); (ii) the City shall have reviewed and approved the Home Buyer Disclosure Program in substantially the same form as attached as **Exhibit E** hereto; (iii) owners of the Property constituting all of the acreage in the PID shall have executed a Landowner Agreement in substantially the same form as attached as **Exhibit F** hereto; and (iv) the Developer shall have delivered a fully executed copy of the Landowner Agreement(s) to the City; and

WHEREAS, the City Council has approved the TIRZ Ordinance and created the TIRZ; and

WHEREAS, the Developer proposes that the Authorized Improvements and certain other improvements also qualify as projects under the TIRZ Act; and

WHEREAS, prior to the sale of the first PID Bond issue, and in consideration of the Developer's agreements contained herein, the Parties will agree to the final form of the following documents: (i) the TIRZ project and finance plan; and (ii) an ordinance approving the final TIRZ Project and Finance Plan required by the TIRZ Act; and

WHEREAS, all of the City's Administrative Expenses associated with the PID will be funded by the annual levy of Assessments on the Property within the PID in accordance with the PID Act and the SAP, and the City will not be responsible for payment of such costs; and

WHEREAS, all of the City's Administrative Expenses associated with the TIRZ will be paid in accordance with the TIRZ Act and the TIRZ Project and Finance Plan, and the City will not be responsible for payment of such costs; and

WHEREAS, the Parties intend that the Property be developed as a mixed-use development, consisting of residential, industrial, retail, and commercial uses including open space, and other

public and private amenities (the "Project") that will benefit and serve the present and future citizens of the City, including the creation of substantial future tax base for the City; and

WHEREAS, the Property shall be developed pursuant to current ordinances of the City in effect as of the Effective Date, except as same may be modified by this Agreement, and an agreed upon concept plan ("Concept Plan"), which Concept Plan is attached hereto as **Exhibit C**, and **Exhibit D**, the Development Standards.

WHEREAS, the Property is currently entirely in the extra-territorial jurisdiction of the municipality as authorized by Section 212.172, Texas Local Government Code; and

WHEREAS, the Parties intend that the City shall be the exclusive provider of retail potable water services and retail sewer services to the Project; and

WHEREAS, the Parties intend that the Property shall be voluntarily annexed into the City in accordance with the terms and conditions of this Agreement; and

WHEREAS, the Parties agree that this Agreement constitutes a "permit" within the meaning of Chapter 245, Texas Local Government Code; and

WHEREAS, the Property is subject to that certain 549 Development Agreement, dated July 18, 2006 as amended by any and all amendments executed prior to the Effective Date, including the Property and Municipal Utility Districts 1, 2, and 4C (collectively, the "Original Development Agreement"); and

WHEREAS, the Property is subject to that certain Strategic Partnership Agreement Between the City of Terrell, Texas and Las Lomas Municipal Utility District No. 4 of Kaufman County, dated November 7, 2006, and that certain Strategic Partnership Agreement Between the City of Terrell, Texas and Las Lomas Municipal Utility District Nos. 1, 2 and 4 of Kaufman County, Texas, dated November 7, 2006 (as each may be amended from time to time and collectively the "Strategic Partnership Agreements"); and

WHEREAS, on December 20, 2022, the City Council of the City of Terrell approved Resolution No. 2050 authorizing the Mayor to execute this Agreement and the TIRZ #2 Board approved the Resolution on July 3, 2023 (collectively, the "Authorization Approvals");

NOW THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are acknowledged and agreed by the Parties, the Parties agree as follows:

ARTICLE I
DEFINITIONS

Unless the context requires otherwise, the following terms shall have the meanings hereinafter set forth:

Administrative Expenses shall include, without limitation, expenses incurred by the City in the establishment, administration, and operation of the PID and the TIRZ, including, but not limited

to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the PID and TIRZ and preparing the Assessment Rolls, (iii) computing, levying, collecting and transmitting the Assessments or the installments thereof, (iv) maintaining the record of installments, payments, and reallocations and/or cancellations of the Assessments, (v) investing or depositing the Assessments or other monies, (vi) complying with the PID Act, and (vii) administering the construction of the Authorized Improvements.

Agreement means this Arboretum Estates Development Agreement.

Assessment means a special assessment levied by the City within the PID and the Maintenance PID pursuant to Chapter 372, Texas Local Government Code, pursuant to an Assessment Ordinance, to pay for a specific portion of the Budgeted Cost, which shall be Authorized Improvement Costs and/or the Maintenance Improvements, as applicable.

Assessment Ordinance means an ordinance adopted by the City Council which levies Assessments on the Property within the PID and/or the Maintenance PID in accordance with the PID Act to pay for a specified portion of the costs of certain Authorized Improvements and/or Maintenance PID Improvements, as applicable, and interest thereon set forth in the Service and Assessment Plan as well as the costs associated with the issuance of the PID Bonds that provide a special benefit to the Property.

Assessment Roll(s) means the Assessment Roll(s) attached 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 update to the Service and Assessment Plan, showing the total amount of the Assessment against each parcel assessed under the Service and Assessment Plan related to the Authorized Improvements and the Maintenance Improvements, as applicable.

Authorization Approvals has the meaning given to it in the Recitals above and are attached hereto as **Exhibit O** and incorporated herein by this reference for all purposes.

Authorized Improvements means water, sewer, drainage, and roadway infrastructure and public improvements needed to serve and fully develop the Property and to be constructed by the Developer or caused to be constructed by the Developer, including but not limited to the improvements listed in **Exhibit B** and as fully described in the SAP, and as authorized by Section 372.003 of the PID Act.

Authorized Improvement Costs means the actual costs of design, engineering, construction, acquisition, and inspection costs of the Authorized Improvements, and all costs related in any manner to the Authorized Improvements.

Bond Indenture means a trust indenture by and between the issuer of PID Bonds and a trustee bank under which PID Bonds are issued and funds disbursed.

Bond Ordinance means an ordinance adopted by the City Council that authorizes and approves the issuance and sale of PID Bonds.

Budgeted Cost means, with respect to any given Authorized Improvement, the estimated cost of such improvement as set forth in **Exhibit B-1**.

Certification for Payment Form means a certificate which shall be submitted to the City no more frequently than monthly for work completed on any of the Authorized Improvements, in substantially the same form as **Exhibit G** attached hereto.

City means the City of Terrell, Texas, a home-rule municipality located in Kaufman County, Texas.

City Code means the Code of Ordinances, City of Terrell, Texas.

City Council means the City Council of the City.

City Manager means the current or acting City Manager of the City, or a person designated to act on behalf of that individual if the designation is in writing and signed by the current or acting City Manager.

City Regulations means City Code provisions, ordinances, design standards, uniform and international building and construction codes, and regulations duly adopted by the City as of the Effective Date, save for any amendments that may be required by state law to protect the health or safety of the residents of the City, and including a planned development district zoning ordinance and the Development Standards attached hereto as **Exhibit D** and subject to the provisions of Section 10.1 and 10.2.

Cost Underruns means actual Authorized Improvement Costs that are less than the Budgeted Costs set forth in the SAP.

Developer means MM Terrell 1098, LLC and its successors and assigns, responsible for developing the Project and causing the Property to be developed in accordance with this Agreement.

Development means the new development on the Property constructed in accordance with this Agreement and which constitutes the Project.

Economic Development Agreement means an agreement between the Developer and City in which the City agrees to provide a grant to the Developer or its assigns in the form of a Chapter 380 grant.

Effective Date means the date upon which the last of all of the Parties has approved and duly executed this Agreement.

Eminent Domain Fee means all reasonable and necessary legal proceeding/litigation costs, compensation awards by courts or negotiated amounts for the condemned property interest, attorneys' fees, appraiser and expert witness fees, interest, court costs, mediation fees, deposition costs, copy charges, courier fees, postage and taxable court costs paid or incurred by the City in the exercise of its eminent domain powers that for any reason are not funded by the proceeds of PID Bonds, if PID Bonds are issued, or Assessments if PID Bonds are not issued.

End Buyer means any Developer, homebuilder, tenant, user, or owner of a Fully Developed and Improved Lot.

Force Majeure means any act that (i) materially and adversely affects the affected Party's ability to perform the relevant obligations under this Agreement or delays such affected Party's ability to do so, (ii) is beyond the reasonable control of the affected Party, (iii) is not due to the affected Party's fault or negligence and (iv) could not be avoided, by the Party who suffers it, by the exercise of commercially reasonable efforts. "Force Majeure" shall include: (a) natural phenomena, such as storms, floods, lightning and earthquakes; (b) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (c) transportation disasters, whether by ocean, rail, land or air; (d) strikes or other labor disputes that are not due to the breach of any labor agreement by the affected Party; (e) fires; (f) epidemics or pandemics; (g) governmental shutdowns; (h) actions or omissions of a governmental authority (including the actions of the City in its capacity as a governmental authority) that were not voluntarily induced or promoted by the affected Party, or brought about by the breach of its obligations under this Agreement or any applicable law or failure to comply with City Regulations; (i) significant and unusual changes in market condition; and (j) any strike or labor dispute involving the employees of the Developer or any affiliate of the Developer, other than industry or nationwide strikes or labor disputes.

Fully Developed and Improved Lot means any lot in the Property, regardless of proposed use, intended to be served by the Authorized Improvements, and/or other public improvements, and for which a final plat has been approved by the City and recorded in the Real Property Records of Kaufman County, Texas.

Home Buyer Disclosure Program means the disclosure program, administered by the PID Administrator as set forth in a document in substantially the same form as **Exhibit E** that establishes a mechanism to disclose to each End Buyer the terms and conditions under which their lot is burdened by the PID.

Landowner(s) means the Developer and any additional owners of the Property within the PID.

Landowner Agreement means an agreement by and between the City and a Landowner consenting to the form and terms of the PID Documents in a form substantially similar to **Exhibit F** attached hereto.

Notice means any notice required or contemplated by this Agreement (or otherwise given in connection with this Agreement).

Parcel(s) means any parcel of land located within a PID or TIRZ identified by either a tax map identification number assigned by the Kaufman Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the Real Property Records of Kaufman County.

PID means a public improvement district to be considered for creation by the City for the benefit of the Property pursuant to Chapter 372, Texas Local Government Code, to be known as the Arboretum Estates Public Improvement District.

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

PID Administrator means a company, entity, employee, or designee of the City, who is experienced in public improvement districts and assessment administration and who shall have the responsibilities provided in the Service and Assessment Plan or any other agreement or document approved by the City related to the duties and responsibilities for the administration of the PID.

PID Bonds means special assessment revenue bonds issued by the City through the PID.

PID Bond Proceeds means the funds generated from the sale of the PID Bonds.

PID Resolution means the resolution adopted by the Council creating a PID pursuant to Section 372.010 of the PID Act and approving the advisability of the Authorized Improvements.

Project Fund(s) means the interest-bearing construction fund account(s) as set forth in the applicable Bond Indenture.

Property means the real property described by metes and bounds and depicted on **Exhibit A**.

Real Property Records of Kaufman County means the official land recordings of the Kaufman County Clerk's Office.

Reimbursement Agreement means an agreement between the City and the Developer in which Developer agrees to fund certain costs of the Authorized Improvements and the City agrees to reimburse Developer out of PID Bonds or Assessments for a portion of such costs of the Authorized Improvements funded by Developer with interest with the proceeds of Assessments as permitted by the PID Act.

Service and Assessment Plan or SAP means a PID and/or Maintenance PID Service and Assessment Plan adopted by the City Council, as may be updated, supplemented, and amended annually, if needed, by the City Council pursuant to the PID Act for the purpose of assessing allocated costs against property located within the boundaries of the PID having terms, provisions and findings approved by the City, as required by this Agreement.

TEDC means the Terrell Economic Development Corporation.

TIRZ means the Tax Increment Reinvestment Zone No. 2 encompassing the Property and other contiguous parcels, created by the City on August 23, 2022 by Ordinance No. 2918.

TIRZ Act means Chapter 311, Texas Tax Code, as amended.

TIRZ Fund means the fund (including any subaccounts) set up by the City in order to receive the TIRZ funds in accordance with this Agreement and the TIRZ Documents.

TIRZ Documents means, as it relates to the Property, the TIRZ Project and Finance Plan, and the TIRZ Ordinance, as may be amended.

TIRZ Ordinance means the City ordinance creating the TIRZ pursuant to the TIRZ Act, and any subsequent ordinances effectuating amendments thereto.

TIRZ Project and Finance Plan means the project and finance plan for the TIRZ approved in accordance with the TIRZ Act.

TIRZ Projects means those projects, including the Authorized Improvements, as estimated in **Exhibit B-1**, to be undertaken by the PID as well as the TIRZ.

ARTICLE II
ARBORETUM ESTATES DEVELOPMENT

2.1 Scope of Agreement & Additional Land.

(a) This Agreement contemplates a plan for development of the Property in accordance with the City Regulations, except as same may be modified by this Agreement, together with future actions by the Parties, that if approved, will establish provisions for the apportionment, levying, and collection of Assessments on the Property within the PID, the construction of the Authorized Improvements, reimbursement, acquisition, ownership and maintenance of the Authorized Improvements, the issuance of PID Bonds for the financing of the Authorized Improvements benefitting the Property within the PID, the creation of the TIRZ for the Property, and the use of TIRZ funds.

(b) Upon the acquisition of the Additional Land by the Developer, the Property shall be deemed to include the Additional Land for all purposes herein, except that zoning, to be consistent with the Concept Plan and Development Standards, must be specifically approved by the City Council.

(c) Terrell 13P, Blue Star and Squeaky (collectively, the "Master Developer Property Owners") join in the execution of this Agreement as the landowners of the Master Developer Property and each of the Master Developer Property Owners, individually, hereby acknowledges, agrees and consents to all terms and conditions of this Agreement encumbering the portion of the Master Developer Property owned by such party.

2.2 Development Overview – Arboretum Estates Development.

(a) The Developer will undertake or cause the undertaking of the design, development, and construction of the Development, including the Authorized Improvements and any other public improvements. The Development is generally shown on the Concept Plan attached as **Exhibit C** hereto, which is subject to modifications in accordance with Section 10.8 of this Agreement, and the City agrees and acknowledges that the number of residential lots shall not be reduced without the consent of the Developer.

(b) Subject to the terms and conditions set forth in this Agreement, the Developer shall plan, design, construct, and complete or cause the planning, designing, construction and completion of the Authorized Improvements or any public improvements to the City's standards and specifications and subject to the City's approval in accordance with City Regulations, and the Development Standards as set forth in **Exhibit D** attached hereto.

(c) Upon completion, inspection and acceptance by the City, the City shall own all of the Authorized Improvements; subject to certain maintenance responsibilities of the HOA or POA, for a portion of the Authorized Improvements related to open spaces, common areas, right-of-way irrigation systems, right-of-way landscaping, screening walls, drainage areas, detention areas and any other common improvements or appurtenances not maintained and operated by the City.

ARTICLE III
PUBLIC IMPROVEMENT DISTRICT

3.1 Creation and Levy of Assessments. A petition to create the Arboretum Estates Public Improvement District (the "PID Petition") has been or shall be submitted to the City supported by such additional documentation as the City may require. The form of the PID Petition is attached hereto as **Exhibit J** and incorporated herein by this reference for all purposes. The City shall initiate and consider for approval all necessary documents and ordinances required under the PID Act, to create the PID, to levy the Assessments on property within the PID, and to prepare and consider for approval the Service and Assessment Plan providing for the levy of the Assessments on the property within the PID, including without limitation the resolution creating the PID (the "PID Resolution"), which form of the PID Resolution is attached hereto as **Exhibit K** and incorporated herein by this reference for all purposes. Promptly following preparation and approval of a preliminary Service and Assessment Plan for the PID acceptable to the Developer and the City and subject to City Council making findings that the Authorized Improvements confer a special benefit on the property within the PID, the City Council shall consider an Assessment Ordinance. The Developer shall develop the Property consistent with the terms of this Agreement and any approved PID.

3.2 Acceptance of Assessments and Recordation of Covenants Running with the Land. Concurrently with the levy of the Assessment(s), the Landowners shall approve and accept in writing the levy of the Assessment(s) on all land owned by the Landowners and shall approve and accept in writing the Home Buyer Disclosure Program in substantially the same form as attached as **Exhibit E** hereto and shall cause to be recorded against the Property covenants running with the land that will bind any and all current and successor Developers and owners of the Property to: (i) pay the Assessments, with applicable interest and penalties thereon, as and when due and payable hereunder and that the purchasers of such land take their title subject to and expressly assume the terms and provisions of such Assessments and the liens created thereby; and (ii) comply with the Home Buyer Disclosure Program.

3.3 PID Assessment Amount. The maximum equivalent tax rate for the Assessment shall not exceed $1.25 per $100 assessed value, based upon the estimated average home value as defined in the adopted service and assessment plan approved by the city council. Such rate limit applies on an aggregate basis for the entire Property within the PID.

ARTICLE III A
MAINTENANCE PUBLIC IMPROVEMENT DISTRICT

3A.1 Creation and Levy of Assessments. A petition (the "Maintenance PID Petition") to create the Arboretum Estates Maintenance Public Improvement District (the "Maintenance PID") has been or shall be submitted to the City supported by such additional documentation as the City

may require. The general task of the Maintenance PID is to maintain drainage facilities dedicated to the City associated with the residential properties, maintain the mowing and trash removal from the Arboretum in its undeveloped state, maintain public safety cameras and associated landscaping of public spaces dedicated to the City for the benefit of the residents (the "Maintenance PID Improvements"). The form of the Maintenance PID Petition is attached hereto as **Exhibit P** and incorporated herein by this reference for all purposes and which includes a map showing the boundary of the Maintenance PID. The City shall initiate and consider for approval all necessary documents and ordinances required under the PID Act, to create the Maintenance PID, to levy the Assessments on property within the Maintenance PID, and to prepare and consider for approval the Service and Assessment Plan providing for the levy of the Assessments on the property within the Maintenance PID, including without limitation the resolution creating the Maintenance PID (the "Maintenance PID Resolution"), which form of the Maintenance PID Resolution is attached hereto as **Exhibit Q** and incorporated herein by this reference for all purposes. Promptly following preparation and approval of a preliminary Service and Assessment Plan for the Maintenance PID acceptable to the Developer and the City and subject to City Council making findings that the Maintenance PID Improvements confer a special benefit on the property within the Maintenance PID, the City Council shall consider an Assessment Ordinance, which proposed form of the Assessment Ordinance is attached hereto as **Exhibit R** and incorporated herein by this reference for all purposes.

3A.2 Acceptance of Assessments and Recordation of Covenants Running with the Land. Concurrently with the levy of the Assessment(s), the Landowners shall approve and accept in writing the levy of the Assessment(s) on all land owned by the Landowners and shall approve and accept in writing the Home Buyer Disclosure Program in substantially the same form as attached as **Exhibit E** hereto and shall cause to be recorded against the Property covenants running with the land that will bind any and all current and successor Developers and owners of the Property to: (i) pay the Assessments, with applicable interest and penalties thereon, as and when due and payable hereunder and that the purchasers of such land take their title subject to and expressly assume the terms and provisions of such Assessments and the liens created thereby; and (ii) comply with the Home Buyer Disclosure Program.

3A.3 Maintenance PID Assessment Amount. The maximum equivalent tax rate for the Assessment shall not exceed $0.03 per $100 assessed value, based upon the estimated average home value as defined in the adopted Service and Assessment Plan approved by the City Council. Such rate limit applies on an aggregate basis for the entire Property within the Maintenance PID. Maintenance Improvements costs exceeding revenues in the Maintenance PID shall be the responsibility of the City. The Maintenance PID assessment shall not be included when calculating the $1.25 per $100 assessed value for the PID as calculated in Section 3.3.

ARTICLE IV
AUTHORIZED IMPROVEMENTS

4.1 Authorized Improvements. The Budgeted Costs, including Authorized Improvements, are subject to change and shall be updated consistent with the Service and Assessment Plan, the PID Act, the TIRZ Project and Finance Plan, and the TIRZ Act. The Authorized Improvements shall be identified and included on each approved site plan and final plat(s) for the Property as each final plat/site plan for each phase of the Property is approved by

the City. The Developer may be required to provide an updated **Exhibit B-1** with each final plat application, or site plan application as applicable, consistent with the PID/TIRZ requirements and this Agreement. Upon approval by the City Council of an updated **Exhibit B-1** with each final plat application; site plan application; or update or amendment to the Service and Assessment Plan, this Agreement shall be deemed amended to include such approved updated **Exhibit B-1**. The Budgeted Costs and/or Authorized Improvement Costs and the timetable for installation of the Authorized Improvements will be reviewed in accordance with the PID/TIRZ requirements and in accordance with the City Regulations.

4.2 Construction, Ownership, and Transfer of Authorized Improvements.

(a) Construction Plans. The Developer shall prepare, or cause to be prepared, plans and specifications for each of the Authorized Improvements and have them submitted to the City for approval in accordance with the City Regulations.

(b) Contract Award. The contracts for construction of Authorized Improvements shall be let in the name of the Developer. The Developer's engineers shall prepare, or cause the preparation of, and provide all contract specifications and necessary related documents for the Authorized Improvements. The Developer shall administer the contracts. The Authorized Improvement Costs, which are estimated on **Exhibit B-1**, shall be paid from the proceeds of PID Bonds, if the PID is approved, in accordance with the Bond Indenture, or reimbursed by the collected Assessments pursuant to the terms of a Reimbursement Agreement through the Certification for Payment Form process where the Developer or the Developer's assignee will submit invoices for payment.

(c) Construction Standards and Inspection. The Authorized Improvements will be installed within the public rights-of-way or in easements granted without cost to the City. The Authorized Improvements shall be constructed and inspected in accordance with applicable state law, City Regulations, and all others applicable development requirements, including those imposed by the City and any other governing body or entity with jurisdiction over the Authorized Improvements.

(d) Competitive Bidding. This Agreement and construction of the Authorized Improvements, including, without limitation, the TIRZ Projects, shall be exempt from competitive bidding pursuant to Sections 252.022(a)(9) and 252.022(a)(11) of the Texas Local Government Code based upon current cost estimates. However, in the event that the actual costs for the Authorized Improvements do not meet the parameters for exemption from the competitive bid requirement, then alternative delivery methods may be used by the City as allowed by law, at City's sole discretion.

(e) Ownership. All of the Authorized Improvements shall be owned by the City upon acceptance of them by the City using procedures established by the City Regulations and this Agreement. The Developer agrees to take any action reasonably required by the City where applicable to transfer or otherwise dedicate or ensure the dedication of easements for the Authorized Improvements, as applicable, to the City and the public.

(f) Authorized Improvements Constructed on the Property. If an Authorized Improvement is on land owned by the City, the City hereby grants to the Developer a temporary easement to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Authorized Improvement. If an Authorized Improvement is on land owned by the Developer, the Developer shall dedicate easements by plat or shall execute and deliver to the City such access and maintenance easements as the City may reasonably require in recordable form, and the Developer hereby grants to the City a permanent access and maintenance easement, as evidenced on the final plat of the Property, to enter upon such land for purposes related to inspection and maintenance of the Authorized Improvement. The grant of the permanent easement shall not relieve the Developer of any obligation to grant the City title to property and/or easements related to the Authorized Improvement as required by the City Regulations or this Agreement or in the City's reasonable judgment to be granted to provide for convenient access to and routine and emergency maintenance of such Authorized Improvement. The provisions for inspection and acceptance of such Authorized Improvements shall be in accordance with the City Regulations except as modified by this Agreement.

4.3 Operation and Maintenance of Authorized Improvements.

(a) Upon inspection, approval, and acceptance of the water and sewer Authorized Improvements, roadway and associated storm water Authorized Improvements, or any portion thereof, the City shall maintain and operate the accepted water and sewer infrastructure, and the roadway and associated storm water Authorized Improvements, excluding the detention ponds which shall be maintained and operated by the HOA/POA, as defined below, and provide water and sewer service to the Property.

(b) The HOA/POA, as applicable, shall maintain and operate the open spaces, common areas, right-of-way irrigation systems, right-of-way landscaping, screening walls, drainage areas, detention areas, and any other related common improvements or appurtenances not maintained and operated by the City.

ARTICLE V
ADDITIONAL DEVELOPER AND CITY OBLIGATIONS

5.1 Mandatory Homeowners' Association. The Developer will create a mandatory homeowners' association ("HOA") over residential portions of the Property, which HOA, in accordance with City Regulations and through its covenants, conditions and restrictions filed in the Real Property Records of Kaufman County or its by-laws, shall be required to assure compliance with this Agreement, and shall be required to remain solvent and assess and collect annual fees from owners in an amount calculated to operate and maintain the open spaces, common areas, detention ponds, screening walls, detention areas, and other related improvements or appurtenances that are not required to be dedicated or maintained and operated by the City within the residential portion of the Property. Common residential areas, including but not limited to all landscaped entrances to the residential portions of the Property, and all other improvements not maintained by the City shall be maintained solely by the HOA. The HOA shall be required to pay ad valorem taxes on any property owned by the HOA.

5.2 Mandatory Property Owners' Association. The Developer will create a mandatory property owners' association ("POA") over nonresidential portions of the Property (including the Master Developer Property), which POA, in accordance with the City Regulations and through its covenants, conditions, and restrictions filed in the Real Property Records of Kaufman County or its by-laws shall be required to assure compliance with this Agreement, and shall be required to remain solvent, and assess and collect annual fees from owners in an amount calculated to maintain and operate the open spaces, common areas, right-of-way irrigation systems, detention ponds, right-of-way landscaping, screening walls, and other related improvements or appurtenances that are not required to be dedicated to the City or be maintained and operated by the City within the nonresidential portions of the Property. Common nonresidential areas, including but not limited to all landscaped entrances to the nonresidential portions of the Property and right-of-way landscaping and all other improvements not maintained by the City shall be maintained solely by the POA. The POA shall be required to pay ad valorem taxes on any property owned by the POA.

5.3 Outer Loop Right-Of-Way. City and Developer anticipate a regional Outer Loop facility requiring 240 feet of right of way impacting a portion of the Property as shown on the Concept Plan. The Developer shall not be required to construct any portion of the roadways described in this Section 5.3. The Developer shall not be responsible for any and all screening required for the right-of-way referenced in this Section. The Parties intend that:

(a) a right-of-way, approximately 240 feet in width, generally known as the outer loop shall be dedicated by the Developer to the City after the Effective Date and upon written request from the City at no cost to the City or the Developer; and

(b) subject to the terms and conditions in subparts (a) above, after dedication to the City, the City shall be solely responsible for all costs and expenses associated with the right-of-way so dedicated, the Developer shall be released from any and all liability, costs and/or expenses associate with the right-of-way so dedicated, and the City, or any subsequent owner of such right-of-way, agrees to grant the Developer such easements that are reasonably necessary, if any, through the right-of-way property upon request by Developer at no cost to Developer (except that Developer shall pay for the costs of recording such easement).

5.4 Traffic Impact Analysis. The Developer, at its sole cost and expense, has conducted a traffic impact analysis for the Project, in compliance with the specifications established by the City's engineer. The Developer and the City have agreed upon additional construction requirements as a result thereof as set forth elsewhere in this Agreement as well as a special Transportation Impact Fee as described elsewhere in this Agreement.

5.5 FM 148 Expansion and Related Infrastructure.

(a) The Parties intend that FM 148 will be improved to a four-lane cross-section from IH-20 to the western edge of the Property. The Developer will not be responsible for more than four lanes within a 100' wide right-of-way, and the City shall cooperate in supporting and coordinating such improvement, provided however that any required local funding or construction shall come from the PID, the TIRZ, the Developer, or from the Texas Department of Transportation ("TxDOT"), as such funding may be available; however, the City in no way guarantees funds from TxDOT will be available for such use. Any Developer expenditures on FM

148 that are funded in whole or in part by the Developer shall be identified in the TIRZ Project and Finance Plan as an eligible project. Any Developer expenditures on FM148 are eligible for TIRZ reimbursement. The funding, if any, provided by TxDOT shall reduce the amount of any required deposit that must be made by Developer under the PID.

(b) Developer shall dedicate, during the platting process and with the cooperation of the City, sufficient utility easements necessary to relocate all utilities necessary to include such utilities within the relocated and/or expanded FM 148.

(c) The Developer shall construct entry monumentation or enhanced landscaping at the eastern entryway of FM 148 to the Project, and such enhancements or monumentation shall be eligible for reimbursement by the TIRZ or PID, to the extent allowable by applicable laws.

(d) The Developer shall coordinate a series of phased FM148 improvements with TXDOT and the City Engineer. The FM148 improvements shall begin with an engineering effort at the Developer's cost to determine a safe, cost effective phasing plan acceptable to TXDOT. Developer shall obtain, with City coordination, TXDOT approval of phasing and standards for the FM148 improvements. The Developer proposes the cross-section for Phase 1 improvements attached hereto as Exhibit N and incorporated herein by this reference for all purposes. City agrees to submit Exhibit N to TXDOT for review no later than five (5) business days after annexation. If TXDOT does not approve Exhibit N as an acceptable Phase 1, then the Developer shall be required to construct such lanes in accordance with such plans and phasing approved by TXDOT.

City shall not review any vertical building plans on the Property until such time as the Developer has obtained written TXDOT approval of the Phase 1 improvement concept together with a Final Phase four-lane divided median concept and the Developer has provided a 100% complete set of construction ready plans of the FM148 Phase 1 improvements to the City Engineer and TXDOT for review.

Pending TXDOT approval, City agrees that the Developer shall construct or cause to be constructed the following parts and lanes of FM148 in accordance with the following timeline: (i) the southern-bound (on the northern side of the Property) 2 lanes from the western boundary of the Property to CR-305 prior to the recordation of the first final plat of single-family lots in the Development; (ii) the southern-bound (on the northern side of the Property) 2 lanes from CR-305 to IH-20 prior to the recordation of the first final plat of single-family lots in the Development, provided that TXDOT does not provide a written commitment to the City and Developer that TXDOT will commence construction of such portion of such lanes prior to December 30, 2024; and (iii) the northern-bound (on the south side of the Property) 2 lanes from the western boundary of the Property to IH-20 prior to 12 years after the Effective Date (so long as Developer commences construction prior to 11 years after the Effective Date), provided that TXDOT has not constructed of such portion of such lanes prior to 10 years after the Effective Date.

Notwithstanding anything to the contrary, Developer and City agree that in no case shall the City issue single family residential building permits for greater than one thousand three hundred and thirty eight homes until such time as construction has been completed and accepted

on the TXDOT approved Final Phase four-lane divided median concept for FM148 from the western edge of the Property to IH20 .

(e) The City shall, using best commercial efforts, coordinate with TxDOT and the County to design and construct access roads along Interstate 20 beginning at a point at the westernmost corner of the Property, then northeast along the northern boundary of the Property to the intersection of FM 148 and I-20, including interchange improvements for CR 305, Las Lomas Parkway, and FM 148.

(f) All TxDOT FM 148 driveway permit plans shall be prepared by the Developer, but shall be processed, reviewed, and submitted to TxDOT by the City. The City and the Developer shall mutually cooperate to ensure the submittal process is efficient.

5.6 Water and Sewer Services

(a) *Water CCN*. The Parties acknowledge the Property is in the Rose Hill CCN and mutually agree that the City shall not issue any certificates of occupancy for any new buildings whatsoever until the entire Property is no longer in the Rose Hill CCN, unless such failure is to due factors beyond the reasonable control of the Developer, including Rose Hill SUD obtaining federal debt, Rose Hill SUD winning the existing case before the PUC against the City, or otherwise a change in circumstances making removal of the Rose Hill SUD difficult or impossible for Developer and City. It is intended that the City shall be the ultimate exclusive provider of retail potable water services, and the City and the Developer shall cooperate to annex all necessary portions of the Property into the City's water certificate of convenience and necessity and Developer shall file for decertification from Rose Hill SUD within thirty (30) days, at Developer's sole cost and expense, after the Property is annexed into the City ("Water CCN"), provided however that until such time as such Water CCN annexation is effectuated, the Developer may utilize the existing Rose Hill SUD to temporarily provide retail water services for construction until such time as the City is able to provide retail water services. In the event the Developer is unable to decertify the Property (or any portion thereof) from Rose Hill CCN after using its best commercially reasonable efforts, the City agrees that it shall work with the Developer on alternative solutions. The City shall be responsible for obtaining the Water CCN after decertification, at its sole cost and expense. Nothing in this Agreement shall prevent or interfere with the right of the City to acquire from Rose Hill SUD the CCN to provide retail water service to the Property. Developer shall not object to, or directly or indirectly interfere with, any attempt by the City to acquire such water CCN. Notwithstanding any prohibition against interference by Developer, City acknowledges and agrees that Developer is permitted to connect the Property to a Rose Hill SUD waterline for providing water services for temporary construction water to the Property if needed for Developer to meet its obligations to the Landowners. It is the agreement and intention of the Developer and the City to have the City obtain the Water CCN from Rose Hill SUD and Developer will only resort to connecting to a Rose Hill SUD waterline as a backup plan or for temporary purposes to facilitate construction. Simultaneous with annexation of the Property into the City, Developer shall apply to the Public Utility Commission of Texas for decertification of the Water CCN from Rose Hill SUD. All payments made by the Developer under this section for decertification from Rose Hill SUD shall be considered TIRZ reimbursement eligible as water system installation costs.

(b) *Internal Water Infrastructure*. To the extent feasible, internal water lines may be constructed without typical looping, subject to approval by the City's engineer, on a temporary, case by case basis. The Developer shall only allow unlooped lines for as long as is reasonably necessary, and the Developer shall provide to the City plans to create and close all normally required looping as development progresses.

(c) *Offsite Water Infrastructure*. The Developer shall be responsible for constructing or causing the construction at its own costs (subject to the City upsizing payments agreed to below) of: (i) Project 3; (ii) Project 4, but only as to the portion of the water line for Project 4 located on the Property; (iii) Project 5, all as described in the City's Freese & Nichols water study, attached hereto as **Exhibit I** and incorporated herein by this reference for all purposes. City shall be responsible for the costs associated with constructing: (I) any upsizing of the waterline in Project 3 over a 20" waterline; (II) any upsizing of the waterline in Project 4 over a 20" waterline; and (III) any upsizing of the waterline over a 12" waterline in Project 5. The Developer shall be entitled to use the City's sleeve under I-20 for part of Project 5 at no cost to Developer. In the event a construction issue arises making such route infeasible, City shall incur the cost of a new sleeve. All of the projects listed above shall be included in the Project and Finance Plan as projects eligible for reimbursement regardless of whether the City or the Developer is responsible for the costs associated therewith. Developer shall provide all necessary documents necessary for the City acquisition of easements or right of way for off-site portions of Project 5. City shall acquire such easements or rights of way at its cost. Prior to construction, Developer shall reimburse City for one hundred percent (100%) of such reasonably necessary acquisition costs. The City shall pay the Developer within fifteen (15) days after receipt of an invoice from Developer for the costs associated with any upsizing agreed by the City to be the responsibility of the City as set forth above. In the event the City fails to timely pay Developer, then Developer shall not be responsible for any upsizing of the lines or any costs associated therewith.

(d) *TEDC Water Improvements*. Developer acknowledges that buildout of various phases of the site requires either the off-site water line identified as Project "2" in **Exhibit I** or the off-site portion of the water line identified as Project "4" in **Exhibit I**. Developer consents in full with the Chapter 380 Economic Development Agreement entered into between the City and the TEDC, attached hereto as **Exhibit L** (the "TEDC Agreement"), whereby the TEDC agrees to fund up to the first ten million dollars ($10,000,000) of the costs expended for the design and construction of a water line that extends from Apache Trail to the boundary of Eastland Business Park and through the Eastland Business Park to the south side of IH-20, as specifically described in the TEDC Agreement (the "TEDC Water Improvements"). For clarity, Project "2" in **Exhibit I** is the subject of **Exhibit L**. Owner is a third-party beneficiary of the TEDC Agreement. The Parties agree that the City Engineer has the exclusive responsibility and authority to approve the design and to approve the final acceptance by the City, and that the design, construction, and testing of the water line described in the TEDC Agreement shall be conducted to the specifications and requirements of the City. Developer acknowledges that the City makes no assurances regarding the completion date of the TEDC Water Improvements nor of the cost of the water line described in the TEDC Agreement, which may exceed ten million dollars ($10,000,000) and the Parties acknowledge any such cost overrun shall not be the responsibility of the Developer. The Parties acknowledge any such cost overrun shall not be an obligation of either Party to this Agreement as there are unrelated entities intending to enter separate agreements related to this contingency. Developer consents to the Water Capital Development Fees set forth in the TEDC

Agreement shall be applicable on the Property and agrees that the City shall not issue building permits anywhere on the Property until the applicable Water Capital Development Fee for each individual building permit is calculated by the City and paid in full by the permit applicant to the City. In all cases, one hundred percent (100%) of such fees shall be placed in a special fund by the City of Terrell and, if the TEDC Water Improvements are constructed in full and complete within twenty-four (24) months after the first certificate of occupancy on the Property, City shall remit one hundred percent (100%) of any and all Water Capital Development Fee to the TEDC. In the event the TEDC Water Improvements are not accepted as complete by the City twenty-four (24) months after the first certificate of occupancy on the Property, City shall make one hundred percent (100%) of any and all Water Capital Development Fees, available to be drawn and/or used for such project, to reimburse the Developer for off-site water expenses to extend Projeet "4", or other similar project, to the City Elevated Storage Tank as such draws, uses and reimbursements are reasonably approved by the City Engineer.

(e) *Sewer CCN*. It is intended that the City shall be the ultimate exclusive provider of sewer services, and the City and the Developer shall cooperate to annex all necessary portions of the Property into the City's sewer certificate of convenience and necessity ("Sewer CCN"). The City and Developer shall cooperate as may be necessary in transferring Sewer CCN to the City under an agreement filed and approved by the Public Utility Commission of Texas.

(f) *Wastewater Service*. Except as provided in this Section and in Section 5.6(g) below, the City shall be responsible for operation and maintenance of any wastewater package plants servicing the Property, including billing and collection of all wastewater fees at all times. The Developer shall pay all costs for construction, lease, maintenance and operations of any wastewater package plants or other treatment servicing the Property until the Property contains 892 Dwelling Unit Equivalents (the "Payment Trigger Date"). After the Payment Trigger Date, the City shall pay all costs for any wastewater package plants or other sewer treatment options servicing the Property.

(g) *Initial Wastewater Treatment Plant*. The Developer shall construct or cause the construction of, at its own expense, and to at least the minimum requirements of the City Engineer, all phases of a 0.33 MGD facility the "Initial Wastewater Treatment Plant" in the location depicted on **Exhibit C** (Concept Plan). Developer may be allowed to lease the same with prior review and approval of the lease terms by the City, such review not to be unreasonably delayed or withheld. The initial size of the Initial Wastewater Treatment Plant will be 0.14 MGD which the Developer estimates will serve (i) 350,000 square feet of industrial/commercial uses; (ii) 315 multifamily units; and (iii) 512 single-family units. Additional phases up to 0.33 MGD will be based upon actual demand and Developer will commence construction when the existing phase is at 70% capacity. Prior to completion of the 1st Dwelling Unit Equivalent, the Developer will provide to the City the alternate temporary wastewater removal or treatment process Developer proposes to use until the completion of the Initial Wastewater Treatment Plant, which may include pump and haul services. Developer shall be permitted to utilize a pump and haul service in lieu of leasing temporary wastewater treatment plant until the Initial Wastewater Treatment Plant is constructed and operational. At any time the Initial Wastewater Treatment Plant is unable to fully service the Property, Developer may utilize pump and haul services. The City agrees that any future phases of any wastewater treatment solution necessary for treatment beyond the capacity of the 0.33 MGD facility shall be completed at the expense of the City under a design

approved solely by the City Engineer. City commits to use best efforts to provide such treatment solutions so that building permits issuance is not delayed, conditioned or withheld due to a lack of a wastewater treatment solution. In the event of an unforeseen delay in the City's provision of additional wastewater capacity and the City provides notice of such delay to Developer, at any time after the 669th single family home receives a certificate of occupancy, Developer may provide notice in writing to City that it intends to lease additional temporary capacity if the City is unable to meet a 365-day performance period. If City fails to meet such notice period or cannot reasonably demonstrate that it is on schedule to do so, any temporary wastewater solution approved by the TCEQ and provided by Developer shall be eligible for 100% reimbursement from the City Utility Capital Reserve Fund or other City source under the condition that the City shall not use the Infrastructure PID or Arboretum Estate Fund to make such payment to Developer. Payment by City shall be due when Developer has invoiced City with full documentation of all costs expended up to the date of invoice. Any such invoice shall be due within thirty (30) days of receipt by City. Any such Developer improvement shall be designed and implemented as an annual facility lease of a temporary package plant. Until the Payment Trigger Date, the City shall pay to Developer 90% of all wastewater only revenue received strictly from any of the Dwelling Unit Equivalents being serviced within the Property by Developer's wastewater treatment solution.

(h) *Long-term Wastewater Treatment.* Upon the Payment Trigger Date, the Initial Wastewater Treatment Plant shall be subject to a 3rd party inspection selected exclusively by the City Engineer and, if found to be in full working order and in good repair, shall be accepted as a dedicated public improvement owned by the City free and clear of all liens, claims or encumbrances or, if leased, the lease to such shall transfer to the City. The City will manage and operate the Initial Wastewater Treatment Plant and shall serve as the retail wastewater service provider for the Property beginning with the 893rd Dwelling Unit Equivalent. After the Payment Trigger Date, all revenue from all wastewater billing on the Property and all maintenance and operational expenses for wastewater treatment, including all capital improvements, will become the responsibility of the City. It shall be at the City's discretion to construct and operate a permanent City wastewater treatment plant at this site, or in the alternative to transfer wastewater from this site by means of a pipeline and/or other means to the existing Terrell plant for treatment there or another solution.

5.7 *Easements, Land and Right of Way for all Public Infrastructure.* City and Developer agree City shall not process any plat for any portion of the Property until such time as the land necessary for related water, sewer, roads, parks, drainage, public safety facilities, school site facilities and any other public element necessary for the applicable plat as shown on the Concept Plan is included in the plat application at no cost to the City, except that the right-of-way may be withheld from the plat application and may be conveyed via separate instrument in order to qualify such costs associated therewith for reimbursement under the PID.. It may be included in the plat application as a plat requirement or by separate instrument filed with the plat application, in either case there shall be no payment made for the cost of the land whatsoever. The cost of land dedicated to public use on the Property shall be a TIRZ or PID reimbursable expense.

5.8 Public Safety. The Developer shall dedicate approximately two and one half (2.5) acres for a public safety facility/fire station site or use, as generally depicted on the Concept Plan attached hereto as **Exhibit C**. Developer shall cooperate with the Terrell Police Department ("TPD") in TPD's installation and maintenance of a TPD-approved, real-time camera system with

automatic license plate reader functionality that is integrated with TPD-maintained systems. Purchase, installation, and maintenance costs will be paid by the City.

5.9 Streets and Thoroughfares.

(a) The Developer shall build all streets (except for FM 148, which FM 148 is subject to TXDoT requirements as set forth above in Section 5.3) in full compliance with the Design Standards of this Agreement, subject to the variance on road thickness and subgrade shown in **Figure 01** below, or by lower standards if approved by the City Engineer due to site specific evaluation. The Parties acknowledge and agree that sidewalks are to be constructed by individual builders within the Project.

Figure 01

Pavement Design Section Based on ESAL Design

Roads:	Residential	Collector B	Collector A	Las Lomas Pkwy (S. of Collector B)	Las Lomas Pkwy (N. of Collector B)
Concrete Thickness (inches)	6	7	10	10	10
Flexible Base Thickness (inches)	6	8	10	10	10

(b) The to-be-constructed Las Lomas Parkway shall be located on 130 feet of right-of-way and constructed with the intent to minimize the size of a flyover intersection with IH-20, and the City shall cooperate with the Developer where practical in the design and determination of the location of said parkway. Las Lomas Parkway shall be constructed as a four-lane divided roadway from IH-20 south to the southern edge of the EMS site as identified on the Concept Plan. Starting at the southern edge of the EMS site as identified on the Concept Plan, Las Lomas Parkway shall transition to a three-lane undivided roadway and continue as such to Collector A as identified on the Concept Plan. Starting at Collector A and continuing to the southern limits of the property, Las Lomas Parkway shall be constructed as a two-lane undivided roadway. Las Lomas Parkway shall be constructed in the following phases: (i) prior to Developer recording a final plat for its first single-family lot, Developer shall construct or cause to be constructed the western most two lanes from IH-20 to the first single-family access point as shown on **Exhibit M** attached hereto and incorporated herein by this reference for all purposes (the "Roadway Phasing Plan"); (ii) prior to Developer recording a final plat for the 515th single-family lot, Developer shall construct or cause to be constructed the western most two lanes from the first single-family access point to the Phase 2 southern boundary as shown on the Concept Plan; (iii) prior to Developer recording a final plat for the 830th single-family lot, Developer shall construct or cause to be constructed the eastern most two lanes from FM148 to the EMS Site as shown on the Roadway Phasing Plan; (iv) for the eastern most two lanes north of FM148, Developer shall construct or cause to be constructed such lanes after TXDOT builds the frontage road or upon the requirement of the fire marshal for safety purposes, but in no event earlier than at the time of the platting of the next phase after TXDOT builds the frontage road or upon the requirement of the fire marshal for safety purposes; and (v) prior to the development of any future phases, Developer shall construct or cause to be constructed all lanes adjacent to such future phase as shown on the Roadway Phasing Plan. Las Lomas Parkway will be designed and constructed to facilitate the City's future planned expansion.

(c) The to-be-constructed Collector B shall be constructed from the western boundary of Phase 1 to the parking lot of the arboretum, as shown on the Roadway Phasing Plan.

(d) The to-be-constructed Collector A shall be constructed from FM148 to the Phase 1 access point, as shown on the Roadway Phasing Plan.

5.10 Park and Dry Pond. The Developer shall dedicate land to the City suitable for an eight-acre park, suitable for dry detention and other recreational activities and which shall contain no irrigation, but shall be levelled and grass reestablished, at the time of development of the adjacent phase so as to establish grass and play space. A set of soccer goals and softball/baseball backstop shall be installed. Lighting and irrigation and any other improvements shall not be required for such park. The City shall maintain the park dedicated under this Section. Maintenance costs will be paid by a maintenance Public Improvement District as set forth in this Agreement at all times, including those times prior to subdividing the single family residential portion of the land. The park described in this Section 5.10 shall be dedicated in a manner to permit the costs associated therewith to be reimbursed to Developer by the PID.

5.11 Sports Park. The Developer shall dedicate land to the City suitable for a seven-acre sport park within the Property, which shall be suitable for softball/baseball, soccer, basketball, or similar activities, but not for water retention or detention. Lighting and irrigation and any other improvements shall not be required for such park. The park described in this Section 5.11 shall be dedicated in a manner to permit the costs associated therewith to be reimbursed to Developer by the PID. The City shall maintain, at its sole cost and expense, the park dedicated under this Section.

5.12 School Site. The Developer shall dedicate as part of Phase 2 a minimum of fifteen and one half 15.5 acres of land to the City for school facilities, in a location mutually agreeable to the City and Developer, consistent with the Concept Plan.

5.13 Stormwater Drainage Design. The Developer shall design all stormwater drainage to comply with the City's Technical Construction Standards and Specifications that were applicable and effective on December 31, 2022. The Developer shall not be required to comply with any additional requirements of the City that were imposed after December 31, 2022. However, the Developer is hereby permitted to request City Engineer's approval of polypropylene pipe, as an alternative specification for storm drainage pipes, or any other variances to the December 31, 2022 requirement.

ARTICLE VI
PID BONDS

6.1 PID Bonds.

(a) The City shall consider issuing PID Bonds, in one or more series, solely for the purposes of financing the costs of the Authorized Improvements and related costs (excluding Administrative Expenses) and paying issuance costs, Administrative Expenses, and the cost of funding all reserves, accounts, and funds required by the applicable Bond Ordinance (including a

capitalized interest account, if any, a debt service reserve fund, and the Project Fund). The Developer has determined and hereby agrees that the maximum aggregate principal amount of PID Bonds will be Two hundred twenty-one million, three hundred sixty-nine thousand, three hundred dollars ($221,369,300). The City staff will, from time to time, submit to the City Council agenda items to approve the issuance of PID Bonds by the City (in one issue or in a series of issues over the years as set out in any PID approved by the City) in an amount up to, but not to exceed, the maximum aggregate principal PID Bond amount of Two hundred twenty-one million, three hundred sixty-nine thousand, three hundred dollars ($221,369,300). Notwithstanding the foregoing, the City's obligation to approve the issuance of PID Bonds is at the sole discretion of the City and is subject to the City's review and confirmation that the Assessments are reasonable relative to the market as determined by the City Council.

(b) The issuance of PID Bonds is subject to the following conditions:

(1) a minimum value to lien ratio of at least 2:1 based on the anticipated final build-out lot values as provided in a third-party appraisal for any issuance of PID Bonds and a minimum PID Bond amount of not less than three million dollars. PID Bonds shall not be issued by a third-party conduit issuer.

(2) The City has determined that the PID Bonds assessment level, structure, terms, conditions and timing of the issuance of the PID Bonds are reasonable for the Authorized Improvements Cost to be financed and that there is sufficient security for the PID Bonds to be creditworthy.

(3) All costs incurred by the City that are associated with the administration of the PID shall be paid out of assessment revenue levied against property within the PID. City administration costs shall include those associated with continuing disclosure, compliance with federal tax law, agent fees, staff time, regulatory reporting, and legal and financial reporting requirements. These administrative cost payments shall be limited to administrative costs approved by the PID Administrator.

(4) The City has formed and utilized its own financing team including, but not limited to, bond counsel, financial advisor, Administrator, and underwriters related to the issuance of PID Bonds and bond financing proceedings.

(5) Approval by the Texas Attorney General of the PID Bonds and registration of the PID Bonds by the Comptroller of Public Accounts of the State of Texas.

(6) The Developer is current on all taxes, assessments, fees and obligations to the City including without limitation payment of Assessments.

(7) The Developer is not in default under this Agreement or, with respect to the Property, any other agreement to which Developer and the City are parties.

(8) No outstanding PID Bonds are in default and no reserve funds established for outstanding PID Bonds have been drawn upon that have not been replenished.

(9) The Administrator has indicated that the specified portions of the Authorized Improvements Cost to be paid from the proceeds of the PID Bonds are eligible to be paid with the proceeds of such PID Bonds.

(10) The Authorized Improvements to be financed by the PID Bonds have been or will be constructed according to the approved Development Standards imposed by this Agreement.

(11) The City has determined that the PID Bonds meet all regulatory and legal requirements applicable to the issuance of the PID Bonds.

(12) [Intentionally Deleted]

(13) 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.

(14) The Developer agrees to provide periodic information and notices of material events regarding the Developer and the Developer's development within the PID in accordance with any Developer Continuing Disclosure Agreement required to be executed by the Developer in connection with the issuance of PID Bonds.

(15) Developer is not in default under a Developer Continuing Disclosure Agreement.

(16) Simultaneous with closing the PID Bonds, the City shall require the Developer to provide evidence of financial security sufficient to fund the Authorized Improvements, which fiscal security may be in the form of evidence of available funds to the Developer in cash or a under a lending facility, which evidence may be supplied through a letter from the Developer's financial institution or lending provider, to the extent that the Authorized Improvements have not already been completed and paid for by Developer or otherwise to the extent that the PID Bonds are insufficient to fund such Authorized Improvements;

(17) [Intentionally Deleted].

6.2 Non-Bank Qualified Debt.

(a) In any calendar year in which PID Bonds are issued, the Developer agrees to pay the City additional costs occurring solely from the difference in interest cost ("Additional Costs") the City may incur in the issuance of City obligations (the "City Obligations") as described in this Section if the City Obligations are deemed not to qualify for the designation of "qualified tax-exempt obligations" ("QTEO") as defined in section

265(b)(3) of the Internal Revenue Code of 1986, as amended, as a result of the issuance of PID Bonds by the City in any given year. The City agrees to deposit all funds for the payment of such Additional Costs received under this Section into a segregated account of the City, and such funds shall remain separate and apart from all other funds and accounts of the City until December 31 of the calendar year in which the PID Bonds are issued, at which time the City is authorized to utilize such funds for any purpose permitted by law. Additionally, the City will provide the Developer on an annual basis no later than December 15th each year the projected amount of City Obligations to be issued in the upcoming year based on its annual budget process.

(b) In the event the City issues PID Bonds prior to the issuance of City Obligations, the City, with assistance from its Financial Advisor, shall calculate the estimated Additional Costs based on the market conditions as they exist approximately forty-five (45) days prior using independent third party public pricing information to the date of the pricing of the PID Bonds (the "Estimated Additional Costs"), the City shall provide a written invoice to the Developer, and the Developer shall have ten (10) days to review and provide input on the calculation to the City. The Developer shall pay such Estimated Additional Costs to the City on or before the earlier of (i) ten (10) business days after the date of the City's invoice or (ii) fifteen (15) business days prior to pricing the PID Bonds. The City shall not be required to price or sell any issue of PID Bonds until the Developer has paid to the City the Estimated Additional Costs related to the PID Bonds then being issued. The Estimated Additional Costs are an estimate of the increased cost to the City to issue its City Obligations as non-QTEO. Upon the City's approval of the City Obligations, the City's Financial Advisor shall calculate the actual Additional Costs to the City of issuing its City Obligations as non-QTEO (the "Actual Increased Costs"). The City will, within five (5) business days of the issuance of the City Obligations, notify the Developer of the Actual Increased Costs. In the event the Actual Increased Costs are less than the Estimated Additional Costs, the City will refund to the Developer the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's Notice to the Developer of the Actual Increased Costs. If the Actual Increased Costs are more than the Estimated Additional Costs, the Developer will pay to the City the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's Notice to the Developer of the Actual Increased Costs. If the Developer does not pay the City the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's Notice to the Developer of the Actual Increased Costs, the Developer shall not be paid any reimbursement amounts under any Reimbursement Agreement(s) related to the PID or the Project until such payment is made in full.

(c) In the event the City issues City Obligations prior to the issuance of PID Bonds, the City's Financial Advisor shall calculate the estimated Additional Costs based on the market conditions as they exist approximately forty-five (45) days prior to the date of the pricing using independent third party public pricing information of the City Obligations (the "Estimated Additional City Obligation Costs"), the City shall provide a written invoice to the Developer, and the Developer shall have ten (10) days to review and provide input on the calculation to the City. The Developer shall pay such Estimated Additional City Obligation

Costs to the City at least fifteen (15) days prior to pricing the City Obligations. If the Developer has not paid the Estimated Additional City Obligation Costs to the City by the required time, the City, at its option, may elect to designate such City Obligations as QTEO, and the City shall not be required to issue any PID Bonds in such calendar year. The Estimated Additional City Obligation Costs are an estimate of the increased cost to the City to issue its City Obligations as non-QTEO. Upon the City's approval of the City Obligations, the City's Financial Advisor shall calculate the actual Additional Costs to the City of issuing its City Obligations as non-QTEO (the "Actual Increased City Obligation Costs"). The City will, within five (5) business days of the issuance of the City Obligations, notify the Developer of the Actual Increased City Obligation Costs. In the event the Actual Increased City Obligation Costs are less than the Estimated Additional City Obligation Costs, the City will refund to the Developer the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's Notice to the Developer of the Actual Increased City Obligation Costs. If the Actual Increased City Obligation Costs are more than the Estimated Additional City Obligation Costs, the Developer will pay to the City the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's Notice to the Developer of the Actual Increased City Obligation Costs. If the Developer does not pay the City the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's Notice to the Developer of the Actual Increased City Obligation Costs, the Developer shall not be paid any reimbursement amounts under any Reimbursement Agreement(s) or from the proceeds of PID Bonds, related to the PID or the Project until such payment is made in full.

(d) To the extent any developer(s) or the Developer(s) (including the Developer, as applicable) has (have) paid Additional Costs for any particular calendar year, any such Additional Costs paid subsequently by a developer or Developer(s) (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 Developer(s) (including the Developer, as applicable) as necessary so as to put all developers and the Developer so paying for the same calendar year in the proportion set forth in subsection (e), below, said reimbursement to be made by the City within ten (10) business days after its receipt of such subsequent payments of such Additional Costs.

(e) Notwithstanding whether any other developer has agreed to pay Additional Costs in connection with such other developer's developments in the City, the Developer shall only be liable for its portion of the Additional Costs under this provision, and if any Additional Costs in excess of the Developer's portion had already been paid to the City under this provision, then such excess of Additional Costs shall be repaid to the Developer from funds on deposit with the City and otherwise unencumbered. The portion owed by the Developer shall be determined by dividing the total bond proceeds from any debt issued on behalf of the Developer in such calendar year by the total bond proceeds from any debt issued by the City.

ARTICLE VII
PAYMENT OF AUTHORIZED IMPROVEMENTS

7.1 Improvement Account of the Project Fund. On the date of issuance of any PID Bonds, the City shall establish the Improvement Account of the Project Fund in accordance with the applicable Bond Indenture. Any Improvement Account of the Project Fund shall be maintained as provided in the Bond Indenture and shall not be commingled with any other funds of the City. Any Improvement Account of the Project Fund shall be administered and controlled (including signatory authority) by the City, or the trustee bank for the PID Bonds, and funds in the Improvement Account of the Project Fund shall be deposited and disbursed in accordance with the terms of the Bond Indenture. In the event of any conflict between the terms of this Agreement and the terms of the Bond Indenture relative to deposit and/or disbursement, the terms of the Bond Indenture shall control.

7.2 Cost Overrun. In advance of the Developer letting a contract for the Authorized Improvements, the City shall confirm that the cost for construction of such Authorized Improvements is generally consistent with the Budgeted Costs provided on **Exhibit B.1**, as amended from time to time pursuant to this Agreement. If the total cost of an Authorized Improvements (or segment or section thereof) exceeds the Budgeted Cost for such Authorized Improvement (or segment or section thereof) (a "Cost Overrun"), the Developer shall be solely responsible for the remainder of the Authorized Improvements Costs (or segment or section thereof), except as provided for in Section 7.3 below.

7.3 Cost Underrun. If, upon the completion of construction of an Authorized Improvement (or segment or section thereof) and payment or reimbursement for such Authorized Improvement, there are Cost Underruns, any remaining Budgeted Cost(s) may be available to pay Cost Overruns on any other Authorized Improvement with the approval of the City Manager. The elimination of a category of Authorized Improvements as set forth in the Service and Assessment Plan will require an amendment to the SAP. Prior to the completion of all of the Authorized Improvements within an improvement category, as listed in the applicable SAP and the PID, funds available from an improvement category may be used as Cost Underruns and applied to another Improvement category without approval of the City. If, upon completion of the Authorized Improvements in any improvement category, there are funds remaining in any improvement categories, those funds can then be used to reimburse the Developer for any qualifying costs of the Authorized Improvements that have not been previously paid.

7.4 Prioritization of Payments and Remainder of Funds in the Improvement Account of the Project Fund. Authorized Improvement costs shall be paid first from Bond proceeds, and then from any Developer deposit maintained. If funds remain in the improvement account of the Project Fund created under the Bond Indenture after the completion of all Authorized Improvements and, excluding any Developer deposit, the payment of all Authorized Improvement Costs as provided for in the Bond Indenture, then such funds thereafter shall be the exclusive property of the City and shall be used by the City as provided for in the Service and Assessment Plan, the Bond Indenture, or any other applicable use to the Property as provided by law. If any Developer deposit funds are remaining after completion of all Authorized Improvements and payment of all Authorized Improvement Costs as provided for in the Bond Indentures and SAP, then such funds shall be returned to the Developer.

7.5 Payment Process for Authorized Improvements.

(a) Unless the Developer is in default under the terms of this Agreement, the City shall authorize reimbursement of the Authorized Improvement Costs from PID Bond proceeds or from revenues received from the collection of Assessments related to a PID Reimbursement Agreement. Notwithstanding the previous sentence, in the event the Developer is in default, the City shall reimburse the Developer for those Authorized Improvements that have been completed by the Developer and accepted by the City. The Developer shall submit a Certification for Payment Form to the City (no more frequently than monthly) for Authorized Improvement Costs including a completed segment, section or portion of an Authorized Improvement, as approved by the City. The Certification for Payment Form is set forth in **Exhibit G**, as may be modified by the Bond Indenture, a construction funding agreement or a Reimbursement Agreement, if applicable. The City shall review the sufficiency of each Certification for Payment Form (each, a "Payment Certificate") with respect to compliance with this Agreement, compliance with City Regulations, and compliance with the SAP. The City shall review each Payment Certificate within fifteen (15) business days of receipt thereof and upon approval, certify the Payment Certificate pursuant to the provisions of the Bond Indenture or Reimbursement Agreement, if applicable, and payment shall be made to the Developer or its designee pursuant to the terms of the Bond Indenture or Reimbursement Agreement, if applicable, provided that funds are available under the Bond Indenture or Reimbursement Agreement. If a Payment Certificate is approved only in part, the City shall specify the extent to which the Payment Certificate is approved and payment for such partially approved Payment Certificate shall be made to the Developer pursuant to the terms of the Bond Indenture or Reimbursement Agreement, as applicable, provided that funds are available under the Bond Indenture or Reimbursement Agreement.

(b) If the City requires additional documentation, timely disapproves, or questions the correctness or authenticity of the Payment Certificate, the City shall deliver a detailed Notice to the Developer within ten (10) business days of receipt thereof, then payment with respect to disputed portion(s) of the Payment Certificate shall not be made until the Developer and the City have jointly settled such dispute or additional information has been provided to the City's reasonable satisfaction.

(c) The City shall reimburse the lesser of: (i) the Budgeted Costs as set forth in **Exhibit B-1** and the SAP, and (ii) the Authorized Improvement Costs, from funds available pursuant to the Bond Indenture or a Reimbursement Agreement, as applicable, or (iii) the actual cost of the Authorized Improvements.

(d) Reimbursement to the Developer for PID creation expenses and to the City for administrative expenses relating to the creation of each PID, the levy of Assessments and issuance of PID Bonds may be distributed at closing of the PID Bonds pursuant to a closing disbursement request, to the extent authorized pursuant to the PID Act, in substantially the form attached as **Exhibit H**.

ARTICLE VIII
TIRZ

8.1 TIRZ #2 Participation. The Parties incorporate the TIRZ #2 Agreement, attached hereto as **Exhibit S**, in full into this Agreement.

8.2 TIRZ #2 Limitation on Conveyance. No conveyance, transfer, assignment, mortgage, pledge, grant, or other encumbrance shall be made by Developer or any successor or assignee of Developer of the TIRZ #2 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.

ARTICLE IX
FULL PURPOSE ANNEXATION

An annexation petition (the "Annexation Petition") will be submitted to the City in order for the City to full purpose annex the property into its city limits within thirty (30) days of the Effective Date of this Agreement. If such binding annexation petition is not completed and provided by the Developer within thirty (30) days of the execution of the Development Agreement, this Agreement shall be null and void for all purposes and the Public Parties shall have no further obligations. If such annexation is not completed within two hundred ten (210) days of the receipt by City of the completed annexation petition due to any action or default by Developer under this Agreement, the City may notify Developer and Developer shall have a period of time established by the City which shall be no less than an additional one hundred twenty (120) days to complete the annexation pursuant to the terms and conditions of the Development Agreement. In the event the Developer then fails to annex the Property, City may unilaterally terminate this Agreement by written notice and the Agreement shall be null and void for all purposes and the City shall have no further obligations; provided, however, if Developer's failure to annex is not the result of Developer's actions, Devcloper shall be granted a reasonable amount of time to complete the annexation so long as Developer is proceeding in good faith and is not the cause of the failure to or delay in annexation.. **The Developer is not required to enter into this Agreement. The annexation procedures described in plain language in this Agreement require the Developer's consent. The Parties acknowledge and agree that this Agreement shall satisfy the written disclosure requirements under Section 212.172(b-1) of the Texas Local Government Code.**

ARTICLE X
DEVELOPMENT

10.1 Full Compliance with City Regulations. The City and Developer acknowledge and agree that except as expressly waived, modified or abated by this Agreement all of the City Regulations in effect on the Effective Date of this Agreement, shall apply to any and all development activity undertaken on the Property (or any portion of the Property) in connection with the Development, except when those regulations conflict with the attached Development Standards. Notwithstanding the foregoing, following a fifteen-year period from the Effective Date, Developer acknowledges and agrees, that, except where specifically in conflict with this

Agreement, the duly adopted international and uniform building, construction and fire codes, with local amendments, shall apply to the Property.

10.2 Provided that in the event of any conflict between the City Regulations and this Agreement, including the Development Standards, this Agreement and the Development Standards shall control now and in the future. The City waives, relinquishes, and releases any right it might have under a current or future City Regulation or state law to amend the Development Standards attached hereto as **Exhibit D** after the Effective Date, unless agreed to by Developer, its successors or assigns. Following a fifteen-year period from the Effective Date, Developer acknowledges and agrees that, except where specifically in conflict with this Agreement, the duly adopted international and uniform building, construction, and fire codes, with local amendments, shall apply to the Property.

10.3 Development in Compliance with Concept Plan. Development and use of the Property, including, without limitation, the construction, installation, maintenance, repair, and replacement of all improvements and facilities of any kind whatsoever on and within the Property, shall be in compliance with the Concept Plan attached as **Exhibit C** and the Development Standards attached as **Exhibit D**, respectively, and applicable City Regulations at the time of the Effective Date. The City waives, relinquishes, and releases any right it might have under a current or future City Regulation or state law to amend the Development Standards attached hereto as **Exhibit D** after the Effective Date.

10.4 Vested Rights. This Agreement shall constitute a "permit" under Chapter 245 of the Texas Local Government Code that is deemed filed with the City on the Effective Date. The Developer does not, by entering into this Agreement, waive any rights or obligations arising under Chapter 245 of the Texas Local Government Code during the term of this Agreement. Developer acknowledges and agrees however, that upon expiration or termination of this Agreement, all rights under Chapter 245 with regard to the Project shall terminate.

10.5 Property Acquisition. The Parties acknowledge that the Developer may be required to acquire certain off-site property rights and interests to allow certain Authorized Improvements to be constructed to serve the Property. Developer shall use, in their sole discretion, commercially reasonable efforts to obtain all third-party rights-of-way, consents, or easements, if any, needed to construct the off-site improvements. If, however, Developer is unable to obtain such third-party rights-of-way, consents, or easements within 90 days of commencing efforts to obtain the needed rights-of-way, consents, or easements, then, as a condition to requiring the Developer to construct off-site improvements, the City, in its sole discretion, may take reasonable steps to secure same through the use of the City's power of eminent domain. If the City takes such eminent domain action, the Developer shall fund all reasonable and necessary legal proceeding/litigation costs, compensation awards by courts or negotiated amounts for the condemned property interest, attorneys' fees, appraiser and expert witness fees, interest, court costs, mediation fees, deposition costs, copy charges, courier fees, postage and taxable court costs (collectively, "Eminent Domain Fees") paid or incurred by the City in the exercise of its eminent domain powers that for any reason are not funded by the proceeds of PID Bonds, if PID Bonds are issued, or Assessments and shall escrow with a mutually agreed upon escrow agent the City's reasonably estimated Eminent Domain Fees both in advance of the initiations of each eminent domain proceeding and as funds are needed by the City. If the escrow fund remains appropriately funded in accordance with this

Agreement and in accordance with the City's discretionary governmental powers, the City will use all reasonable efforts to expedite such condemnation procedures so that the Authorized Improvements can be constructed as soon as reasonably practicable. If the 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 10 days after written Notice from the City. Any unused escrow funds will be refunded to Developer within 15 days after any condemnation award or settlement becomes final and non-appealable. Nothing in this subsection is intended to constitute a delegation of the police powers or governmental authority of the City, and the City reserves the right, at all times, to control its proceedings in eminent domain.

To the extent Eminent Domain Fees are paid by the Developer, the Developer may seek reimbursement of any or all eligible Eminent Domain Fees from PID Bonds, or if PID Bonds are not issued, Assessments.

10.6 Zoning of the Property. The Parties agree that the Concept Plan attached hereto as **Exhibit C**, the Development Standards attached hereto as **Exhibit D**, together with the City Regulations, and the applicable provisions of this Agreement memorialize the plan for development of the Property as of the Effective Date. The City shall consider rezoning the Property as a new PD - Planned Development District consistent with the Concept Plan attached hereto as **Exhibit C**, the Development Standards attached hereto as **Exhibit D**, and the applicable provisions 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. The Developer has submitted a formal zoning application to proceed with zoning the Property as contemplated by this Section, and said application has been reviewed and recommended for approval by the City's Planning & Zoning Commission.

10.7 Conflicts. In the event of any conflict between this Agreement and any City Regulations (including, following fifteen years after the date of this Agreement, duly adopted international and uniform building, construction and fire codes, with local amendments duly adopted by the City), this Agreement, including any exhibit or attachment, shall control. Provided however, that in the event that the Bond Indenture contains requirements that differ from this Agreement (other than the terms specifically agreed to in this Agreement including the value to lien ratios and the payment processes), then the Bond Indenture, shall control. In the event of a conflict between the Agreement and any exhibits to this Agreement the text of the Agreement controls over the Exhibits, except for **Exhibit D**. In the event of a conflict between the Concept Plan and the Development Standards attached as **Exhibit D**, the Development Standards shall control. The City waives, relinquishes, and releases any right it might have under a current or future City Regulation or state law to amend the Development Standards attached hereto as **Exhibit D** after the Effective Date. Following a twenty-year period from the Effective Date, Developer acknowledges and agrees that, except where specifically in conflict with this Agreement, the duly adopted international and uniform building, construction, and fire codes, with local amendments, shall apply to the Property.

10.8 Concept Plan. The City's approval of the Concept Plan herein constitutes the acknowledgement that the Development is consistent with the City's Comprehensive Plan, as amended. Such approval does not constitute the City's agreement that any specific portion of the

Development depicted within **Exhibit C** conforms to the City Regulations, as same may be modified by this Agreement.

The Developer must submit any proposed change to the Concept Plan to the City for approval. If the change is a Minor Modification, as such term is defined in this Agreement, then approval or denial shall be given by the City Manager within ten (10) business days after the request of the Developer. If the change is not a Minor Modification, then approval of such change is considered a major modification ("Major Modification"). If such Minor Modification request is not responded to by the City Manager within ten (10) business days after the Developer's request, the request is deemed approved. Denial of the Minor Modification request may be appealed to the City Council. All requests for Major Modifications shall be considered by the City Council in its sole legislative discretion.

Any amendment approved by the City to the Concept Plan, shall be considered an amendment to this Agreement and shall replace the attached Concept Plan and become part of this Agreement. Developer is responsible for providing City updated copies of any modified or amended Concept Plan. Any subsequent development application for approval of a site plan or final plat, that differs from the terms of this Agreement if approved by the City, shall automatically amend this Agreement. The City Manager may administratively approve any amendments to the Concept Plan or subsequent site plan that the City Manager deems in his or her reasonable discretion to be minor in nature. Minor modifications shall include but not be limited to the following (collectively "Minor Modifications"):

(a) adjustments of no more than 100 feet to the location or configuration of roadways, sidewalks, utilities, parking areas, buildings, landscape features, (including plants and trees) ponds and any other improvements depicted on any Concept Plan; and

(b) any modification approved in a plat approved by the City including but not limited to (i) changes to the lot size or configuration; (ii) adjustments to the number of lots in the overall Development; (iii) changes to a local street width, length or alignment; (iv) changes to utility or access easements; (v) changes to street layouts in any phase; or (vi) adjustments to the amount of open space, buffers, and drainage not more than five percent (5%) of the gross site acreage.

ARTICLE XI
DEVELOPMENT PROCESS AND CHARGES

11.1 Development Fees. Developer agrees to construct or cause the construction of any portion of the Property as shown on the Concept Plan and as described in this Agreement attached hereto as **Exhibit C** and in consideration of the high-quality of the Project, and the land dedicated to the City herein, the Developer shall receive a waiver of all development and impact fees that would be charged to Developer, Master Developer Property Owners or any subsequent builder or owner relating to the Property.

(a) *Disposition of Standard Residential Impact Fees.* Developer agrees to construct or cause the construction of any portion of the Property as shown on the Concept Plan attached hereto

as **Exhibit C**. In consideration of the high-quality of the Project, roads, water, sewer and other infrastructure constructed by Developer, and in consideration of the land dedicated to the City herein, unless as otherwise stated herein, the Developer or any subsequent builder or owner of any portion of the Property, shall receive a credit of all roadway, water and sewer impact fees on residential land only that would standardly be charged to Developer or any subsequent builder or owner relating to the residential portions of any project in the Property.

(b) *Charging of Residential Special Fees.* Within any portion of the Property utilized for residential, the special fees more particularly set forth in Section 11.4 below, shall include, a special transportation fee in the amount of: (i) nine thousand dollars ($9,000) per single-family residential lot and (ii) one thousand six hundred forty ($1,640.00) per multifamily unit (the "Transportation Fee"); a special fee for public infrastructure deemed necessary by the City in the amount of nine hundred dollars ($900) per residential lot or apartment unit (the "Infrastructure Fee"); and wastewater impact fees in the amount of two thousand one hundred dollars ($2,100) per residential lot or apartment unit (the "Wastewater Fee") shall be paid to the City by homebuilders or apartment builders at building permit application.

(c) Charging of Non-Residential Impact Fees. For the first sixty months after annexation, within any portion of the Property utilized for non-residential, the fee schedule in effect for the Western District of the City on the Date of Annexation shall be charged, in full, to all non-residential projects with no credit to be accepted for the on-site and off-site infrastructure expenditures of Developer as described herein. After the first sixty months, the regular Impact Fee schedule of the City of Terrell shall be charged. Notwithstanding anything in this Section to the contrary, all non-residential property within the Property shall only be required to pay road and sewer impact fees.

11.2 Building Permit Fees. Development of the Property shall be subject to the payment to the City of Building Permit according to the fee schedule adopted by the City Council as of the Effective Date of annexation for a period of five years, and thereafter at the City's standard Building Permit rates.

11.3 Arboretum/Park Development. Credit for Parkland Dedication, and Timing of Payment of Park Fees.

(a) Except for the land described in subpart (b) below, Developer agrees to construct such parks, landscaped and/or seeded open space, and other recreational facilities as shown on the Concept Plan attached hereto as **Exhibit C.** The City shall not require additional dedications of land or payment of any fees (except as specifically provided herein) for the purpose of any parkland dedication requirements, tree mitigation requirements or open space requirement in place on the Effective Date or any date thereafter. In addition to items that the City Regulations give credit in lieu of park land dedication, for purposes of this Agreement, open space, homeowner association common areas, shall be deemed sufficient dedication to the City, and no parkland, open space, or similar fees shall be owed by the Developer. The City shall charge a park facility fee of (capped at $800.00 per individual single family residential lot or apartment unit for the first sixty months after the Effective Date and charged at the City's standard park facility fee rate thereafter) (the "Park Fee"), which Park Fee shall be paid to the City by homebuilders or other individual vertical builders at the time of building permit. The Park Fee

shall be used by the City to improve, expand, maintain and operate the arboretum referenced in subpart (b) below.

(b) Developer shall dedicate approximately forty acres of land for an arboretum outside of FEMA floodplain, identified as such as of the Effective Date. The land dedicated for such purpose shall generally conform with the Concept Plan attached hereto as **Exhibit C**. The City and Developer shall cooperate in good faith in the design of the area to maximum residential walk-up access to and through the area as is commercially reasonable. The City shall have the sole financial obligation for the construction of the land described in this subsection (b), utilizing funds generated by Section 11.3(a) and other such funding sources as may be available. Maintenance costs will be paid by a Maintenance Public Improvement District established in accordance with this Agreement prior to subdividing the single family residential portion of the land. Developer shall dedicate the Arboretum land and adjacent floodplain lands in phases in coordination with the construction plat process to maximize the early availability to public access to the open space but in manner mindful of public safety and to prevent conflicts with various phases of nearby construction.

11.4 Impact Fees. Except as otherwise provided herein, any impact fee amounts, as shown on the City's capital improvements plan, effective at the time of each plat recordation for each respective phase associated with the Development, due and owing at the time of building permit issuance from time to time pursuant to City Regulations, are waived by the City. The Transportation Fee, Water Fee, and Wastewater Fee (collectively, the "Impact Fees") shall be paid by homebuilders or other builders of vertical improvements permitted hereunder in accordance with the requirements of Chapter 395 of the Local Government Code and City Regulations. The Developer shall be responsible for the construction, or cause the construction, of all Public Infrastructure, to the extent such Public Infrastructure are necessitated by and attributable to the development of the Property. Upon payments of the Impact Fees as provided for in this Section 11.4, such payments shall be sequestered into a separate account created by the City (the "Impact Fee Account"). On a quarterly basis, the City agrees to provide the Developer, in the form of a Chapter 380 grant, the following amounts: (a) 100% of the Wastewater Fees from single family residential properties strictly limited to the first six hundred sixty-nine (669) Wastewater Fees and (b) 100% of the Transportation Fees collected from Single Family homes of the first 500 single family homes and 50% of the Transportation Fees collected from all single family homes after the 1000th single family home; and (c) 100% of the Transportation Fees collected from the multifamily units.

11.5 Land Purchases. If the Developer is unable to acquire the Additional Property prior to completion of annexation and zoning, the City will initiate and complete condemnation of the Additional Property. Developer shall escrow an amount equal to the estimated cost of the acquisition of the Additional Property within ninety (90) days of execution of the Development Agreement to reimburse City. Upon acquisition by the City, the escrowed amount will be paid to City and Developer will be reimbursed by the TIRZ. If the total estimated (and thereby escrowed) purchase price exceeds the actual total purchase prices, the Developer will be reimbursed for the overage. If the total estimated (and thereby escrowed) purchase price is less than the actual total purchase price, the Developer will remit the difference to the City within thirty (30) days after notice of such difference.

11.6 INDEMNIFICATION AND HOLD HARMLESS. THE DEVELOPER AND ITS SUCCESSORS AND ASSIGNS SHALL INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN "INDEMNIFIED PARTY"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE NEGLIGENT DESIGN, ENGINEERING AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE AUTHORIZED IMPROVEMENTS ACQUIRED FROM THE DEVELOPER HEREUNDER; (III) THE DEVELOPER'S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUB-CONTRACTORS AND SUPPLIERS IN THE PROVISION AND/OR CONSTRUCTION OF THE AUTHORIZED IMPROVEMENTS; (IV) ANY CLAIMS (INCLUDING DEATH) OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE AUTHORIZED IMPROVEMENTS; OR (V) ANY CLAIMS (INCLUDING DEATH) 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 AUTHORIZED IMPROVEMENTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE AUTHORIZED IMPROVEMENTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OR SOLE NEGLIGENCE OF ANY INDEMNIFIED PARTY. DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

IN ITS REASONABLE DISCRETION, CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO

RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON THEIR OWN BEHALF, AND DEVELOPER SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

THIS SECTION 11.5 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT AND THE EXPRESS NEGLIGENCE TEST, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

11.7 **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 IMPOSED BY THIS AGREEMENT.**

(A) THE DEVELOPER ACKNOWLEDGES AND AGREES THAT:

(I) THE PUBLIC INFRASTRUCTURE 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) ASSUMING NO DEFAULTS UNDER THIS AGREEMENT, THE AMOUNT OF THE DEVELOPER'S FINANCIAL AND INFRASTRUCTURE CONTRIBUTION FOR THE PUBLIC INFRASTRUCTURE IS ROUGHLY PROPORTIONAL TO THE DEMAND THAT THE DEVELOPER'S ANTICIPATED IMPROVEMENTS AND DEVELOPER'S DEVELOPMENT PLACES ON THE CITY'S INFRASTRUCTURE.

(III) ASSUMING NO DEFAULTS UNDER THIS AGREEMENT, THE DEVELOPER HEREBY AGREES AND ACKNOWLEDGES, WITHOUT WAIVING CLAIMS RELATED SOLELY TO EXACTIONS NOT CONTEMPLATED BY THIS AGREEMENT, THAT: (A) ANY PROPERTY WHICH 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. ASSUMING NO DEFAULTS UNDER THIS AGREEMENT, 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 INFRASTRUCTURE.

(B) THIS SECTION 11.6 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

11.8 Inspections and Permitting.

(a) The City shall have a right to inspect, as authorized or required by City Regulations, the construction of all structures, Authorized Improvements, and any public improvements necessary to support the proposed development within the Property, including water, sewer, drainage, streets, park facilities, electrical, and streetlights and signs. The City's inspections shall not release the Developer from its responsibility to construct, or ensure the construction of, adequate Authorized Improvements and infrastructure in accordance with approved engineering plans, construction plans, and other approved plans related to development of the Property. The City shall be the beneficiary of the required two-year maintenance bond the Developer, or contractor as applicable, shall provide for all Authorized Improvements. Except as otherwise provided in this Agreement, if the City finds that such improvements have been completed in accordance with the final plans and specifications approved by the City (or any modifications thereof approved by the City), and in accordance with all other applicable laws and City Regulations, the City shall accept the same whereupon ownership of such improvements shall be transferred to the City and be operated and maintained by the City at its sole expense.

(b) Selection of Building Inspection Firm. Building inspections for development within the Property will be conducted by a third-party ("Building Inspection Firm"). Developer may present to the City three candidate firms for consideration. The City shall select the Building Inspection Firm from these candidates or another firm with credentials required under City standards, and shall notify the Developer of its selection within thirty (30) days of receiving the candidate list. The Building Official shall establish the documentation and process for inspections.

(c) Building Inspection Fees. The City will manage and pay for these building inspection services through a Building Inspection Fee paid by the building permit applicant at the time of application equal to the actual amount contracted with the third-party Building Inspection Firm, plus three percent (3%), charged by the City to the applicant on a per-lot basis at the time of the application for a building permit. Notwithstanding anything contained herein to the contrary,

total Building Inspection Fees shall be capped at 3% of the building construction costs (excluding contingency). The City may choose to use its own inspection staff for portions of the development, in which instance standard City building permits fees will be instituted, without administrative fees. However, if such inspections by the City result in a delay of more than 15 business days between the date an inspection request is submitted and City approval, then Developer may elect to use the Building Inspection Firm for future building inspection services, upon ten (10) days' written notice to the City.

11.9 Temporary Street Closures. To the extent reasonably requested by the Developer in connection with the construction of the Authorized Improvements, the City shall grant and issue to the Developer all necessary permits to authorize temporary closures of, and shall grant and issue to the Developer all necessary permits to make cuts or other perforations in, demolish and excavate all or portions of any street, alley or other public right-of-way that is under reasonable control of the City and that is contained in whole or in part within the Property or that abuts any portion of the Property; provided however, all such actions are subject to the City's obligations to preserve and protect public health, safety, and welfare.

11.10 Joint Cooperation. During the planning, design, development and construction of the private improvements and the Authorized Improvements on the Property, the Parties agree to cooperate and coordinate with each other, and to assign appropriate, qualified personnel to this Development. The City and TEDC will make reasonable efforts to accommodate urgent or emergency requests during construction. In order to facilitate a timely review process, the Developer shall cause the architect, engineer and other design professionals to attend City meetings if requested by the City.

11.11 Americans with Disabilities Act. The Developer shall construct all infrastructure within the project in compliance with the Americans with Disabilities Act.

ARTICLE XII
TERM

The term of this Agreement shall be for the maximum period allowable by law, as amended, though may be terminated by the Parties by mutual written agreement.

ARTICLE XIII
EVENTS OF DEFAULT; REMEDIES

13.1 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 a reasonable time to cure the alleged failure (such reasonable time to be determined based on the nature of the alleged failure, but in no event more than thirty (30) days (or any longer time period to the extent expressly stated in this Agreement as relates to a specific failure to perform) after written Notice of the alleged failure has been given except as relates to a type of default for which a different time period is expressly set forth in this Agreement). 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. Notwithstanding the foregoing, however, a Party shall be in default of its obligation to make any payment required under this Agreement if such payment is not made within twenty (20) business days after it is due.

13.2 Remedies. As compensation for the other party's default, an aggrieved Party is limited to seeking specific performance, or other equitable relief available at law, of the other party's obligations under this Agreement. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL ENTITLE THE AGGRIEVED PARTY TO TERMINATE THIS AGREEMENT AND PREVENT THE DEVELOPER OR THE CITY FROM RECEIVING ANY REIMBURSEMENTS OR PAYMENTS DUE AND OWED TO THE DEVELOPER OR THE CITY UNDER THIS AGREEMENT, ANY ECONOMIC DEVELOPMENT AGREEMENT, ANY REIMBURSEMENT AGREEMENT, OR ANY TIRZ AGREEMENT.

ARTICLE XIV
ASSIGNMENT AND ENCUMBRANCE

14.1 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties. No assignment by the Developer shall release the 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. The Developer and any Assignee have the right (from time to time) to assign this Agreement to a non-affiliate, non-related entity, 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 "Assignee") with City consent, which consent the City shall not unreasonably withhold. The Developer and any Assignee have the right (from time to time) to assign this Agreement to an affiliate or related entity, in whole or in part, and including any obligation, right, title, or interest of the Developer under this Agreement without City consent, but with notice to the City. The Developer shall maintain written records of all assignments made by the Developer to Assignees, including a copy of each executed assignment and, upon written request from any Party or Assignee, shall provide a copy of such records to the requesting person or entity, and this obligation shall survive the assigning Party's sale, assignment, transfer, or other conveyance of any interest in this Agreement or the Property.

Any receivables due under this Agreement, any Economic Development Agreement, any construction funding agreement, any Reimbursement Agreement (pursuant to Section 372.023(d-1) of the Texas Local Government Code), any Chapter 380 grant, or any TIRZ agreement may be sold, transferred, or assigned by Developer to any person, including without limitation, to a trustee in connection with a trust indenture, without the consent of, but upon written Notice to the City in accordance with Section 16.2 of this Agreement and as allowed, provided however, Developer shall be limited to a maximum of six (6) such assignments and any additional assignments after the sixth such assignment shall require the consent of the City. No such conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made without the prior written consent of the City if such conveyance, transfer, assignment, mortgage, pledge, or other encumbrance would result in (1) the issuance of municipal securities, (2) the City being viewed as an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, and/or (3) the City being subjected to additional reporting or recordkeeping duties.

14.2 Assignment by the City. The City shall not assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the City under this Agreement, without the prior written approval of the Developer. Provided however, that this language does not apply to any real property interest which the City may have within the Development.

14.3 Encumbrance by Developer and Assignees. The Developer and Assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of (a) their respective lenders without the consent of, but with prompt written Notice to, the City, and (b) to any person or entity with the City Manager's prior written consent (which consent shall not be unreasonably withheld, conditioned, or delayed). If the City Manager fails to provide the Developer or Assignee with a reasonable written objection to a collateral assignment request within thirty (30) days of receiving such request, then the collateral assignment shall be automatically deemed approved by 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 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, but no more than 180 days, 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, not to be unreasonably withheld, 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 Developer 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.

14.4 Encumbrance by City. The City shall not collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of its rights, title, or interest under this Agreement without the Developer's prior written consent. Provided however, that this section shall not apply to any real property interests which the City may have in the Development.

14.5 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. Any person or entity upon becoming an owner of land or upon obtaining an ownership interest (but not including End Buyer) in any part of the Property shall 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. From and after such assignment, the City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that Developer shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations.

14.6 No Third-Party Beneficiaries. Subject to Section 14.1 of this Agreement, 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.

14.7 Notice of Assignment. Subject to Section 14.1 of this Agreement, the following requirements shall apply in the event that the Developer sells, assigns, transfers, or otherwise conveys the Property or any part thereof and/or any of its rights or benefits under this Agreement:

(a) within 30 days after the effective date of any such sale, assignment, transfer, or other conveyance, the Developer must provide written Notice of same to the City;

(b) the Notice must describe the extent to which any rights or benefits under this Agreement have been sold, assigned, transferred, or otherwise conveyed;

(c) the Notice must state the name, mailing address, and telephone contact information of the person(s) acquiring any rights or benefits as a result of any such sale, assignment, transfer, or other conveyance; and

(d) the Notice must be signed by a duly authorized person representing the Developer.

14.8 Additional Terms of Assignment. Any receivables due under any PID Reimbursement Agreement may be sold or assigned by the Developer without the consent of the City (except an assignment for the purpose of securing a conduit bond financing); provided, however, that no such assignment or sell or shall be made without prior written consent of the City if such transfer, would result in (1) the issuance of municipal securities, and/or (2) the City being viewed as an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, and/or (3) the City being subjected to additional reporting or recordkeeping duties.

ARTICLE XV
RECORDATION AND ESTOPPEL CERTIFICATES

15.1 Binding Obligations. This Agreement and all amendments hereto and assignments hereof shall be recorded in the deed records of Kaufman County. This Agreement binds and constitutes a covenant running with the Property. Upon the Effective Date, 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. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns as permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any End-Buyer of a Fully Developed and Improved Lot except for land use and development regulations, including the City Regulations, that apply to such lots.

15.2 Estoppel Certificates. From time to time upon written request of the Developer or any future Developer, and upon the payment of a $100.00 fee to the City, the City Manager, or his/her designee will, in his official capacity and to his reasonable knowledge and belief, execute

a written estoppel certificate identifying any obligations of a Developer under this Agreement that are in default.

ARTICLE XVI
ADDITIONAL PROVISIONS

16.1 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.

16.2 Notices. Any Notice, submittal, 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: Mike Sims, City Manager
City of Terrell
201 East Nash St. P.O. Box 310
Terrell, Texas 75160

With a copy to:
Attn: Mary Gayle Ramsey, City Attorney
Messer, Fort & McDonald LLC
201 East Nash St. P.O. Box 310
Terrell, Texas 75160

To the Developer:
Attn: Jack Dawson
MM Terrell 1098, LLC
1800 Valley View Lane, Suite 300
Farmers Branch Texas 75234

With a copy to:	Attn: Travis Boghetich Boghetich Law, PLLC 1800 Valley View Lane, Suite 360 Farmers Branch, Texas 75234
If to Squeaky:	Squeaky Realty, LLC Attn: Suresh Manyam 6609 Sapphire Circle South Colleyville, Texas 76034
If to Terrell 13P:	Attn: Rex Glendenning Terrell 13 Partners, LLC 12400 Preston Road, Suite 100 Frisco, Texas 75033
If to Blue Star:	Blue Star Land, LP Attn: Mr. Joe Hickman 1 Cowboys Way, Suite 100 Frisco, Texas 75034

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.

16.3 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.

16.4 Time. In this Agreement, time is of the essence and compliance with the times for performance herein is required.

16.5 Entire Agreement. This Agreement embodies the entire Agreement between the Parties and cannot be varied or terminated except as set forth in this Agreement, or by written agreement of the City and the Developer expressly amending the terms of this Agreement.

16.6 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.

16.7 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 Kaufman County. Exclusive venue for any action to enforce or construe this Agreement shall be in the Kaufman County District Court or the applicable federal court.

16.8 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.

16.9 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.

16.10 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.

16.11 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.

16.12 Exhibits. The following Exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Metes and Bounds Description and Depiction of the Property
Exhibit A-1	Master Developer Property
Exhibit A-2	Additional Land
Exhibit B	Authorized Improvements
Exhibit B-1	Authorized Improvements Estimated Costs
Exhibit C	Concept Plan
Exhibit C-1	Property – PID Property
Exhibit D	Development Standards
Exhibit E	Home Buyer Disclosure Program
Exhibit F	Landowner Agreement
Exhibit G	Certification for Payment Form

Exhibit H	Closing Disbursement Request
Exhibit I	Water Study
Exhibit J	PID Petition Form
Exhibit K	PID Resolution Form
Exhibit L	TEDC Agreement
Exhibit M	Roadway Phasing Plan
Exhibit N	TXDoT Cross Section Plan
Exhibit O	Authorization Approvals
Exhibit P	Maintenance PID Petition Form
Exhibit Q	Maintenance PID Resolution Form
Exhibit R	Maintenance PID Assessment Ordinance Form
Exhibit S	TIRZ #2 Agreement Form

16.13 Home Buyer Disclosures. The Developer shall comply with the Home Buyer Disclosure Program and shall record this Agreement in the real property records of Kaufman County, which notifies Developers of Property of the obligations set forth in the Home Buyer Disclosure Program.

16.14 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.

16.15 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to Force Majeure, to perform its obligations under this Agreement, then the obligations affected by the Force Majeure shall be temporarily suspended. Within fifteen (15) business days after the occurrence of a Force Majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the Force Majeure and a description of the action that will be taken to remedy the Force Majeure and resume full performance at the earliest possible time.

16.16 Amendments. This Agreement cannot be modified, amended, or otherwise varied, except in writing signed by the City and Developer expressly amending the terms of this Agreement.

16.17 Consideration. This Agreement is executed by the Parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is hereby acknowledged.

16.18 Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the Parties hereto or by any third party to create the relationship of principal and agent, or of partnership, joint venture or any association whatsoever between any one or more of the Parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the Parties hereto shall be deemed to create any relationship between the

Parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement.

16.19 Captions. The descriptive captions of this Agreement are for convenience of reference only and shall in no way define, describe, limit, expand or affect the scope, terms, conditions, or intent of this Agreement.

16.20 Number and Gender. Whenever used herein, unless the context otherwise provides, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all other genders.

16.21 Gift to Public Servant. The Developer shall not, and shall use commercially reasonable efforts to cause its contractors and agents to not, offer, or agree to confer any benefit upon a City employee or official that the City employee or official is prohibited by law from accepting. For purposes of this section, "benefit" means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct or substantial interest, but does not include a contribution or expenditure made and reported in accordance with law. Notwithstanding any other legal remedies, the City may require the Developer to remove any employee or contractor of the Developer from performance responsibilities under this Agreement who has violated the restrictions of this section or any similar state or federal law.

16.22 Anti-Boycott Verification/No Boycott 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 law. As used in the foregoing verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

16.23 Not a Listed Company. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf. The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and

each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. As used in this Section, the Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

16.24 Verification Regarding Energy Company Boycotts. 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 Texas or federal law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. As used in this Section, the Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

16.25 Verification Regarding Discrimination Against Firearm Entity or Trade Association.

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 Texas or federal law. As used in the foregoing verification and the following definitions:

(i) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association,

or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association;

(ii) 'fircarm 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 (defincd in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting); and

(iii) 'firearm trade association,' a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

As used in this Section, the Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit

16.26 Form 1295. Submitted herewith is a completed Form 1295 in connection with the Developer's participation in the execution of this 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 City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Developer and the City understand and

agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

16.27 Entire Agreement; Severability. The Parties agree that execution of this Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the Property and the subject matter of this Agreement, including, but not limited to, the 549 Agreement with respect to the 549 Property, which includes MUDs 1, 2, and 4C. In the event of a conflict between this Agreement (including any exhibit attached hereto) and the 549 Agreement, this Agreement shall control. Nothing in this Agreement is intended to amend the 549 Agreement, and nothing in this Agreement is intended to impact any property governed by those agreements other than the 549 Property. The Parties agree that the rights, title, interest, and obligations of the Owner and the City under the 549 Agreement, with respect to the 549 Property, as well as all regulations and requirements applicable to the 549 Property, are replaced in their entirety by the rights, title, interest and obligations of the Owner and the City under this Agreement and the Governing Regulations and other provisions set forth in this Agreement. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties. Without limiting the generality of the foregoing, (x) if it is determined that, as of the Effective Date, Owner does not own any portion of the Property, this Agreement shall remain in full force and effect with respect to all of the Property that Owner does then own, and (y) this Agreement shall remain in full force and effect with respect to all of the Property that is within the City's ETJ.

16.28 Original Development Agreement and Strategic Partnership Agreements. The Parties agree that this Agreement replaces and supersedes, as to the Property, the Original Development Agreement, and to the extent allowed by applicable law, the Strategic Partnership Agreements.

[Signatures to Follow]

Executed by the Developer, the Master Developer Property Owners and the City to be effective on the Effective Date.

ATTEST:

Name: Dawn Steil
Title: City Secretary

CITY OF TERRELL, TEXAS

By: _____
Name: E. Rick Carmona
Title: Mayor

Date: 7-28-23

APPROVED AS TO FORM

Attn: Greg Stumpert, Assistant City Attorney

STATE OF TEXAS §
§
COUNTY OF KAUFMAN §

This instrument was acknowledged before me on the 28th day of July, 2023 by E. Rick Carmona, Mayor of the City of Terrell, Texas, a home-rule municipality, on behalf of said home rule municipality.

DORA L TREJO
NOTARY PUBLIC
STATE OF TEXAS
MY COMM. EXP. 05/24/25
NOTARY ID 13311876-7

Notary Public, State of Texas

Developer:

MM Terrell 1098, LLC
a Texas limited liability company

By: MMM Ventures, LLC,
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC,
a Delaware limited liability company
Its Manager

By: _____
Name: Mehrdad Moayedi
Its: Manager

STATE OF TEXAS §

§

COUNTY OF DALLAS §

This instrument was acknowledged before me on the 22 day of August, 2023 by Mehrdad Moayedi, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of MM Terrell 1098, LLC, a Texas limited liability company on behalf of said company.

ROME BRADLEY BARNES
Notary ID #129140981
My Commission Expires
September 26, 2024

_____

Notary Public, State of Texas

Property Owners:

Terrell 13 Partners, LLC, a Texas limited liability company

By: _____
Name: Rex Glendenning
Its: Manager

STATE OF TEXAS §
§
COUNTY OF ~~DALLAS~~ Collin §

This instrument was acknowledged before me on the 17th day of August, 2023 by Rex Glendenning, Manager of Terrell 13 Partners, LLC, a Texas limited liability company on behalf of said company.

ALICE D. BUETO
NOTARY PUBLIC
ID# 1556079
State of Texas
Comm. Exp. 07-25-2026

Alice D. Bueto

Notary Public, State of Texas

Squeaky Lomas, L.P., a Texas limited partnership

By: _____
Name: _____
Its: _____

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the _____ day of _____, 2023 by _____, _____ of **Squeaky Lomas, L.P.**, a Texas limited partnership on behalf of said partnership.

_____

Notary Public, State of Texas

Property Owners:

Terrell 13 Partners, LLC, a Texas limited liability company

By: _____
Name: _____
Its: _____

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the _____ day of _____, 2023 by _____, _____ of Terrell 13 Partners, LLC, a Texas limited liability company on behalf of said company.

_____

Notary Public, State of Texas

Squeaky Lomas, L.P., a Texas limited partnership

By: _____
Name: SURESH MANYAM
Its: GENERAL PARTNER

STATE OF TEXAS §
TARRANT §
COUNTY OF ~~DALLAS~~ §

This instrument was acknowledged before me on the 15th day of August, 2023 by Suresh Manyam, General Partner of **Squeaky Lomas, L.P.**, a Texas limited partnership on behalf of said partnership.

_____

Notary Public, State of Texas

BABINA KC
Notary ID #128460672
My Commission Expires
May 15, 2027

Blue Star Land LP, a Texas limited partnership

By: _____
Name: Joe Hickman
Its: Vice President

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 18th day of August, 2023 by Joe Hickman, Vice President of **Blue Star Lane LP**, a Texas limited partnership on behalf of said partnership.

Notary Public, State of Texas

KERRY HARRINGTON
NOTARY PUBLIC
STATE OF TEXAS
MY COMM. EXP. 02/10/26
NOTARY ID 1101256-6

EXHIBIT A
Metes and Bounds Description and Depiction of the Property

LEGAL DESCRIPTION

PROPERTY DESCRIPTION
1,098.59 ACRES

TRACT 1

Being a tract of land situated in the R. Turner survey, Abstract No. 551, the J. Ward survey, Abstract No. 596, the R. Mead survey, Abstract No 316, and the Charles Wilson survey, Abstract No.571, Kaufman County, Texas and being all of the remainder of a called 887.126 acres tract of land (tract 1) described in deed to Terrell 1132 LLC as recorded in Volume 4133, Page 449, official public records, Kaufman County, Texas and being more particularly described herein as follows:

BEGINNING at a ¾ inch pipe found near a fence corner post for an interior corner of said tract 1 and the west corner of a called 59.4917 acres tract of land described in deed to NT148, LLC, Millennium Trust Co., LLC FBO Benjamin Baume IRA, and millennium trust co., LLC Custodian FBO Jeffrey Svendsen SEP IRA as recorded in Volume 6818, Page 258, said official public records;

THENCE south 43 degrees 47 minutes 28 seconds east, with the northeast line of said tract 1 and the southwest line of said millennium tract, along and near a fence, a distance of 2,414.92 feet to a ½ inch rod capped "Petitt 4087" found for an angle point corner;

THENCE south 39 degrees 08 minutes 45 seconds east, continuing with the northeast line of said tract 1 and the southwest line of said millennium tract, along and near a fence, a distance of 347.24 feet to a 5/8 inch iron rod with the plastic cap stamped "PLS, INC" (typical) set for an angle point corner;

THENCE south 45 degrees 41 minutes 02 seconds east, continuing with the northeast line of said tract 1 and the southwest line of said millennium tract, along and near a fence, passing the south corner of said millennium tract, and continuing along said course, passing at a distance of 1,327.21 feet a 60d nail found for the south corner of a called 49.47 acres tract of land described in deed to Kaufman holdings, LLC as recorded in Volume 3361, Page 405, official records, Kaufman County, Texas and the west corner of a called 69.500 acres tract of land described in deed to Alejandro games, jr. And Nancy Delcamp Gamez as recorded in Volume 5078, Page 321, said official records, and continuing along said course, passing the south corner of said tract 1 and an ell corner of a called 189.998 acres tract of land described in deed to Norman n. Huneycutt and Janet r. Huneycutt, trustees of the amended and restated Huneycutt family trust as recorded in Volume 3764, Page 407, said official records;

THENCE south 44 degrees 51 minutes 16 seconds west, with the southeast line of said tract 1 and the northwest line of said Huneycutt tract, along and near a fence, a distance of 2,268.35 feet to a 5/8 inch iron rod set for the east corner of a called 10.019 acres tract of land described in deed to Jennifer d. Harrell as recorded in Volume 2985, Page 570, said official records;

THENCE south 44 degrees 51 minutes 16 seconds west, with the southeast line of said tract 1 and the northwest line of said Huneycutt tract, along and near a fence, a distance of 2,268.35 feet

to a 5/8 inch iron rod set for thc east corner of a called 10.019 acres tract of land described in deed to Jennifer d. Harrell as recorded in Volume 2985, Pagc 570, said official records;

THENCE north 45 degrees 09 minutes 05 seconds west, with the northeast line of said Harrell tract, a distance of 662.54 feet to a 5/8 inch iron rod set for the north corner of said Harrell tract;

THENCE south 44 dcgrees 38 minutes 03 seconds west, with the northwest line of said Harrell tract, a distance of 660.00 feet to a 5/8 inch iron rod set for the west corner of said Harrell tract;

THENCE south 45 degrees 09 minutes 05 scconds east, with the southwest line of Harrell tract, a distance of 660.00 feet to a 5/8 inch iron rod set for the west corner of said Harrell tract;

THENCE south 45 degrees 09 minutes 05 seconds east, with the southwest line of said Harrell tract, a distance of 660.00 feet to a 5/8 inch iron rod set to the southeast line of said tract 1 and the northwest line of a called 154.91 acres tract of land described in deed to jerry l. Wade and wife, Raelyn Wade as recorded in Volume 1061, Page, 770, real property records, Kaufman County, Texas for the south corner of said Harrell tract;

THENCE south 44 degrees 51 minutes 16 seconds west, with the southeast line of said tract 1 and the northwest line of said wade tract, a distance of 253.73 feet to a ½ inch iron rod capped "Petitt 4087" found for corner;

THENCE south 42 degrees 54 minutes 18 seconds west, continuing with the southeast line of said tract 1 and the northwest line of said tract, a distance of 766.51 feet to a ¾ inch iron pipe found for the west corner of said wade tract and the north corner of a called 171.363 acres tract of land described in deed to timothy r. Holt, D.V.M. as recorded in Volume 2371, Page 64, said official records;

THENCE south 44 degrees 29 minutes 35 seconds west, continuing with the southeast line of said tract 1, a distance of 1,062.06 feet to a ½ inch iron rod capped "Pettit 4087' found for the south corner of said tract 1;

THENCE north 46 degrees 16 minutes 01 seconds west, with the southwest line of said tract 1 and the northeast line of said third installment, a distance of 1,210.06 feet to a 5/8 inch iron rod set for the north corner of said third installment and the east corner of south ridge addition – second installment as recorded in Volume 1, Page 755, said plat records;

THENCE north 45 degrees 36 minutes 32 seconds west, with the southwest line of said tract 1 and the northeast line of said second installment, passing the north corner of said second installment and the east corner of the south ridge addition – first installment as recorded in Volume 1, Page 728, said plat records, and continuing along said course, a distance of 2,138.22 feet to a 5/8 inch iron rod set in the southeast line of FM 148 (a public road) for the west corner of said tract 1 and the north corner of said first installment;

THENCE with the northwest line of said tract 1, along the southeast line of said FM 148, the following seven (7) courses and distances:

1. North 44 degrees 11 minutes 59 seconds east, a distance of 1,368.09 feet to a 4 inch concrete monument found for corner;
2. North 44 degrees 26 minutes 42 seconds east, a distance of 2,206.40 feet to a 4 inch concrete monument found for corner;
3. North 44 degrees 36 minutes 14 seconds east, a distance of 1,393.91 feet to a 4 inch concrete monument found for corner;
4. North 44 degrees 20 minutes 24 seconds east, a distance of 1,273.80 feet to a 4 inch concrete monument found at the beginning of a curve to the right having radius of 370.24 feet;
5. Northeasterly, along the arc of said curve, a distance of 311.07 feet with a delta angle of 48 degrees 08 minutes 20 seconds, a chord bearing of north 68 degrees 23 minutes 57 seconds east, and a chord distance of 302.00 feet to a 4 inch concrete monument found for corner;
6. South 87 degrees 29 minutes 30 seconds east, a distance of 585.65 feet to a 4 inch concrete monument found at the beginning of a curve to the left having a radius of 560.87 feet;
7. Northeasterly, along the arc of said curve, a distance of 191.96 feet with a delta angle of 19 degrees 36 minutes 34 seconds, a chord bearing of north 82 degrees 41 minutes 48 seconds east, and a chord distance of 191.02 feet to a ½ inch iron rod capped "Petitt 4087" found for the north corner of said tract 1;
8. THENCE south 21 degrees 27 minutes 31 seconds east, with a northeast line of said tract 1, a distance of 59.29 feet to a 5/8 inch iron rod set in the northwest line of said millennium tract for an angle corner of said tract 1;
9. THENCE south 42 degrees 32 minutes 49 seconds west, with a southeast line of said tract 1, a distance of 59.29 feet to a 5/8 inch iron rod set in the northwest line of said millennium tract for an angle corner of said tract 1;
10. THENCE south 42 degrees 32 minutes 49 seconds west, with a southeast line of said tract 1 and the northwest line of said millennium tract, a distance of 460.60 feet to the point of beginning and containing, within the metes and bounds herein recited, 877.143 acres of land, more or less.

SAVE AND EXCEPT all of a called 10.006 acres tract of land described in deed to I-Ming Chee as recorded in Volume 2943, Page 612, official records, Kaufman County, Texas, and being more particularly described herein as follows:

BEGINNING at a 5/8 inch iron rod with plastic cap stamped "PLS, INC" (typical) set for north corner of said Chee tract, from which a ¾ inch pipe found for an interior corner of said tract 1 bears north 17 degrees 33 minutes 15 seconds west, a distance of 3,054.81 feet, said corner being in a curve to the left having a radius of 5,280.00 feet;

THENCE with the easterly line of said Chee tract, the following three (3) courses and distances:

1. Southeasterly, along the arc of said curve, a distance of 270.05 feet with a delta angle of 2 degrees 55 minutes 50 seconds, a chord bearing of south 57 degrees 27 minutes 01

seconds east, and a chord distance 270.02 feet to a 5/8 inch iron rod set at the beginning of a curve to the right having a radius of 827.58 feet;

2. Southeasterly, along the arc of said curve, a distance of 1,029.50 feet with a delta angle of 71 degrees 16 minutes 31 seconds, a chord bearing of south 14 degrees 24 minutes 10 seconds east, and a chord distance of 964.39 feet to a 5/8 inch iron rod set for corner;
3. South 21 degrees 14 minutes 06 seconds west, a distance of 373.32 feet to a 5/8 inch iron rod set for the south corner of said Chee tract, from which a 3 inch steel fence corner post found for the east corner of said tract 1 bears north 75 degrees 05 minutes 04 seconds east, a distance of 2,455.74 feet, said corner being in a curve to the left having a radius of 895.00 feet;

THENCE with the westerly line of said Chee tract, the following four 940 courses and distances:

1. Northerly, along the arc of said curve, a distance of 268.19 feet with a delta angle of 17 degrees 10 minutes 09 seconds, a chord bearing of north 03 degrees 47 minutes 29 seconds west, and a chord distance of 267.19 feet to a 5/8 inch iron rod set at the beginning of a curve to the right having a radius of 1,704.45 feet;
2. Northwesterly, along the arc of said curve, a distance of 446.03 feet with a delta angle of 28 degrees 34 minutes 16 seconds, a chord bearing of north 26 degrees 39 minutes 10 seconds west, and a chord distance of 441.42 feet to a 5/8 inch iron rod set at the beginning of a curve to the right having a radius of 1,704.45 feet;
3. Northwesterly, along the arc of said curve, a distance of 470.65 feet with a delta angle of 15 degrees 49 minutes 16 seconds, a chord bearing of north 33 degrees 01 minutes 26 seconds west, and a chord distance of 469.16 feet to a 5/8 inch iron rod set for corner;
4. North 20 degrees 27 minutes 32 seconds east, a distance of 397.95 feet to the point of beginning and containing, within the metes and bounds herein recited, 10.006 acres of land, more or less.

TRACT 2

Being a tract of land situated in the j. Stephenson survey, Abstract No. 452, the j. Ward survey, Abstract No. 596, and the r. Turner survey, Abstract No. 551, Kaufman County, Texas and being all of a called 231.430 acres tract of land (tract 2) described in deed to Terrell 1132 LLC as recorded in Volume 4133, Page 449, official public records, Kaufman County, Texas, and being more particularly described herein as follows:

BEGINNING at a 5/8 inch iron rod capped "Petitt" found in the southeast right-of-way line if interstate 20 (a called variable width R.O.W.) for the west corner of said tract 2 and the north corner of a called 15.332 acres tract of land described in deed to the James E. Bates and Kathy L. Bates revocable living trust as recorded in Volume 4255, Page 577, said official public records;

THENCE with the northwest line of said tract 2 and the southeast line of said interstate 20, the following four (4) courses and distances:

1. North 60 degrees 09 minutes 54 seconds east, a distance of 498.99 feet to a 4 inch concrete monument found for the corner;

2. North 54 degrees 52 minutes 35 seconds east, a distance of 614.62 feet to a 4 inch concrete monument found for corner;
3. North 51 degrees 15 minutes 18 seconds east, a distance of 550.73 feet to a 4 inch concrete monument found for corner;
4. North 54 degrees 20 minutes 15 seconds east, a distance of 1,450.00 feet to a 5/8 inch iron rod with plastic cap stamped "PLS, INC" (typical) set for the west corner of a called 0.526 acre TxDOT proposed right-of-way tract;

THENCE with the southeast line if said 0.526 acre tract, the following three (3) courses and distances:

1. North 71 degrees 02 minutes 30 seconds east, a distance of 209.04 feet to a 5/8 inch iron rod set for corner;
2. North 54 degrees 18 minutes 55 seconds east, a distance of 125.00 feet to a 5/8 inch iron rod set for corner;
3. North 45 degrees 57 minutes 59 seconds east, a distance of 309.92 feet to a 5/8 inch iron rod set in said southwest line of said interstate 20 for the east corner of said 0.526 acre tract

THENCE with the northwest line of said tract 2 and the southeast line of said interstate 20, the following three (3) courses and distances:

1. North 57 degrees 21 minutes 50 seconds east, a distance of 268.64 feet to a 5/8 inch iron rod set for corner;
2. North 54 degrees 21 minutes 11 seconds east, a distance of 799.24 feet to a 5/8 inch iron rod set for corner;
3. North 52 degrees 44 minutes 07 seconds east, a distance of 342.20 feet to a 5/8 inch iron rod set for the west corner of a called 0.799 acre txdot proposed right-of-way tract;

THENCE with the southeast line of said 0.799 acre tract, the following four (4) courses and distances:

1. North 54 degrees 19 minutes 38 seconds east, a distance of 1308.68 feet to a 5/8 inch iron rod set for corner;
2. North 60 degrees 02 minutes 16 seconds east, a distance of 100.50 feet to a 5/8 inch iron rod set for corner;
3. North 54 degrees 19 minutes 38 seconds east, a distance of 54.44 feet to a 5/8 inch iron rod set for corner at the beginning of a curve to the right having a radius of 5,499.58 feet;
4. Northeasterly, along the arc of said curve, a distance of 362.13 feet with a delta angle of 3 degrees 46 minutes 22 seconds, a chord bearing of north 56 degrees 12 minutes 49 seconds east, and a chord distance of 362.07 feet to a 5/8 inch iron rod set in the northwest line of said tract 2 and the west line of a called 30.594 acres tract bears north 45 degrees 18 minutes 27 seconds west, a distance of 31.71 feet;

THENCE south 45 degrees 18 minutes 27 seconds east, with the northeast line of said tract 2 and the southeast line of said fm148 tract, a distance of 1,051.92 feet to a 60d nail found at an 8 inch wood fence corner post for the south corner of said FM 148 tract and the west corner of the Gibson Subdivision No. 1 as recorded in Volume 1, Page 202, plat records, Kaufman County, Texas;

THENCE south 45 degrees 08 minutes 24 seconds east, with the northeast line of said tract 2 and the southwest line of said Gibson Subdivision, a distance of 436.71 feet to a ½ inch iron rod found in the northwest line of FM 148 (a public road) for the east corner of said tract 2 and the south corner of said Gibson Subdivision;

THENCE with the southeast line of said tract 2, along the northwest line of said FM 148, the following eight (8) courses and distances:

1. South 43 degrees 34 minutes 00 seconds west, a distance of 287.68 feet to a 4 inch concrete monument found at the beginning of a curve to the right having a radius of 480.87 feet;
2. Southwesterly, along the arc of said curve, a distance of 412.83 feet with a delta angle of 49 degrees 11 minutes 18 seconds, a chord bearing of south 68 degrees 03 minutes 55 seconds west, and a chord distance of 400.27 feet to a 4 inch concrete monument found for corner;
3. North 87 degrees 26 minutes 43 seconds west, a distance of 583.09 feet to a 4 inch concrete monument
4. Southwesterly, along the arc of said curve, a distance of 377.20 feet with a delta angle of 48 degrees 00 minutes 03 seconds, a chord bearing of south 68 degrees 23 minutes 29 seconds west, and a chord distance of 366.26 feet to a 4 inch concrete monument found for corner;
5. South 44 degrees 24 minutes 17 seconds west, a distance of 1,275.27 feet to a 4 inch concrete monument found for corner;
6. South 44 degrees 35 minutes 36 seconds west, a distance of 1,393.96 feet to a 4 inch concrete monument found for corner;
7. South 44 degrees 25 minutes 34 seconds west, a distance of 2,207.53 feet to a 4 inch concrete monument found for corner;
8. South 44 degrees 11 minutes 35 seconds west, a distance of 593.09 feet to a railroad-tie fence corner post found for the south corner of said tract 2 and the east corner of said bates tract;

THENCE north 45 degrees 43 minutes 19 seconds west, with the southwest line of said tract 2 and the northeast line of said bates tract, a distance of 2,016.41 feet to the point of beginning and containing, within the metes and bounds herein recited, 230.149 acres of land, more or less.

EXHIBIT A-1
Master Developer Property

LEGAL DESCRIPTION

Parcel A

Being a tract of land situated in the Richard Mead Survey No. 167, Abstract No. 316, Jesse W. Ward Survey No. 154, Abstract No. 596, and the Robert Turner Survey No. 25, Abstract No. 551, Kaufman County, Texas and being part of a called 867.137 acres tract of land (Tract 1) described in Deed to MM Terrell 1098, LLC as recorded in Instrument No. 2021-0052162, Official Public Records, Kaufman County, Texas, and being more particularly described herein as follows:

BEGINNING at a 5/8 inch iron rod with plastic cap stamped "PLS, INC" (typical) set in the northwest line of said Tract 1 and in the southeast right-of-way line of F.M. 148 (a public road) for the west corner of the herein described tract, from which a 5/8 inch iron rod capped "PLS, INC" found for the west corner of said Tract 1 bears South 44 degrees 15 minutes 35 seconds West, a distance of 1,811.34 feet;

THENCE North 44 degrees 26 minutes 42 seconds East, with the northwest line of said Tract 1, along the southeast line of said F.M. 148, a distance of 848.16 feet to a 5/8 inch iron rod set for the north corner of the herein described tract, from which a 3/4 inch pipe found for an interior corner of said Tract 1 bears North 55 degrees 15 minutes 08 seconds East, a distance of 3,986.23 feet;

THENCE with the northeast line of the herein described tract, severing said Tract 1, the following three (3) courses and distances:

1. South 45 degrees 31 minutes 45 seconds East, a distance of 202.15 feet to a 5/8 inch iron rod set at the beginning of a curve to the left having a radius of 1,200.14 feet;

2. Southeasterly, along the arc of said curve, a distance of 353.61 feet with a delta angle of 16 degrees 52 minutes 55 seconds, a chord bearing of South 37 degrees 05 minutes 18 seconds East, and a chord distance of 352.34 feet to a 5/8 inch iron rod set for corner;

3. South 28 degrees 38 minutes 50 seconds East, a distance of 201.95 feet to a 5/8 inch iron rod set for the east corner of the herein described tract;

THENCE South 44 degrees 28 minutes 12 seconds West, with the southeast line of the herein described tract, severing said Tract 1, a distance of 737.46 feet to a 5/8 inch iron rod set for the south corner of the herein described tract;

THENCE North 45 degrees 33 minutes 18 seconds West, with the southwest line of said the herein described tract, severing said Tract 1, a distance of 743.55 feet to the POINT OF BEGINNING and containing, within the metes and bounds herein recited, 13.982 acres of land, more or less.

Parcel B

LEGAL DESCRIPTION

TRACT 1:

BEING a tract of land situated in the RICHARD MEAD SURVEY No. 167, ABSTRACT No. 316; JESSE W. WARD SURVEY No. 154, ABSTRACT No. 596; and the ROBERT TURNER SURVEY No. 25, ABSTRACT No. 551, Kaufman County, Texas, and being part of a called 867.137 acres tract of land (Tract 1) described in Deed to MM Terrell 1098, LLC as recorded in Instrument No. 2021-0052162, Official Public Records, Kaufman County, Texas, and being more particularly described herein as follows:

BEGINNING at a 5/8" iron rod with plastic cap stamped "PLS, INC" (typical) set in the Northwest line of said Tract 1 and the South line of F.M. 148 (a public road) for the West corner of the herein described tract, from which a 5/" iron rod capped "PLS, INC" found for the West corner of said Tract 1 bears S 44 degrees 24 minutes 08 seconds West, a distance of 4,478.01 feet;

THENCE North 44 degrees 36 minutes 14 seconds East, with the Northwest line of said Tract 1, along the Southeast line of said F.M. 148, a distance of 490.38 feet to a concrete monument found for corner;

THENCE North 44 degrees 20 minutes 24 seconds East, continuing with the Northwest line of said Tract 1, along the Southeast line of said F.M. 148, a distance of 755.35 feet to a 5/8" iron rod set for the North corner of the herein described tract, from which a 3/4" pipe found for an interior corner of said Tract 1 bears North 85 degrees 38 minutes 04 seconds East, a distance of 1,131.22 feet;

THENCE South 45 degrees 34 minutes 04 seconds East, with the Northeast line of the herein described tract, severing said Tract 1, a distance of 580.01 feet to a 5/8" iron rod set at the beginning of a curve to the right having a radius of 800.09 feet;

THENCE Southeasterly, along the arc of said curve, a distance of 353.70 feet with a delta angle of 25 degrees 19 minutes 43 seconds, a chord bearing of South 32 degrees 54 minutes 13 seconds East, and a chord distance of 350.82 feet to a 5/8" iron rod set for the East corner of the herein described tract;

THENCE with the Southeast line of the herein described tract, severing said Tract 1, the following three (3) courses and distances:

1. South 85 degrees 44 minutes 30 seconds West, a distance of 140.50 feet to a 5/8" iron rod set at the beginning of a curve to the left having a radius of 395.05 feet;

2. Southwesterly, along the arc of said curve, a distance of 284.16 feet with a delta angle of 41 degrees12 minutes 47 seconds, a chord bearing of South 65 degrees 08 minutes 06 seconds West, and a chord distance of 278.07 feet to a 5/8" iron rod set for corner;

3. South 44 degrees 31 minutes 43 seconds West, a distance of 804.41 feet to a 5/8" iron rod set for the South corner of the herein described tract;

THENCE North 45 degrees 28 minutes 13 seconds West, with the Southwest line of the herein described tract, severing said Tract 1, a distance of 730.14 feet to the POINT OF BEGINNING and containing, within the metes and bounds herein recited, 21.465 acres of land, more or less.

TRACT 2:

BEING a tract of land situated in the RICHARD MEAD SURVEY No. 167, ABSTRACT No. 316; JESSE W. WARD SURVEY No. 154, ABSTRACT No. 596; and the ROBERT TURNER SURVEY No. 25, ABSTRACT No. 551, Kaufman County, Texas and being part of a called 867.137 acres tract of land (Tract 1) described in Deed to MM Terrell 1098, LLC as recorded in Instrument No. 2021-0052162, Official Public Records, Kaufman County, Texas, and being more particularly described herein as follows:

BEGINNING at a 3/4" pipe found near a fence corner post for an interior corner of said Tract 1 and the West corner of a called 59.4917 tract of land described in Deed to NT148, LLC, Millennium Trust Co., LLC Custodian FBO Benjamin Baume IRA, and Millennium Trust Co., LLC Custodian FBO Jeffrey Svendsen SEP IRA as recorded in Volume 6818, Page 258, said Official Public Records;

THENCE S 43° 47' 28" E, with the Northeast line of said Tract 1 and the Southwest line of said Millennium tract, a distance of 35.02 feet to a 5/8" iron rod with plastic cap stamped "PLS, INC" (typical) set for the most Southerly East corner of the herein described tract;

THENCE S 44° 27' 17" W, with the Southeast line of the herein described tract, severing said Tract 1, a distance of 875.38 feet to a 5/8" iron rod set for the South corner of the herein described tract and in a curve to the left having a radius of 800.09 feet;

THENCE Northwesterly, along the arc of said curve, with the Southwest line of the herein described tract, severing said Tract 1, a distance of 201.94 feet with a delta angle of 14° 27' 41", a chord bearing of N 38° 20' 14" W, and a chord distance of 201.40 feet to a 5/8" iron rod set for corner;

THENCE N 45° 34' 04" W, continuing with the Southwest line of the herein described tract, severing said Tract 1, a distance of 580.01 feet to a 5/8" iron rod set in the Northwest line of said Tract 1 and the Southeast right-of-way line of F.M. 148 (a public road) for the West corner of the herein described tract;

THENCE with the Northwest line of said Tract 1, and the Southeast line of said F.M. 148, the following four (4) courses and distances:

1. N 44° 20' 24" E, a distance of 518.45 feet to a 4" concrete monument found at the beginning of a curve to the right having a radius of 370.24 feet;

2. Northeasterly, along the arc of said curve, a distance of 311.07 feet with a delta angle of 48° 08' 20", a chord bearing of N 68° 23' 57" E, and a chord distance of 302.00 feet to a 4" concrete monument found for corner;

3. S 87° 29' 30" E, a distance of 585.65 feet to a 4" concrete monument found at the beginning of a curve to the left having a radius of 560.87 feet;

4. Northeasterly, along the arc of said curve, a distance of 191.96 feet with a delta angle of 19° 36' 34", a chord bearing of N 82° 41' 48" E, and a chord distance of 191.02 feet to a 1/2" iron rod capped "PETITT 4087" found for the North corner of said Tract 1;

THENCE S 21° 27' 31" E, with a Northeast line of said Tract 1, a distance of 59.29 feet to a 5/8" iron rod capped "PLS, INC" found in the Northwest line of said Millennium tract for an angle corner of said Tract 1;

THENCE S 42° 32' 49" W, with a Southeast line of said Tract 1 and the Northwest line of said Millennium tract, a distance of 460.60 feet to the POINT OF BEGINNING and containing, within the metes and bounds herein recited, 18.037 acres of land, more or less.

Parcel C

LEGAL DESCRIPTION

TRACT I:

Being a tract of land situated in the Jesse W. Ward Survey, Abstract No. 596, the J. Stephenson Survey, Abstract No. 452 (also known as the William Simpson Survey, Abstract No. 453), and the Richard Mead Survey No. 167, Abstract No. 316, Kaufman County, Texas and being part of a called 231.430 acres tract of land (Tract 2) described in Deed to Terrell 1132 LLC as recorded in Volume 4133, Page 449, Official Public Records, Kaufman County, Texas, and being more particularly described herein as follows:

BEGINNING a 5/8 inch iron rod with plastic cap stamped "PLS, INC" (typical) set in the southeast line of a called 34,806 square feet (0.799 acre) proposed TXDOT right-of-way line of I.H. 20 tract of land described in Deed to the State of Texas for the north corner of this herein described tract, from which a 5/8 inch iron rod found for the north corner of said Tract 2 bears North 44 degrees 22 minutes 14 seconds East, a distance of 137.60 feet;

THENCE South 15 degrees 59 minutes 24 seconds West, with the east line of the herein described tract, severing said Tract 2, a distance of 713.64 feet to a to a 5/8 inch iron rod set for corner;

THENCE South 04 degrees 35 minutes 36 seconds East, with the east line of the herein described tract, severing said Tract 2, a distance of 645.21 feet to a 5/8 inch iron rod set in the southeast line of said Tract 2 and the northwest line of F.M. 148 (a public road) for the southeast corner of the herein described tract, and said rod being in a curve to the left having a radius of 450.24 feet;

THENCE along the arc of said curve, with southeast line of said Tract 2 and the Northwest line of said F.M. 148, a distance of 205.29 feet with a delta angle of 26 degrees 07 minutes 29 seconds, a chord bearing of South 57 degrees 27 minutes 12 seconds West, and a chord distance of 203.52 feet to a 4 inch concrete monument found for corner;

THENCE South 44 degrees 24 minutes 17 seconds West, continuing with southeast line of said Tract 2 and the Northwest line of F.M. 148, a distance of 521.03 feet to a 5/8 inch iron rod set for the south corner of the herein described tract;

THENCE with the west line of the herein described tract, severing said Tract 2 the following three (3) courses and distances:

1. North 45 degrees 34 minutes 04 seconds West, a distance of 29.47 feet to a 5/8 inch iron rod set for corner at the beginning of a curve to the right having a radius of 1000.00 feet;

2. Northwesterly, along the arc of said curve, a distance of 174.56 feet with a delta angle of 10 degrees 00 minutes 05 seconds, a chord bearing of North 40 degrees 34 minutes 02 seconds West, and a chord distance of 174.34 feet to a 5/8 inch iron rod set for corner;

3. North 35 degrees 33 minutes 59 seconds West, a distance of 885.65 feet to a 5/8 inch iron rod set in the proposed southeast right-of-way line of said I.H. 20 and said 0.799 acre tract for the west corner of this herein described tract;

THENCE with the northwest line of the herein described tract and the southeast line of said 0.799 acre tract and said I.H. 20, severing said Tract 2, the following four (4) courses and distances:

1. North 54 degrees 19 minutes 38 seconds East, a distance of 1252.11 feet to a 5/8 inch iron rod set;

2. North 60 degrees 02 minutes 16 seconds East, a distance of 100.50 feet to a 5/8 inch iron rod set;

3. North 54 degrees 19 minutes 38 seconds East, a distance of 54.44 feet to a 5/8 inch iron rod set for corner at the beginning of a curve to the right having a radius of 5499.58 feet;

4. Northeasterly, along the arc of said curve, a distance of 221.09 feet with a delta angle of 2 degrees 18 minutes 12 seconds, a chord bearing of North 55 degrees 28 minutes 44 seconds East, and a chord distance of 221.08 feet to the POINT OF BEGINNING and containing, within the metes and bounds herein recited, 25.949 acres of land, more or less.

TRACT II:

Being a tract of land situated in the Robert Turner Survey No. 25, Abstract No. 551, the Richard Mead Survey No. 167, Abstract No. 316, the J. Stephenson Survey, Abstract No. 452 (also known as the William Simpson Survey, Abstract No. 453), and the Jesse W. Ward Survey No. 154, Abstract No. 596, Kaufman County, Texas and being part of a called 231.453 acres tract of land (Tract 2) described in Deed to MM Terrell 1098, LLC as recorded in Instrument No. 2021-0052162, Official Public Records, Kaufman County, Texas, and being more particularly described herein as follows:

BEGINNING at a 1/2 inch iron rod found in the northwest line of F.M. 148 (a public road) for the east corner of said Tract 2 and the south corner of the Gipson Subdivision No. 1 as recorded in Volume 1, Page 202, Plat Records, Kaufman County, Texas;

THENCE with the southeast line of said Tract 2 and the northwest line of said F.M. 148, the following four (4) courses and distances:

1. South 43 degrees 34 minutes 00 seconds West, a distance of 287.68 feet to a 4 inch concrete monument found at the beginning of a curve to the right having a radius of 480.87 feet;

2. Southwesterly, along the arc of said curve, a distance of 412.83 feet with a delta angle of 49 degrees 11 minutes 18 seconds, a chord bearing of South 68 degrees 03 minutes 55 seconds West, and a chord distance of 400.27 feet to a 4 inch concrete monument found for corner;

3. North 87 degrees 26 minutes 43 seconds West, a distance of 583.09 feet to a 4 inch concrete monument found at the beginning of a curve to the left having a radius of 450.24 feet;

4. Southwesterly, along the arc of said curve, a distance of 171.91 feet with a delta angle of 21 degrees 52 minutes 34 seconds, a chord bearing of South 81 degrees 27 minutes 14 seconds West, and a chord distance of 170.86 feet to a 5/8 inch iron rod with plastic cap stamped "PLS, INC" (typical) set for the southwest corner of this herein described tract;

THENCE North 04 degrees 35 minutes 36 seconds West, with the west line of this herein described tract, severing said Tract 2, a distance of 645.21 feet to a 5/8 inch iron rod set for corner;

THENCE North 15 degrees 59 minutes 24 seconds East, continuing with the west line of this herein described tract, severing said Tract 2, a distance of 713.64 feet to a to a 5/8 inch iron rod set in the southeast line of a called 34,806 square feet (0.799 acre) proposed TXDOT right-of-way line of I.H. 20 tract of land described in Deed to the State of Texas for the northwesterly corner of the herein described tract in a curve to the right having a radius of 5,499.58 feet;

THENCE Northeasterly, along the arc of said curve, with the northwest line of the herein described tract and the proposed southeast line of said 0.799 acre tract and said I.H. 20, severing said Tract 2, a distance of 141.04 feet with a delta angle of 1 degrees 28 minutes 10 seconds, a chord bearing of North 57 degrees 21 minutes 55 seconds East, and a chord distance of 141.03 feet to a 5/8 inch iron rod set in the northeast line of said Tract 2 and the west line of a called 30.594 acres tract of land described in Deed to FM 148 Terrell Limited Partnership as recorded in Volume 2900, Page 310, said Official Public Records for the north corner of the herein described tract, from which a 5/8 inch iron rod found for the north corner of said Tract 2 and the west corner of said 30.594 acres tract bears North 45 degrees 18 minutes 27 seconds West, a distance of 31.71 feet;

THENCE South 45 degrees 18 minutes 27 seconds East, along or near a fence with the northeast line of said Tract 2 and the southwest line of said 30.594 acres tract, a distance of 1,051.92 feet to a 60D nail found at an 8 inch wood fence corner post for the south corner thereof and the west corner of said Gipson Subdivision;

THENCE South 45 degrees 08 minutes 24 seconds East, with the northeast line of said Tract 2 and the southwest line of said Gipson Subdivision, a distance of 436.71 feet to the POINT OF BEGINNING and containing, within the metes and bounds herein recited, 27.454 acres of land, more or less.

Parcel D

Being a tract of land situated in the J. Stephenson Survey, Abstract No. 452 (also known as the William Simpson Survey, Abstract No. 453), Kaufman County, Texas and being part of a called 231.430 acres tract of land (Tract 2) described in Deed to Terrell 1132 LLC as recorded in Volume 4133, Page 449, Official Public Records, Kaufman County, Texas, and being more particularly described herein as follows:

BEGINNING at a 5/8 inch iron rod capped "PETITT" found in the Southeast Right-of-Way line of Interstate 20 (a called variable width R.O.W.) for the West corner of said Tract 2 and the North corner of a called 15.332 acres tract of land described in Deed to The James E. Bates and Kathy L. Bates Revocable Living Trust as recorded in Volume 4255, Page 577, said Official Public Records;

THENCE with the Northwest line of said Tract 2 and the Southeast line of said Interstate 20, the following four (4) courses and distances:

1. North 60 degrees 09 minutes 54 seconds East, a distance of 498.99 feet to a 4 inch concrete monument found for corner;

2. North 54 degrees 52 minutes 35 seconds East, a distance of 614.62 feet to a 4 inch concrete monument found for corner;

3. North 51 degrees 15 minutes 18 seconds East, a distance of 550.73 feet to a 4 inch concrete monument found for corner;

4. North 54 degrees 20 minutes 15 seconds East, a distance of 1450.00 feet to a 5/8 inch iron rod with plastic cap stamped "PLS, INC" (typical) set at the Southwesterly corner of a called 22,931 square feet (0.526 acre) proposed TXDOT Right-of-Way line of I.H. 20 tract of land described in Deed to the State of Texas;

THENCE with the Northwest line of the herein described tract and the Southeast line of said 0.526 acre tract and said I.H. 20, severing said Tract 2, the following three (3) courses and distances:

1. North 71 degrees 02 minutes 30 seconds East, a distance of 209.04 feet to a 5/8 inch iron rod set for corner;

2. North 54 degrees 18 minutes 55 seconds East, a distance of 125.00 feet to a 5/8 inch iron rod set for corner;

3. North 45 degrees 57 minutes 59 seconds East, a distance of 309.92 feet to a 5/8 inch iron rod set in the Northwest line of said Tract 2 and the existing Southeast Right-of-Way line of Interstate 20 for the Northeasterly corner of said 0.526 acre tract;

THENCE North 57 degrees 21 minutes 50 seconds East, with the Northwest line of said Tract 2 and the Southeast line of said Interstate 20, a distance of 268.64 feet to a 4 inch concrete monument found for corner;

THENCE North 54 degrees 21 minutes 11 seconds East, continuing with the Northwest line

of said Tract 2 and the Southeast line of said Interstate 20, a distance of 799.24 feet to a 4 inch concrete monument found for corner;

THENCE North 52 degrees 44 minutes 07 seconds East, continuing with the Northwest line of said Tract 2 and the Southeast line of said Interstate 20, a distance of 342.20 feet to 5/8 inch iron rod set at the Southwesterly corner of a called 34,806 square feet (0.799 acre) proposed TXDOT Right-of-Way line of I.H. 20 tract of land described in Deed to the State of Texas;

THENCE North 54 degrees 19 minutes 38 seconds East, with the Southeast line of said 0.799 acre tract and said I.H. 20, severing said Tract 2, a distance of 56.57 feet to 5/8 inch iron rod set for the North corner of the herein described tract;

THENCE with the Northeast East line of this described tract, the following three (3) courses and distances:

1. South 35 degrees 33 minutes 59 seconds East, a distance of 885.65 feet to a 5/8 inch iron rod set for corner in a curve to the left having a radius of 1000.00 feet;

2. along the arc of said curve, a distance of 174.56 feet with a delta angle of 10 degrees 00 minutes 05 seconds, a chord bearing of South 40 degrees 34 minutes 02 seconds East, and a chord distance of 174.34 feet to a 5/8 inch iron rod set for corner;

3. South 45 degrees 34 minutes 04 seconds East, a distance of 29.47 feet to a 5/8 inch iron rod set in the Southeast line of said Tract 2 and in the Northwest Right-of-Way line of F.M. 148 (a public road) for the East corner of this herein described tract;

THENCE with the Southeast line of said Tract 2 and the Northwest line of said F.M. 148, the following five (5) courses and distances:

1. South 44 degrees 24 minutes 17 seconds West, a distance of 754.25 feet to a 4 inch concrete monument found for corner;

2. South 44 degrees 35 minutes 36 seconds West, a distance of 1,393.96 feet to a 4 inch concrete monument found for corner;

3. South 44 degrees 25 minutes 34 seconds West, a distance of 2,207.53 feet to a 4 inch concrete monument found for corner;

4. South 44 degrees 11 minutes 35 seconds West, a distance of 593.09 feet to a railroad-tie fence corner post found for the South corner of said Tract 2 and the East corner of said Bates tract;

5. North 45 degrees 43 minutes 19 seconds West, with the Southwest line of said Tract 2 and the Northeast line of said Bates tract, a distance of 2,016.41 feet to the POINT OF BEGINNING and containing, within the metes and bounds herein recited, 176.746 acres of land, more or less.

EXHIBIT A-2
Additional Land

LEGAL DESCRIPTION

LEGAL DESCRIPTION

BEGINNING at a 5/8 inch iron rod with plastic cap stamped "PLS, INC" (typical) set for north corner of said Chee tract, from which a ¾ inch pipe found for an interior corner of said tract 1 bears north 17 degrees 33 minutes 15 seconds west, a distance of 3,054.81 feet, said corner being in a curve to the left having a radius of 5,280.00 feet;

THENCE with the easterly line of said Chee tract, the following three (3) courses and distances:

1. Southeasterly, along the arc of said curve, a distance of 270.05 feet with a delta angle of 2 degrees 55 minutes 50 seconds, a chord bearing of south 57 degrees 27 minutes 01 seconds east, and a chord distance 270.02 feet to a 5/8 inch iron rod set at the beginning of a curve to the right having a radius of 827.58 feet;
2. Southeasterly, along the arc of said curve, a distance of 1,029.50 feet with a delta angle of 71 degrees 16 minutes 31 seconds, a chord bearing of south 14 degrees 24 minutes 10 seconds east, and a chord distance of 964.39 feet to a 5/8 inch iron rod set for corner;
3. South 21 degrees 14 minutes 06 seconds west, a distance of 373.32 feet to a 5/8 inch iron rod set for the south corner of said Chee tract, from which a 3 inch steel fence corner post found for the east corner of said tract 1 bears north 75 degrees 05 minutes 04 seconds east, a distance of 2,455.74 feet, said corner being in a curve to the left having a radius of 895.00 feet;

THENCE with the westerly line of said Chee tract, the following four 940 courses and distances:

1. Northerly, along the arc of said curve, a distance of 268.19 feet with a delta angle of 17 degrees 10 minutes 09 seconds, a chord bearing of north 03 degrees 47 minutes 29 seconds west, and a chord distance of 267.19 feet to a 5/8 inch iron rod set at the beginning of a curve to the right having a radius of 1,704.45 feet;
2. Northwesterly, along the arc of said curve, a distance of 446.03 feet with a delta angle of 28 degrees 34 minutes 16 seconds, a chord bearing of north 26 degrees 39 minutes 10 seconds west, and a chord distance of 441.42 feet to a 5/8 inch iron rod set at the beginning of a curve to the right having a radius of 1,704.45 feet;
3. Northwesterly, along the arc of said curve, a distance of 470.65 feet with a delta angle of 15 degrees 49 minutes 16 seconds, a chord bearing of north 33 degrees 01 minutes 26 seconds west, and a chord distance of 469.16 feet to a 5/8 inch iron rod set for corner;
4. North 20 degrees 27 minutes 32 seconds east, a distance of 397.95 feet to the point of beginning and containing, within the metes and bounds herein recited, 10.006 acres of land, more or less.

EXHIBIT B
Authorized Improvements

A. Major Improvements

• Streets

Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within the District.

• Water

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within the District.

• Sewer

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

• Drainage

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within the District.

• Soft Costs

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

B. Direct Phase Improvements

• Streets

Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right of-way are included. The street improvements will provide benefit to each Lot within the Improvement Area #1.

• Water

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1.

• Sewer

Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.

• Drainage

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and oxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within the Improvement Area #1.

• Soft Costs

Costs directly related to designing, constructing, and installing the Improvement Area #1 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal fees, and consultant fees.

EXHIBIT B-1
Authorized Improvements Estimated Costs

COMMUNITY NAME:	**Arboretum Estates**	**GROSS ACREAGE:**	703.5
PHASES:	Phases 1-8 & Overall MI's	**NET ACREAGE:**	620.0
CITY OR TOWN:	Terrell ETJ & Las Lomas MUD 4	**TOTAL LOTS:**	**2,391**
		TOTAL DENSITY:	3.86
		LANDPLAN:	38
		CREATED BY:	RCL/CH
		REVIEWED BY:	MC
		CREATED:	10/12/21
		REVISED:	06/29/23

BARRAZA CONSULTING GROUP, LLC
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Direct Phase Costs (PID Direct)			**Totals**	**Phase 1**	**Future**
	Lot Count		**2391**	**507**	**1884**
1 Grading & Site Preparation		$	10,745,394	$ 1,870,671	$ 8,874,723
2 Water System		$	12,906,399	$ 2,311,038	$ 10,595,361
3 Sanitary Sewer System		$	15,264,811	$ 3,244,139	$ 12,020,672
4 Drainage System		$	26,252,760	$ 4,873,939	$ 21,378,822
5 Street Improvements		$	29,470,879	$ 5,941,891	$ 23,528,988
6 District Formation		$	4,815,172	$ 920,352	$ 3,894,821
7 Soft Costs		$	13,262,782	$ 2,382,445	$ 10,880,336
8 Contingency	5%	$	5,395,151	$ 1,031,206	$ 4,363,945
	Total	$	118,113,349	$ 22,575,681	$ 95,537,668
	Cost per Lot	$	49,399	$ 44,528	$ 50,710

Private Costs			**Totals**	**Phase 1**	**Future**
	Lot Count		**2391**	**507**	**1884**
1 Grading & Site Preparation		$	9,201,911	$ 1,356,225	$ 7,845,686
2 Retaining Walls		$	3,964,000	$ 752,000	$ 3,212,000
3 Dry Utilities		$	2,481,200	$ 484,900	$ 1,996,300
4 Amenity Center		$	3,500,000	$ -	$ 3,500,000
5 Soft Costs		$	2,032,336	$ 305,768	$ 1,726,569
6 Contingency	5%	$	1,058,972	$ 144,945	$ 914,028
	Total	$	22,238,420	$ 3,043,838	$ 19,194,582
	Cost per Lot	$	9,301	$ 6,004	$ 10,188
Total (Direct + Private)		***$***	***140,351,769***	***$ 25,619,519***	***$ 114,732,250***
Total MI		***$***	***72,112,793***	***$ 25,759,088***	***$ 46,353,706***
Total Water Oversizing		***$***	***515,340***	***$ 515,340***	***$ -***
Total All		***$***	***212,979,902***	***$ 51,893,946***	***$ 161,085,956***
Direct + Private Per Lot		*$*	*58,700*	*$ 50,532*	*$ 60,898*
MI Per Lot		*$*	*30,160*	*$ 50,807*	*$ 24,604*
Oversize Water MI Per Lot		*$*	*216*	*$ 1,016*	*$ -*
Total (Direct + Private + MI) per lot		***$***	***89,076***	***$ 102,355***	***$ 85,502***

Lot Count	**Totals**	**Phase 1**	**Future**
40' Lots	1,031	294	737
50' Lots	1,010	140	870
60' Lots	141	42	99
70' Lots	70	31	39
1/2 AC. Lots	139	0	139
Total Lots	***2,391***	***507***	***1884***

COMMUNITY NAME:	Arboretum Estates	**GROSS ACREAGE:**	703.5
PHASES:	Phases 1-8 & Overall MI's	**NET ACREAGE:**	620.0
CITY OR TOWN:	Terrell ETJ & Las Lomas MUD 4	**TOTAL LOTS:**	2,391
		TOTAL DENSITY:	3.86
		LANDPLAN:	38
		CREATED BY:	RCL/CH
		REVIEWED BY:	MC
		CREATED:	10/12/21
		REVISED:	06/29/23

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Major Improvements Costs		**Totals**	**Phase 1**	**Future**
	Overall Development Lot Count	**2391**	507	1,884
1 Water		$ 5,267,706	$ 2,363,795	$ 2,903,912
2 Sanitary Sewer Transmission		$ 5,223,496	$ 3,179,508	$ 2,043,988
Sanitary Sewer Capacity (WWTP)		$ 4,950,000	$ 2,100,000	$ 2,850,000
3 Detention Ponds		$ 995,004	$ -	$ 995,004
4 Amenity Ponds		$ 339,080	$ -	$ 339,080
5 Street Improvements		$ 29,981,618	$ 9,586,120	$ 20,395,497
6 Screening Walls		$ 4,646,000	$ 684,000	$ 3,962,000
7 Landscape & Irrigation		$ 2,899,000	$ 342,000	$ 2,557,000
8 Monumentation		$ 300,000	$ 100,000	$ 200,000
9 Parks & Trails		$ 1,638,442	$ 235,489	$ 1,402,953
10 ROW Dedication		$ 2,000,000	$ 2,000,000	$ -
11 Soft Costs		$ 7,638,647	$ 2,941,428	$ 4,697,219
12 Contingency	5%	$ 3,293,950	$ 1,176,617	$ 2,117,333
13 District Formation		$ 2,939,850	$ 1,050,131	$ 1,889,719
	Total	$ 72,112,793	$ 25,759,088	$ 46,353,706
	Cost per Lot	$ 30,160	$ 50,807	$ 24,604

Major Improvements - City Oversizing (Non-PID)		**Totals**	**Phase 1**	**Future**
	Overall Development Lot Count	**2391**	507	1,884
1 Water		$ 490,800	$ 490,800	$ -
12 Contingency	5%	$ 24,540	$ 24,540	$ -
	Total	$ 515,340	$ 515,340	$ -
	Cost per Lot	$ 216	$ 1,016	$ -

TOTAL COST	**Totals**	**Phase 1**	**Future**
(Private + Direct + MI + Oversizing)	***$ 212,979,902***	***$ 51,893,946***	***$ 161,085,956***
Cost per Lot	$ 89,076	$ 102,355	$ 85,502

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY. BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES TAKE-OFFS BEFORE FINANCIAL OBLIGATIONS ARE MADE.

NOTES

[1] MI Water - Ph 1, 3, 4 and 7 include offsite Freese & Nichols study segments 3, 4 and 5. CADG to pay for segment 5 at 12", City pays oversizing to 16"

[2] MI Sanitary Sewer - WWTP assumes CADG-operated 0.33 MGD temporary plant before hand-off to City of Terrell for permanent plant construction/operation. 0.14 MGD with Ph 1. WWTP to be expanded pased on actual flows @ 70% capacity

[3] MI Detention Pond - Pond costs are for City-required detention

[4] MI Amenity Pond - Digging out and amenitizing dry pond near WWTP in Ph 3, and wet pond on property limits in Ph 6

[5] MI Streets - Total costs - 4 lanes FM 148:$11.60MM, 4/3/2 lanes Las Lomas Pkwy: $7.87MM, 3 lanes Collector A: $4.73MM, 3 lanes Collector B: $4.83MM. City's revised technical standards increased paving costs

[6,7] MI Screening wall, landscaping, and irrigation included for road major improvements adjacent to single-family phases. Excluded adjacent to commercial/multi-family outparcels and City property on Collector B.

[9] MI Parks & Trails - Ph 1 includes Arboretum parking lot. Ph 2 includes trails

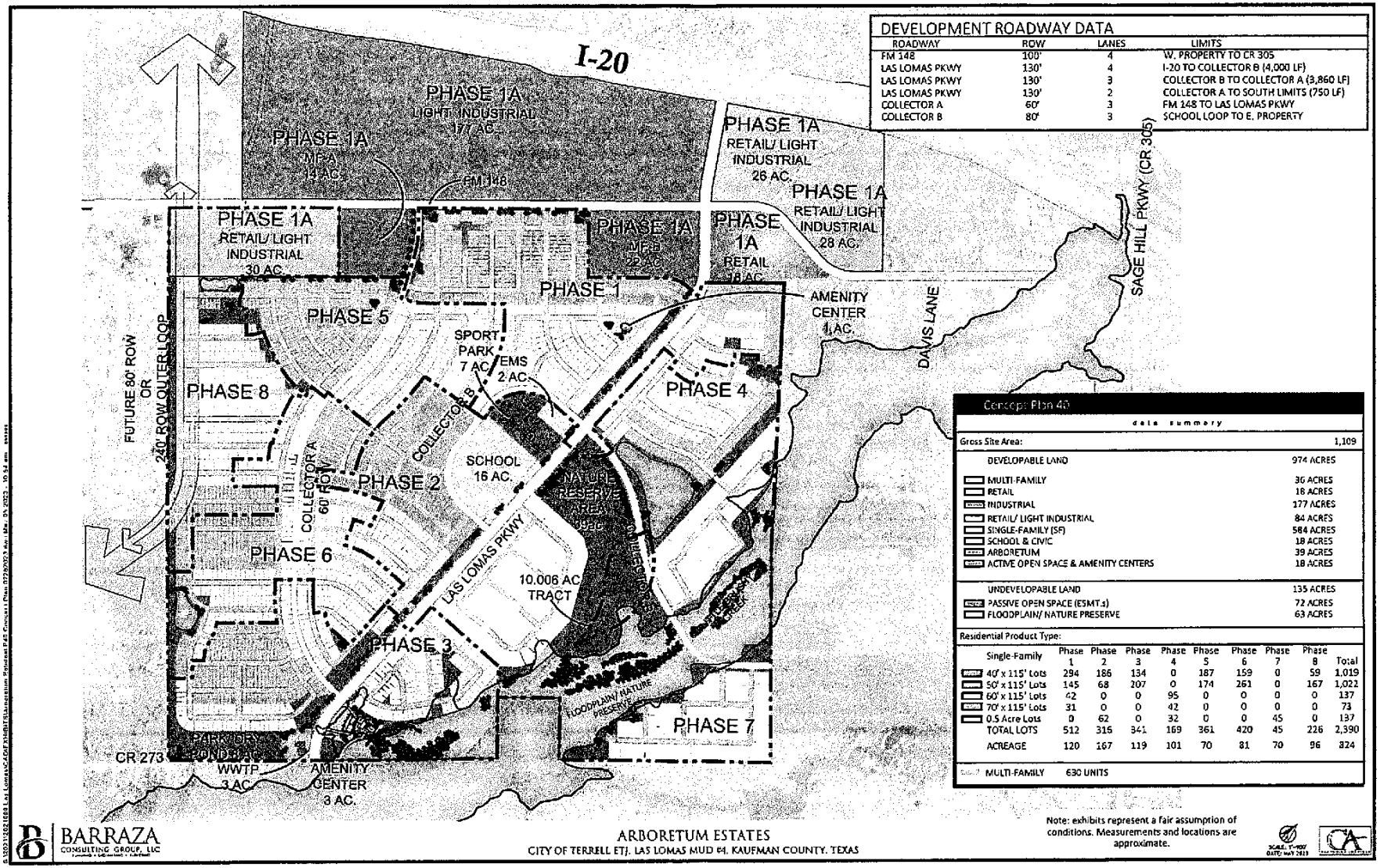
[11] Soft Costs (Direct, Private & MI) include: Civil Engineering, Planning, Surveying, Flood Studies, Environmental, Wetlands, SWPPP Administration, Traffic Studies, Const Admin, City Const Inspect, Const Mgmt ($1,000/lot per GM), Material Testing ($1,500/lot per GM) and City/County/TxDOT Fees

[B] Development cost does not include: Potential rock excavation

[C] Grading cost assumes 2 ft of excavation across the site

[D] Unit costs based on CADG projects Verandah and Spiritas Ranch

EXHIBIT C
Concept Plan



DEVELOPMENT ROADWAY DATA

ROADWAY	ROW	LANES	LIMITS
FM 148	100'	4	W. PROPERTY TO CR 305
LAS LOMAS PKWY	130'	4	I-20 TO COLLECTOR B (4,000 LF)
LAS LOMAS PKWY	130'	3	COLLECTOR B TO COLLECTOR A (3,860 LF)
LAS LOMAS PKWY	130'	2	COLLECTOR A TO SOUTH LIMITS (750 LF)
COLLECTOR A	60'	3	FM 148 TO LAS LOMAS PKWY
COLLECTOR B	80'	3	SCHOOL LOOP TO E. PROPERTY

Concept Plan 46

data summary

Gross Site Area:	1,109
DEVELOPABLE LAND	974 ACRES
MULTI-FAMILY	36 ACRES
RETAIL	18 ACRES
INDUSTRIAL	177 ACRES
RETAIL/ LIGHT INDUSTRIAL	84 ACRES
SINGLE-FAMILY (SF)	584 ACRES
SCHOOL & CIVIC	18 ACRES
ARBORETUM	39 ACRES
ACTIVE OPEN SPACE & AMENITY CENTERS	18 ACRES
UNDEVELOPABLE LAND	135 ACRES
PASSIVE OPEN SPACE (ESMT.s)	72 ACRES
FLOODPLAIN/ NATURE PRESERVE	63 ACRES

Residential Product Type:

Single-Family	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	Phase 8	Total
40' x 115' Lots	294	186	134	0	187	159	0	59	1,019
50' x 115' Lots	145	68	207	0	174	261	0	167	1,022
60' x 115' Lots	42	0	0	95	0	0	0	0	137
70' x 115' Lots	31	0	0	42	0	0	0	0	73
0.5 Acre Lots	0	62	0	32	0	0	45	0	137
TOTAL LOTS	512	316	341	169	361	420	45	226	2,390
ACREAGE	120	167	119	101	70	81	70	96	824

MULTI-FAMILY 630 UNITS

BARRAZA CONSULTING GROUP, LLC

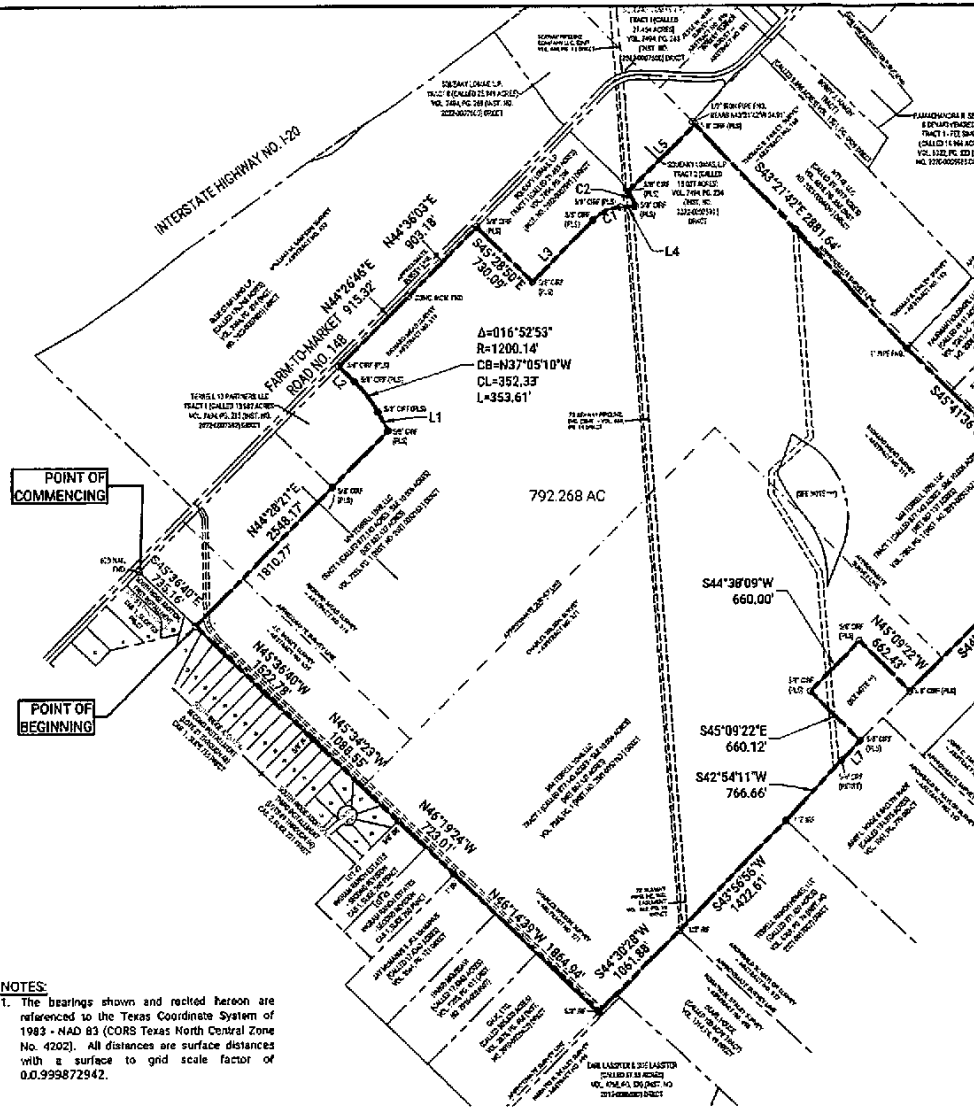
ARBORETUM ESTATES

CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.

EXHIBIT C-1
Residential Property / PID Property Description

LEGAL DESCRIPTION



CURVE TABLE					
CURVE #	DELTA	RADIUS	CH. BEARING	CH. LENGTH	LENGTH
C1	041°13'11"	395.05	N65°08'08"E	278.12'	284.21'
C2	010°51'45"	800.09	N25°40'19"W	151.46'	151.69'

LINE TABLE		
LINE #	DISTANCE	BEARING
L1	202.02'	N28°37'25"W
L2	202.07'	N45°36'20"W
L3	804.39'	N44°31'32"E
L4	140.46'	N85°44'43"E
L5	873.15'	N44°26'58"E
L6	368.18'	S45°44'04"E
L7	253.75'	S44°54'31"W

0 1000 2000
SCALE: 1" = 1000'

LEGEND	
ESMT	EASEMENT
ROW	RIGHT-OF-WAY
VOL., PG.	VOLUME, PAGE
INST. NO.	INSTRUMENT NUMBER
DRKCT	DEED RECORDS, KAUFMAN COUNTY, TEXAS
PRKCT	PLAT RECORDS, KAUFMAN COUNTY, TEXAS
IRF (CIRF)	IRON (CAPPED) ROD FOUND
SAE	SAVE AND EXCEPT

NOTES:
1. The bearings shown and recited hereon are referenced to the Texas Coordinate System of 1983 - NAD 83 (CORS Texas North Central Zone No. 4202). All distances are surface distances with a surface to grid scale factor of 0.0.999872942.

EXHIBIT "A"

792.268 ACRE TRACT

SITUATED IN THE
RICHARD MEAD SURVEY, ABSTRACT NO. 316,
CHARLES WILSON SURVEY, ABSTRACT NO. 571 &
J.C. MOSES SURVEY, ABSTRACT NO. 635
CITY OF TERRELL ETJ
KAUFMAN COUNTY, TEXAS

BARRAZA CONSULTING GROUP, LLC
TBPLS FIRM REG. NO. 10194538
TBPE FIRM REG. NO. 20683
801 East Campbell Road, Ste. 650
Richardson, Texas 75081
TELEPHONE - (214)-484-7055
PROJECT NO. 2021-009
DATE June 2023

TECH-JAM
SCALE 1"=1000'

DESCRIPTION – 792.268 ACRES

BEING that certain tract of land situated in the Richard Mead Survey, Abstract No. 316, the Charles Wilson Survey, Abstract No. 571, and the J. C. Moses Survey, Abstract No. 635, in Kaufman County, Texas and being part of that certain called 877.143 acre tract of land (save and except 10.006 acres) described as Tract 1 in deed to MM Terrell 1098, LLC recorded in Volume 7385, Page 1, of the Deed Records of Kaufman County, Texas (DRKCT), and including all of that certain called 10.006 acre tract of land described in the following five deeds (undivided 1/5th interest each) to I-Ming Chee recorded in Volume 2943, Page 612, DRKCT, Kirk Ulrich recorded in Volume 2943, Page 616, DRKCT, John Wilburn recorded in Volume 2943, Page 620, DRKCT, Beverly C. Cezar recorded in Volume 2943, Page 624, DRKCT, and James Hancock recorded in Volume 2943, Page 628, DRKCT, and being more particularly described as follows:

COMMENCING at a 60d nail found on the southeast right-of-way line of Farm-to-Market Road No. 148 (variable width right-of-way), and being the most westerly west corner of said MM Terrell 1098, LLC tract, and the north corner of Lot 20 of South Ridge Addition, First Installment, an addition to the County of Kaufman recorded in Cabinet I, Slide 728, of the Plat Records of Kaufman County, Texas (PRKCT);

THENCE South 45°36'40" East, with the southwest line of the MM Terrell 1098, LLC tract, and the northeast line of said Lot 20, and Lot 10, of said South Ridge Addition, First Installment, a distance of 735.16 feet to the **POINT OF BEGINNING**;

THENCE North 44°28'21" East, over and across said MM Terrell 1098, LLC tract, passing at a distance of 1810.77 feet a 5/8-inch iron rod with cap stamped "PLS" found at the south corner of that certain called 13.982 acre tract of land described as Tract 1 in deed to Terrell 13 Partners, LLC recorded in Volume 7494, Page 213, DRKCT, continuing with the southeast line of said Tract 1 in deed to Terrell 13 Partners, LLC, in all, a total distance of 2548.17 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner;

THENCE with the northeast line of said Tract 1 of the Terrell 13 Partners, LLC tract, the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

North 28°37'25" West, a distance of 202.02 feet to the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 16°52'53", a radius of 1200.14 feet, a chord which bears North 37°05'10" West, a chord distance of 352.33 feet, and for an arc distance of 353.61 feet;

And North 45°36'20" West, a distance of 202.07 feet, said iron rod being located at the north corner of Tract 1, of the Terrell 13 Partners, LLC tract, and on said southeast right-of-way line of Farm-to-Market Road No. 148;

THENCE North 44°26'46" East, with said southeast right-of-way line of Farm-to-Market Road No. 148, a distance of 915.32 feet to a concrete monument found for corner;

THENCE North 44°36'03" East, continuing with said southeast right-of-way line of Farm-to-Market Road No. 148, a distance of 903.18 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the west corner of that certain called 21.465 acre tract of land described as Tract 1 in deed to Squeaky Lomas, L.P. recorded in Volume 7494, Page 204, DRKCT;

THENCE with the southwest and southeast lines of said Tract 1 in deed to Squeaky Lomas, L.P., the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

South 45°28'50" East, a distance of 730.09 feet;

North 44°31'32" East, a distance of 804.39 feet to the beginning of a non-tangent curve to the right;

Northeasterly, with said curve which has a central angle of 41°13'11", a radius of 395.05 feet, a chord which bears North 65°08'08" East, a chord distance of 278.12 feet, and for an arc distance of 284.21 feet;

North 85°44'43" East, a distance of 140.46 feet to the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 10°51'45", a radius of 800.09 feet, a chord which bears North 25°40'19" West, a chord distance of 151.46 feet, and for an arc distance of 151.69 feet, said iron rod being the south corner of that certain called 18.037 acre tract described as Tract 2 in said deed to Squeaky Lomas, L.P. recorded in Volume 7494, Page 204, DRKCT;

THENCE North 44°26'58" East, with the southeast line of said Tract 2, a distance of 875.15 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the east corner of said Tract 2, and being located on the southeast line of that certain called 59.4917 acre tract of land described in deed to NT148, LLC recorded in Volume 6818, Page 258, DRKCT, from which a 1/2-inch iron pipe found at the west corner of said NT148, LLC tract bears North 43°21'42" West, a distance of 34.91 feet;

THENCE South 43°21'42" East, with the southwest line of said NT148, LLC tract, a distance of 2881.64 feet to a 1-inch pipe found for corner at the south corner of said NT148, LLC tract;

THENCE South 45°41'36" East, with a northeast line of said Tract 1 of the MM Terrell 1098, LLC tract, a distance of 1962.86 feet to a 1-inch iron pipe found for corner at the south corner of that certain called 69.500 acre tract of land described in deed to Alejandro Gamez, Jr. and Nancy Delcampo Gamez recorded in Volume 5078, Page 321, DRKCT, and a west corner of that certain called 189.998 acre tract of land described in deed to Norman N. Huneycutt and Janet R. Huneycutt, Trustees, recorded in Volume 3746, Page 407, DRKCT;

THENCE South 45°44'04" East, with a southwest line of said Norman N. Huneycutt and Janet R. Huneycutt tract, a distance of 308.18 feet to a 1/2 inch iron rod found for corner at an ell corner of said Norman N. Huneycutt and Janet R. Huneycutt tract;

THENCE South 44°51'33" West, with a northwest line of said Norman N. Huneycutt and Janet R. Huneycutt tract, a distance of 2269.99 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the east corner of that certain called 10.019 acre tract of land described in the following five deeds (undivided 1/5th interest each) to Melvin Henry recorded in Volume 2985, Page 554, DRKCT, Bill M. Erwin recorded in Volume 2985, Page 558, DRKCT, Jason A. Delorenzo recorded in Volume 2985, Page 562, DRKCT, Mary A. Wilson recorded in Volume 2985, Page 566, DRKCT, and Jennifer D. Harrell recorded in Volume 2985, Page 570, DRKCT;

THENCE with the northeast, northwest, and southwest lines of said 10.019 acre tract, the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

North 45°09'22" West, a distance of 662.43 feet;

South 44°38'09" West, a distance of 660.00 feet;

And South 45°09'22" East, a distance of 660.12 feet, said iron rod being the south corner of said 10.019 acre tract, and being located on the northwest line of that certain called 154.875 acre tract of land described in deed to Jerry L. Wade and Raelyn Wade recorded in Volume 1061, Page 779, DRKCT;

THENCE South 44°54'31" West, said northwest line of the Jerry L. Wade and Raelyn Wade tract, a distance of 253.75 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner;

THENCE South 42°54'11" West, continuing with said northwest line of the Jerry L. Wade and Raelyn Wade tract, a distance of 766.66 feet to a 1/2 inch iron rod found for corner at the north corner of that certain called 171.409 acre tract of land described in deed to Terrell Ranch Homes, LLC recorded in Volume 6969, Page 74, DRKCT;

THENCE South 43°56'56" West, with the northwest line of said Terrell Ranch Homes, LLC tract, and a southeast line of said Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1422.61 feet to a 1/2 inch iron rod found for corner at the west corner of said Terrell Ranch Homes, LLC tract;

THENCE South 44°30'28" West, with a southeast line of said Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1061.88 feet to a 5/8-inch iron rod found for corner at the most southerly south corner of Tract 1 in deed to MM Terrell 1098, LLC;

THENCE North 46°14'39" West, with a southwest line of Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1864.94 feet to a 1-inch iron rod found at the east corner of Lot 43 of Ingram Ranch Estates, Second Revision, an addition to Kaufman County, Texas according to Final Plat recorded in Cabinet 1, Slide 260, PRKCT;

THENCE North 46°19'24" West, with the northeast line of said Lot 43, and Lot 42, of said Ingram Ranch Estates, Second Revision, a distance of 723.01 feet to a 5/8-inch iron rod found for corner at the east corner of South Ridge Addition, Third Installment (Lots 49 through 69), an addition to the County of Kaufman recorded in Cabinet 2, Slide 221, PRKCT;

THENCE North 45°34'23" West, with the northeast line of said South Ridge Addition, Third Installment, a distance of 1088.55 feet to 5/8" iron rod found for corner;

THENCE North 45°36'40" West, continuing with said northeast line of South Ridge Addition, Third Installment, and the northeast line of South Ridge Addition, Second Installment (Lots 21 through 48), an addition to the County of Kaufman recorded in Cabinet 1, Slide 755, PRKCT, and said northeast line of Lot 10, of South Ridge Addition, First Installment, a distance of 1522.78 feet to the **POINT OF BEGINNING**, and containing an area of 792.268 acres of land.

NOTES:

The bearings shown and recited hereon are referenced to the Texas Coordinate System of 1983 ~ North Central Zone No. 4202 - NAD 83. (All distances are surface distances with a surface to grid scale factor of 0.999872942).

EXHIBIT D
Development Standards

ARBORETUM ESTATES DEVELOPMENT STANDARD MODIFCATIONS

Modifications to Single Family Residential

For the area identified as base Single Family in Exhibit D-1, or any other area subsequently established as base Single Family by an updated site plan, all Single Family 7.5 standards remain in effect with the following modifications:

Any development shall follow the concept plan shown in Exhibit D-2. To the extent that proposed development deviates from the concept plan shown in Exhibit D-2, an updated submittal of the concept plan shall be provided the Municipal Development Director for review and approval.

Base zoning provisions not modified by this Planned Development which apply to the Property are limited to applicable provisions of the Zoning Ordinance of the City of Terrell in effect on the effective date of the ordinance enacting this Planned Development.

Development Standards:

A. Permitted Uses. In addition to those uses listed in City Codes, the following uses are temporarily permitted by right when utilized during the construction period of the applicable residential phase and approved by site plan application to city staff.
    1. Model Homes (inclusive of early permits)
    2. Temporary sales offices
    3. Temporary construction offices
    4. Concrete Washouts
    5. Temporary concrete batch plants
    6. Temporary construction yards

B. Dimensional Standards. Single-family residential lots shall be in compliance with the following minimum dimensional standards:

Standard	Option A	Option B	Option C	Option D
Minimum Lot Width	40 feet	50 feet	60 feet	70 feet
Minimum Lot Area	4,400 sf	5,500 sf	6,600 sf	7,700 sf
Minimum Lot Depth	110 feet			
Curvilinear Lot Depth	100 feet			
Front Yard Setback	15 feet			
Garage Door Setback from Sidewalk	20 feet			
Interior Side Yard Setback	5 feet			
Exterior Side Yard Setback	20 feet			

Standard	Option A	Option B	Option C	Option D
Rear Yard Setback	10 feet			
Maximum Building Coverage	60%			
Maximum Main Building Height	40 feet			
Maximum Main Building Stories	2.5			
Maximum Accessory Building Height	15 feet			
Maximum Accessory Building Stories	1			
Minimum Air-conditioncd sf	1,300 sf	1,400 sf	1,600 sf	1,800 sf
Average Air-conditioned sf	1,400 sf	1,600 sf	1,800 sf	2,000 sf

C. Lot Density.
   1. 1,025 lots may be developed as Option A lots.
   2. 1,017 lots may be developed as Option B lots, plus the developer may exchange a reduction in Option A lots for an increase in the number of Option B lots.
   3. 141 lots may be developed as Option C lots, plus the developer may exchange a reduction in Option A or B lots for an increase in the number of Option C lots.
   4. 70 lots may be developed as Option D lots, plus the developer may exchange a reduction in Option A, B or C lots for an increase in the number of Option D lots.
   5. A maximum of two thousand two hundred fifty three (2,253) lots may be developed in the Single Family 7.5 base zoning area.
   6. As stated in the development agreement, in the instance that the outer loop is not developed, a site plan may be submitted with a full construction plat for additional single family Option B residential lots on the land that otherwise would have been dedicated as Right-of-Way. In the event of a conflict between the development agreement and this section C(6), the development agreement shall control.

D. Supplemental Standards: Supplemental standards will supersede Terrell's base zoning ordinances where they conflict.
   1. Front entry garages shall be permitted on all lots and shall have a minimum twenty (20) foot setback.
   2. Garages may extend a maximum of two (2') feet beyond the front façade for Option B, C, and D lots.
   3. J-swing garages shall be allowed for Option D lots only.
   4. Snout garages shall be allowed for Option A lots only. Snout garages may extend ten (10') feet beyond the front façade.
   5. Garages shall have decorative hardware.
   6. No carports will be allowed.
   7. One hundred percent (100%) of all front face elevations and all side elevations for single-family dwellings shall consist of brick and/or stone, except architectural features

including without limitation gables and excepting any requirement that would force installing brick and/or stone over wood. Rear elevations do not have a brick and/or stone requirement unless facing a major thoroughfare or open space, in which case one hundred percent (100%) shall consist of brick and/or stone, except architectural features including without limitation gables and excepting any requirement that would force installing brick and/or stone over wood. Architectural trim features such as dormers or gables shall not be counted as exterior wall surface when calculating the masonry requirement above the first floor and may be located on any wall surface.

8. Covered porches shall have no minimum size.
9. Roof design may include dormers or combination hip and gable.
10. The same floor plan and elevation shall not be duplicated for three lots on the same side of the street or for three lots on the opposite side of the street. (Mirror image floor plans are considered duplicates for the purpose of lot spacing.)
11. Sidewalks shall be constructed by the homebuilder.
12. Street lighting shall be provided along residential streets, providing low illumination ("dark sky" compliant, see Terrell Code of Ordinances section 40) with a maximum spacing of 400 feet between lights placed on alternating sides of the street in accordance with the current street lighting policy administered by the city engineer. Light poles shall be located within the parkway zone only (see section 7 (Landscape Requirements) for details.
13. Street layout and design shall be completed in accordance with the Concept Plan attached as Exhibit D-2.
14. A minimum of one (1) large shade tree (3 inch caliper measured at 4 feet of height) shall be planted in the front yard parkway during home construction and two (2) large shade trees in any corner lot side yard parkway, if applicable. Care should be exercised in the placement of large shade trees so as not to obscure the view of the front entryway of the house. (See "recommended plant list" in Terrell Code of Ordinances Section 34). Any additional trees placed in the front, side or rear yard are optional. Street trees shall be required to be installed by the homebuilder.
15. The provisions in this Modifications to Single Family Residential shall control and there shall be no other restrictions on the locations or types of garages, including but not limited to those restrictions set out in Section 33, "Off Street Parking, Sidewalks, and Loading Requirements," of the Zoning Ordinance of the City of Terrell.

Modifications to Executive Estates

For the areas identified as base Executive Estates in Exhibit D-1, or by any other updated site plan, all Executive Estates standards remain in effect with the following modifications:

Any development shall follow the concept plan shown in Exhibit D-2. To the extent that proposed development deviates from the concept plan shown in Exhibit D-2, an updated submittal of the concept plan shall be provided the Municipal Development Director for review and approval.

Upon submission of an updated site plan request by developer, City may authorize changes to lot count that has the net effect of reducing overall density. For example, Option D lots may be increased by a number equivalent to a proposed reduction in the Option A lot count and acreage. Executive Estates may be constructed in any location identified as Single Family A/B/C/D lots.

Development Standards:

A. Permitted Uses. In addition to those used listed in City Codes, the following uses are temporary permitted by right when approved by site plan application to staff.
   1. Model Homes (inclusive of early permits)
   2. Temporary sales offices
   3. Temporary construction offices
   4. Temporary asphalt batch plants
   5. Temporary concrete batch plants
   6. Temporary construction yards
   7. Concrete Washouts

B. Dimensional Standards. Single-family residential lots shall be in compliance with the following minimum dimensional standards:

Standard	Option A
Minimum Lot Width	120 feet
Minimum Lot Area	21,780 sf
Minimum Lot Depth	110 feet
Curvilinear Lot Depth	100 feet
Front Yard Setback	20 feet
Garage Door Setback from Sidewalk	25 feet
Interior Side Yard Setback	20 feet
Exterior Side Yard Setback	20 feet
Rear Yard Setback	10 feet
Maximum Building Coverage	45%
Maximum Main Building Height	48 feet
Maximum Main Building Stories	3
Maximum Accessory Building Height	15 feet
Maximum Accessory Building Stories	1
Minimum Air-conditioned sf	2,500 sf
Average Air-conditioned sf	2,700 sf

C. Lot Density.
    1. A minimum 137 lots may be developed.

D. Supplemental Standards: Supplemental standards will supersede Terrell's base zoning ordinances where they conflict.
    1. A minimum of two (2) enclosed parking spaces located behind the front building line on the same lot as the main structure.
    2. Front entry garages shall be permitted on all lots and shall have a minimum twenty-five (25) foot setback.
    3. Front Entry garages may extend a maximum of two (2') feet beyond the front porch support columns
    4. J-swing garages shall be allowed.
    5. No carports will be allowed.
    6. One hundred percent (100%) of all front face elevations for single-family dwellings shall consist of brick and/or stone, except architectural features including without limitation gables and excepting any requirement that would force installing brick and/or stone over wood. Eighty percent (80%) of all other elevations shall consist of brick and/or stone, except architectural features including without limitation gables and excepting any requirement that would force installing brick and/or stone over wood. Architectural trim features such as dormers or gables shall not be counted as exterior wall surface when calculating the masonry requirement above the first floor and may be located on any wall surface. Two different types of masonry shall not be required.
    7. Covered porches shall have no minimum size.
    8. Roof design may include dormers or combination hip and gable.
    9. The same floor plan and elevation shall not be duplicated for three (3) lots on the same side of the street or for three (3) lots on the opposite side of the street. (Mirror image floor plans are considered duplicates for the purpose of lot spacing.)
    10. Sidewalks shall be constructed by the homebuilder.
    11. Street lighting shall be provided along residential streets, providing low illumination ("dark sky" compliant, see Terrell Code of Ordinances section 40) with a maximum spacing of 400 feet between lights placed on alternating sides of the street in accordance with the current street lighting policy administered by the city engineer. Light poles shall be located within the parkway zone only (see section 7 (Landscape Requirements) for details.
    12. Street layout and design shall be completed in accordance with the Concept Plan attached as Exhibit D-2.
    13. For corner lots, a minimum of two (2) large shade trees (3 inch caliper measured at 4 feet of height) shall be planted in the front yard parkway during home construction and two (2) additional large shade trees shall be planted in the corner lot side yard parkway. Of the four (4) trees planted on corner lots, at least one (1) shall be planted in a location designed to be beneficial for shading sun exposed windows of the house. Care should be exercised in the placement of large shade trees so as not to obscure the view of the front entryway of the house. Street trees shall be required to be installed by the homebuilder. (See "recommended plant list" in Terrell Code of Ordinances Section 34).
    14. For all non-corner lots, a minimum of two (2) large shade trees shall be planted in the front yard parkway during home construction and one (1) additional large shade tree shall be planted in a location designed to be beneficial for shading sun exposed windows of the house. Care should be exercised in the placement of large shade trees so as not to obscure the view of the front entryway of the house. Street trees shall be

required to be installed by the homebuilder. (See "recommended plant list" in Terrell Code of Ordinances Section 34).

15. The provisions in this Modifications to Executive Estates shall control and there shall be no other restrictions on the locations or types of garages, including but not limited to those restrictions set out in Section 33, "Off Street Parking, Sidewalks, and Loading Requirements," of the Zoning Ordinance of the City of Terrell.

Modifications to Multi-Family A Residential

For the area identified as base Multi-Family in Exhibit D-1, or any other area subsequently established as base Multi-Family Residential by an updated site plan, all Multi-Family standards remain in effect with the following modifications:

Any development shall follow the concept plan shown in Exhibit D-2. To the extent that proposed development deviates from the concept plan shown in Exhibit D-2, an updated submittal of the concept plan shall be provided the Municipal Development Director for review and approval.

Base zoning provisions not modified by this Planned Development which apply to the Property are limited to applicable provisions of the Zoning Ordinance of the City of Terrell in effect on the effective date of the ordinance enacting this Planned Development.

Upon submission of an updated site plan request by developer, City may authorize for any area identified as Multi Family, to have use of Retail, Highway Corridor, or Neighborhood Services all by right.

Development Standards Multi-Family A:

A. General Purpose and Description. The multifamily residential (MF) district is an attached mixed-use residential district intended to provide the highest residential density in close proximity to retail and employment centers. The district shall be permitted to be adjacent to or within close proximity to single-family districts and shall serve as a transitional area between residential districts and industrial and commercial districts. Areas zoned for the MF district shall have, or shall make provision for, City of Terrell water and sewer services. They shall be designed to adequately accommodate storm drainage; they shall have paved drive aisles with logical and efficient vehicular circulation patterns. There shall be no requirement for first floor retail or other activation of the first-floor space.
B. Permitted Uses. In addition to those used listed in City Codes, the following uses are temporarily permitted by right when approved by site plan application to city staff.
    1. Temporary sales offices
    2. Temporary construction offices
    3. Temporary asphalt batch plants
    4. Temporary concrete batch plants
    5. Temporary construction yards
    6. Concrete Washouts
    7. Upon submission of an updated site plan request by developer, City may authorize for all or part of any area identified as Multi Family A , to have use of Retail, Highway Corridor, or Neighborhood Services all by right.
C. Area Regulations
    1. Size of Lots.
        i. Maximum project size shall not exceed 14 acres.
    2. Maximum Impervious Surface Coverage.
        i. Seventy Five (75%) percent total impervious area including main buildings, accessory buildings, driveways and parking areas.
    3. Minimum Floor Area per Dwelling Unit
        i. Efficiency unit – five hundred fifty (550) square feet per unit.
        ii. One bedroom – six hundred (600) square feet per unit
        iii. Two bedroom – eight hundred twenty five (825) square feet per unit

iv. Each additional bedroom over two bedrooms, an additional two hundred (200) square feet in each unit for every bedroom.
v. An average unit size of six hundred fifty (650) square feet.
vi. A maximum of two hundred thirty four (234) units.

D. Supplemental Standards: Supplemental standards will supersede Terrell's base zoning ordinances where they conflict.

1. Fifty percent (50%) of the total required parking spaces shall be carports and/or garages. Tandem spaces fronting designated garages to count in total required spaces.
2. Garages shall be constructed of the same or similar materials as the main buildings.
3. A four-foot -wide paved walkway shall connect the front door of each ground floor unit to a parking area. The minimum width of any sidewalk adjacent to head-in parking spaces shall be six feet to accommodate a two-foot bumper overhang for vehicles, unless curb stops are used, then four feet is acceptable.
4. The first floor exterior wall surfaces of all new multifamily dwellings shall be of one hundred percent (100%) brick or stone. There shall be no minimum masonry requirement for the floors above the first floor. Covered breezeways and areas of exterior walls located directly beneath covered porches, patios and balconies that have a minimum dimension of four feet in depth and eight feet in width shall not be counted as exterior wall surface when calculating the masonry requirement.
5. A minimum ten (10) foot landscape buffer adjacent to the right-of-way of any major thoroughfare (including Farm to Market Road 148 and/or Collector A) is required. Corner lots fronting two major thoroughfares shall provide the appropriate required landscape buffer on both street frontages. One (1) large shade tree (3 inch caliper measured at 4 feet of height) shall be required per fifty (50) linear feet of street frontage. Trees may be grouped or clustered to facilitate site design and to provide an aesthetically pleasing, natural looking planting arrangement. The landscaped buffer area may be included in the required street yard landscape area percentage.
6. Screening may be live.
7. A six-foot (6') engineered brick wall or decorative concrete fence shall be placed as a buffer between any single family residential or nonresidential zoning, in addition to landscape requirements.
8. Decorative concrete fencing shall be allowed.
9. The perimeter of all parking lots and driveways shall be provided with concrete curbs or curb stops.
10. The provisions in this Modifications to Multi-Family A Residential shall control and there shall be no other restrictions on the locations or types of garages and/or the perimeter of parking lots and driveways, including but not limited to those restrictions set out in Section 33, "Off Street Parking, Sidewalks, and Loading Requirements," of the Zoning Ordinance of the City of Terrell.

Modifications to Multi-Family B Residential

For the area identified as base Multi-Family in Exhibit D-1, or any other area subsequently established as base Multi-Family Residential by an updated site plan, all Multi-Family standards remain in effect with the following modifications:

Any development shall follow the concept plan shown in Exhibit D-2. To the extent that proposed development deviates from the concept plan shown in Exhibit D-2, an updated submittal of the concept plan shall be provided the Municipal Development Director for review and approval.

Base zoning provisions not modified by this Planned Development which apply to the Property are limited to applicable provisions of the Zoning Ordinance of the City of Terrell in effect on the effective date of the ordinance enacting this Planned Development.

Upon submission of an updated site plan request by developer, City may authorize for any area identified as Multi Family, to have use of Retail, Highway Corridor, or Neighborhood Services all by right.

Development Standards Multi-Family B:

A. General Purpose and Description. The multifamily residential (MF) district is an attached mixed-use residential district intended to provide the highest residential density in close proximity to retail and employment centers. The district shall be permitted to be adjacent to or within close proximity to single-family districts and shall serve as a transitional area between residential districts and industrial and commercial districts. Areas zoned for the MF district shall have, or shall make provision for, City of Terrell water and sewer services. They shall be designed to adequately accommodate storm drainage; they shall have paved drive aisles with logical and efficient vehicular circulation patterns. There shall be no requirement for first floor retail or other activation of the first-floor space.
B. Permitted Uses. In addition to those used listed in City Codes, the following uses are temporarily permitted by right when approved by site plan application to city staff.
    1. Temporary sales offices
    2. Temporary construction offices
    3. Temporary asphalt batch plants
    4. Temporary concrete batch plants
    5. Temporary construction yards
    6. Concrete Washouts
    7. Upon submission of an updated site plan request by developer, City may authorize for all or part of any area identified as Multi Family B, to have use of Retail, Highway Corridor, or Neighborhood Services all by right.
C. Area Regulations
    1. Size of Lots.
        i. Maximum project size shall not exceed 22 acres.
    2. Maximum Impervious Surface Coverage.
        i. Seventy Five (75%) percent total impervious area including main buildings, accessory buildings, driveways and parking areas.
    3. Minimum Floor Area per Dwelling Unit
        i. Efficiency unit – five hundred fifty (550) square feet per unit.
        ii. One bedroom – six hundred (600) square feet per unit
        iii. Two bedroom – eight hundred twenty five (825) square feet per unit

iv. Each additional bedroom over two bedrooms, an additional two hundred (200) square feet in each unit for every bedroom.
v. An average unit size of six hundred fifty (650) square feet.
vi. A maximum of three hundred ninety-six (396) units.

D. Supplemental Standards: Supplemental standards will supersede Terrell's base zoning ordinances where they conflict.
1. Fifty percent (50%) of the total required parking spaces shall be carports and/or garages. Tandem spaces fronting designated garages to count in total required spaces.
2. Garages shall be constructed of the same or similar materials as the main buildings.
3. A four-foot -wide paved walkway shall connect the front door of each ground floor unit to a parking area. The minimum width of any sidewalk adjacent to head-in parking spaces shall be six feet to accommodate a two-foot bumper overhang for vehicles, unless curb stops are used, then four feet is acceptable.
4. The first floor exterior wall surfaces of all new multifamily dwellings shall be of one hundred percent (100%) brick or stone. There shall be no minimum masonry requirement for the floors above the first floor. Covered breezeways and areas of exterior walls located directly beneath covered porches, patios and balconies that have a minimum dimension of four feet in depth and eight feet in width shall not be counted as exterior wall surface when calculating the masonry requirement.
5. A minimum ten (10) foot landscape buffer adjacent to the right-of-way of any major thoroughfare (including Farm to Market Road 148 and/or Las Lomas Parkway) is required. Corner lots fronting two major thoroughfares shall provide the appropriate required landscape buffer on both street frontages. One (1) large shade tree (3 inch caliper measured at 4 feet of height) shall be required per fifty (50) linear feet of street frontage. Trees may be grouped or clustered to facilitate site design and to provide an aesthetically pleasing, natural looking planting arrangement. The landscaped buffer area may be included in the required street yard landscape area percentage.
6. Screening may be live.
7. A six-foot (6') engineered brick wall or decorative concrete fence shall be placed as a buffer between any single family residential or nonresidential zoning, in addition to landscape requirements.
8. Decorative concrete fencing shall be allowed.
9. The perimeter of all parking lots and driveways shall be provided with concrete curbs or curb stops.
10. The provisions in this Modifications to Multi-Family B Residential shall control and there shall be no other restrictions on the locations or types of garages and/or the perimeter of parking lots and driveways, including but not limited to those restrictions set out in Section 33, "Off Street Parking, Sidewalks, and Loading Requirements," of the Zoning Ordinance of the City of Terrell.

Modifications to Research and Technology Park District

For the area identified as Light Industrial in Exhibit D-1, or any other area subsequently established as base Light Industrial by an updated site plan, all Research and Technology Park standards remain in effect with the following modifications:

Any development shall follow the concept plan shown in Exhibit D-2. To the extent that proposed development deviates from the concept plan shown in Exhibit D-2, an updated submittal of the concept plan shall be provided the Municipal Development Director for review and approval.

Base zoning provisions not modified by this Planned Development which apply to the Property are limited to applicable provisions of the Zoning Ordinance of the City of Terrell in effect on the effective date of the ordinance enacting this Planned Development.

Development Standards:

A. Temporary uses. All uses listed on the table in Terrell Zoning Ordinance Section 30A.2 are "P" (Permitted by Right), unless otherwise noted as "SUP" (Specific Use Permit) or "T" (Temporary). In addition to those uses listed in City Codes, the following uses are temporarily permitted by right, for up to 18 months, when approved by site plan application to city staff. If necessary, after 18 months, a renewed application shall be submitted for approval by city staff which approval shall not be unreasonably withheld.
    1. Temporary sales office
    2. Temporary construction offices
    3. Temporary asphalt batch plants
    4. Temporary concrete batch plants
    5. Temporary construction yards
    6. Concrete Washouts
B. Permitted uses. All uses listed on the table in Terrell Zoning Ordinance Section 30A.2 are "P" (Permitted by Right), unless otherwise noted as "SUP" (Specific Use Permit) or "T" (Temporary). In addition to those uses listed in City Codes, the following uses are permitted by right.
    1. Laundry/Dry Cleaning services (drop off/pick up)
    2. Upon submission of an updated site plan request by developer, City may authorize for any area identified as Research and Technology Park District, to have use of Retail, Highway Corridor, or Neighborhood Services all by right
C. Height Regulations
    1. One hundred twenty feet (120) for the main building(s). Forty (40) feet for accessory buildings.
    2. Height shall be further restricted for all property within four hundred (400) feet of zoning allowing any residential uses, in these areas the maximum building height shall be forty five (45) feet for main buildings and twenty five (25) feet for accessory buildings.
    3. Any building within four hundred (400) feet of Interstate 20 shall have a height maximum of four hundred (400) feet or as per City Council approval with a Specific Use Permit.
D. Area Regulations
    1. Size of Lots.
        i. Minimum lot area – seven thousand (7000) square feet

ii. Minimum lot width – seventy (70) feet, measured at the building line.

2. Maximum Lot Coverage.
    i. Seventy (70%) percent including main and accessory buildings, maximum ninety (90%) percent impervious coverage, including main buildings, accessory buildings, driveways and parking areas.

E. Supplemental Standards: Supplemental standards will supersede Terrell's base zoning ordinances where they conflict.
    1. All exterior wall surfaces of all new nonresidential structures shall be of eighty (80%) percent masonry construction. When located along the front or back elevation of a structure, areas of exterior walls located directly beneath covered porches or patios (for customer and/or employee entrances/exits or outdoor seating) that have a minimum dimension of four (4) feet in depth and eight (8) feet in width shall not be counted as exterior wall surface when calculating the masonry requirement.
        i. National retail corporations may request variances from the exterior design guidelines to be reviewed and approved by city staff. Such approval shall not be unreasonably withheld.
    2. Tilt wall construction is permitted.
    3. Screening may be live.

F. Landscape. This PD sets forth the exclusive landscaped buffer requirements and no street yard landscaping requirements shall apply. All other landscaping requirements in the Zoning Ordinance not in conflict with these landscape standards shall apply.
    1. All site plan submissions, including loading docks, shall provide landscape and screening plan, generally following the Exhibit D-4 titled, "Modifications to Illustration 33-3" and/or the Exhibit D-5 titled, "Modifications to Illustration 33-4" as may be applicable.
    2. When loading docks face Farm to Market Road 148, such areas shall have a twenty five (25) foot wide landscape buffer. The landscape buffer shall include professionally designed high quality, well-maintained landscaping with two rows of high-quality shade trees (3 inch in caliper minimum) planted in an off-set pattern with each row providing one (1) tree per every thirty five (35) feet of street frontage and also providing screening in one or more of the following manners:
        i. A three-foot (3') high berm constructed within the designated landscape buffer area with the required landscape buffer plantings. Berms may not exceed a 3:1 slope.
        ii. Decorative metal fencing (wrought iron style) six (6) feet in height in combination with evergreen shrubbery which is at a minimum seventy five percent (75%) opaque at maturity or which are spaced thirty (30) inches apart, with a minimum height at installation of twenty-four (24) inches.
        iii. A masonry wall or decorative concrete fence may be used when in conjunction with the landscaping requirements herein.
        iv. All docks shall have dock doors which are required to be closed when not in use.
    3. When loading docks face Las Lomas Parkway or IH-20, such areas shall have a twenty five (25) foot wide landscape buffer. The landscape buffer shall include professionally designed high quality, well maintained landscaping with one row of high-quality shade trees (3 inch in caliper minimum) planted providing one (1) tree per every thirty five (35) foot of street frontage and also providing screening in one or more of the following manners:

i. A three-foot (3') high berm constructed within the designated landscape buffer area with the required landscape buffer plantings. Berms may not exceed a 3:1 slope.
ii. Decorative metal fencing (wrought iron style) six (6) feet in height in combination with evergreen shrubbery which is at a minimum seventy percent (70%) opaque at maturity or which are spaced thirty (30) inches apart, with a minimum height at installation of twenty-four (24) inches.
iii. A masonry wall or decorative concrete fence may be used when in conjunction with the landscaping requirements herein.
iv. All docks shall have dock doors which are required to be closed when not in use.

4. A minimum ten-foot (10') wide landscaped buffer shall be required along all public street frontages. Landscaped buffers may be wholly or partially located on or within (1) a platted lot, (2) the common areas of a recorded declaration, or (3) the property of or easement granted to the City, applicable property owner's association, or any other entity involved in the construction or maintenance of such landscaping or related improvements.
5. Unless a berm is included for the purpose of screening loading areas, within the landscaped buffer, one (1) shade tree (3 inches in caliper minimum) or an approved ornamental tree shall be planted per each forty (40) linear feet of street frontage. In areas where berms are included for the purpose of screening loading areas, one (1) shade tree (3 inches in caliper minimum) or an approved ornamental tree shall be planted per each 40 linear feet of street frontage. Trees may be planted in groupings to protect sight lines to buildings.

G. Parking requirements based upon use
1. Commercial use: One space per three hundred (300) square feet of floor area
2. Storage or warehousing, wholesale distribution and light manufacturing: Under one hundred thousand square feet of gross floor area - One space for each 2,500 square feet of total floor area not open to the public, plus one space for each 300 square feet of office space or areas open to the public such as sales areas. For 100,000 square feet or larger buildings in this category with little or no general public access parking may be calculated based on employment 1 spaces for each employee plus ten (10) spaces for visitors. The parking calculations shall be based on the number of employees for the largest shift employed at the facility (i.e. 100 employees would require 110 parking spaces including visitors and handicap spaces).
3. Theater, indoor or outdoor (live performances), sports arena, stadium, gymnasium or auditorium (except school auditorium): One parking space for each three seats or bench seating spaces.
4. The perimeter of all parking lots and driveways shall be provided with concrete curbs or curb stops.

H. Site Plan. Prior to any construction plat, for the area identified as "Light Industrial Base Zone: RT" on the base zoning categories map in Exhibit D-1, the Developer shall submit an updated overall site plan for all of the approximately one hundred seventy seven (177) acres
1. Site plan shall provide an internal circulation plan maximizing long-term 18 wheeler traffic flow on Farm to Market Road 148
2. Site plan shall be designed such that no internal collector or driveway aligns with collector A.
3. Site plan shall identify all driveways off of Farm to Market Road 148, Interstate 20 and Las Lomas as well as any internal across roadways intersecting Farm to Market Road 148, Interstate 20 and Las Lomas.
4. Site Plan shall provide for landscaped entry way features.

I. The provisions in this Modifications to Research and Technology Park District shall control and there shall be no other restrictions on the locations or types of garages, parking, and/or loading/loading docks, including but not limited to those restrictions set out in Section 33, "Off Street Parking, Sidewalks, and Loading Requirements," of the Zoning Ordinance of the City of Terrell.

Modifications to Highway Corridor District

For the area identified as Retail in Exhibit D-1, or any other area subsequently established as base Retail by an updated site plan, all Highway Corridor standards remain in effect with the following modifications:

Any development shall follow the concept plan shown in Exhibit D-2. To the extent that proposed development deviates from the concept plan shown in Exhibit D-2, an updated submittal of the concept plan shall be provided the Municipal Development Director for review and approval.

Base zoning provisions not modified by this Planned Development which apply to the Property are limited to applicable provisions of the Zoning Ordinance of the City of Terrell in effect on the effective date of the ordinance enacting this Planned Development.

Development Standards:

A. Permitted uses. In addition to those uses listed in City Codes, the following uses are temporarily permitted by right when approved by site plan application to staff.
    1. Temporary sales/leasing offices
    2. Temporary construction offices
    3. Temporary concrete batch plants
    4. Temporary construction yards
    5. Concrete washouts
B. Permitted uses. In addition to those uses listed in City Codes, the following uses are permitted by right.
    1. Veterinary offices (including indoor kennels)
    2. Automobile driving school
    3. Swimming pool (private, membership)
    4. Exterminator services
    5. Laundry/Dry Cleaning services (drop off / pick up. No major plant)
C. Height Regulations
    1. No height limits for structures within 700 feet of Interstate 20 right-of-way otherwise six (6) stories or seventy-five feet (75'). All structures must meet the minimum setbacks in regards to proximity to residential structures. Height may be further restricted by FAA guidelines.
    2. Twenty five (25) foot for accessory buildings.
D. Area Regulations
    1. Size of Lots.
        i. Minimum lot area – ten thousand (10000) square feet
        ii. Minimum lot width – one hundred (100) feet, measured at the building line.
    2. Maximum Lot Coverage.
        i. Seventy (70%) percent including main and accessory buildings, maximum ninety (90%) percent impervious coverage, including main buildings, accessory buildings, driveways and parking areas.
E. Supplemental Standards: Supplemental standards will supersede Terrell's base zoning ordinances where they conflict.
    1. All exterior wall surfaces of all new nonresidential structures shall be of eighty (80%) percent masonry construction. When located along the front or back elevation of a structure, areas of exterior walls located directly beneath covered porches or patios (for customer and/or employee entrances/exits or outdoor

seating) that have a minimum dimension of four (4) feet in depth and eight (8) feet in width shall not be counted as exterior wall surface when calculating the masonry requirement.

   i. National retail corporations may request variances from the exterior design guidelines to be reviewed and approved by city staff. Such approval shall not be unreasonably withheld.

2. A minimum ten-foot landscape buffer (interior parkway) adjacent to the right-of-way of any major thoroughfare is required. Corner lots fronting two major thoroughfares shall provide the appropriate required landscape buffer on both street frontages. One large shade tree (3" in caliper measured at the base) shall be required per fifty linear feet of street frontage. Trees may be grouped or clustered to facilitate site design and to provide an aesthetically pleasing, natural looking planting arrangement. The landscaped buffer area may be included in the required street yard landscape area percentage.
3. Screening may be live.
4. Concrete Fencing shall be allowed.
5. The perimeter of all parking lots and driveways shall be provided with concrete curbs or curb stops.
6. The provisions in this Modifications to Highway Corridor District shall control over any other restrictions on the perimeter of parking lots and driveways, including but not limited to those restrictions set out in Section 33, "Off Street Parking, Sidewalks, and Loading Requirements," of the Zoning Ordinance of the City of Terrell.

Modifications to Landscape Requirements

All Landscape Requirement standards remain in effect with the following modifications:

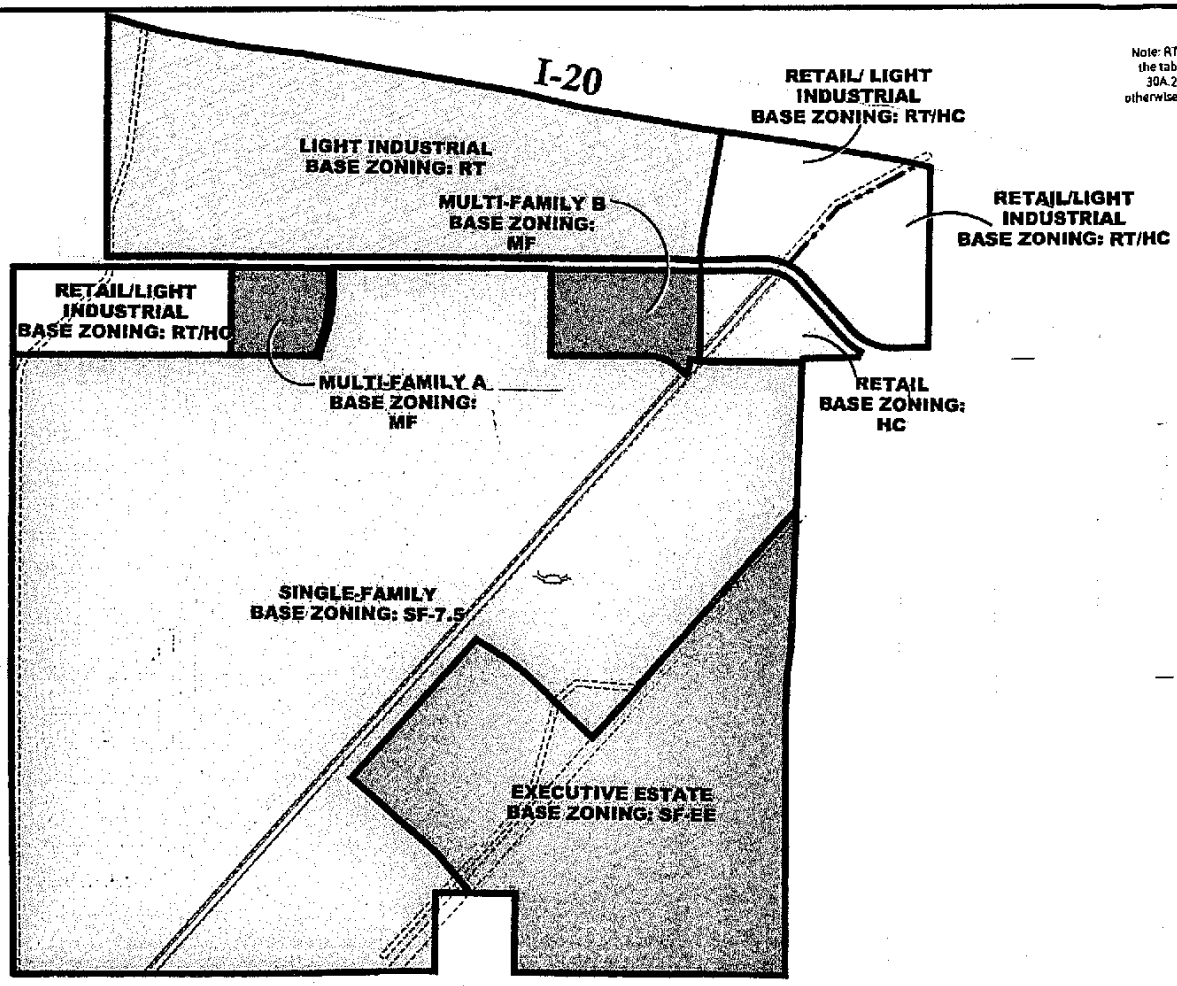
Any development shall follow the concept plan shown in Exhibit D-2. To the extent that proposed development deviates from the concept plan shown in Exhibit D-2, an updated submittal of the concept plan shall be provided the Municipal Development Director for review and approval.

Provisions not modified by this Planned Development which apply to the Property are limited to applicable provisions of the Zoning Ordinance of the City of Terrell in effect on the effective date of the ordinance enacting this Planned Development.

Development Standards:

A. General Standards
    1. Xeriscaping is allowed.
    2. No tree mitigation shall be required for this development.
    3. All trees located in the Arboretum/Nature Preserve/Flood Plain (as shown on the Concept Plan) that are 6 inches in caliper (measured at 4 feet in height) or larger shall be identified, including the specific tree species, at construction plat. These trees shall not be removed without written permission, unless such tree is within ten feet (10') of the boundary line of the Arboretum/Nature Preserve/Flood Plain or construction consistent with the concept plan or Development Agreement necessitates removal in order to comply with the concept plan or Development Agreement, in which case permission is not necessary.
B. Permits and Plans.
    1. Permits may be issued for site prep and public infrastructure and fire lanes while landscape plans are under design.
    2. The landscape plan may be shown on the applicable required plan (provided the plan remains clear and legible) or may be drawn on a separate sheet.
    3. Screening and landscape plan shall not be required as part of the applicable required plan but must be submitted prior to the issuance of permit for construction of any parking area.
    4. Layout and description of irrigation, sprinklers, or water systems including location of the water sources may be provided in the form of a preliminary layout.
C. Due to the street cross sections shown in Exhibit D-3, Parkway, landscaping details – Illustration 34-1, shall not apply to the development.
D. Landscape requirements - Illustration 34-2; and Recommended plant list shall be considered general guidelines. All plants, trees, shrubs, ground covers, etc. on the Recommended Plant List within Illustration 34-2 are deemed approved. Plants, trees, shrubs, ground covers, etc. not shown on the Recommended Plant List within Illustration 34-2 shall be subject to review and approval of the Municipal Development Director.
E. Trees shall not be required to be planted over utility lines. This provision shall control over any contradictory provision(s) within this Planned Development and/or the Zoning Ordinance of the City of Terrell.
F. Trees shall not be required to be planted within Texas Department of Transportation right of way or within right of way that is intended to be dedicated to the Texas Department of Transportation (Las Lomas Parkway). This provision shall control over any contradictory provision(s) within this Planned Development and/or the Zoning Ordinance of the City of Terrell.

EXHIBIT D-1



Note: RT base zoning assumes all uses listed on the table in Terrell Zoning Ordinance Section 30A.2 are "P" (Permitted by Right), unless otherwise noted as "SUP" (Specific Use Permit) or "T" (Temporary).

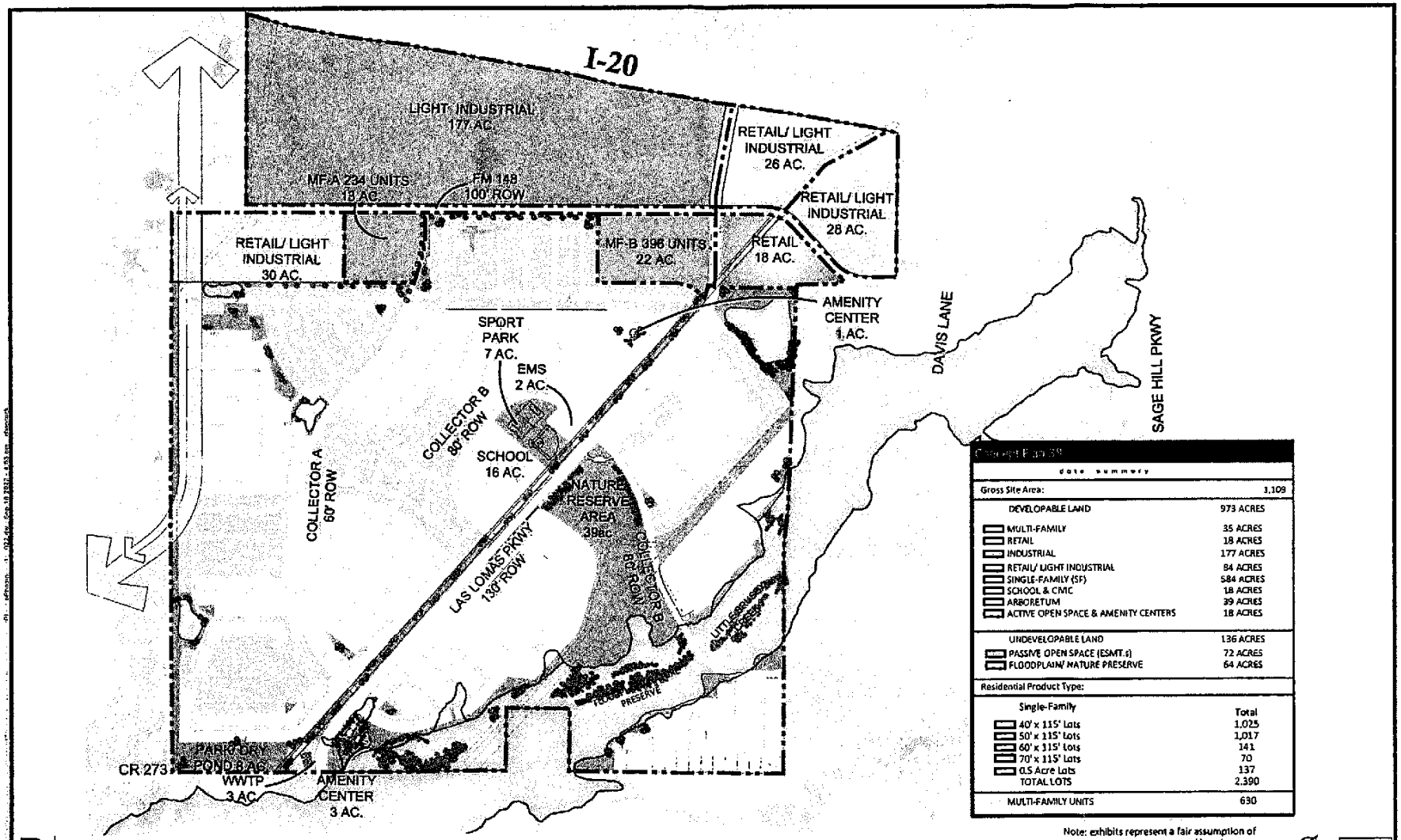
BARRAZA CONSULTING GROUP, LLC

ARBORETUM ESTATES
CITY OF TERRELL ETJ, LAS LOMAS MUD #1, KAUFMAN COUNTY, TEXAS

Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.

SCALE: 1"=200'
DATE: AUGUST 2021

EXHIBIT D-2



data summary

Gross Site Area:	1,109
DEVELOPABLE LAND	973 ACRES
MULTI-FAMILY	35 ACRES
RETAIL	18 ACRES
INDUSTRIAL	177 ACRES
RETAIL/ LIGHT INDUSTRIAL	84 ACRES
SINGLE-FAMILY (SF)	584 ACRES
SCHOOL & CMIC	18 ACRES
ARBORETUM	39 ACRES
ACTIVE OPEN SPACE & AMENITY CENTERS	18 ACRES
UNDEVELOPABLE LAND	136 ACRES
PASSIVE OPEN SPACE (ESMT.s)	72 ACRES
FLOODPLAIN/ NATURE PRESERVE	64 ACRES
Residential Product Type:	

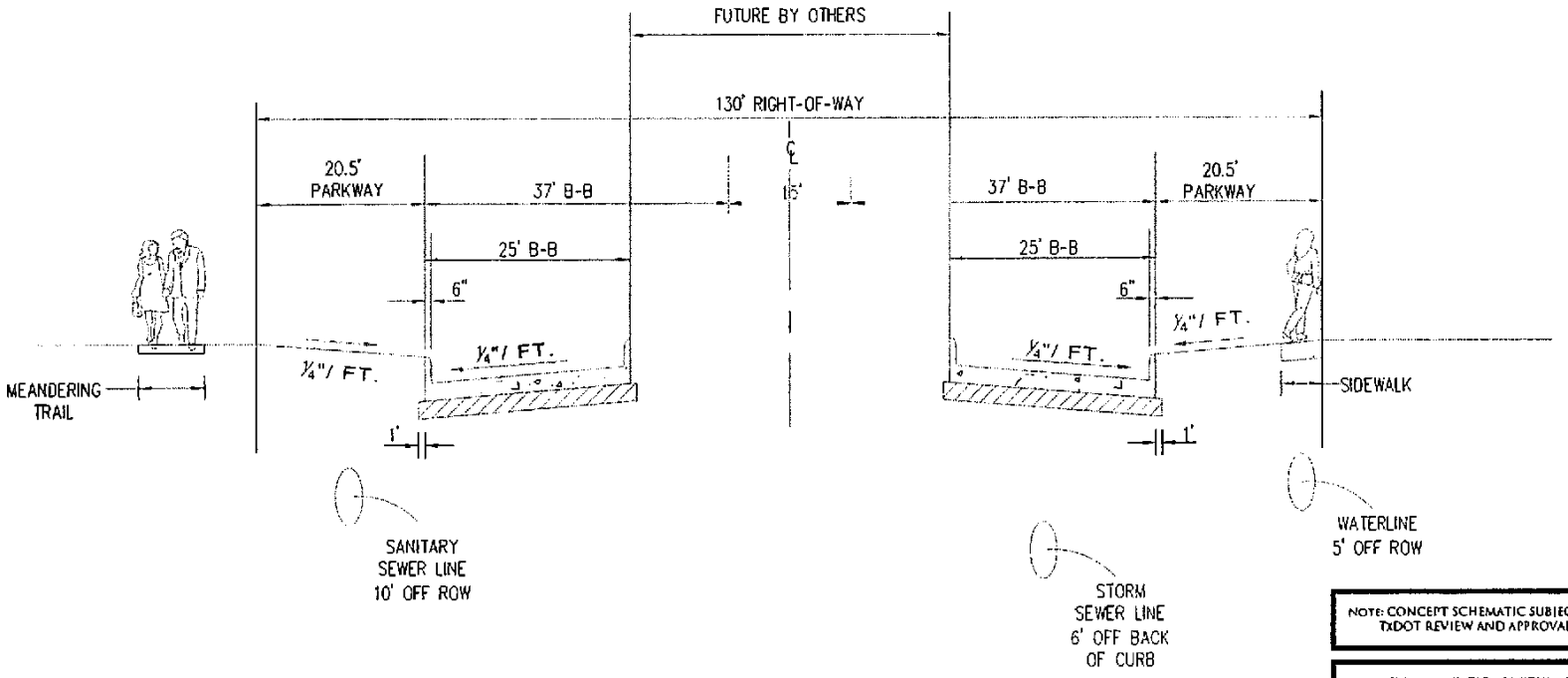
Single-Family	Total
40' x 115' Lots	1,025
50' x 115' Lots	1,017
60' x 115' Lots	141
70' x 115' Lots	70
0.5 Acre Lots	137
TOTAL LOTS	2,390
MULTI-FAMILY UNITS	630

Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.

BARRAZA CONSULTING GROUP, LLC

ARBORETUM ESTATES
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

EXHIBIT D-3



TYPICAL CONCEPTUAL LAS LOMAS PARKWAY PAVING SECTION - I-20 TO EMS SITE

SCALE: NTS

NOTE: TYPICAL SECTION OF LAS LOMAS PARKWAY, FROM THE EMS SITE TO THE S. PROPERTY LINE SHALL BE DETERMINED BY TIA

NOTE: CONCEPT SCHEMATIC SUBJECT TO TxDOT REVIEW AND APPROVAL

NOTE: UTILITY LOCATIONS WITHIN TxDOT ROW ARE SUBJECT TO TxDOT APPROVAL

NOTE: EXHIBITS REPRESENT A FAIR ASSUMPTION OF CONDITIONS, MEASUREMENTS AND LOCATIONS ARE APPROXIMATE.

ARBORETUM ESTATES

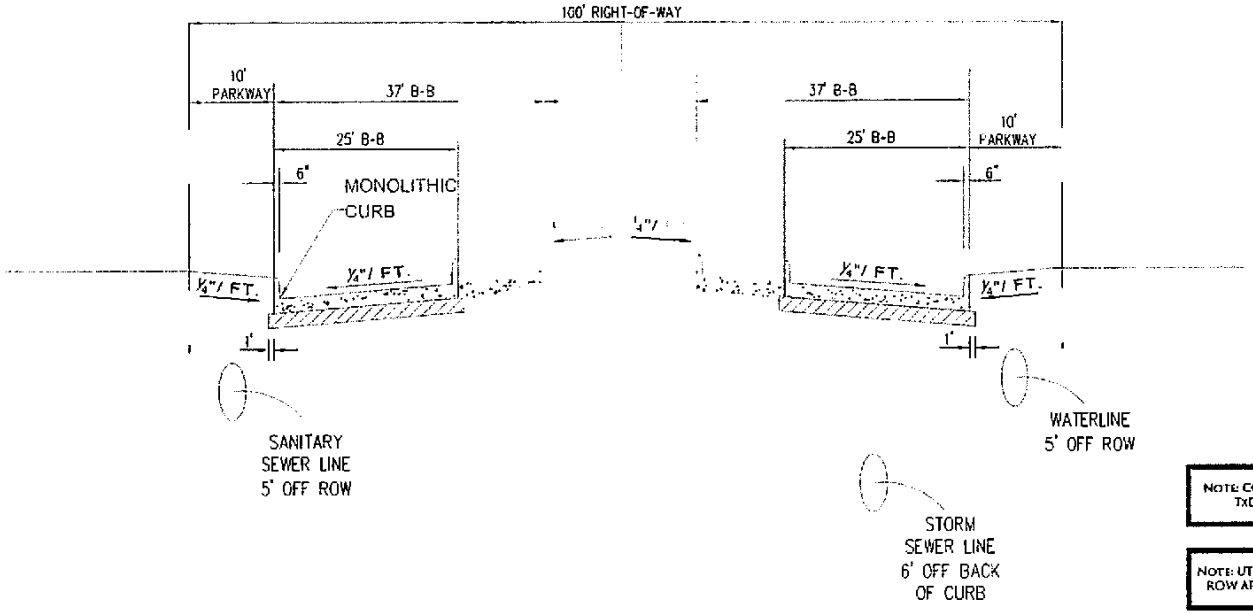
TYPICAL STREET SECTIONS

CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

BARRAZA CONSULTING GROUP, LLC

DATE: NOVEMBER 2013

FUTURE BY OTHERS



TYPICAL CONCEPTUAL FM148 PAVING SECTION FROM WEST PROPERTY LINE TO CR305

SCALE: NTS

NOTE: CONCEPT SCHEMATIC SUBJECT TO TxDOT REVIEW AND APPROVAL

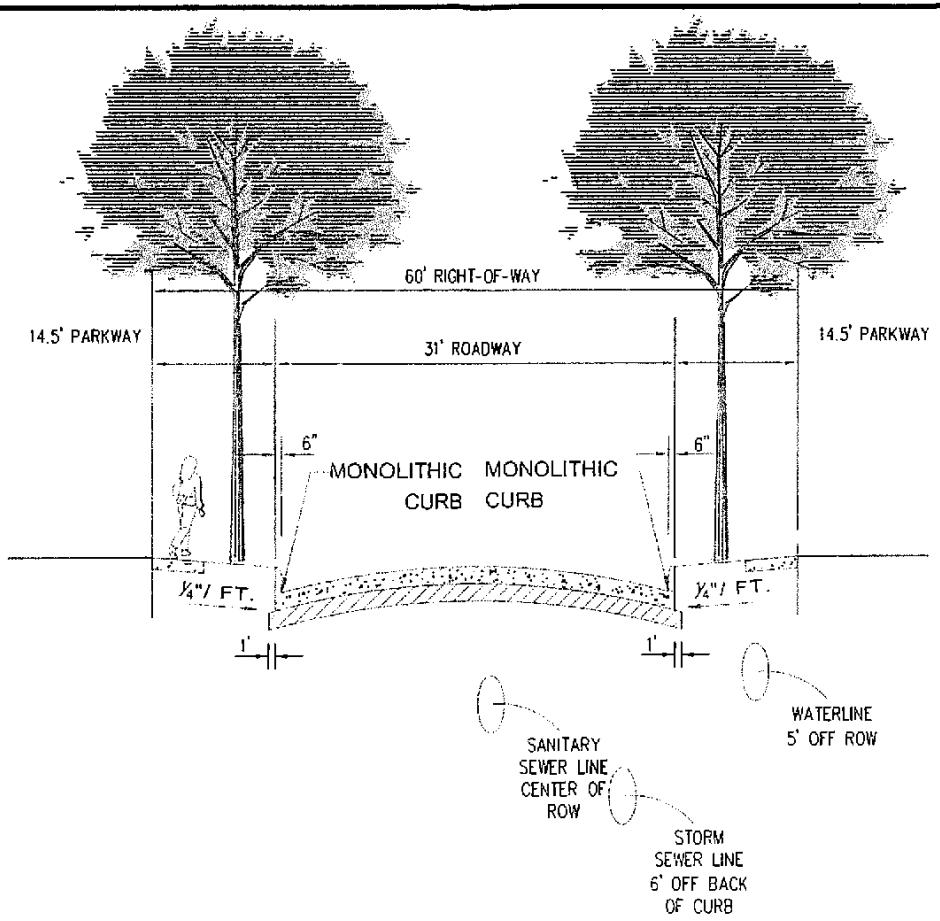
NOTE: UTILITY LOCATIONS WITHIN TxDOT ROW ARE SUBJECT TO TxDOT APPROVAL

NOTE: EXHIBITS REPRESENT A FAIR ASSUMPTION OF CONDITIONS. MEASUREMENTS AND LOCATIONS ARE APPROXIMATE.

BARRAZA CONSULTING GROUP, LLC

ARBORETUM ESTATES
TYPICAL STREET SECTIONS
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

DATE: NOVEMBER 2021



TYPICAL RESIDENTIAL PAVING SECTION

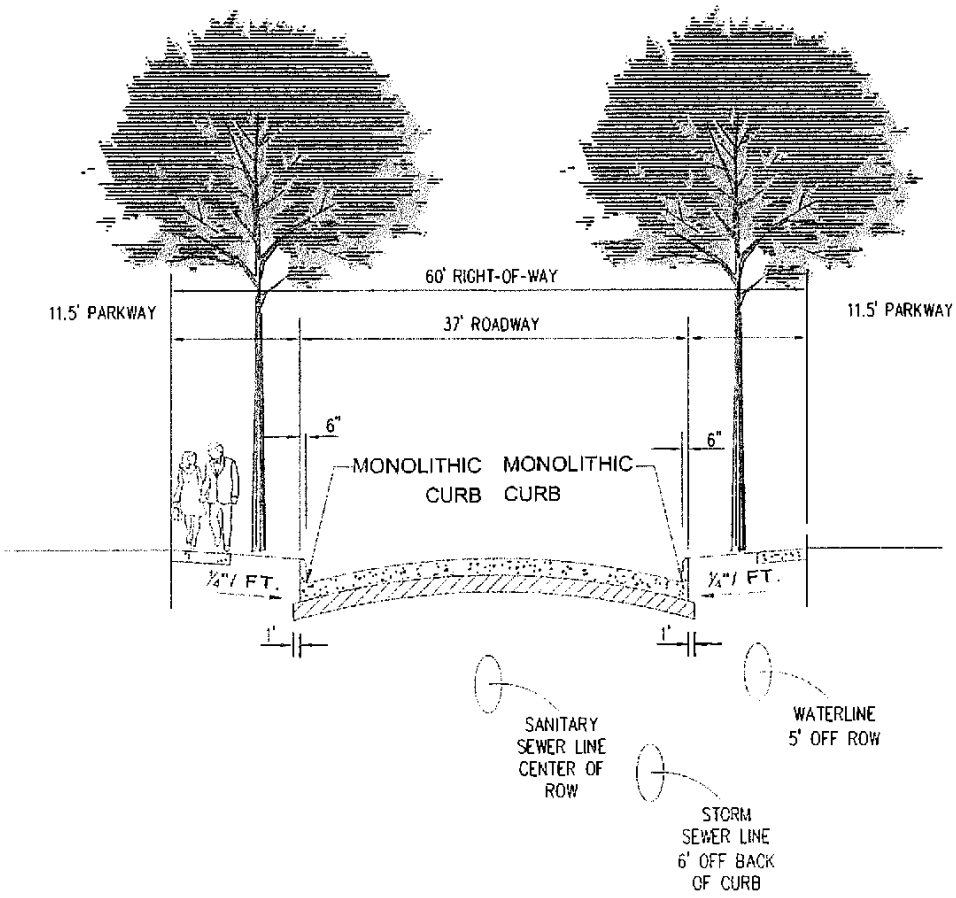
SCALE: NTS

NOTE: EXHIBITS REPRESENT A FAIR ASSUMPTION OF CONDITIONS. MEASUREMENTS AND LOCATIONS ARE APPROXIMATE.

BARRAZA CONSULTING GROUP, LLC

ARBORETUM ESTATES
TYPICAL STREET SECTIONS
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

DATE: SEPTEMBER 2023



TYPICAL COLLECTOR PAVING SECTION

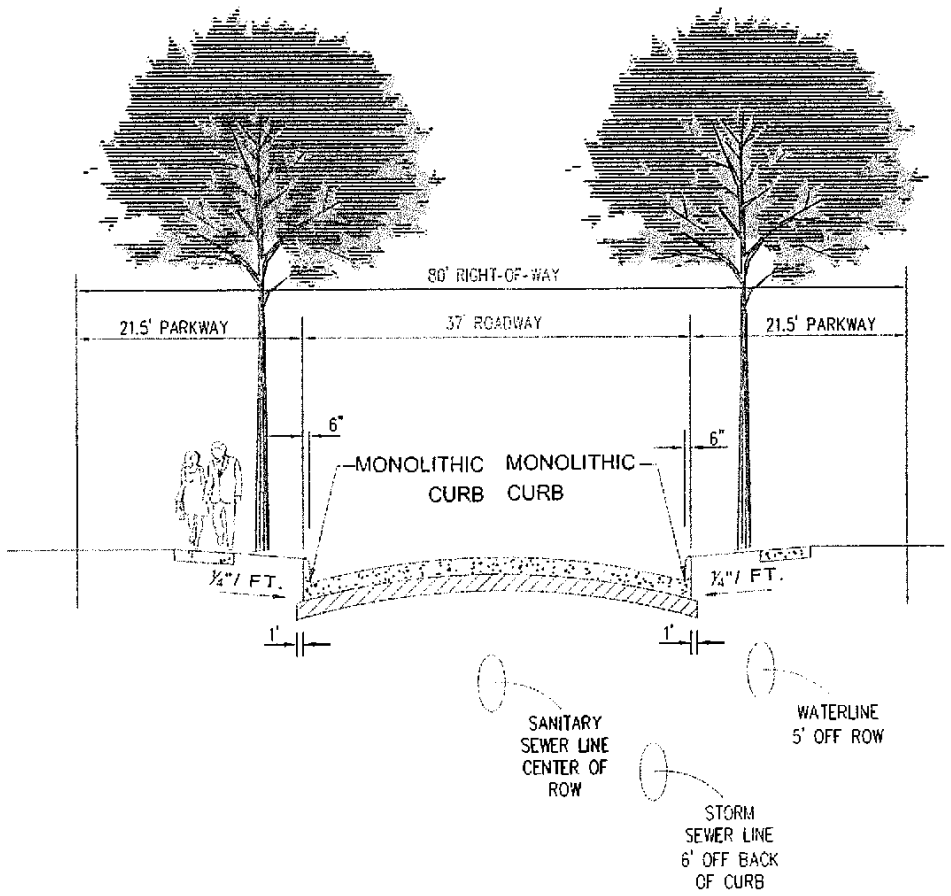
SCALE: NTS

NOTE: EXHIBITS REPRESENT A FAIR ASSUMPTION OF CONDITIONS. MEASUREMENTS AND LOCATIONS ARE APPROXIMATE.

BARRAZA CONSULTING GROUP, LLC

ARBORETUM ESTATES
TYPICAL STREET SECTIONS
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

DATE: SEPTEMBER 2021



TYPICAL COLLECTOR B PAVING SECTION

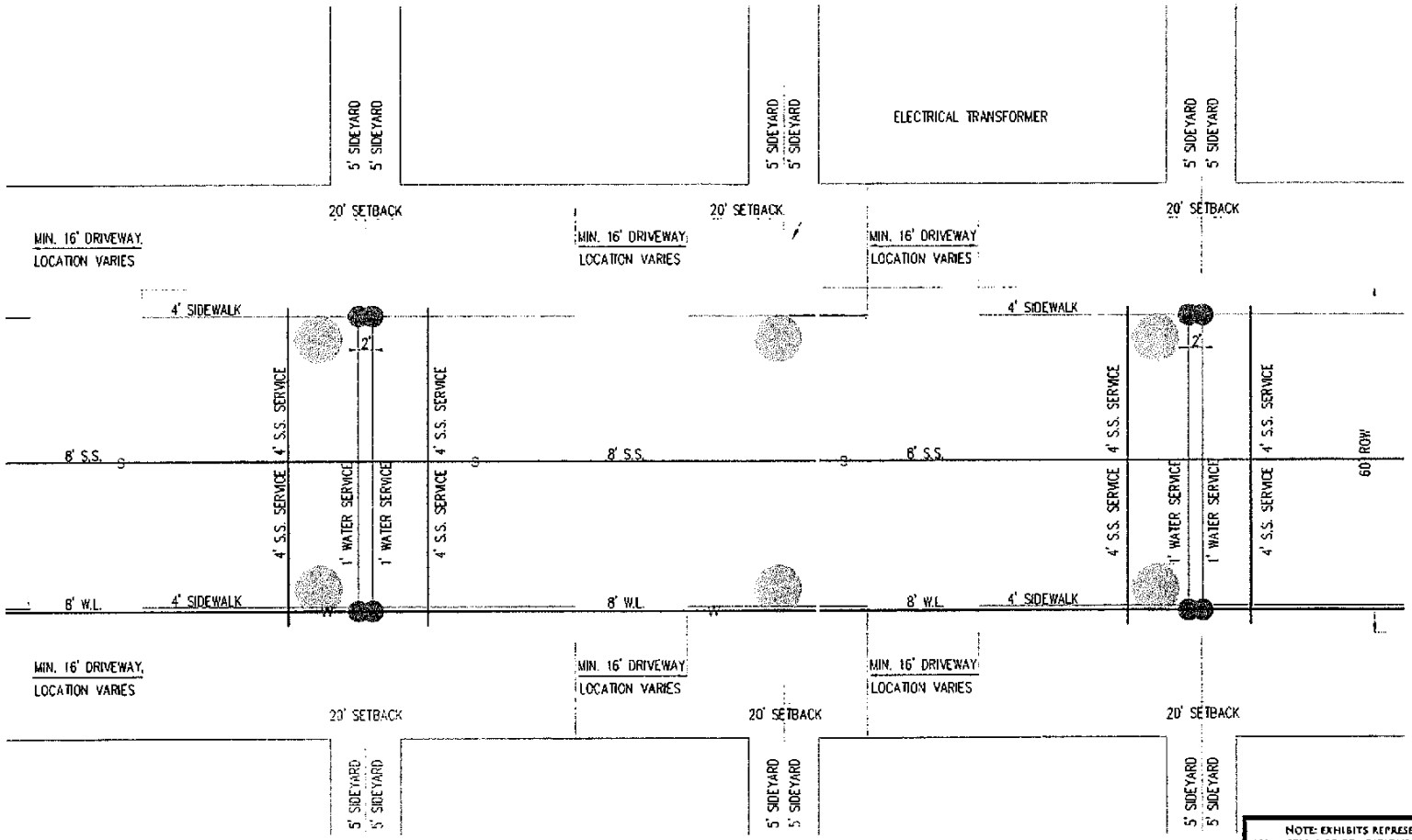
SCALE: NTS

NOTE: EXHIBITS REPRESENT A FAIR ASSUMPTION OF CONDITIONS. MEASUREMENTS AND LOCATIONS ARE APPROXIMATE.

BARRAZA CONSULTING GROUP, LLC

ARBORETUM ESTATES
TYPICAL STREET SECTIONS
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

DATE SEPTEMBER 2021



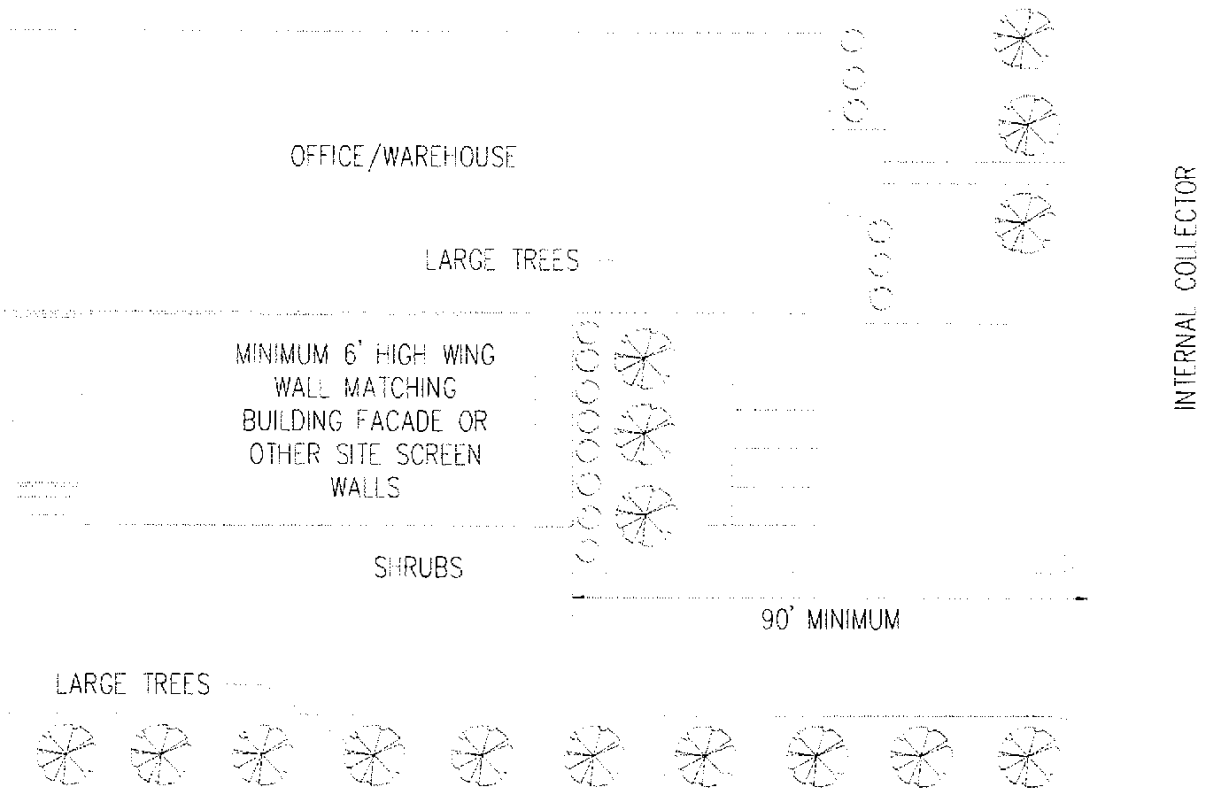
NOTE: EXHIBITS REPRESENT A FAIR ASSUMPTION OF CONDITIONS. MEASUREMENTS AND LOCATIONS ARE APPROXIMATE.

BARRAZA CONSULTING GROUP, LLC

ARBORETUM ESTATES
TYPICAL LOT FRONTAGE DETAIL
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

DATE: SEPTEMBER 2022

EXHIBIT D-4



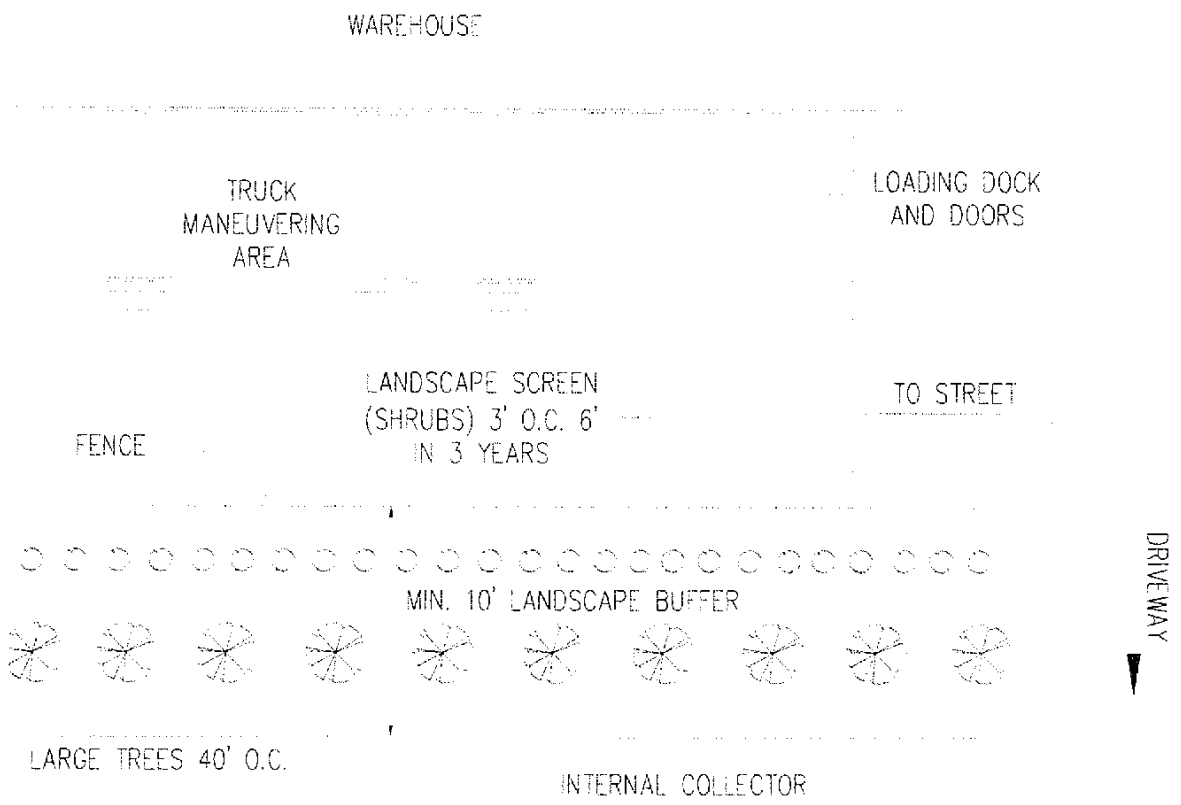
NOTE: EXHIBITS REPRESENT A FAIR ASSUMPTION OF CONDITIONS. MEASUREMENTS AND LOCATIONS ARE APPROXIMATE.

BARRAZA CONSULTING GROUP, LLC

ARBORETUM ESTATES
MODIFICATIONS TO ILLUSTRATION 33-3
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

DATE: OCTOBER 2022

EXHIBIT D-5



NOTE: EXHIBITS REPRESENT A FAIR ASSUMPTION OF CONDITIONS. MEASUREMENTS AND LOCATIONS ARE APPROXIMATE.

BARRAZA CONSULTING GROUP, LLC

ARBORETUM ESTATES
MODIFICATIONS TO ILLUSTRATION 33-4
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

DATE: OCTOBER 2022

EXHIBIT E
Home Buyer Disclosure Program

The PID Administrator for the Arboretum Estates Public Improvement District (the "PID") shall facilitate notice to prospective homebuyers in accordance with the following minimum requirements:

1. Record notice of the PID in the appropriate land records for the Property.

2. Require homebuilders to attach the Recorded Notice of the Authorization and Establishment of the PID and the final Assessment Roll for such Assessed Parcel (or if the Assessment Roll is not available for such Assessed Parcel, then a schedule showing the maximum 30-year payment for such Assessed Parcel) in an addendum to each residential homebuyer's contract on brightly colored paper.

3. Collect a copy of the addendum signed by each buyer from homebuilders and provide to the City.

4. Require signage indicating that the Property for sale is located in a special assessment district and require that such signage be located in conspicuous places in all model homes.

5. Prepare and provide to homebuilders an overview of the existence and effect of the PID for those homebuilders to include in each sales packet of information that it provides to prospective homebuyers.

6. Notify homebuilders who estimate monthly ownership costs of the requirement that they must include special assessments in estimated Property taxes.

7. Notify Settlement Companies through the homebuilders that they are required to include special taxes on HUD 1 forms and include in total estimated taxes for the purpose of setting up tax escrows.

8. Include notice of the PID in the homeowner association documents in conspicuous bold font.

9. The City will include announcements of the PID on the City's web site.

The Developer and the PID Administrator shall regularly monitor the implementation of this disclosure program and shall take appropriate action to require these notices to be provided when one of them discovers that any requirement is not being complied with.

EXHIBIT F
Landowner Agreement

LANDOWNER AGREEMENT

This **LANDOWNER AGREEMENT** (the "Agreement"), is entered into as of _____, between the City of Terrell, Texas (the "City"), a home-rule municipality of the State of Texas (the "State"), and _____, a Texas _____ (the "Landowner").

RECITALS:

WHEREAS, capitalized terms used but not defined herein shall have the meanings given to them in the Service and Assessment Plan (as defined herein); and

WHEREAS, Landowner owns the Assessed Parcels described by a metes and bounds description attached as **Exhibit I** to this Agreement and which is incorporated herein for all purposes, comprising all of the non-exempt, privately-owned land described in **Exhibit I** (the "Landowner Parcel") which is located within the Arboretum Estates Public Improvement District (the "District") in the City; and

WHEREAS, the City Council has adopted an assessment ordinance (including all exhibits and attachments thereto, the "Assessment Ordinance") for the Authorized Improvements and the Service and Assessment Plan (as updated and amended, the "Service and Assessment Plan") and which is incorporated herein for all purposes, and has levied an assessment on the Landowner Parcel in the District that will be pledged for the payment of certain infrastructure improvements and to pay the costs of constructing the Authorized Improvements that will benefit the Assessed Property; and

WHEREAS, the Declaration of Covenants, Conditions and Restrictions attached to this Agreement as **Exhibit II** and which are incorporated herein for all purposes, includes the statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended (the "PID Act"), to the purchaser.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, obligations and benefits hereinafter set forth, the City and the Landowner hereby contract, covenant and agree as follows:

DEFINITIONS; APPROVAL OF AGREEMENTS

Definitions. Capitalized terms used but not defined herein (including each exhibit hereto) shall have the meanings ascribed to them in the Service and Assessment Plan.

Affirmation of Recitals. The findings set forth in the Recitals of this Agreement are hereby incorporated as the official findings of the City Council.

I.
AGREEMENTS OF LANDOWNER

A. Affirmation and Acceptance of Agreements and Findings of Benefit. Landowner hereby ratifies, confirms, accepts, agrees to, and approves:

(i) the creation and boundaries of the District, and the boundaries of the Landowner's Parcel which are coterminous with the District, all as shown on **Exhibit I**, and the location and development of the Authorized Improvements on the Landowner Parcel and on the property within the District;

(ii) the determinations and findings as to the benefits by the City Council in the Service and Assessment Plan and the Assessment Ordinance; and

(iii) the Assessment Ordinance and the Service and Assessment Plan.

B. Acceptance and Approval of Assessments and Lien on Property. Landowner consents to, agrees to, acknowledges and accepts the following:

(i) each Assessment levied by the City on the Landowner Parcel within the District (the "Assessments"), as shown on the assessment roll attached as Appendix __ to the Service and Assessment Plan (the "Assessment Roll");

(ii) the Authorized Improvements specially benefit the District, and the Landowner's Parcel, in an amount at least equal to the Assessment levied on the Landowner's Parcel within the District, as such Assessment is shown on the Assessment Roll;

(iii) each Assessment is final, conclusive and binding upon Landowner and any subsequent owner of the Landowner Parcel, regardless of whether such landowner may be required to prepay a portion of, or the entirety of, such Assessment upon the occurrence of a mandatory prepayment event as provided in the Service and Assessment Plan;

(iv) the obligation to pay the Assessment levied on the Landowner owned by it when due and in the amount required by and stated in the Service and Assessment Plan and the Assessment Ordinance;

(v) each Assessment or reassessment, with interest, the expense of collection, and reasonable attorney's fees, if incurred, is a first and prior lien against the Landowner Parcel, superior to all other liens and monetary claims except liens or monetary claims for state, county, school district, or municipal ad valorem taxes, and is a personal liability of and charge against the owner of the Landowner Parcel regardless of whether such owner is named;

(vi) the Assessment lien on the Landowner Parcel is a lien and covenant that runs with the land and is effective from the date of the Assessment Ordinance and continues

until the Assessment is paid and may be enforced by the governing body of the City in the same manner that an ad valorem tax lien against real property may be enforced by the City;

(vii) delinquent installments of the Assessment shall incur and accrue interest, penalties, and attorney's fees as provided in the PID Act;

(viii) the owner of the Landowner Parcel may pay at any time the entire Assessment, with interest that has accrued on the Assessment, on any parcel in the Landowner Parcel;

(ix) the Annual Installments of the Assessments (as defined in the Service and Assessment Plan and Assessment Roll) may be adjusted, decreased and extended; and, the assessed parties shall be obligated to pay their respective revised amounts of the Annual Installments, when due, and without the necessity of further action, assessments or reassessments by the City, the same as though they were expressly set forth herein; and

(x) Landowner has received, or hereby waives, all notices required to be provided to it under Texas law, including the PID Act, prior to the Effective Date (defined herein).

C. Mandatory Prepayment of Assessments. Landowner agrees and acknowledges that Landowner or subsequent landowners may have an obligation to prepay an Assessment upon the occurrence of a mandatory prepayment event, at the sole discretion of the City and as provided in the Service and Assessment Plan, as amended or updated.

D. Notice of Assessments. Landowner further agrees as follows:

(i) the Declaration of Covenants, Conditions and Restrictions in the form attached hereto as **Exhibit II** shall be terms, conditions and provisions running with the Landowner Parcel and shall be recorded (the contents of which shall be consistent with the Assessment Ordinance and the Service and Assessment Plan as reasonably determined by the City), in the records of the County Clerk of Kaufman County, as a lien and encumbrance against such Landowner Parcel, and Landowner hereby authorizes the City to so record such documents against the Landowner Parcel owned by Landowner;

(ii) in the event of any subdivision, sale, transfer or other conveyance by the Landowner of the right, title or interest of the Landowner in the Landowner's Parcel or any part thereof, the Landowner's Parcel, or any such part thereof, shall continue to be bound by all of the terms, conditions and provisions of such Declaration of Covenants, Conditions and Restrictions and any purchaser, transferee or other subsequent owner shall take such Landowner Parcel subject to all of the terms, conditions and provisions of such Declaration of Covenants, Conditions and Restrictions; and

(iii) Landowner shall comply with, and shall contractually obligate (and promptly provide written evidence of such contractual provisions to the City) any party who purchases the Landowner Parcel, or any portion thereof, for the purpose of constructing residential properties that are eligible for "homestead" designations under State law, to comply with, the Homebuyer Education Program described on **Exhibit III** to this Agreement. Such compliance obligation shall terminate as to each Lot if, and when, (i) a final certificate of occupancy for a residential unit on such Lot is issued by the City, and (ii) there is a sale of a Lot to an individual homebuyer, it being the intent of the undersigned that the Homebuyer Education Program shall apply only to a commercial builder who is in the business of constructing and/or selling residences to individual home buyers (a "Builder") but not to subsequent sales of such residence and Lot by an individual home buyer after the initial sale by a Builder.

Notwithstanding the provisions of this Section, upon the Landowner's request and the City's consent, in the City's sole and absolute discretion, the Declaration of Covenants, Conditions and Restrictions may be included with other written restrictions running with the land on property within the District, provided they contain all the material provisions and provide the same material notice to prospective property owners as does the document attached as **Exhibit II.**

II.
OWNERSHIP AND CONSTRUCTION OF AUTHORIZED IMPROVEMENTS

A. Ownership and Transfer of Authorized Improvements. Landowner acknowledges that the portion of the Authorized Improvements benefitting the Landowner Parcel and the land (or easements, as applicable) needed therefor shall be owned by the City as constructed and/or conveyed to the City and Landowner will execute such conveyances and/or dedications of public rights of way and easements as may be reasonably required to evidence such ownership, as generally described on the current plats of the property within the District.

B. Grant of Easement and License. Construction of Authorized Improvements.

(i) Any subsequent owner of the Landowner Parcel shall, upon the request of the City or Landowner, grant and convey to the City or Landowner and its contractors, materialmen and workmen a temporary license and/or easement, as appropriate, to construct the Authorized Improvements on the Landowner Parcel within the District, to stage on the Landowner Parcel within the District construction trailers, building materials and equipment to be used in connection with such construction of the Authorized Improvements and for passage and use over and across parts of the property within the District as shall be reasonably necessary during the construction of the Authorized Improvements. Any subsequent owner of the Landowner Parcel may require that each contractor constructing the Authorized Improvements cause such owner of the Landowner Parcel to be indemnified and/or named as an additional insured under liability insurance reasonably acceptable to such owner of the Landowner Parcel. The right to use and enjoy

any easement and license provided above shall continue until the construction of the Authorized Improvements is complete; provided, however, any such license or easement shall automatically terminate upon the recording of the final plat for the Landowner's Parcel in the real property records of Kaufman County, Texas.

(ii) Landowner hereby agrees that any right or condition imposed by the Development Agreement, or other agreement, with respect to the Assessment has been satisfied, and that Landowner shall not have any rights or remedies against the City under the Development Agreement, or under any law or principles of equity concerning the Assessments, with respect to the formation of the District, approval of the Service and Assessment Plan and the City's levy and collection of the Assessments.

III.
COVENANTS AND WARRANTIES; MISCELLANEOUS

A. Special Covenants and Warranties of Landowner.
Landowner represents and warrants to the City as follows:

(i) Landowner is duly organized, validly existing and, as applicable, in good standing under the laws of the state of its organization and has the full right, power and authority to enter into this Agreement, and to perform all the obligations required to be performed by Landowner hereunder.

(ii) This Agreement has been duly and validly executed and delivered by, and on behalf of, Landowner and, assuming the due authorization, execution and delivery thereof by and on behalf of the City and the Landowner, constitutes a valid, binding and enforceable obligation of such party enforceable in accordance with its terms. This representation and warranty is qualified to the extent the enforceability of this Agreement may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors in general.

(iii) Neither the execution and delivery hereof, nor the taking of any actions contemplated hereby, will conflict with or result in a breach of any of the provisions of, or constitute a default, event of default or event creating a right of acceleration, termination or cancellation of any obligation under, any instrument, note, mortgage, contract, judgment, order, award, decree or other agreement or restriction to which Landowner is a party, or by which Landowner or Landowner's Parcel is otherwise bound.

(iv) Landowner is, subject to all matters of record in the Kaufman County, Texas Real Property Records, the sole owner of the Landowner's Parcel.

(v) The Landowner's Parcel owned by Landowner is not subject to, or encumbered by, any covenant, lien, encumbrance or agreement which would prohibit (i) the creation of the District, (ii) the levy of the Assessments, or (iii) the construction of the Authorized Improvements on those portions of the property within the District which are to be owned by the City, as generally described on the current plats of the property within the District (or, if subject to any such prohibition, the approval or consent of all necessary parties thereto has been obtained).

(vi) Landowner covenants and agrees to execute any and all documents necessary, appropriate or incidental to the purposes of this Agreement, as long as such documents are consistent with this Agreement and do not create additional liability of any type to, or reduce the rights of, such Landowner by virtue of execution thereof.

B. Waiver of Claims Concerning Authorized Improvements. The Landowner, with full knowledge of the provisions, and the rights thereof pursuant to such provisions, of applicable law, waives any claims against the City and its successors, assigns and agents, pertaining to the installation of the Authorized Improvements.

C. Notices.

Any notice or other communication to be given to the City or Landowner under this Agreement shall be given by delivering the same in writing to:

To the City:
Attn: _____, City Manager
City of Terrell

Terrell, Texas

With a copy to:

To the Developer: Attn: _____
_____
_____
_____

With a copy to: Attn: _____
_____
_____
_____

Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed, or sent by electronic or facsimile transmission confirmed by mailing written

confirmation at substantially the same time as such electronic or facsimile transmission, or personally delivered to an officer of the recipient as the address set forth herein.

Each recipient may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this provision shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when receipted for, or actually received by, the addressee.

D. Parties in Interest. This Agreement is made solely for the benefit of the City and the Landowner and is not assignable, except, in the case of Landowner, in connection with the sale or disposition of all or substantially all of the parcels which constitute the Landowner Parcel. However, the parties expressly agree and acknowledge that the City, the Landowner, each current owner of any parcel which constitutes the Landowner Parcel, and the holders of or trustee for any bonds secured by Assessment Revenues to finance the costs of the Authorized Improvements, are express beneficiaries of this Agreement and shall be entitled to pursue any and all remedies at law or in equity to enforce the obligations of the parties hereto. This Agreement shall be recorded in the real property records of Kaufman County, Texas.

E. Amendments. This Agreement may be amended only by written instrument executed by the City and the Landowner. No termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the then-current owners of the property within the District and recorded in the Real Property Records of Kaufman County, Texas.

F. Effective Date. This Agreement shall become and be effective (the "Effective Date") upon the date of final execution by the latter of the City and the Landowner and shall be valid and enforceable on said date and thereafter.

G. Estoppels. Within 10 days after written request from a party hereto, the other party shall provide a written certification, indicating whether this Agreement remains in effect as to the Landowner Parcel, and whether any party is then in default hereunder.

H. Termination. This Agreement shall terminate and be of no further force and effect as to the Landowner Parcel upon payment in full of the Assessment(s) against such Landowner Parcel.

I. 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 Landowner 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 law. As used in the foregoing verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing

to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Landowner understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Landowner within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

J. No Business With Sanctioned Countries. The Landowner 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 the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Landowner and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. As used in this Section, the Landowner understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Landowner within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

K. Verification Regarding Energy Company Boycotts. 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 Landowner 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 Texas or federal law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. As used in this Section, the Landowner understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Landowner within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

L. Verification Regarding Discrimination Against Firearm Entity or Trade Association. 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 Landowner 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 Texas or federal law. As used in the foregoing verification and the following definitions:

(i) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association;

(ii) 'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting); and

(iii) 'firearm trade association,' a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation,

unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

As used in this Section, the Landowner understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Landowner within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

[Signature pages to follow]

EXECUTED by the City and Landowner on the Effective Date.

Date: _____

CITY OF TERRELL, TEXAS

By: _____
_____, Mayor

STATE OF TEXAS §
§
COUNTY OF KAUFMAN §

This instrument was acknowledged before me on the __ day of _____, 2022 by _____, Mayor of the City of Terrell, Texas on behalf of said City.

_____
Notary Public, State of Texas

(SEAL)

_____
Name printed or typed

Commission Expires:_____

[Signature Page Landowner Agreement]

LANDOWNER

_____
a Texas _____,

By: _____
_____,
its manager

STATE OF TEXAS)
)
COUNTY OF _____)

This instrument was acknowledged before me on the __ day of _____, 2022, by _____ in his capacity as Manager of _____, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of and as the act of Manager of _____.

_____
Notary Public, State of Texas

My Commission Expires:

_____

[Signature Page Landowner Agreement]

LANDOWNER AGREEMENT - EXHIBIT I

METES AND BOUNDS DESCRIPTION OF LANDOWNER'S PARCEL

LANDOWNER AGREEMENT - EXHIBIT II

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS** (as it may be amended from time to time, this "Declaration") is made as of _____ by _____ a Texas _____ (the "Landowner").

RECITALS:

A. The Landowner holds record title to that portion of the real property located in Kaufman County, Texas, which is described in the attached **Exhibit I** (the "Landowner's Parcel").

B. The City Council of the City of Terrell, Texas (the "City Council") upon a petition requesting the establishment of a public improvement district covering the property within the District to be known as the Arboretum Estates Public Improvement District (the "District") by the then record owners' taxable real property representing more than fifty percent (50%) of the appraised value of the real property liable for assessment (as determined by the most recent certified appraisal roll for Kaufman County) in the area requested to be included in the District and the record owners of taxable real property that constitute more than fifty percent (50%) of all of the area of all taxable real property that are liable for assessment within the area requested to be included in the District, created such District, in accordance with the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "PID Act").

C. The City Council has adopted an assessment ordinance to levy assessments for certain public improvements (including all exhibits and attachments thereto, the "Assessment Ordinance") and the Service and Assessment Plan included as an exhibit to the Assessment Ordinance (as amended from time to time, the "Service and Assessment Plan"), and has levied the assessments (the "Assessments") on property in the District.

D. The statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended, to the purchaser, is incorporated into this Declaration.

DECLARATIONS:

NOW, THEREFORE, the Landowner hereby declares that the Landowner's Parcel is and shall be subject to, and hereby imposes on the Landowner's Parcel, the following covenants, conditions and restrictions:

1. **Acceptance and Approval of Assessments and Lien on Property:**
   (a) Landowner accepts each Assessment levied on the Landowner's Parcel owned by such Landowner.
   (b) The Assessment (including any reassessment, the expense of collection, and reasonable attorney's fees, if incurred) is (a) a first and prior lien (the "Assessment

Lien") against the property assessed, superior to all other liens or claims except for liens or claims for state, county, school district or municipality ad valorem property taxes whether now or hereafter payable, and (b) a personal liability of and charge against the owners of the property to the extent of their ownership regardless of whether the owners are named. The Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid and may be enforced by the City in the same manner as an ad valorem property tax levied against real property that may be enforced by the City. The owner of any assessed property may pay, at any time, the entire Assessment levied against any such property. Foreclosure of an ad valorem property tax lien on property within the District will not extinguish the Assessment or any unpaid but not yet due Annual Installments of the Assessment, and will not accelerate the due date for any unpaid and not yet due Annual Installments of the Assessment.

It is the clear intention of all parties to this Declaration, that the Assessments, including any Annual Installments of the Assessments (as such Annual Installments may be adjusted, decreased or extended), are covenants that run with the Landowner's Parcel and specifically binds the Landowner, its successors and assigns.

In the event of delinquency in the payment of any Annual Installment of the Assessment, the City is empowered to order institution of an action in district court to foreclose the related Assessment Lien, to enforce personal liability against the owner of the real property for the Assessment, or both. In such action the real property subject to the delinquent Assessment may be sold at judicial foreclosure sale for the amount of such delinquent property taxes and Assessment, plus penalties, interest and costs of collection.

2. **Landowner or any subsequent owner of the Landowner's Parcel waives:**
   (a) any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the District and levying and collecting the Assessments or the annual installments of the Assessments;
   (b) any and all notices and time periods provided by the PID Act including, but not limited to, notice of the establishment of the District and notice of public hearings regarding the levy of Assessments by the City Council concerning the Assessments;
   (c) any and all defects, irregularities, illegalities or deficiencies in, or in the adoption of, the Assessment Ordinance by the City Council;
   (d) any and all actions and defenses against the adoption or amendment of the Service and Assessment Plan, the City's finding of a 'special benefit' pursuant to the PID Act and the Service and Assessment Plan, and the levy of the Assessments; and
   (e) any right to object to the legality of any of the Assessments or the Service and Assessment Plan or to any of the previous proceedings connected therewith which occurred prior to, or upon, the City Council's levy of the Assessments.

3. **Amendments:** This Declaration may be terminated or amended only by a document duly executed and acknowledged by the then-current owner(s) of the Landowner's Parcel and

the City. No such termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the parties by whom approval is required as set forth above and recorded in the Real Property Records of Kaufman County, Texas.

4. **Third Party Beneficiary:** The City is a third party beneficiary to this Declaration and may enforce the terms hereof.

5. **Notice to Subsequent Purchasers:** Upon the sale of a dwelling unit within the District, the purchaser of such property shall be provided a written notice that reads substantially similar to the following:

TEXAS PROPERTY CODE SECTION 5.014
NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF TERRELL, KAUFMAN COUNTY, TEXAS CONCERNING THE PROPERTY AT [Street Address]

As the purchaser of this parcel of real property, you are obligated to pay an assessment to the City of Terrell, Texas, for improvement projects undertaken by a public improvement district under Chapter 372 of the Texas Local Government Code, as amended. The assessment may be due in periodic installments.

The amount of the assessment against your property may be paid in full at any time together with interest to the date of payment. If you do not pay the assessment in full, it will be due and payable in annual installments (including interest and collection costs). More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the City of Terrell, [Address].

Your failure to pay the assessment or the annual installments could result in a lien and in the foreclosure of your property.

Signature of Purchaser(s) _____ Date: _____

The seller shall deliver this notice to the purchaser before the effective date of an executory contract binding the purchaser to purchase the property. The notice may be given separately, as part of the contract during negotiations, or as part of any other notice the seller delivers to the purchaser. If the notice is included as part of the executory contract or another notice, the title of the notice prescribed by this section, the references to the street address and date in the notice, and the purchaser's signature on the notice may be omitted.

EXECUTED by the undersigned on the date set forth below to be effective as of the date first above written.

LANDOWNER

_____

a Texas _____,

By: _____
_____,
its manager

STATE OF TEXAS)
)
COUNTY OF _____)

This instrument was acknowledged before me on the __ day of _____, 2022, by _____ in his capacity as Manager of _____, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of and as the act of Manager of _____.

_____
Notary Public, State of Texas

My Commission Expires:

_____

LANDOWNER AGREEMENT - EXHIBIT III

HOMEBUYER EDUCATION PROGRAM

As used in this **Exhibit III**, the recorded Notice of the Authorization and Establishment of the Arboretum Estates Public Improvement District and the Declaration of Covenants, Conditions and Restrictions in **Exhibit II** of this Agreement are referred to as the "Recorded Notices."

1. Any Landowner who is a Builder shall attach the Recorded Notices and the final Assessment Roll for such Landowner Parcel (or if the Assessment Roll is not available for such Assessed Parcel, then a schedule showing the maximum 30-year payment for such Landowner Parcel) as an addendum to any residential homebuyer's contract.

2. Any Landowner who is a Builder shall provide evidence of compliance with Paragraph 1 above, signed by such residential homebuyer, to the City.

3. Any Landowner who is a Builder shall prominently display signage in its model homes, if any, substantially in the form of the Recorded Notices.

4. If prepared and provided by the City, any Landowner who is a Builder shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.

5. Any Landowner who is a Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers.

EXHIBIT G
Certification for Payment Form

The undersigned is an agent for _____ (the "Developer") and requests payment from the Improvement Account of the Project Fund (as defined in the Bond Indenture) from the City of Terrell, Texas (the "City") in the amount of $_____ for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Authorized Improvements related to the Arboretum Estates Public Improvement District. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Bond Indenture.

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this payment request form on behalf of the Developer and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced Authorized Improvement(s) has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
3. The amount listed for the Authorized Improvement(s) below is a true and accurate representation of the Actual Costs associated with the creation, acquisition, or construction of said Authorized Improvement(s); and such costs: (i) are in compliance with the Bond Indenture; and (ii) are consistent with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Development Agreement, the Bond Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Bond Indenture for the payment hereby requested have been satisfied.
6. The work with respect to the Authorized Improvement(s) referenced below (or their completed segment, section or portion thereof) has been completed and the City may begin inspection of the Authorized Improvement(s).
7. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested are as follows:

a. X amount to Person or Account Y for Z goods or services.
b. Etc.

As required by the Bond Indenture, the Actual Costs for the Authorized Improvement(s) shall be paid as follows:

Authorized Improvement:	Amount to be paid from the Project Fund	Total Cost of Authorized Improvement

Attached hereto are receipts, purchase orders, Change Orders, and similar instruments which support and validate the above requested payments.

Pursuant to the Development Agreement, after receiving this payment request, the City is authorized to inspect the Authorized Improvement (or completed, section or portion thereof segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

I hereby declare that the above representations and warranties are true and correct.

By:

By: _____

Date:_____

APPROVAL OF REQUEST BY CITY

The undersigned is in receipt of the attached Certification for Payment. After reviewing the Certification for Payment, the Certification for Payment is approved and the Trustee is directed to disburse the requested payments from the Improvement Account of the Project Fund, in accordance with the Certification for Payment. The City's approval of the Certification for Payment shall not have the effect of estopping or preventing the undersigned from asserting claims under the Bond Indenture, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in the Authorized Improvement.

CITY OF TERRELL, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT H
Closing Disbursement Request

The undersigned is an agent for _____ , (the "Developer") and requests payment from:

[the Cost of Issuance Account of the Project Fund] [the Improvement Account of the Project Fund] from_____, (the "Trustee") in the amount of____DOLLARS ($_____) for costs incurred in the establishment, administration, and operation of the Arboretum Estates Public Improvement District (the "District"), as follows:

Closing Costs Description	Cost	PID Allocated Cost
TOTAL		

In connection to the above referenced payments, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer and is knowledgeable as to the matters set forth herein.

2. The payment requested for the above referenced establishment, administration, and operation of the District at the time of the delivery of the PID Bonds has not been the subject of any prior payment request submitted to the City.

3. The amount listed for the below itemized costs is a true and accurate representation of the Authorized Improvement Costs incurred by Developer with the establishment of the District at the time of the delivery of the PID Bonds, and such costs are in compliance with and within the costs as set forth in the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Development Agreement, the Bond Indenture, and the Service and Assessment Plan.

5. All conditions set forth in the Bond Indenture for the payment hereby requested have been satisfied.

6. The Developer agrees to cooperate with the City in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

a. X amount to Person or Account Y for Z goods or services.

b. Payment instructions

I hereby declare that the above representations and warranties are true and correct.

By:

By: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request to the extent set forth below and authorizes and directs payment by Trustee in such amounts and from the accounts listed below, to the Developer or other person designated by the Developer herein.

CITY OF TERRELL, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT I
Water Study

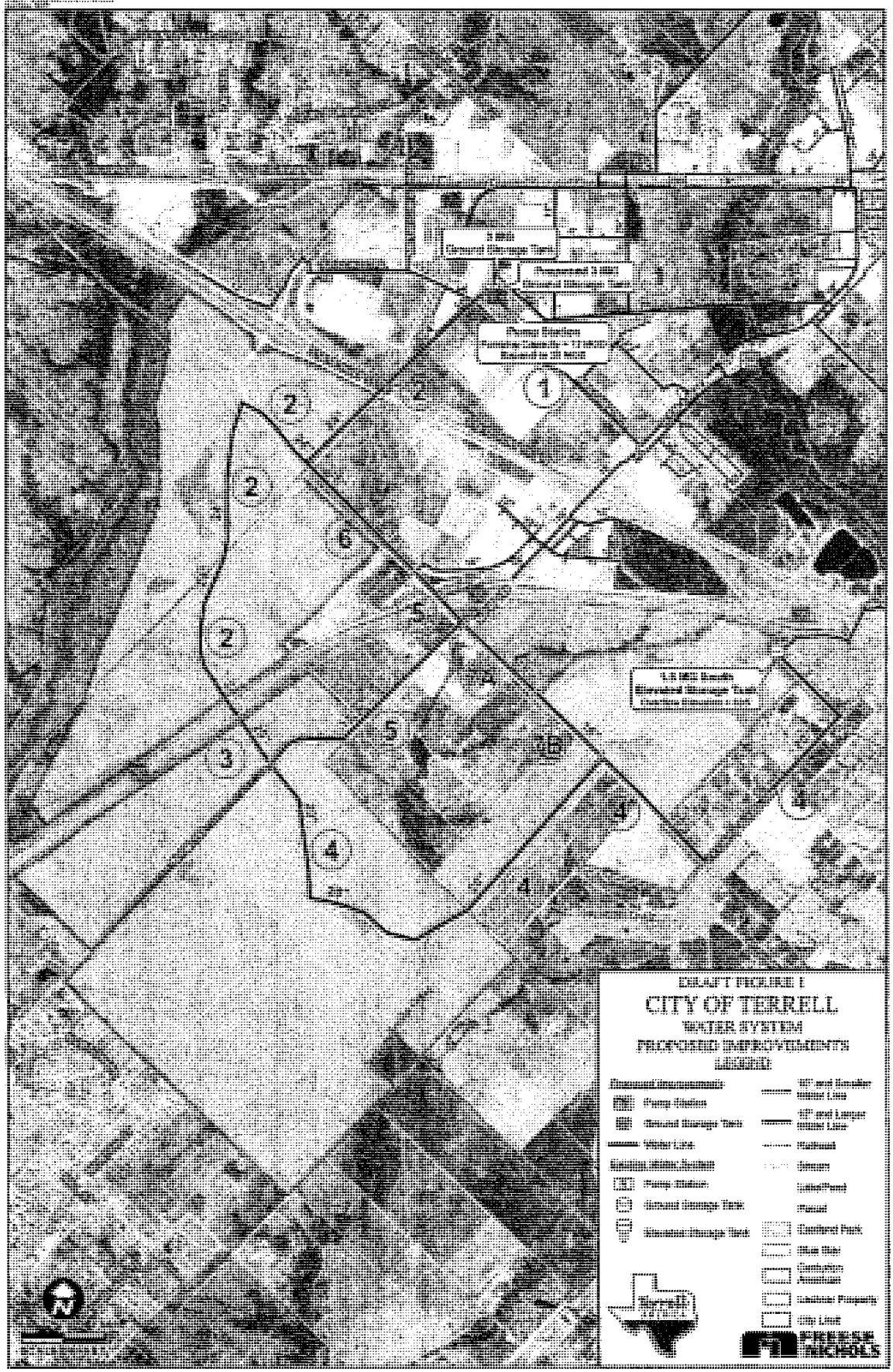

DRAFT FIGURE 1
CITY OF TERRELL
WATER SYSTEM
PROPOSED IMPROVEMENTS
LEGEND
Terrell
Kimley-Horn
PARKHILL SMITH & COOPER
FREESE AND NICHOLS

EXHIBIT J
PID Petition Form

PETITION FOR THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT WITHIN THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF TERRELL, TEXAS FOR THE ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT

This petition ("Petition") is submitted and filed with the City Secretary of the City of Terrell, Texas ("City"), by [INSERT NAMES OF ALL OWNERS OF PROPERTY TO BE INCLUDED WITHIN THE BOUNDARIES OF THE PID] (the "Petitioner"), owner of one hundred percent (100%) of the real property located within the proposed boundaries of the District, as hereinafter defined. Acting pursuant to the provisions of Chapter 372, Texas Local Government Code, as amended (the "Act"), the Petitioner requests that the City create a public improvement district (the "District"), to include property located within the extraterritorial jurisdiction of the City, more particularly described by a metes and bounds description in **Exhibit A** and depicted in **Exhibit B** (the "Property"). In support of this Petition, the Petitioner presents the following:

Section 1. General Nature of the Authorized Improvements. The general nature of the proposed public improvements (collectively, the "Authorized Improvements") may include: (i) street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) establishment or improvement of parks and open space, together with the design, construction and maintenance of any ancillary structures, features or amenities such as trails, playgrounds, walkways, lighting and any similar items located therein; (iii) sidewalks and landscaping, including entry monuments and features, fountains, lighting and signage; (iv) acquisition, construction, and improvement of water, wastewater and drainage improvements and facilities; (v) projects similar to those listed in subsections (i) - (iv) above authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; (vi) special supplemental services for improvement and promotion of the District as approved by the City including services related to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; and (vii) payment of costs associated with developing and financing the public improvements listed in subparagraphs (i) - (vi) above, and costs of establishing, administering and operating the District. These Authorized Improvements shall promote the interests of the City and confer a special benefit upon the Property.

Section 2. Estimated Cost of the Authorized Improvements. The estimated cost to design, acquire, and construct the Authorized Improvements, together with bond issuance costs (including but not limited to the funding of any capitalized interest and reserve funds), eligible legal and financial fees, eligible credit enhancement costs and eligible costs incurred in the establishment administration and operation of the District, is [$_____.00]. The City will pay none of the costs of the proposed improvements from funds other than such assessments. The remaining costs of the proposed improvements will be paid from sources other than the City or assessments of property owners.

Section 3. Boundaries of the Proposed District. The District is proposed to include the Property.

Section 4. Proposed Method of Assessment.

The City shall levy assessments on each parcel within the District in a manner that results in imposing equal shares of the costs on property similarly benefited. All assessments may be paid in full at any time (including interest and principal), and certain assessments may be paid in annual installments (including interest and principal). If an assessment is allowed to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for those Authorized Improvements financed by the assessment, and must continue for a period necessary to retire the indebtedness of those Authorized Improvements (including interest).

Section 5. Proposed Apportionment of Costs between the District and the City.

The City will not be obligated to provide any funds to finance the Authorized Improvements, other than from assessments levied on the District and possible tax increment reinvestment zone revenue. No municipal property in the public improvement district shall be assessed. The Petitioner may also pay certain costs of the improvements from other funds available to the Petitioner.

Section 6. Management of the District.

The Petitioner proposes that the District be managed by the City, with the assistance of a consultant, who shall, from time to time, advise the City regarding certain operations of the District.

Section 7. The Petitioner Requests Establishment of the District. The person(s) signing this Petition request(s) the establishment of the District, is duly authorized, and has the authority to execute and deliver the Petition.

Section 8. Advisory Board.

The Petitioner proposes that the District be established and managed without the creation of an advisory board. If an advisory board is created, the Petitioner requests that a representative of the Petitioner be appointed to the advisory board.

Section 9. Landowner(s).

This Petition has been signed by (1) the owners of taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located; and (2) record owners of real property liable for assessment under the proposal who: (A) constitute more than 50 percent of all record owners of property that is liable for assessment under the

proposal; or (B) own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment under the proposal.

This Petition is hereby filed with the City Secretary of the City, or other officer performing the functions of the municipal secretary, in support of the creation of the District by the City Council of the City as herein provided. The Petitioner requests that the City Council of the City call a public hearing on the advisability of the Authorized Improvements, give notice thereof as provided by law and grant all matters requested in this Petition and grant such other relief, in law or in equity, to which Petitioner may show itself to be entitled.

RESPECTFULLY SUBMITTED, on this the _____ day of _____, 2023.

Petitioner:

[INSERT SIGNATURE BLOCKS FOR ALL OWNERS OF PROPERTY TO BE INCLUDED WITHIN THE BOUNDARIES OF THE PID]

EXHIBIT A

Metes and Bounds Description

INSERT LEGAL DESCRIPTION FOR PID BOUNDARIES]

EXHIBIT B

Property Depiction

[INSERT DEPICTION OF PROPERTY]

EXHIBIT K
PID Resolution Form

CITY OF TERRELL, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF TERRELL, TEXAS AUTHORIZING AND CREATING THE ARBORETUM ESTATES PUBLIC IMPROVEMENT DISTRICT IN ACCORDANCE WITH CHAPTER 372 OF THE TEXAS LOCAL GOVERNMENT CODE; RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Terrell, Texas (the "City"), is authorized under Chapter 372 of the Texas Local Government Code, as amended (the "Act"), to create a public improvement district within its City limits or its extraterritorial jurisdiction ("ETJ"); and

WHEREAS, on _____, the owner(s) of (1) taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located, and (2) real property liable for assessment under the proposal who: (A) constitute more than 50 percent of all record owners of property that is liable for assessment under the proposal; or (B) own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment under the proposal (collectively, the "Petitioner"), submitted and filed with the City Secretary a petition ("Petition") requesting the establishment of a public improvement district for property within the ETJ of the City; and

WHEREAS, the Petition requested the creation of the Arboretum Estates Public Improvement District (the "District"), which District is located within the ETJ of the City and is more particularly described by metes and bounds in **Exhibit A** and depicted in **Exhibit B** (the "Property") each attached hereto and incorporated herein for all purposes; and

WHEREAS, the City Council of the City (the "City Council") has investigated and determined that the facts contained in the Petition are true and correct; and

WHEREAS, after publishing notice in the _____, an official newspaper of general circulation in the City and in the part of the ETJ of the City in which the district is to be located or in which the improvements are to be undertaken, and mailing notice of the hearing, all as required by and in conformity with the Act, the City Council, conducted a public hearing on the advisability of the improvements and services on _____; and

WHEREAS, the City Council closed the public hearing on the advisability of the improvements and services on _____.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS AS FOLLOWS:

SECTION 1. The findings set forth in the recitals of this Resolution are found to be true and correct.

SECTION 2. The Petition submitted to the City by the Petitioner was filed with the City Secretary and complies with Section 372.005 of the Act.

SECTION 3. Pursuant to the requirements of the Act, including, without limitation, Sections 372.006, 372.009(a), 372.009(b), and 372.010, the City Council, after considering the Petition and the evidence and testimony presented at the public hearing on _____, hereby finds and declares:

(a) **Advisability of the Proposed Improvements**. It is advisable to create the District to provide the Authorized Improvements (as defined and described below). The Authorized Improvements are feasible and desirable and will promote the interests of the City and will confer a special benefit on the Property.

(b) **General Nature of the Authorized Improvements.** The general nature of the proposed public improvements to be provided by the District that are necessary for the development of the Property within the District and which shall promote the interest of the City and confer a special benefit upon the Property, may include: (i) street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) establishment or improvement of parks and open space, together with the design, construction and maintenance of any ancillary structures, features or amenities such as trails, playgrounds, walkways, lighting and any similar items located therein; (iii) sidewalks and landscaping, including entry monuments and features, fountains, lighting and signage; (iv) acquisition, construction, and improvement of water, wastewater and drainage improvements and facilities; (v) projects similar to those listed in subsections (i) - (iv) above authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; (vi) special supplemental services for improvement and promotion of the District, including services related to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; and (vii) payment of costs associated with developing and

financing the public improvements listed in subsections (i)-(vi) above and costs of establishing, administrating, and operating the District, (collectively, the "Authorized Improvements").

(c) **Estimated Costs of the Authorized Improvements**. The estimated total costs of the Authorized Improvements is $_____, which costs shall be paid by assessment of the property owners within the proposed District.

(d) **Boundaries of the District.** The District is proposed to include approximately _____ acres of property generally located north of the intersection of _____ and within the extraterritorial jurisdiction of the City, as more particularly described in the metes and bounds described in **Exhibit A** attached hereto and as more particularly depicted in **Exhibit B** attached hereto.

(e) **Proposed Method of Assessment**. The City shall levy assessments on each parcel within the District to pay the cost of the Authorized Improvements in a manner that results in imposing equal shares of the cost on property similarly benefited. Each assessment may be paid in full at any time (including interest) and certain assessments may be paid in annual installments (including interest). If allowed to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for those Authorized Improvements financed by the assessment and must continue for a period necessary to retire the indebtedness on those Authorized Improvements (including interest).

(f) **Apportionment of Costs**. The City shall not be obligated to provide any funding to finance the Authorized Improvements, other than from assessments levied in the District and possible tax increment reinvestment zone revenue. No City property in the District shall be assessed. The Petitioner may fund certain improvements from other funds available to the Petitioner.

(g) **Management of the District.** The District shall be managed by the City, with the assistance of a consultant, who shall, from time to time, advise the City regarding certain operations of the District.

(h) **Advisory Board.** The District shall be managed without the creation of an advisory body.

SECTION 4. The Arboretum Estates Public Improvement District is hereby authorized and created as a public improvement district under the Act in accordance with the findings of the City Council as to the advisability of the Authorized Improvements contained in this Resolution, the nature and the estimated costs of the Authorized Improvements, the boundaries of the District, the method of assessment, and the apportionment of costs as described herein; and the conclusion that the District is needed to fund such Authorized Improvements.

SECTION 5. The City Council hereby authorizes and directs the City Secretary, on or before _____, in accordance with the Act, to file a copy of this Resolution authorizing the District with the county clerk of each county in which all or part of the public improvement district is located.

SECTION 6. Effective upon the date of the passage of this Resolution, the District shall be established.

SECTION 7. This Resolution is effectively immediately from and after the date of its passage in accordance with law.

[EXECUTION PAGE FOLLOWS]

ADOPTED, PASSED, AND APPROVED on this the _____ day of _____, 2023.

CITY OF TERRELL, TEXAS

_____
_____, Mayor

ATTEST:

_____
City Secretary

(CITY SEAL)

STATE OF TEXAS §
§
COUNTY OF KAUFMAN §

This instrument was acknowledged before me on _____, 2023, by _____, Mayor of the City of Terrell, Texas on behalf of said City.

_____
Notary Public, State of Texas

(SEAL)

EXHIBIT A

METES AND BOUNDS DESCRIPTION OF THE PROPERTY

EXHIBIT B

PROPERTY DEPICTION

EXHIBIT L
TEDC Agreement

CITY OF TERRELL, TEXAS
AND
TERRELL ECONOMIC DEVELOPMENT CORPORATION

CHAPTER 380 ECONOMIC DEVELOPMENT
PROGRAM AND DEVELOPMENT AGREEMENT

This **CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM AND DEVELOPMENT AGREEMENT** (hereinafter referred to as the "Agreement") is made and entered into by and between the **CITY OF TERRELL, TEXAS**, a Texas home-rule municipality (hereinafter referred to as the "City"), and the **TERRELL ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation (hereinafter referred to as "TEDC"), for the purposes and considerations stated below:

WHEREAS, TEDC desires to enter into this Agreement with the City pursuant to Chapter 380 of the Texas Local Government Code; and

WHEREAS, the City desires to provide, pursuant to Chapter 380 of the Texas Local Government Code an incentive to TEDC to develop the Property as defined below; and

WHEREAS, Section 380.002(b) of the Texas Local Government Code authorizes the City, a home-rule municipality, to enter into a Chapter 380 Agreement, authorized by Chapter 380 of the Texas Local Government Code, to provide public monies to the TEDC. TEDC is required to use said monies "for the development and diversification of the economy of the state, elimination of unemployment or underemployment in the state, and development and expansion of commerce in the state"; and

WHEREAS, the City possesses the legal and statutory authority under Chapter 380 of the Texas Local Government Code to make loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City of Terrell, Texas; and

WHEREAS, the City has determined that a grant of funds to TEDC will serve the public purpose of promoting local economic development, with the development and diversification of the economy of the State and City, will eliminate unemployment and underemployment in the State and City, and will enhance business and commercial activity within the City of Terrell, Texas; and

WHEREAS, the City has concluded and hereby finds that this Agreement clearly promotes economic development in the City of Terrell, Texas, and, as such, meets the requisites under Chapter 380 of the Texas Local Government Code, and further, is in the best interests of the City and TEDC; and

WHEREAS, the City has concluded and hereby finds that this Agreement clearly promotes economic development in the City of Terrell, Texas, and, as such, meets the requirements of Article III, Section 52-a of the Texas Constitution by assisting in the

development and diversification of the economy of the State, by eliminating unemployment or underemployment in the State, and by the development or expansion of commerce within the State; and

WHEREAS, TEDC is a Type A economic development corporation operating pursuant to Chapter 504 of the Texas Local Government Code, as amended, and the Texas Non-Profit Corporation Act, as codified in the Texas Business Organizations Code, as amended; and

WHEREAS, Section 501.103 of the Texas Local Government Code, in pertinent part, defines the term "project" to mean "expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements . . ."; and

WHEREAS, TEDC's Board of Directors have determined that the construction of the Qualified Expenditures (as defined herein) to be located on the Property or benefitting the Property is consistent with and meets the definition of "project" as that term is defined in Section 501.103 of the Texas Local Government Code; and the definition of "cost" as that term is defined by Section 501.152 of the Texas Local Government Code; and

WHEREAS, on June 3, 2022, the TEDC Board of Directors authorized the Board Chairperson to enter into an agreement with the City of Terrell for reimbursement of the building of a 24" waterline and on November 1, 2022 the City of Terrell approved Resolution 2043 directing the City Manager to negotiate and the Mayor to execute an agreement for the same; and

WHEREAS, the City Council of the City of Terrell, Texas, finds and determines it is in the best of the City of Terrell, Texas, to reimburse TEDC for the Qualified Expenditures (as defined herein) to be made to the Property or benefitting the Property through water capital development fees collected from the Property in an aggregate amount of the actual cost of construction and installation or **Ten Million and No/100 Dollars ($10,000,000.00),** plus accrued interest, whichever is less (hereinafter referred to as the "Grant Amount") pursuant to the authority contained in Chapters 380 and 395 of the Texas Local Government Code, as amended.

NOW, THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and TEDC agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERM.

This Agreement shall be effective as of the Effective Date of this Agreement, as defined herein, and shall continue thereafter until **December 31, 2062**, or until the aggregate payments from City to TEDC pursuant to this Agreement equal **Ten Million and No/100 Dollars ($10,000,000.00)**, whichever is sooner, unless terminated sooner under the provisions hereof.

SECTION 3. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

(a) **Agreement.** The word "Agreement" means this Chapter 380 Economic Development Program and Development Agreement, authorized by Chapters 380 and 395 of the Texas Local Government Code, together with all exhibits and schedules attached to this Agreement from time to time, if any.

(b) **City.** The word "City" means the City of Terrell, Texas, a Texas home-rule municipality. For the purposes of this Agreement, City's address is 201 E. Nash Street, Terrell, Texas 75160.

(c) **Effective Date.** The words "Effective Date" mean the date of the later to execute this Agreement by and between the City and TEDC.

(d) **Event of Default.** The words "Event of Default" mean and include any of the Events of Default set forth in the section entitled "Events of Default" in this Agreement.

(e) **Grant Amount.** The words "Grant Amount" mean the actual cost of construction and installation or **Ten Million and No/100 Dollars ($10,000,000.00),** plus accrued interest, whichever is less.

(f) **Property.** The word "Property" means the approximately 1,820 acres designated as Eastland Park and Arboretum Estates, major developments in City of Terrell Tax Increment Reinvestment Zones 2 and 3, located partially within the city limits and partially within the extraterritorial jurisdiction of the City of Terrell, Kaufman County, Texas, as more particularly described and or depicted in ***Exhibit A*** of this Agreement, which is attached hereto and incorporated herein for all purposes.

(g) **Qualified Expenditures.** The words "Qualified Expenditures" mean those expenditures consisting of the construction and installation of a water line within the Property or otherwise benefitting the Property, as generally depicted in ***Exhibit B*** of this Agreement, which is attached hereto and incorporated herein for all purposes, and those expenses which otherwise meet the definition of "project" as defined in Section 501.103 of the Texas Local

Government Code, and an authorized "capital improvement" as defined in Section 395.001 of the Texas Local Government Code.

(h) **TEDC**. The term "TEDC" means the Terrell Economic Development Corporation, a Texas non-profit corporation, whose address for the purposes of this Agreement is 1314 W. Moore Avenue, P.O. Box 97, Terrell, Texas 75160.

(i) **Term.** The word "Term" means the term of this Agreement as specified in Section 2 of this Agreement.

SECTION 4. AFFIRMATIVE OBLIGATIONS OF TEDC.

TEDC covenants and agrees with City that, while this Agreement is in effect, it shall comply with the following terms and conditions:

(a) **Construction of Qualified Expenditures.** TEDC covenants and agrees to construct or cause to be constructed the Qualified Expenditures located on the Property for an amount not more than **Ten Million and No/100 Dollars ($10,000,000.00)**. Further, TEDC covenants and agrees to submit to the City invoices, receipts, or other documentation for the Qualified Expenditures made to the Property in an amount of not more than **Ten Million and No/100 Dollars ($10,000,000.00)**, and in a form acceptable to the City by **December 31, 2062**.

(b) **Performance.** TEDC covenants and agrees to perform and comply with all terms, conditions and provisions set forth in this Agreement, and any other agreements by and between the City and TEDC.

(c) **Waiver of fees**. TEDC Board of Directors, at their sole discretion, may waive Water Capital Development fees on projects of their choosing.

SECTION 5. AFFIRMATIVE OBLIGATIONS OF THE CITY.

City covenants and agrees with TEDC that, while this Agreement is in effect, it shall comply with the following terms and conditions:

(a) **Reimbursements from Water Capital Development Fees.** Prior to issuing any building permit on any parcel, City shall calculate and charge to the building permit applicant a Water Capital Development Fee in accordance with the fee schedule shown in Exhibit C. Such fees shall be in addition to any other applicable City fee. TEDC shall be reimbursed water capital development fee-eligible costs for the construction costs associated with the construction of the Qualified Expenditures. The phrase "construction costs" as used in this Agreement, shall mean the actual eligible construction costs, as determined by the City and as authorized by state law and/or City ordinances, and include design costs, construction costs, engineering costs, surveying costs and geotechnical materials testing associated with the Qualified Expenditures.

(1) Any water capital development fees, described in *Exhibit C*, as contemplated by this Agreement collected by the City from within the Property, as depicted in ***Exhibit A***, of this Agreement, shall be paid to TEDC until the Grant Amount is paid in full to TEDC. Reimbursements shall be tendered to TEDC after current liabilities and in accordance with City policies. The City will use its reasonable efforts to forward any reimbursement amount to TEDC, quarterly and as applicable, on January 15, April 15, July 15, and October 15 of each year.

(2) TEDC and the City acknowledge and agree that the water capital development fees collected within the Property may be less than the reimbursements to which TEDC is entitled and the City does not guarantee the amount of water capital development fees that will be collected from the Property.

(b) **Performance.** City agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements by and between TEDC and City. Performance by City is dependent on finalizing and executing separate agreements with property owners for annexation and development of various portions of the Property.

SECTION 6. EVENTS OF DEFAULT.

Each of the following shall constitute an Event of Default under this Agreement:

(a) **General Event of Default.** Failure of TEDC or City to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement, or failure of TEDC or City to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement by and between TEDC and City is an Event of Default.

(b) **False Statements.** Any warranty, representation, or statement made or furnished to the City by or on behalf of TEDC under this Agreement that is false or misleading in any material respect, either now or at the time made or furnished is an Event of Default.

(c) **Insolvency.** TEDC's insolvency, appointment of receiver for any part of TEDC's property, any assignment for the benefit of creditors of TEDC, any type of creditor workout for TEDC, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against TEDC is an Event of Default.

SECTION 7. EFFECT OF AN EVENT OF DEFAULT.

In the event of default under Section 6 of this Agreement, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured, the non-defaulting party shall have the right to terminate this Agreement, enforce specific performance as appropriate, or maintain a cause of

action for damages caused by the event(s) of default.

SECTION 8. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

(a) **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

(b) **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Kaufman County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Kaufman County, Texas.

(c) **Assignment.** This Agreement may not be assigned without the express written consent of the other party.

(d) **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. City warrants and represents that the individual executing this Agreement on behalf of City has full authority to execute this Agreement and bind City to the same. TEDC warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same.

(e) **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.

(f) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

(g) **Entire Agreement.** This written agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

(h) **Force Majeure.** It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, fire or other casualty, or court injunction, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or requirement shall be extended for a period of time equal to the period such party was

delayed.

(i) **Notices.** Any notice or other communication required or permitted by this Agreement (hereinafter referred to as the "Notice") is effective when in writing and (i) personally delivered either by facsimile (with electronic information and a mailed copy to follow) or by hand or (ii) three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified with return receipt requested. The parties agree to keep the other party or parties informed of their address at all times during the Term of this Agreement. The Notices shall be addressed as follows:

If to the City:
City of Terrell, Texas
201 E. Nash Street
Terrell, Texas 75160
Attn: Mike Sims, City Manager
Telephone: (325) 573-4957

If to TEDC:
Terrell Economic Development Corporation
1314 W. Moore Avenue
P.O. Box 97
Terrell, Texas 75160
Attn: Ray Dunlap, President
Telephone: (469) 534-2719

(j) **Severability.** The provisions of this Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Agreement is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation have the force and effect of the law, the remaining portions of the Agreement shall be enforced as if the invalid provision had never been included.

(k) **Time is of the Essence.** Time is of the essence in the performance of this Agreement.

(l) **Form 1295 Certificate.** TEDC agrees to comply with Texas Government Code, Section 2252.908 and in connection therewith, TEDC agrees to go online with the Texas Ethics Commission to complete a Form 1295 Certificate and further agrees to print the completed certificate and execute the completed certificate in such form as is required by Texas Government Code, Section 2252.908 and the rules of the Texas Ethics Commission and provide to the City, at the time of delivery of an executed counterpart of this Agreement, a duly executed completed Form 1295 Certificate.

(m) **Undocumented Workers Provision.** TEDC certifies that TEDC does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, TEDC is convicted of a violation under 8 U.S.C. § 1324a(f), TEDC shall repay the amount of any public subsidy provided under this Agreement to TEDC plus six percent (6.0%), not later than the 120th day after the date the City notifies TEDC of the violation.

(n) **Non-Boycott of Israel Provision.** In accordance with Chapter 2270 of the Texas Government Code, a Texas governmental entity may not enter into an agreement with a business entity for the provision of goods or services unless the agreement contains a written verification from the business entity that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the agreement. Chapter 2270 of the Texas Government Code does not apply to a (1) a company that is a sole proprietorship; (2) a company that has fewer than ten (10) full-time employees; or (3) the contract has a value of less than One Hundred Thousand Dollars ($100,000.00). Unless TEDC is not subject to Chapter 2270 of the Texas Government Code for the reasons stated herein, the signatory executing this Agreement on behalf of TEDC verifies that TEDC does not boycott Israel and will not boycott Israel during the Term of this Agreement.

(o) **Prohibition on Contracts with Certain Companies Provision.** In accordance with Section 2252.152 of the Texas Government Code, the Parties covenant and agree that TEDC is not on a list maintained by the State Comptroller's office prepared and maintained pursuant to Section 2252.153 of the Texas Government Code.

(p) **Report Agreement to Comptroller's Office.** City covenants and agrees to report this Agreement to the State Comptroller's office within fourteen (14) days of the Effective Date of this Agreement, in accordance with Section 380.004 of the Texas Government Code, as added by Texas House Bill 2404, 87th Tex. Reg. Session (2021) (effective September 1, 2021).

(q) **Verification Against Discrimination of Firearm or Ammunition Industries.** Pursuant to Texas Government Code Chapter 2274, (as added by Texas Senate Bill 19, 87th Tex. Reg. Session (2021) (effective September 1, 2021)) unless otherwise exempt, if TEDC employs at least ten (10) full-time employees and this Agreement has a value of at least $100,000 that is paid wholly or partly from public funds of the City, TEDC represents that: (1) TEDC does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) TEDC will not discriminate during the Term of the Agreement against a firearm entity or firearm trade association.

(r) **Verification Against Discrimination TEDC Does Not Boycott Energy Companies.** Pursuant to Texas Government Code Chapter 2274, (as added by Texas Senate Bill 13, 87th Tex. Reg. Session (2021) (effective September 1, 2021)) unless otherwise exempt, if TEDC employs at least ten (10) full-time employees and this Agreement has a value of at least $100,000 that is paid wholly or partly from public funds of the City, TEDC represents that: (1) TEDC does not boycott energy companies; and (2) TEDC will not boycott energy companies during the Term of this Agreement.

[The Remainder of this Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed.

CITY:

CITY OF TERRELL, TEXAS,
A Texas home-rule municipality

E. Rick Carmona, Mayor

ATTEST:

Dawn Steil, City Secretary

STATE OF TEXAS §
§
COUNTY OF KAUFMAN §

This instrument was acknowledged before me on the 21st day of December, 2022, by E. Rick Carmona, Mayor of the City of Terrell, Texas, a Texas home-rule municipality, on behalf of said municipality.

KARI DAWN STEIL
NOTARY PUBLIC
STATE OF TEXAS
MY COMM. EXP. 11/19/26
NOTARY ID 1124190-7

Notary Public, State of Texas

TEDC:

TERRELL ECONOMIC DEVELOPMENT CORPORATION,
A Texas non-profit corporation,

By: _____
Bruce Wood, Board Chairman
Date Signed: 1-3-23

STATE OF TEXAS §
§
COUNTY OF KAUFMAN §

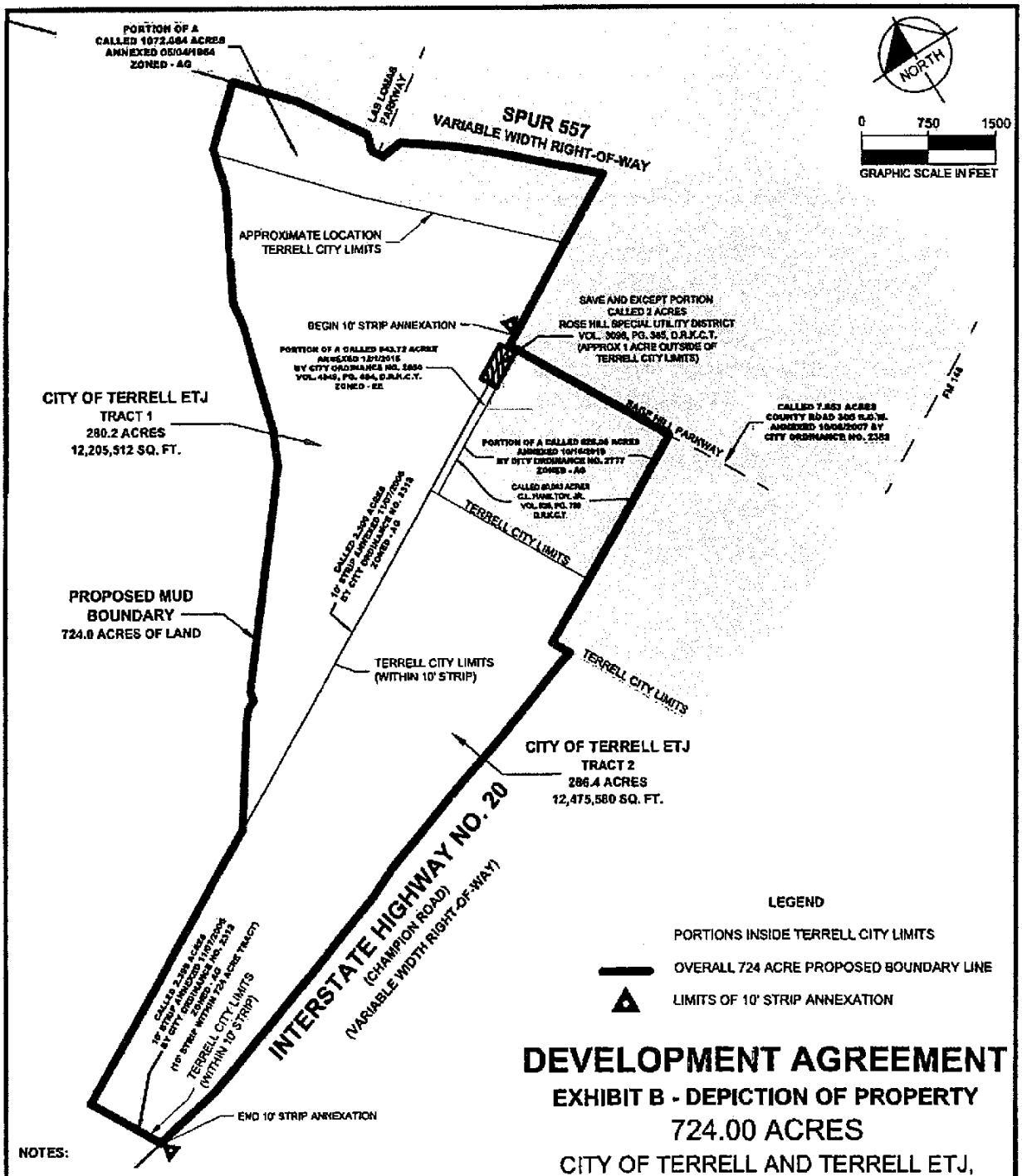
This instrument was acknowledged before me on the 5 day of January, 2023, by Ray Dunlap, President of the Terrell Economic Development Corporation, a Texas non-profit corporation, on behalf of said corporation.

_____
Notary Public, State of Texas

Angela Vallance Cooper
Notary Public, State of Texas
Notary ID 1058781-2
My Commission Exp. 07-16-2026

Exhibit A

Legal Description and/or Depiction
of the Property



DEVELOPMENT AGREEMENT

EXHIBIT B - DEPICTION OF PROPERTY

724.00 ACRES

CITY OF TERRELL AND TERRELL ETJ,
KAUFMAN COUNTY, TEXAS

NOTES:

1. This Exhibit is intended to show the 724 acres that will be included within a proposed In-city Municipal Utility District (MUD) and Tax Increment Reinvestment Zone (TIRZ). In addition, this Exhibit is intended to show the portions of that 724 acres that are currently in the City's extraterritorial jurisdiction (ETJ) and the portions of that 724 within Terrell's corporate limits. With respect to the portions of the 724 acres within Terrell's corporate limits, this exhibit confirms annexation and zoning information.
2. The portion of the City Limit line labeled "Approximate" is due to the vague description of the portion of the City annexed on 05/04/1964. Said description follows no boundary lines of record and cites being approximately 1000 feet offset from the center of Spur 557.

Kimley»Horn
13455 Noel Road, Two Galleria Office Tower, Suite 700, Dallas, Texas 75240 FIRM # 10115500
Tel. No. (972) 770-1300
Fax No. (972) 239-3820

Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
1" = 1500'	EMP	CDB	Feb. 2022	064444404	1 OF 1

PROPERTY DESCRIPTION

BEING a tract of land situated in the Richard Mead Survey, Abstract No. 326, the W.R. Leath Survey, Abstract No. 305, the Lewis Pearce Survey, Abstract No. 373, the J.W. Ward Survey, Abstract No. 596, and the William Simpson Survey, Abstract No. 453, Kaufman County, Texas, and being a portion of a called 3,152.439 acre tract of land described in a Substitute Trustee's Deed to AP Dupont Limited Partnership, recorded in Volume 3502, Page, 558, Deed Records, Kaufman County, Texas (D.R.K.C.T.), and being all of a called 80.083 acre tract of land described in a Warranty Deed to C.L. Hamilton, Jr., recorded in Volume 528, Page 759, D.R.K.C.T., and being all of a called 288.239 acre tract of land designated as "Tract 1" in a Warranty Deed to AP Terrell Limited Partnership, recorded in Volume 2324, Page 267, D.R.K.C.T., and more particularly described as follows:

BEGINNING at a point in the southwest right-of-way line of Spur 557 (variable width right-of-way) at the most easterly corner of said 3,152.439 acre tract and at the most northerly corner of a called 2.062 acre tract of land designated as "Parcel 2" in a Special Warranty Deed – for Right-of-Way to the City of Terrell, Texas, recorded in Volume 5110, Page 268, D.R.K.C.T.;

THENCE South 44°11'57" West, with a southeast line of said 3,152.439 acre tract and the northwest line of said 2.062 acre tract, passing at a distance of 22.3 feet, the most westerly corner of said 2.062 acre tract, said point being in the northwest line of a called 255.68 acre tract of land designated as "Tract 1" in a Foreclosure Sale Deed to Terrell 80/20, Ltd., recorded in Volume 3838, Page 221, D.R.K.C.T. and continuing with the northwest line of said 255.68 acre tract and a southeast line of said 3,152.439 acre tract for a total distance of 2,136.1 feet to a point in Kaufman County Road No. 305, at an interior corner of said 3,152.439 acre tract;

THENCE South 45°59'44" East, with a northeasterly line of said 3,152.439 acre tract and along said County Road, passing at a distance of 101.1 feet, a southeasterly corner of said 3,152.439 acre tract and the north corner of said 80.083 acre tract, and continuing with the northeast line of said 80.083 acre tract and along said County Road for a total distance of 2,038.2 feet to the east corner of said 80.083 acre tract and the most westerly corner of a called 1.686 acre tract of land described in a Special Warranty Deed to the City of Terrell, Texas, recorded in Volume 6194, Page 537, D.R.K.C.T.;

THENCE South 44°57'24" West, with the southeast line of said 80.083 acre tract, passing at a distance of 9.3 feet, the north corner of a called 5.0 acre tract of land described in a Deed to Norma White, dba Terrell RV Park, recorded in Volume 4692, Page 300, D.R.K.C.T., and continuing with the southeast line of said 80.083 acre tract, passing at a distance of 1813.9 feet the south corner of said 80.083 acre tract and the most southeasterly corner of said 288.239, in the northwest line of a called 8.536 acre tract of land described in a Warranty Deed to The Heritage Group, LLC, recorded in Volume 5986, Page 352, D.R.K.C.T., and continuing with a southeasterly line of said 288.239 acre tract and the northwest line of said 8.536 acre tract for a total distance of 2,611.7 feet to an interior corner of said 288.239 acre tract and the most westerly corner of said 8.536 acre tract;

THENCE South 45°21'38" East, with a northeasterly line of said 288.239 acre tract and the southwest line of said 8.536 acre tract a distance of 222.2 feet to a point in the northwest right-of-way line of Interstate Highway No. 20 (variable width right-of-way) at the most southerly southeast corner of said 288.239 acre tract and the most southerly corner of said 8.536 acre tract at the beginning of a non-tangent curve to the left with a radius of 5,629.6 feet, a central angle of 02°55'55", and a chord bearing and distance of South 55°42'51" West, 288.1 feet;

THENCE in a southwesterly direction with said northwest right-of-way and the southeast line of said 288.239 acre tract the following courses and distances:

In a southerly direction, with said non-tangent curve to the left, an arc distance of 288.1 feet to a point for corner;

South 54°19'22" West, a distance of 904.5 feet to a point for corner;

South 56°36'48" West, a distance of 750.6 feet to a point for corner;

South 54°19'22" West, a distance of 1,150.0 feet to a point for corner;

South 49°25'25" West, a distance of 351.3 feet to a point for corner;

South 54°27'12" West, a distance of 2,715.7 feet to a point for corner;

South 62°00'19" West, a distance of 839.8 feet to a point at the most southerly corner of said 288.239 acre tract and at a southeasterly corner of the aforementioned 3,152.439 acre tract;

THENCE with the common line of said 288.239 acre tract and said 3,152.439 acre tract the following courses and distances:

North 45°44'07" West, a distance of 889.6 feet to a point for corner;

North 44°20'38" East, a distance of 1,601.1 feet to a point for corner;

North 44°21'47" East, a distance of 1,811.8 feet to a point for corner;

THENCE departing said common line and over and across said 3,152.439 acre tract the following courses and distances:

North 17°07'32" East, a distance of 1,155.4 feet to a point for corner;

North 22°03'16" East, a distance of 156.1 feet to a point for corner;

North 47°09'18" East, a distance of 117.9 feet to a point for corner;

North 07°08'55" West, a distance of 102.5 feet to a point for corner;

North 22°03'16" East, a distance of 2,490.9 feet to a point for corner;

North 06°54'26" East, a distance of 382.9 feet to a point for corner;

North 01°09'30" West, a distance of 1,182.6 feet to a point for corner;

North 10°06'55" West, a distance of 284.2 feet to a point for corner;

North 11°14'00" East, a distance of 1,248.5 feet to a point for corner;

North 02°49'37" West, a distance of 452.3 feet to a point for corner;

North 31°00'48" East, a distance of 768.7 feet to a point in the southwest right-of-way line of the aforementioned Spur 557;

THENCE with the southwest right-of-way line of said Spur 557 the following courses and distances:

South 58°39'46" East, a distance of 763.7 feet to a point for corner;

South 49°30'22" East, a distance of 845.9 feet to a point for corner;

South 01°29'17" East, a distance of 190.6 feet to a point for corner;

South 49°55'59" East, a distance of 139.0 feet to a point for corner;

North 67°32'44" East, a distance of 246.4 feet to a point for corner;

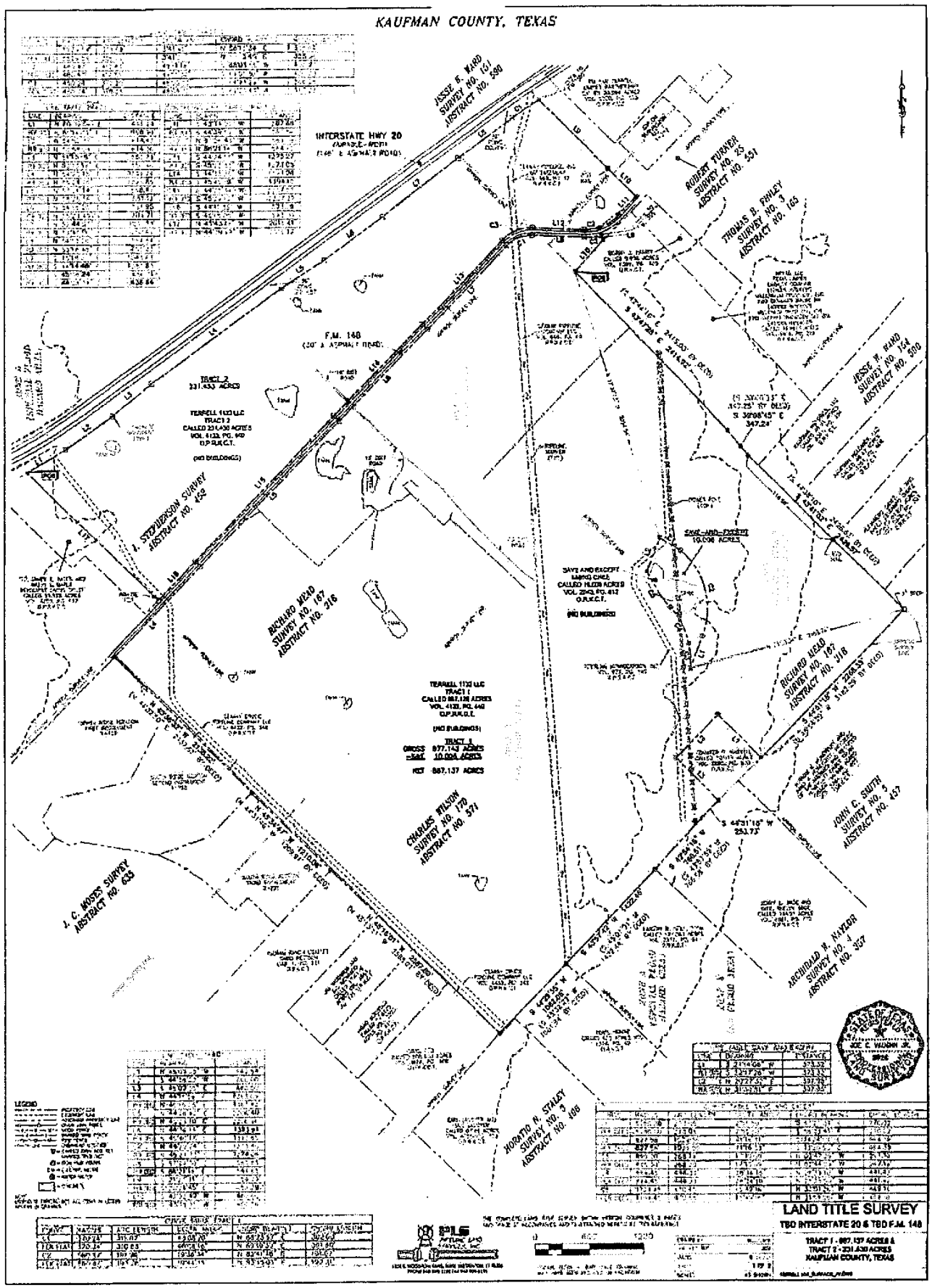
South 70°45'50" East, a distance of 576.0 feet to a point for corner;

South 67°15'40" East, a distance of 427.5 feet to a point for corner;

South 63°46'25" East, a distance of 1,209.2 feet to a point for corner;

South 64°04'07" East, a distance of 65.3 feet to a point for corner; to the **POINT OF BEGINNING** and containing a computed area of 31,623,611 square feet or 726.0 acres of land, more or less. **Save and Except** a called 2.00 acre tract of land described in a Special Warranty Deed from Spezia Investments, LLLP to Rose Hill Special Utility District, recorded in Volume 3098, Page 385, Deed Records, Kaufman County, Texas, leaving a total area of **724.0 acres** for the herein described tract of land.

Bearings Based on the State Plane Coordinate System, Texas North Central Zone 4202, North American Datum of 1983, Adjustment Realization 2011.


KAUFMAN COUNTY, TEXAS
INTERSTATE HWY 20
F.M. 148
JESSE E. WARD SURVEY NO. 151 ABSTRACT NO. 590
ROBERT TURNER SURVEY NO. 25 ABSTRACT NO. 551
THOMAS B. PHILEY SURVEY NO. 3 ABSTRACT NO. 165
JESSE W. WARD SURVEY NO. 154 ABSTRACT NO. 500
I. STEVENSON SURVEY ABSTRACT NO. 452
RICHARD MEAD SURVEY NO. 167 ABSTRACT NO. 316
CHARLES WILSON SURVEY NO. 170 ABSTRACT NO. 571
J. C. MOSES SURVEY ABSTRACT NO. 633
JOHN C. SMITH SURVEY NO. 3 ABSTRACT NO. 457
ARCHIBALD W. WALKER SURVEY NO. 1 ABSTRACT NO. 507
HORATIO N. STALEY SURVEY NO. 3 ABSTRACT NO. 486
TRACT 2 231.633 ACRES
TERRELL 1120 LLC TRACT 2 CALLED 231.630 ACRES VOL. 4133, PG. 449 O.P.R.K.C.T.
(NO BUILDINGS)
TERRELL 1120 LLC TRACT 1 CALLED 887.136 ACRES VOL. 4133, PG. 449 O.P.R.K.C.T.
(NO BUILDINGS)
TRACT 1
GROSS 897.143 ACRES
-SAVE 10.006 ACRES
NET 887.137 ACRES
SAVE AND EXCEPT 10.006 ACRES
SAVE AND EXCEPT MARIO CRUZ CALLED 10.000 ACRES VOL. 2943, PG. 412 O.P.R.K.C.T.
(NO BUILDINGS)
POB
LEGEND
LAND TITLE SURVEY
TBD INTERSTATE 20 & TBD F.M. 148
TRACT 1 - 887.137 ACRES &
TRACT 2 - 231.630 ACRES
KAUFMAN COUNTY, TEXAS

PROPERTY DESCRIPTION - TRACT 1

PROPERTY DESCRIPTION - TRACT 2

SCHEDULE B ITEMS

FLOOD NOTE

SURVEYOR'S CERTIFICATION

PLS
PACIFIC LAND SURVEYING, INC.

LAND TITLE SURVEY

TBD INTERSTATE 20 & TBD F.M. 148

TRACT 1 = 867.137 ACRES ±
TRACT 2 = 231.430 ACRES
MAURAUAN COUNTY, TEXAS

Exhibit B

Qualified Expenditures

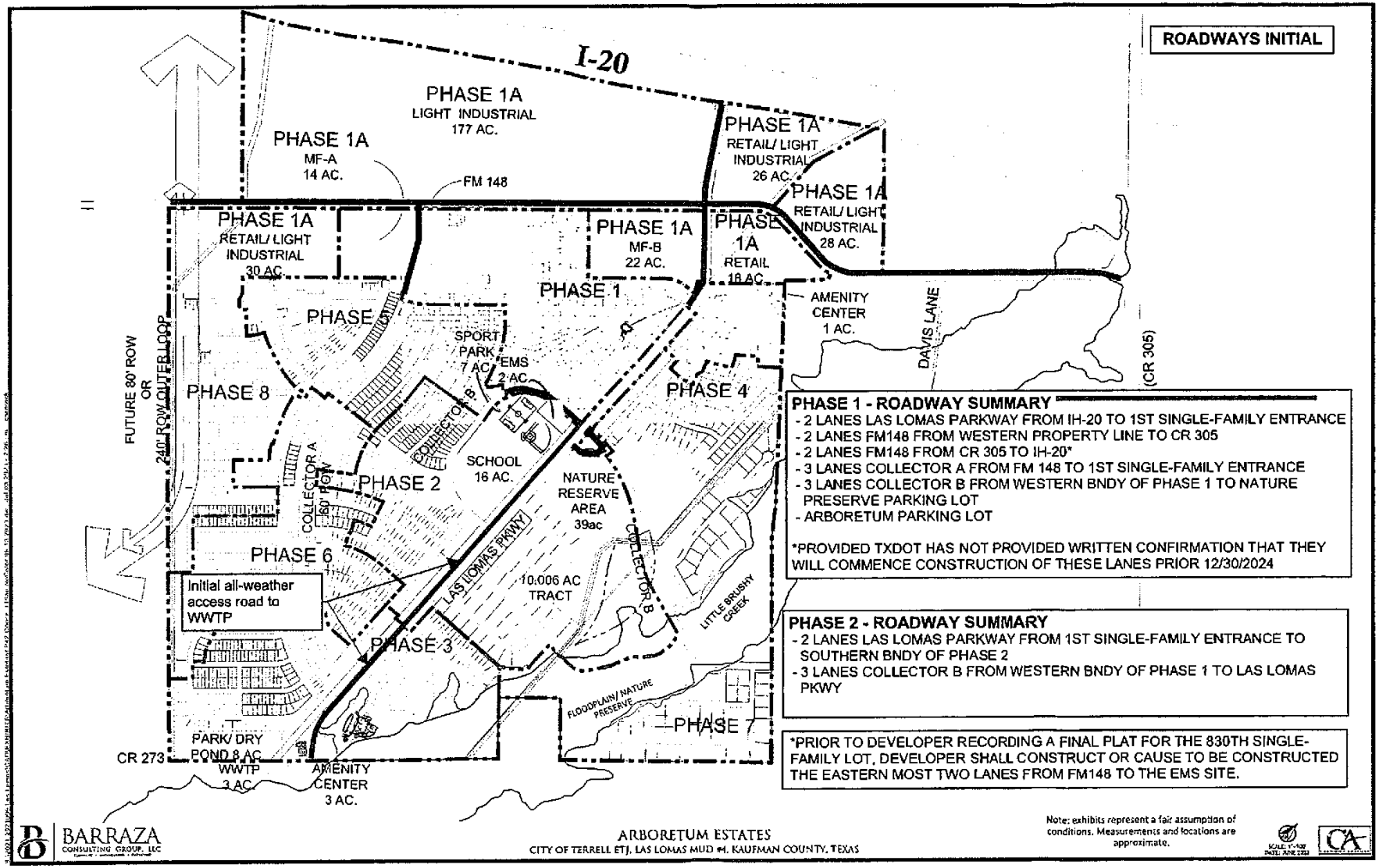
RECOMMENDED ALIGNMENT
City of Terrell
Lee Lomax Parkway
Water Line
Kimley»Horn

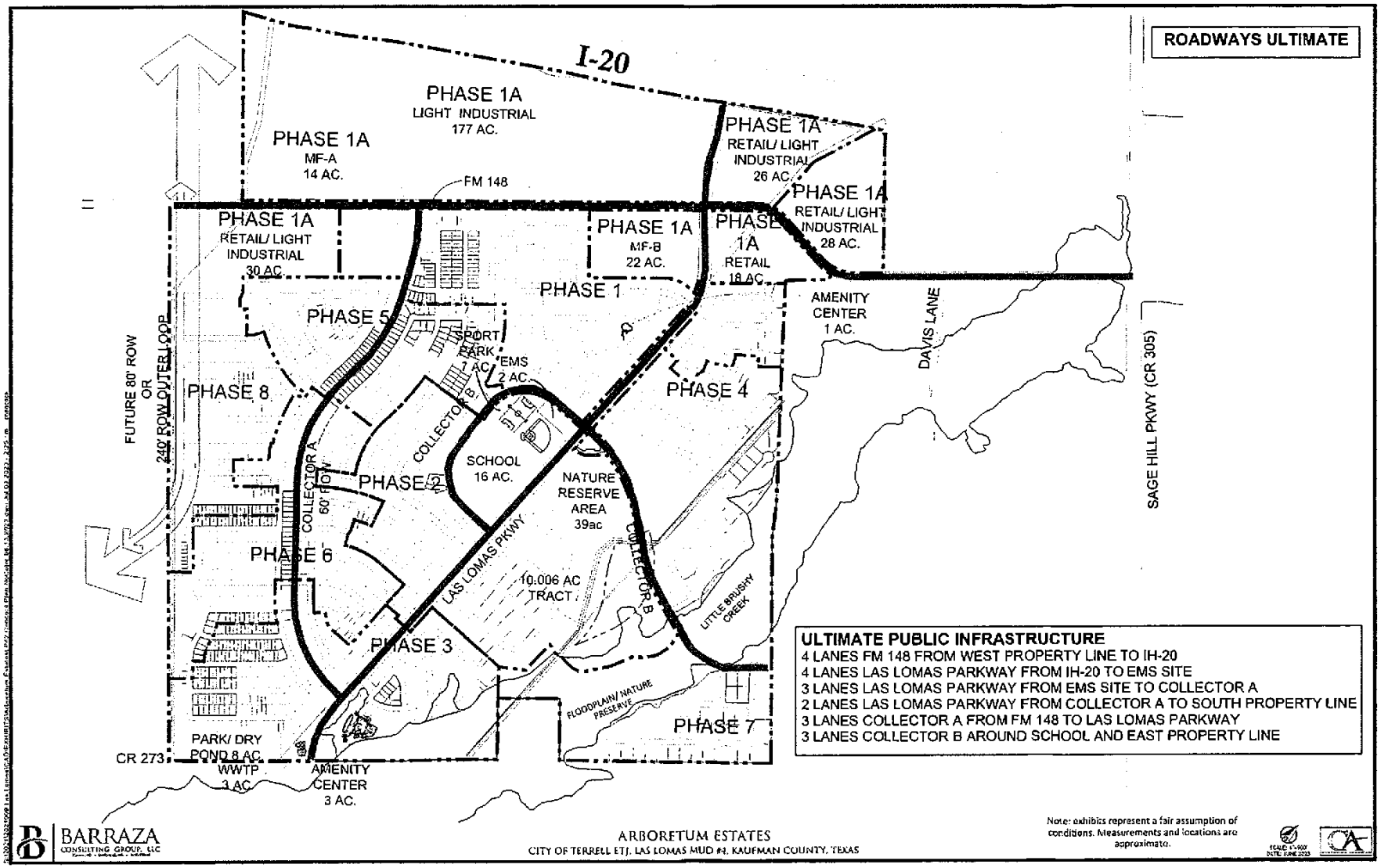
Exhibit C

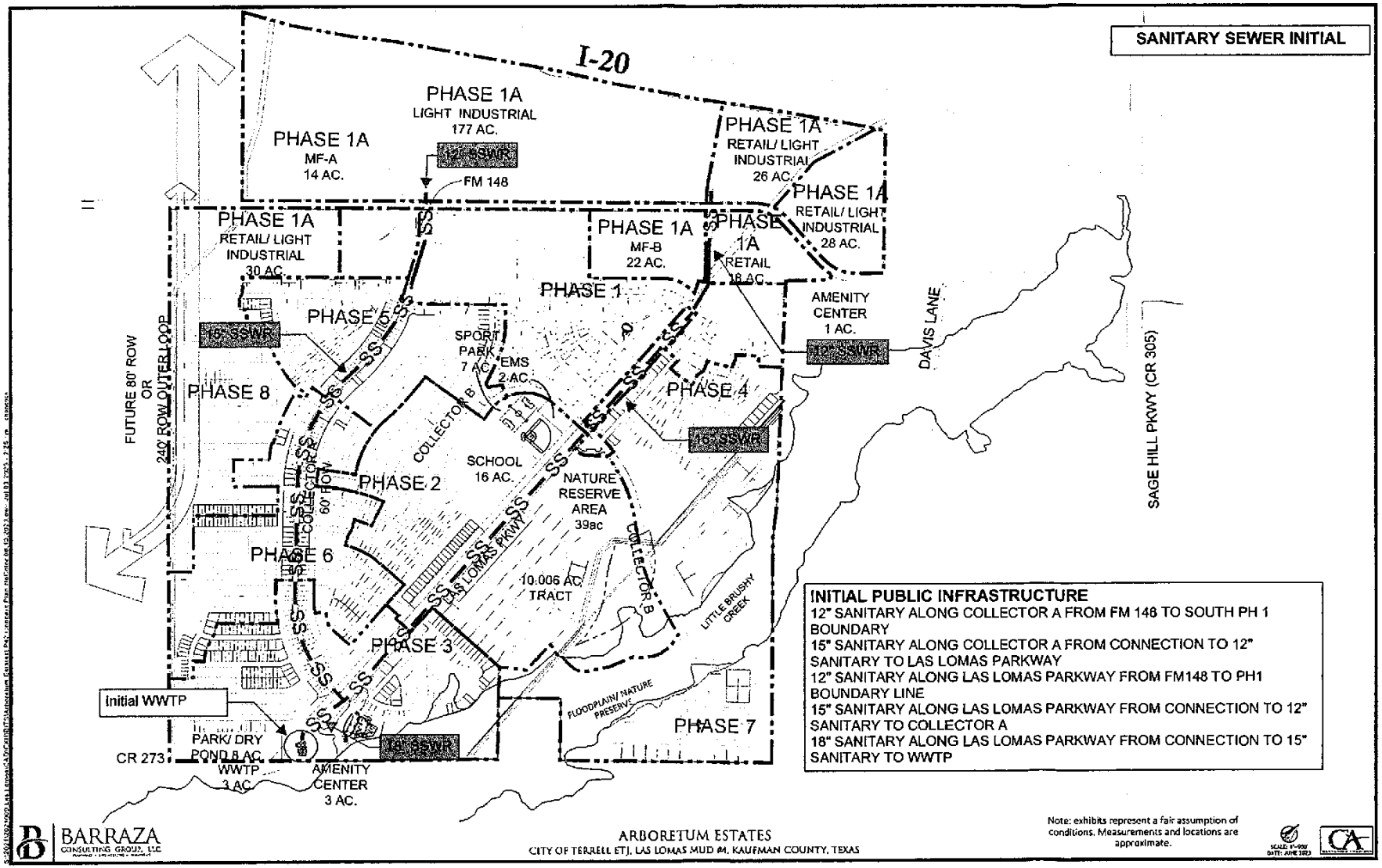
Water Capital Development Fees

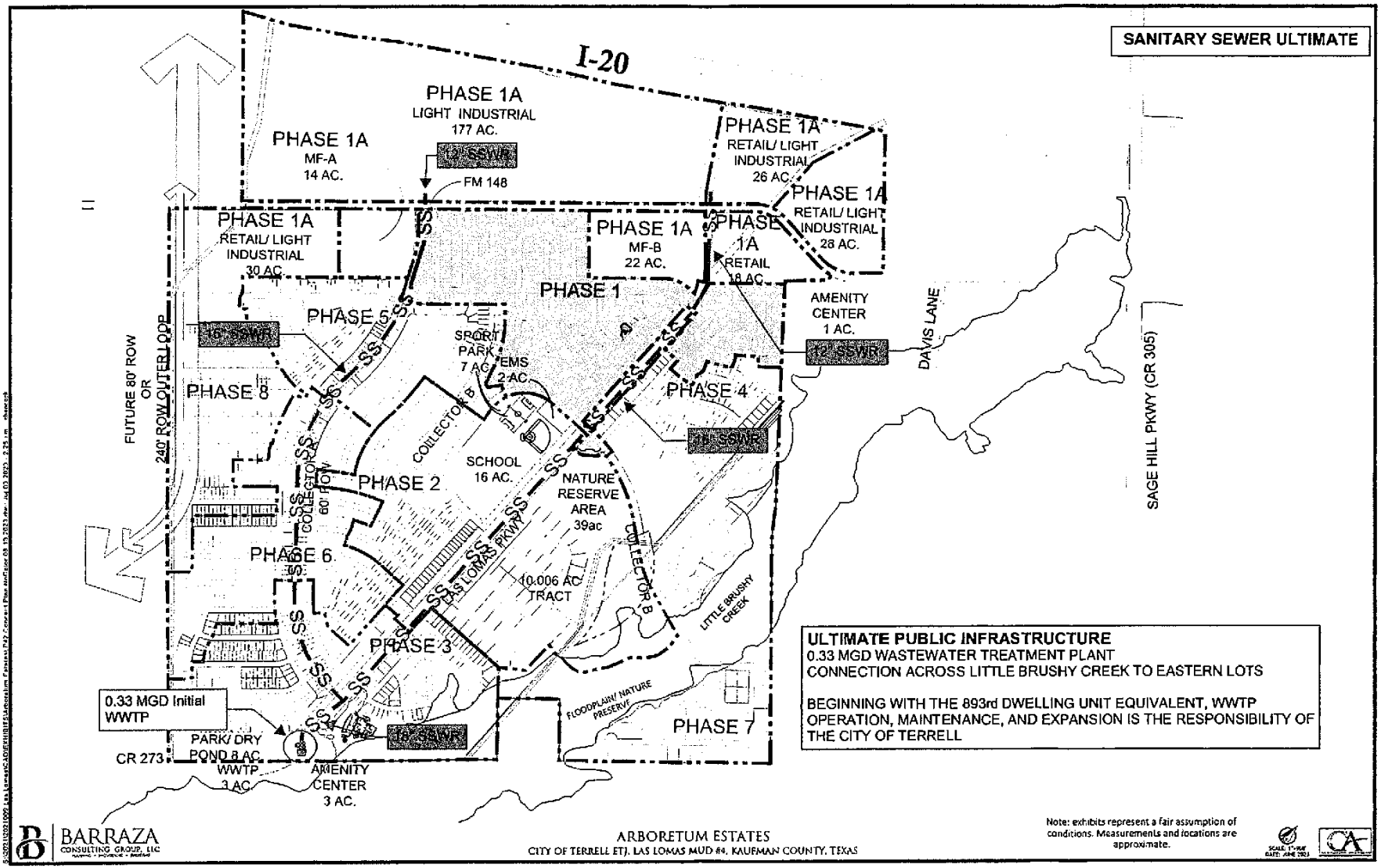
Industrial/Commercial Use	$0.23 per square foot of building
Retail Use/Other	$1.75 per square foot of building
SF Residential	$600.00 per house
MF Residential	$1,060.00 per individual apartment unit
Open/School/Civic	$2,223.00 per acre

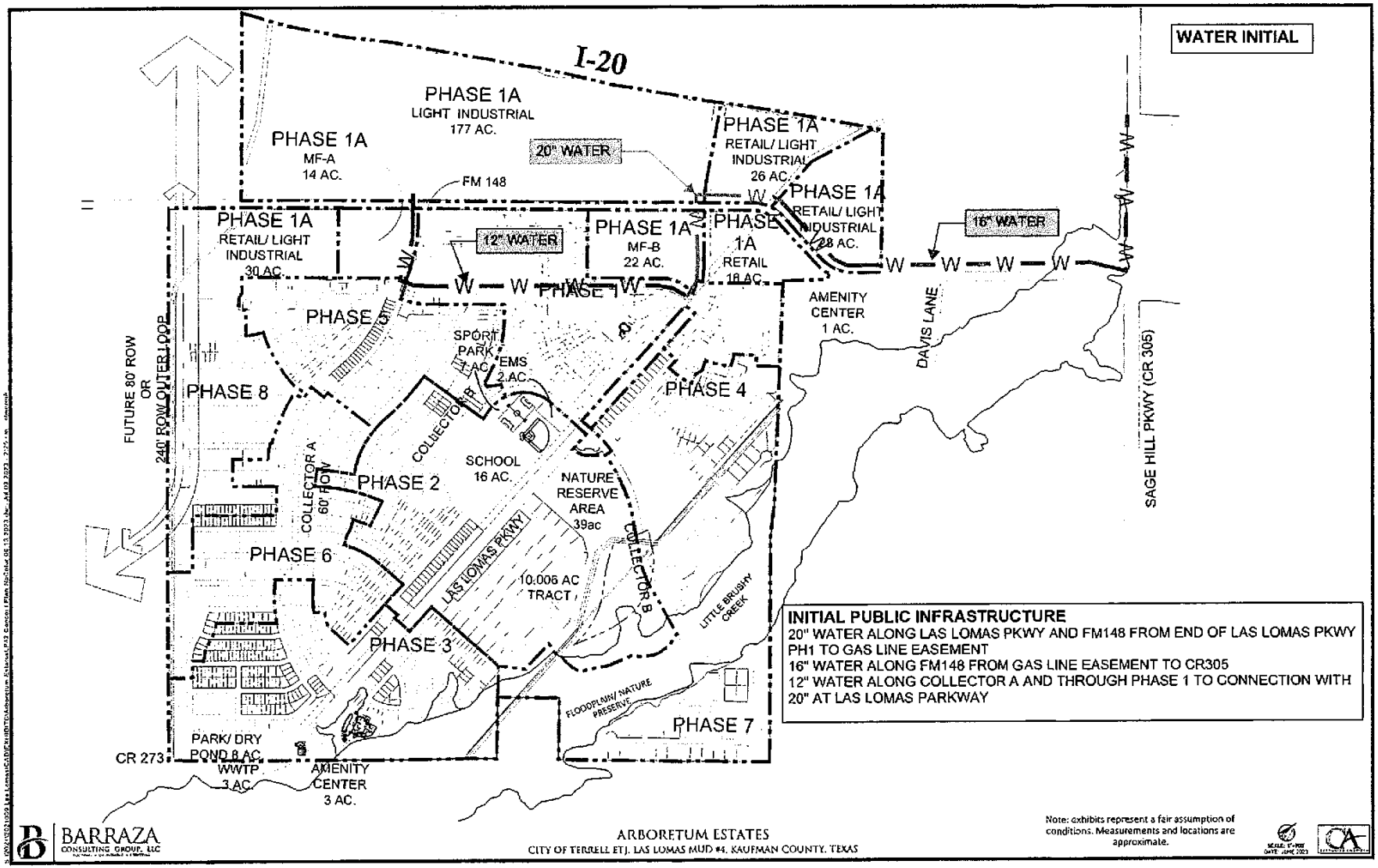
EXHIBIT M
Roadway Phasing Plan

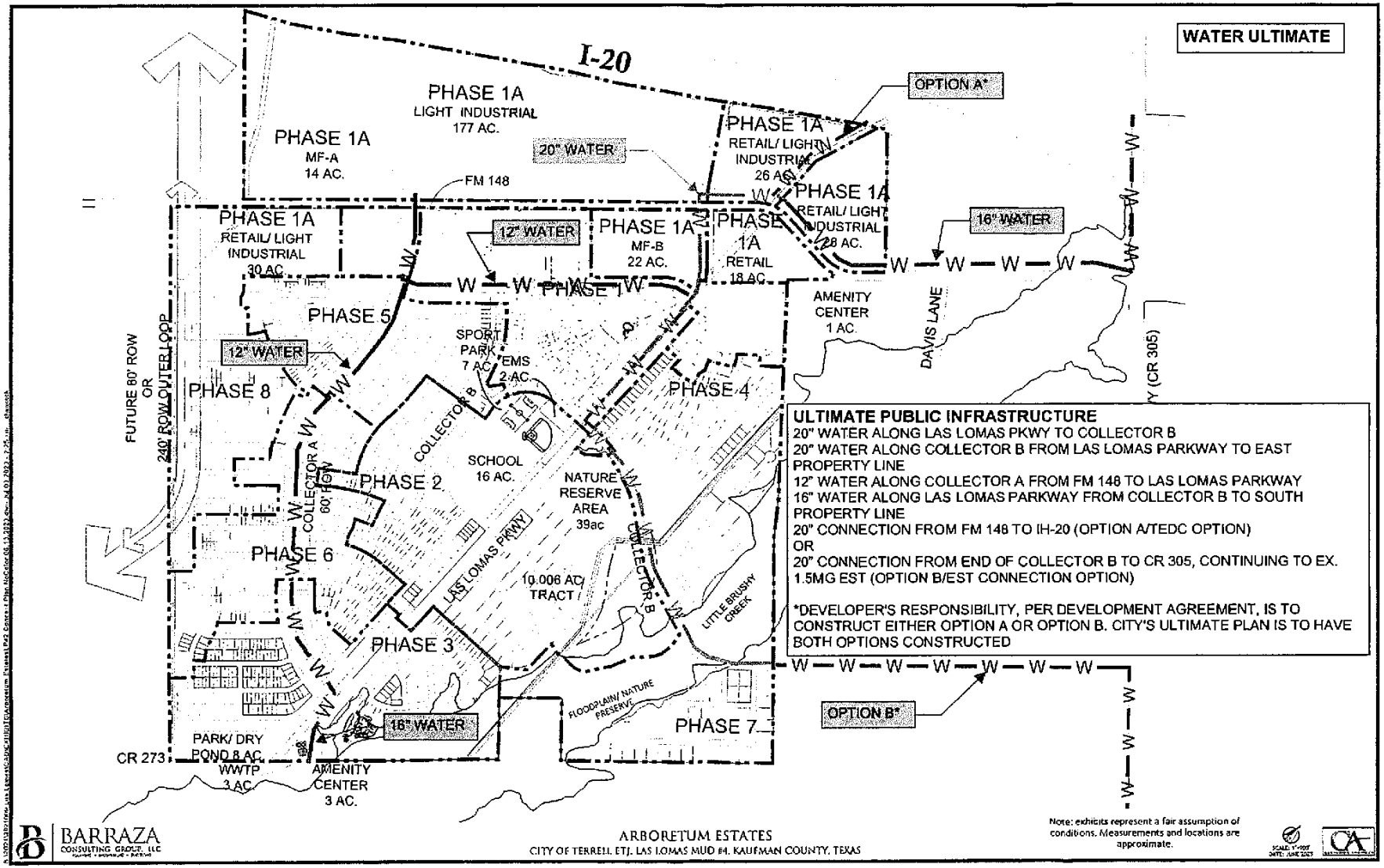

ROADWAYS INITIAL
I-20
PHASE 1A
LIGHT INDUSTRIAL
177 AC.
PHASE 1A
MF-A
14 AC.
FM 148
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
26 AC.
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
28 AC.
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
30 AC.
PHASE 1A
MF-B
22 AC.
PHASE
1A
RETAIL
18 AC.
PHASE 1
PHASE 5
SPORT
PARK
7 AC.
EMS
2 AC.
AMENITY
CENTER
1 AC.
DAVIS LANE
(CR 305)
FUTURE 80' ROW
OR
240' ROW OUTER LOOP
PHASE 8
PHASE 4
COLLECTOR B
SCHOOL
16 AC.
COLLECTOR A
80' ROW
PHASE 2
NATURE
RESERVE
AREA
39ac
PHASE 6
Initial all-weather
access road to
WWTP
LAS LOMAS PKWY
10.006 AC
TRACT
COLLECTOR B
LITTLE BRUSHY
CREEK
PHASE 3
FLOODPLAIN/ NATURE
PRESERVE
PHASE 7
PARK/ DRY
POND 8 AC.
CR 273
WWTP
3 AC.
AMENITY
CENTER
3 AC.
PHASE 1 - ROADWAY SUMMARY
- 2 LANES LAS LOMAS PARKWAY FROM IH-20 TO 1ST SINGLE-FAMILY ENTRANCE
- 2 LANES FM148 FROM WESTERN PROPERTY LINE TO CR 305
- 2 LANES FM148 FROM CR 305 TO IH-20*
- 3 LANES COLLECTOR A FROM FM 148 TO 1ST SINGLE-FAMILY ENTRANCE
- 3 LANES COLLECTOR B FROM WESTERN BNDY OF PHASE 1 TO NATURE PRESERVE PARKING LOT
- ARBORETUM PARKING LOT
*PROVIDED TXDOT HAS NOT PROVIDED WRITTEN CONFIRMATION THAT THEY WILL COMMENCE CONSTRUCTION OF THESE LANES PRIOR 12/30/2024
PHASE 2 - ROADWAY SUMMARY
- 2 LANES LAS LOMAS PARKWAY FROM 1ST SINGLE-FAMILY ENTRANCE TO SOUTHERN BNDY OF PHASE 2
- 3 LANES COLLECTOR B FROM WESTERN BNDY OF PHASE 1 TO LAS LOMAS PKWY
*PRIOR TO DEVELOPER RECORDING A FINAL PLAT FOR THE 830TH SINGLE-FAMILY LOT, DEVELOPER SHALL CONSTRUCT OR CAUSE TO BE CONSTRUCTED THE EASTERN MOST TWO LANES FROM FM148 TO THE EMS SITE.
BARRAZA
CONSULTING GROUP, LLC
ARBORETUM ESTATES
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS
Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.


ROADWAYS ULTIMATE
I-20
PHASE 1A
LIGHT INDUSTRIAL
177 AC.
PHASE 1A
MF-A
14 AC.
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
26 AC.
FM 148
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
28 AC.
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
30 AC.
PHASE 1A
MF-B
22 AC.
PHASE 1A
RETAIL
18 AC.
PHASE 1
PHASE 5
SPORT
PARK
7 AC.
EMS
2 AC.
AMENITY
CENTER
1 AC.
DAVIS LANE
SAGE HILL PKWY (CR 305)
FUTURE 80' ROW
OR
240' ROW OUTER LOOP
PHASE 8
PHASE 4
COLLECTOR A
60' ROW
COLLECTOR B
SCHOOL
16 AC.
PHASE 2
NATURE
RESERVE
AREA
39ac
PHASE 6
LAS LOMAS PKWY
10.006 AC
TRACT
LITTLE BRUSHY
CREEK
PHASE 3
FLOODPLAIN/ NATURE
PRESERVE
PHASE 7
PARK/ DRY
POND 8 AC.
CR 273
WWTP
1 AC.
AMENITY
CENTER
3 AC.
ULTIMATE PUBLIC INFRASTRUCTURE
4 LANES FM 148 FROM WEST PROPERTY LINE TO IH-20
4 LANES LAS LOMAS PARKWAY FROM IH-20 TO EMS SITE
3 LANES LAS LOMAS PARKWAY FROM EMS SITE TO COLLECTOR A
2 LANES LAS LOMAS PARKWAY FROM COLLECTOR A TO SOUTH PROPERTY LINE
3 LANES COLLECTOR A FROM FM 148 TO LAS LOMAS PARKWAY
3 LANES COLLECTOR B AROUND SCHOOL AND EAST PROPERTY LINE
BARRAZA
CONSULTING GROUP, LLC
ARBORETUM ESTATES
CITY OF TERRELL ETJ, LAS LOMAS MUD #1, KAUFMAN COUNTY, TEXAS
Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.


SANITARY SEWER INITIAL
I-20
PHASE 1A
LIGHT INDUSTRIAL
177 AC.
PHASE 1A
MF-A
14 AC.
12" SSWR
FM 148
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
26 AC.
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
28 AC.
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
30 AC.
PHASE 1A
MF-B
22 AC.
PHASE 1A
RETAIL
18 AC.
PHASE 1
AMENITY
CENTER
1 AC.
10" SSWR
DAVIS LANE
SAGE HILL PKWY (CR 305)
FUTURE 80' ROW
OR
240' ROW OUTER LOOP
15" SSWR
PHASE 5
SPORT
PARK
7 AC.
EMS
2 AC.
PHASE 8
COLLECTOR B
PHASE 4
15" SSWR
SCHOOL
16 AC.
NATURE
RESERVE
AREA
39ac
PHASE 2
60' ROW
COLLECTOR B
LAS LOMAS PKWY
PHASE 6
10.006 AC.
TRACT
COLLECTOR B
LITTLE BRUSHY
CREEK
PHASE 3
Initial WWTP
FLOODPLAIN/ NATURE
PRESERVE
PHASE 7
PARK/ DRY
POND 8 AC.
CR 273
WWTP
3 AC.
AMENITY
CENTER
3 AC.
15" SSWR
INITIAL PUBLIC INFRASTRUCTURE
12" SANITARY ALONG COLLECTOR A FROM FM 148 TO SOUTH PH 1 BOUNDARY
15" SANITARY ALONG COLLECTOR A FROM CONNECTION TO 12" SANITARY TO LAS LOMAS PARKWAY
12" SANITARY ALONG LAS LOMAS PARKWAY FROM FM148 TO PH1 BOUNDARY LINE
15" SANITARY ALONG LAS LOMAS PARKWAY FROM CONNECTION TO 12" SANITARY TO COLLECTOR A
18" SANITARY ALONG LAS LOMAS PARKWAY FROM CONNECTION TO 15" SANITARY TO WWTP
BARRAZA
CONSULTING GROUP, LLC
ARBORETUM ESTATES
CITY OF TERRELL ETJ, LAS LOMAS MUD #1, KAUFMAN COUNTY, TEXAS
Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.


SANITARY SEWER ULTIMATE
I-20
PHASE 1A
LIGHT INDUSTRIAL
177 AC.
PHASE 1A
MF-A
14 AC.
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
26 AC.
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
28 AC.
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
30 AC.
PHASE 1A
MF-B
22 AC.
PHASE 1A
RETAIL
18 AC.
PHASE 1
PHASE 5
PHASE 8
PHASE 2
PHASE 6
PHASE 3
PHASE 4
PHASE 7
12" SSWR
15" SSWR
18" SSWR
FM 148
FUTURE 80' ROW
OR
240' ROW OUTER LOOP
SPORT
PARK
7 AC.
EMS
2 AC.
AMENITY
CENTER
1 AC.
DAVIS LANE
SAGE HILL PKWY (CR 305)
COLLECTOR B
SCHOOL
16 AC.
NATURE
RESERVE
AREA
39ac
LAS LOMAS PKWY
10.006 AC
TRACT
LITTLE BRUSHY
CREEK
FLOODPLAIN/ NATURE
PRESERVE
0.33 MGD Initial
WWTP
PARK/ DRY
POND 8 AC.
WWTP
3 AC.
AMENITY
CENTER
3 AC.
CR 273
ULTIMATE PUBLIC INFRASTRUCTURE
0.33 MGD WASTEWATER TREATMENT PLANT
CONNECTION ACROSS LITTLE BRUSHY CREEK TO EASTERN LOTS
BEGINNING WITH THE 893rd DWELLING UNIT EQUIVALENT, WWTP
OPERATION, MAINTENANCE, AND EXPANSION IS THE RESPONSIBILITY OF
THE CITY OF TERRELL
BARRAZA
CONSULTING GROUP, LLC
ARBORETUM ESTATES
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS
Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.

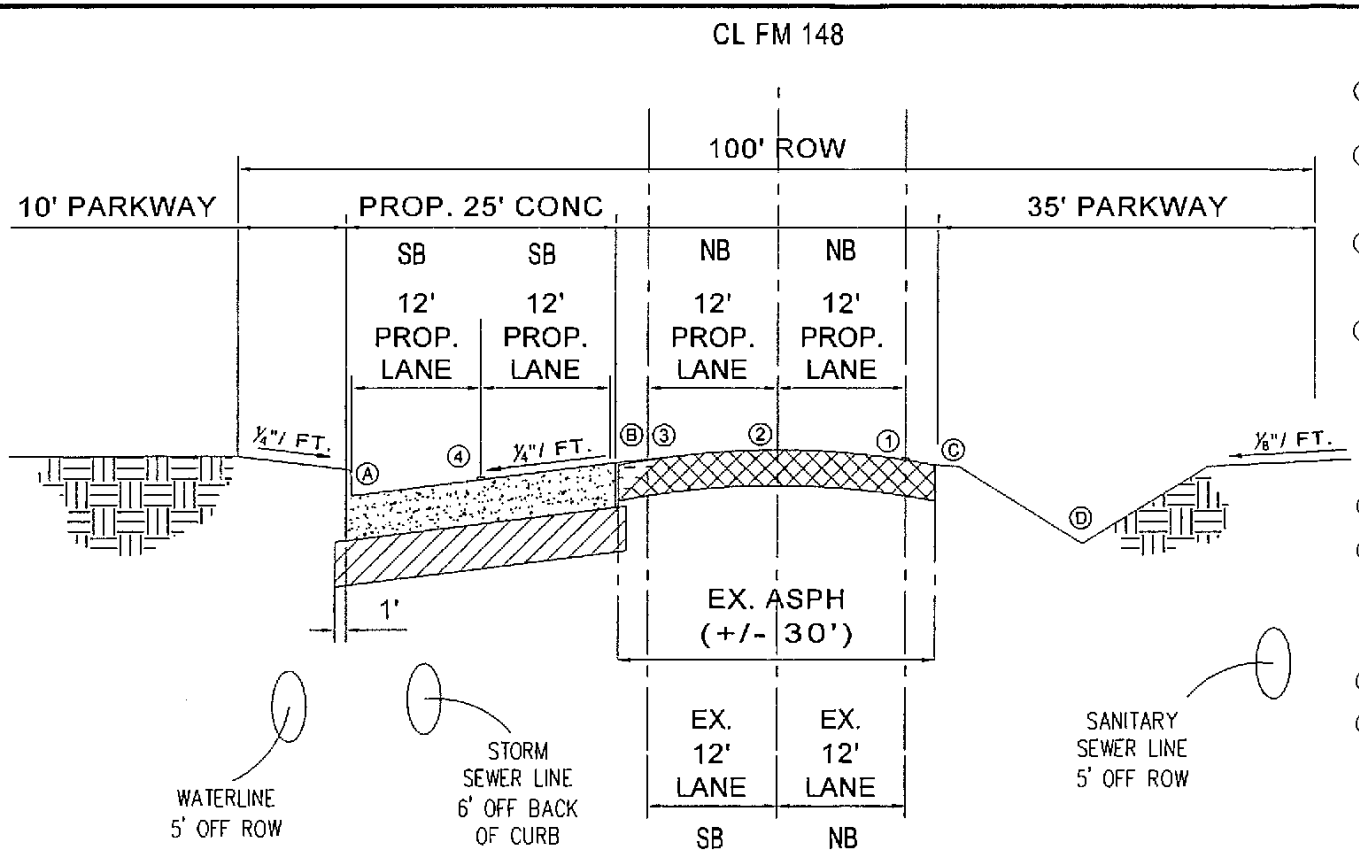

WATER INITIAL
I-20
PHASE 1A
LIGHT INDUSTRIAL
177 AC.
PHASE 1A
MF-A
14 AC.
20" WATER
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
26 AC.
FM 148
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
28 AC.
16" WATER
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
30 AC.
12" WATER
PHASE 1A
MF-B
22 AC.
PHASE 1A
RETAIL
18 AC.
PHASE 1
PHASE 5
AMENITY
CENTER
1 AC.
DAVIS LANE
SAGE HILL PKWY (CR 305)
SPORT
PARK
1 AC.
EMS
2 AC.
FUTURE 80' ROW
OR
240' ROW OUTER LOOP
PHASE 8
PHASE 4
COLLECTOR B
COLLECTOR A
60' ROW
SCHOOL
16 AC.
PHASE 2
NATURE
RESERVE
AREA
39ac
PHASE 6
LAS LOMAS PKWY
10.006 AC
TRACT
COLLECTOR B
LITTLE BRUSHY
CREEK
PHASE 3
FLOODPLAIN/ NATURE
PRESERVE
PHASE 7
CR 273
PARK/ DRY
POND 8 AC.
WWTP
3 AC.
AMENITY
CENTER
3 AC.
INITIAL PUBLIC INFRASTRUCTURE
20" WATER ALONG LAS LOMAS PKWY AND FM148 FROM END OF LAS LOMAS PKWY PH1 TO GAS LINE EASEMENT
16" WATER ALONG FM148 FROM GAS LINE EASEMENT TO CR305
12" WATER ALONG COLLECTOR A AND THROUGH PHASE 1 TO CONNECTION WITH 20" AT LAS LOMAS PARKWAY
BARRAZA
CONSULTING GROUP, LLC
ARBORETUM ESTATES
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS
Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.



BARRAZA CONSULTING GROUP, LLC

ARBORETUM ESTATES
CITY OF TERRELL, ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

EXHIBIT N
TXDoT Cross Section Plan



PROPOSED STRIPING

1. EX. SOLID WHITE STRIPE TO REMAIN
2. EX. SOLID DOUBLE YELLOW STRIPE TO BE REMOVED, REPLACE W/ DASHED WHITE
3. EX. SOLID WHITE STRIPE TO BE REMOVED, REPLACE W/ DOUBLE YELLOW SOLID
4. NEW DASHED WHITE STRIPE

PROPOSED LANE LIMITS

SB-SOUTHBOUND
NB-NORTHBOUND

- (A) PROP. STD. CURB
- (B) NO INSIDE/MEDIAN CURB FOR INTERIM. ASPHALT PATCH AS REQUIRED TO CONNECT PROP. CONC. PVMT TO EX. ASPH. PVMT. MIN. 2.0'
- (C) EX. EDGE OF ASPHALT
- (D) EX. PARALLEL OPEN DITCH DRAINAGE, 8:1 SIDE SLOPES

NOTE: CONCEPT SCHEMATIC SUBJECT TO TxDOT REVIEW AND APPROVAL

NOTE: UTILITY LOCATIONS WITHIN TxDOT ROW ARE SUBJECT TO TxDOT APPROVAL

NOTE: EXHIBITS REPRESENT A FAIR ASSUMPTION OF CONDITIONS. MEASUREMENTS AND LOCATIONS ARE APPROXIMATE.

INTERIM TYPICAL CONCEPTUAL FM148 PAVING SECTION FROM WEST PROPERTY LINE TO CR305

SCALE: NTS

BARRAZA CONSULTING GROUP, LLC

ARBORETUM ESTATES
TYPICAL STREET SECTIONS
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

DATE: JUNE 2023

EXHIBIT O
Authorization Approvals

[See Attached]

RESOLUTION NO. 2050

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS, APPROVING THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF TERRELL, TEXAS AND MM TERRELL 1098, LLC AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO NEGOTIATE AND THE MAYOR TO EXECUTE THE DEVELOPMENT AGREEMENT AND ANY OTHER DOCUMENTS NECESSARY; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City Council of the City of Terrell desires to promote development in Terrell and Kaufman County for the benefit of its citizens for residential, commercial, industrial and retail purposes; and

WHEREAS, the City and MM Terrell 1098, LLC mutually desire a Development Agreement setting forth the terms for annexation, construction of certain public improvements and the development of the property; and

WHEREAS, the terms of the annexation allows for a reduction in the single family dwelling units feasible on the development and an elimination of multi-family dwelling units allowable in the development; and

WHEREAS, the City of Terrell has determined that a Development Agreement creating a fee schedule and a 380 program, facilitating annexation and promoting the eventual construction of both the Terrell Arboretum and the Outer Loop will serve the public purpose of promoting local economic development and enhancing business and commercial activity within the City and Kaufman County.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS THAT:

Section I.

That the findings and declarations contained in the preamble of this Resolution are incorporated herein as part of this Resolution.

Section II.

That the City Manager or his designee be authorized to negotiate and the Mayor to execute a Development Agreement among the City of Terrell, Terrell Economic Development Corporation and MM Terrell 1098, LLC to facilitate the development of the property as set forth in the Agreement.

Section III.

That the City of Terrell authorizes that a calculated portion of Tax Increment Reinvestment Zone No. 2 funds generated solely from within the intended +/- 1,098 boundary of Arboretum Estates be paid to Arboretum Estates as reimbursement for Project Costs as set forth in the Development Agreement.

Section IV.

This Resolution shall be effective immediately after its passage.

PASSED AND APPROVED by the City Council of the City of Terrell, Texas, on this 20th day of December, 2022.

E. RICK CARMONA, Mayor

ATTEST:

DAWN STEIL, City Secretary

TIRZ NO. 2
RESOLUTION NO. 2023-2

A RESOLUTION OF THE TAX INCREMENT REINVESTMENT ZONE NO. 2 BOARD APPROVING A TIRZ AGREEMENT WITH MM TERRELL 1098, LLC TO COLLECT TIRZ REVENUES AND DISTRIBUTE FUNDS FOR FINANCING CONSTRUCTION OF PUBLIC INFRASTRUCTURE IN THE PLANNED ARBORETUM ESTATES DEVELOPMENT IN TERRELL, TEXAS; AUTHORIZING THE MAYOR TO EXECUTE THE TIRZ AGREEMENT; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Tax Increment Reinvestment Zone No. 2 was created on August 23, 2022 and includes the land shown graphically on Exhibit A, Property Description; and

WHEREAS, the Tax Increment Reinvestment Zone No. 2 Board desires to promote development in Terrell and Kaufman County for the benefit of its citizens for residential, commercial, industrial and retail purposes; and

WHEREAS, the Tax Increment Reinvestment Zone No. 2 Board has determined that a Development Agreement setting forth the terms for annexation, construction of certain public improvements, and the development of the Arboretum Estates property will serve the public purpose of promoting local economic development and enhancing business and commercial activity within the City of Terrell; and

WHEREAS, the Tax Increment Reinvestment Zone No. 2 Board, the City of Terrell, Texas, and MM Terrell 1098, LLC, and the City of Terrell mutually desire a Tax Increment Reinvestment Zone (TIRZ) Agreement, attached hereto in concept form as Exhibit B; and

WHEREAS, the City Council passed Resolution 2050 in support of this project and the TIRZ Board hereby affirms and supports Resolution 2050;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS THAT:

Section I.

That the findings and declarations contained in the preamble of this Resolution are incorporated herein as part of this Resolution.

Section II.

That the City Manager is authorized to negotiate and the Mayor is authorized to sign on behalf of the City and TIRZ No. 2, and the Tax Increment Reinvestment Zone No. 2 Board Chairman is authorized and instructed to execute a TIRZ Agreement among the Tax Increment Reinvestment Zone No. 2 Board and the City of Terrell to facilitate the development of the property as set forth in the Agreement.

Section III.

The City, in exercising its powers under the TIRZ Act, shall dedicate the following TIRZ#2 revenues actually received by the City and due to be transferred as follows: The City shall contribute to the Arboretum Estates Fund tax increment revenue generated from the Property

within the TIRZ as follows: eighty percent (80%) of the City maintenance and operation tax increment on non-residential development for a period of thirty-six (36) years, and sixty percent (60%) of the City maintenance and operation tax increment on residential development, which will be collected by the City in accordance with the applicable TIRZ Project and Finance Plan.

Section IV.

The County participates in TIRZ #2 and shall contribute to the Arboretum Estates Fund sixty percent (60%) of its collected maintenance and operation tax increment generated from the Property for a period of thirty-six (36) years, which will be collected by the County in accordance with the applicable TIRZ Project and Finance Plan.

Section V.

The City is authorized to include the TIRZ Agreement as part of an overall Development Agreement regarding land uses, annexation, fees, Public Improvement Districts, and other matters under the same terms as Section II, above.

Section VI.

The TIRZ No. 2 Fund may be utilized to offset PID assessments; however, the Fund may not be directly pledged or create a conveyance, transfer, assignment, mortgage, pledge, grant, or any other encumbrance 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.

Section VII.

This Resolution shall be effective immediately after its passage.

PASSED AND APPROVED by the Tax Increment Reinvestment Zone No. 2 on this 3rd day of July, 2023.

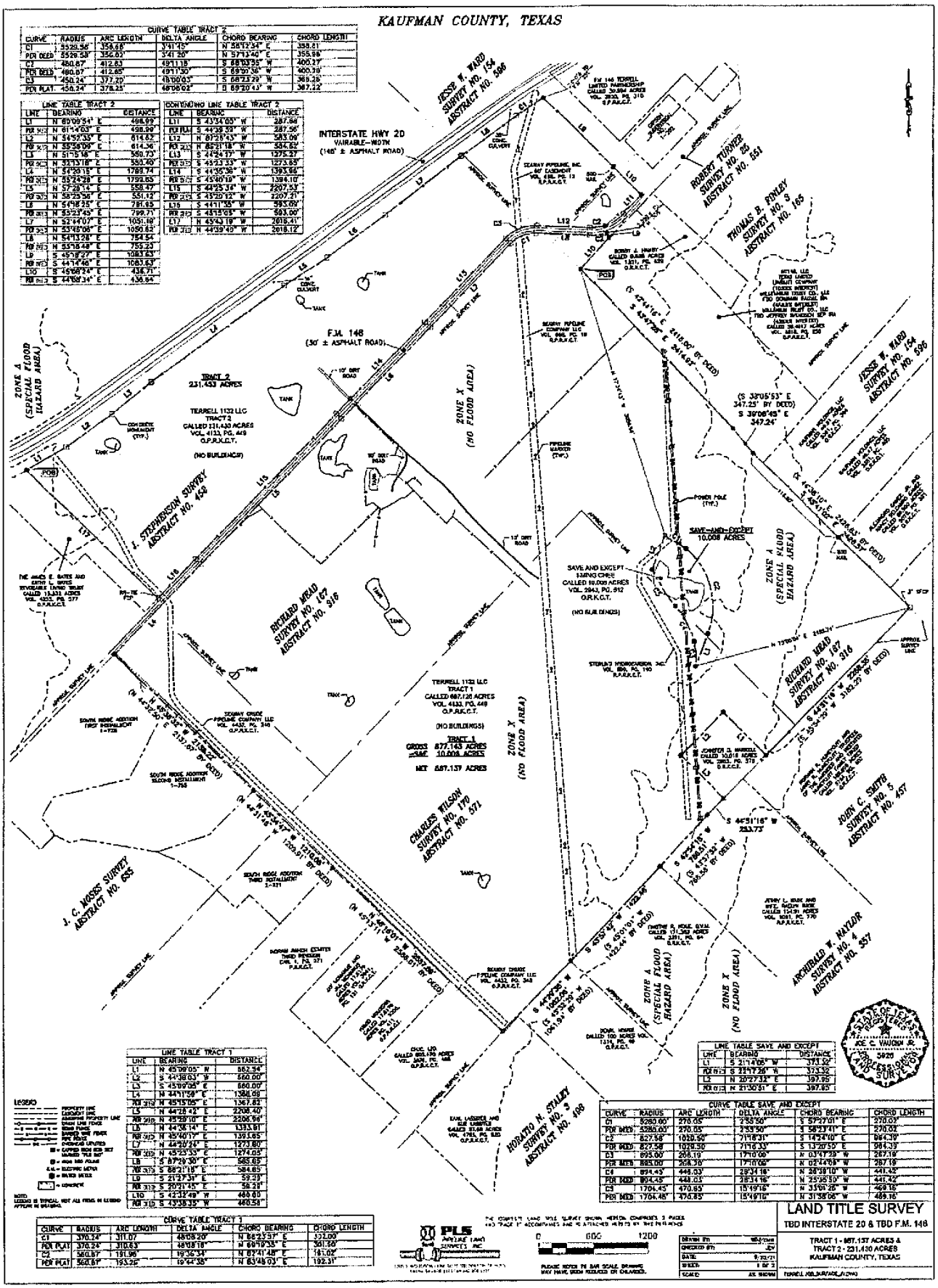
Juan Salazar, Chairman

ATTEST:

Dawn Steil, City Secretary

EXHIBIT A: LEGAL DESCRIPTION

KAUFMAN COUNTY, TEXAS



CURVE TABLE TRACT 2					
CURVE	RADIUS	ARC LENGTH	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	3529.56'	358.68'	5°49'45"	N 58°12'34" E	358.51'
PER DEED	3529.58'	356.83'	5°47'29"	N 57°13'46" E	356.68'
C2	484.67'	412.63'	48°46'35"	S 68°53'35" W	400.31'
PER DEED	480.67'	412.65'	49°11'30"	S 69°00'36" W	400.39'
C3	450.24'	377.20'	48°00'03"	S 68°23'29" W	366.25'
PER PLAT	456.24'	378.25'	46°06'02"	S 69°20'43" W	367.22'

LINE TABLE TRACT 2		
LINE	BEARING	DISTANCE
L1	N 60°09'54" E	498.99'
PER M&B	N 61°14'03" E	498.99'
L2	N 54°52'35" E	614.62'
PER M&B	N 55°29'09" E	614.36'
L3	N 51°15'16" E	550.73'
PER M&B	N 52°13'18" E	550.40'
L4	N 54°20'15" E	1789.74'
PER M&B	N 55°24'28" E	1789.65'
L5	N 57°28'14" E	558.47'
PER M&B	N 58°25'39" E	551.12'
L6	N 54°18'25" E	781.95'
PER M&B	N 55°23'45" E	799.71'
L7	N 52°44'07" E	1051.80'
PER M&B	N 53°46'06" E	1050.62'
L8	N 54°13'28" E	754.54'
PER M&B	N 55°16'48" E	755.23'
L9	S 45°18'27" E	1083.63'
PER M&B	S 44°14'46" E	1083.63'
L10	S 46°08'34" E	436.71'
PER M&B	S 44°58'34" E	436.64'

CONTINUING LINE TABLE TRACT 2		
LINE	BEARING	DISTANCE
L11	S 43°34'05" W	287.64'
PER PLAT	S 44°39'39" W	287.56'
L12	N 87°28'43" W	583.09'
PER M&B	N 86°21'18" W	584.69'
L13	S 24°54'17" W	1275.27'
PER M&B	S 45°23'33" W	1273.65'
L14	S 44°35'36" W	1393.96'
PER M&B	S 45°40'19" W	1394.10'
L15	S 44°25'38" W	2207.35'
PER M&B	S 45°20'22" W	2207.27'
L16	S 44°11'35" W	595.09'
PER M&B	S 45°15'03" W	593.00'
L17	N 45°43'19" W	2018.41'
PER M&B	N 44°39'40" W	2018.12'

LINE TABLE TRACT 1		
LINE	BEARING	DISTANCE
L1	N 45°09'05" W	862.54'
L2	S 44°38'03" W	560.00'
L3	S 45°09'05" E	560.00'
L4	N 44°11'58" E	1384.06'
PER M&B	N 45°15'05" E	1347.62'
L5	N 44°28'42" E	2298.40'
PER M&B	N 45°20'10" E	2298.96'
L6	N 44°58'14" E	1393.91'
PER M&B	N 45°40'17" E	1393.65'
L7	N 44°20'24" E	1273.80'
PER M&B	N 45°23'33" E	1274.05'
L8	S 67°29'30" E	585.69'
PER M&B	S 68°21'18" E	584.65'
L9	S 21°27'31" E	58.39'
PER M&B	S 20°31'45" E	58.28'
L10	S 42°12'49" W	460.60'
PER M&B	S 43°38'35" W	460.58'

CURVE TABLE TRACT 1					
CURVE	RADIUS	ARC LENGTH	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	376.24'	311.07'	48°08'20"	N 86°25'57" E	301.00'
PER PLAT	376.24'	310.63'	48°08'18"	N 84°19'33" E	301.59'
C2	560.67'	191.96'	19°36'34"	N 87°41'48" E	191.02'
PER PLAT	560.67'	193.25'	19°44'38"	N 83°48'03" E	192.31'

LINE TABLE SAVE AND EXCEPT		
LINE	BEARING	DISTANCE
L1	S 21°47'06" W	371.52'
PER M&B	S 21°47'39" W	373.32'
L2	N 20°27'12" E	397.05'
PER M&B	N 21°30'51" E	397.65'

CURVE TABLE SAVE AND EXCEPT					
CURVE	RADIUS	ARC LENGTH	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	3080.00'	270.05'	5°01'50"	S 89°27'01" E	270.04'
PER M&B	3080.00'	270.05'	5°03'50"	S 89°27'41" E	270.03'
C2	827.58'	1020.50'	71°16'31"	S 14°24'10" E	984.39'
PER M&B	827.58'	1020.50'	71°16'33"	S 13°20'50" E	984.39'
C3	895.00'	208.19'	17°10'06"	N 03°47'29" W	287.18'
PER M&B	895.00'	208.35'	17°10'06"	N 03°46'58" W	287.18'
C4	894.43'	448.03'	28°34'16"	N 38°59'10" W	441.45'
PER M&B	894.43'	448.03'	28°34'16"	N 25°05'50" W	441.42'
C5	1704.45'	470.65'	15°49'16"	N 31°01'26" W	469.16'
PER M&B	1704.45'	470.85'	15°49'16"	N 31°58'06" W	469.16'

LEGEND

	PROPERTY LINE
	ADJACENT PROPERTY LINE
	CENTER LINE ROAD
	BARBED WIRE FENCE
	POWER POLE
	CHAINLINK FENCE
	CONCRETE
⊙	= CAPPED IRON ROD SET STAMPED "PLS INC"
●	= IRON ROD FOUND
○	= BOXED METAL
	= CONCRETE

NOTE:
LEGEND IS TYPICAL, NOT ALL ITEMS IN LEGEND APPEAR IN DRAWING

THE COMPUTER LAND TITLE SURVEY SHOWN HEREON COMPRISES 3 PAGES AND "PAGE 1" ACCOMPANIES AND IS ATTACHED HERETO BY THIS REFERENCE

PLS
PROFESSIONAL LAND SURVEYING, INC.

0 600 1200

PLEASE NOTICE THE BAR SCALE BELOW MAY HAVE BEEN REDUCED OR ENLARGED.

STATE OF TEXAS
REGISTERED
JOE C. VAUGHN JR.
5828
PROFESSIONAL LAND SURVEYOR

DRAWN BY:	MB/JVaughn
CHECKED BY:	JCV
DATE:	9/22/21
SHEET:	1 OF 3
SCALE:	AS SHOWN

LAND TITLE SURVEY

TBD INTERSTATE 20 & TBD F.M. 148

TRACT 1 - 667.137 ACRES &
TRACT 2 - 231.430 ACRES
KAUFMAN COUNTY, TEXAS

TERRELL ABS_SURVEY(A_ZONE)

PROPERTY DESCRIPTION - TRACT 1

Being a tract of land situated in the R. Turner Survey, Abstract No. 367, the J. Ward Survey, Abstract No. 398, the G. Ward Survey, Abstract No. 388, and the Charles Allen Survey, Abstract No. 517, Kaufman County, Texas, and being all of the remainder of a called 867.129 acre tract of land (Tract 1) conveyed in Deed to Terrell 1132 LLC as recorded in Volume 4133, Page 448, Official Public Records, Kaufman County, Texas, and being more particularly described herein as follows:

BEGINNING at a 3/4 inch pipe found near a fence corner post for an interior corner of said Tract 1 and the West corner of a called 29,617 acre tract of land described in Deed to NTAHS, LLC, Interstate Trust Co., LLC FBO Barbara Brown IRA, and Interstate Trust Co., LLC Custodian FBO Jeffrey Swanson IRA recorded in Volume 3818, Page 258, said Official Public Records;

THENCE South 43 degrees 47 minutes 18 seconds East, with the Northeast line of said Tract 1 and the Southwest line of said Interstate tract, along and near a fence, a distance of 2,414.83 feet to a 5/8 inch iron rod capped "PCSFT 4087" found for an angle point corner;

THENCE South 39 degrees 08 minutes 43 seconds East, continuing with the Northeast line of said Tract 1 and the Southwest line of said Interstate tract, along and near a fence, a distance of 247.94 feet to a 5/8 inch iron rod with plastic cap stamped PLS, INC (typical) set for an angle point corner;

THENCE South 45 degrees 46 minutes 02 seconds East, continuing with the Northeast line of said Tract 1 and the Southwest line of said Interstate tract, along and near a fence, passing the South corner of said Interstate tract, and continuing along said course, passing at a distance of 1,317.21 feet a 5/8 inch found for the South corner of a called 49.67 acre tract of land described in Deed to Kaufman County, Texas, as recorded in Volume 2081, Page 403, Official Records, Kaufman County, Texas and the West corner of a called 64.000 acre tract of land described in Deed to Alexandra Cornish, Jr. and Nancy Cummings Clarges as recorded in Volume 3017A, Page 327, said Official Records, and continuing along said course, passing the South corner of said Cornish tract, for a total distance of 2,636.57 feet to a 3 inch steel fence corner post found for the most Southerly East corner of said Tract 1 and an ell corner of a called 185.956 acre tract of land described in Deed to Harmon R. Honeycutt and Janet S. Honeycutt, Trustees of the Amended and Restated Honeycutt Family Trust as recorded in Volume 3764, Page 407, said Official Records;

THENCE South 44 degrees 26 minutes 18 seconds West, with the Southeast line of said Tract 1 and the Northwest line of said Honeycutt tract, along and near a fence, a distance of 2,256.35 feet to a 5/8 inch iron rod set for the East corner of a called 13.019 acre tract of land described in Deed to Jennifer D. Hurtel as recorded in Volume 2985, Page 278, said Official Records;

THENCE North 45 degrees 59 minutes 56 seconds West, with the Northeast line of said Hurtel tract, a distance of 653.24 feet to a 5/8 inch iron rod set for the North corner of said Hurtel tract;

THENCE South 44 degrees 26 minutes 33 seconds West, with the Northwest line of said Hurtel tract, a distance of 850.80 feet to a 5/8 inch iron rod set for the West corner of said Hurtel tract;

THENCE South 45 degrees 08 minutes 08 seconds East, with the South end line of said Hurtel tract, a distance of 652.80 feet to a 5/8 inch iron rod set in the Southeast line of said Tract 1 and the Northwest line of a called 134.91 acre tract of land described in Deed to Jerry L. Wade and wife, Evelyn Wade as recorded in Volume 1061, Page 710, Real Property Records, Kaufman County, Texas for the South corner of said Hurtel tract;

THENCE South 44 degrees 26 minutes 18 seconds West, with the Southeast line of said Tract 1 and the Northwest line of said Wade tract, a distance of 654.73 feet to a 1/2 inch iron rod capped "PCSFT 4087" found for corner;

THENCE South 43 degrees 34 minutes 18 seconds West, continuing with the Southeast line of said Tract 1 and the Northwest line of said Wade tract, a distance of 2646.4 feet to a 3/4 inch iron pipe found for the West corner of said Wade tract and the North corner of a called 121.383 acre tract of land described in Deed to Timothy R. Hall, D.V.M. as recorded in Volume 3274, Page 84, said Official Records;

THENCE South 43 degrees 57 minutes 42 seconds West, with the Southeast line of said Tract 1 and the Northwest line of said Hall tract, a distance of 1,434.46 feet to a 3/4 inch pipe found for the West corner of said Hall tract and the North corner of a called 100 acre tract of land described in Deed to Dust Farms as recorded in Volume 1384, Page 46, said Official Records;

THENCE South 44 degrees 29 minutes 33 seconds West, continuing with the Southeast line of said Tract 1, a distance of 1,063.06 feet to a 1/2 inch iron rod capped "PCSFT 4087" found for the South corner of said Tract 1;

THENCE North 45 degrees 18 minutes 01 seconds West, with the Southwest line of said Tract 1, a distance of 2,547.29 feet to a 5/8 inch iron rod found for the North corner of Canyon Ridge Estates - Third Revision as recorded in Volume 1, Page 371, Plat Records, Kaufman County, Texas and the East corner of South Ridge Addition - Third Installment as recorded in Volume 5, Page 820, said Plat Records;

THENCE North 45 degrees 34 minutes 47 seconds West, with the Southwest line of said Tract 1 and the Northeast line of said Third Installment, a distance of 1,210.08 feet to a 5/8 inch iron rod set for the North corner of said Third Installment and the East corner of South Ridge Addition - Second Installment as recorded in Volume 1, Page 784, said Plat Records;

THENCE North 45 degrees 38 minutes 32 seconds West, with the Southwest line of said Tract 1 and the Northeast line of said Second Installment, passing the North corner of said Second Installment and the East corner of said Final Installment, and continuing along said course, a distance of 2,138.82 feet to a 5/8 inch iron rod set in the Southeast line of F.M. 148 (a public road) for the West corner of said Tract 1 and the North corner of said Final Installment;

THENCE with the Northeast line of said Tract 1, along the Southeast line of said F.M. 148, the following seven (7) courses and distances:

1. North 44 degrees 18 minutes 58 seconds East, a distance of 1,318.08 feet to a 4 inch concrete monument found for corner;

2. North 44 degrees 28 minutes 42 seconds East, a distance of 2,329.46 feet to a 4 inch concrete monument found for corner;

3. North 44 degrees 36 minutes 14 seconds East, a distance of 1,383.91 feet to a 4 inch concrete monument found for corner;

4. North 44 degrees 30 minutes 24 seconds East, a distance of 1,273.09 feet to a 4 inch concrete monument found at the beginning of a curve to the right having a radius of 370.24 feet;

5. Northeasterly, along the arc of said curve, a distance of 211.29 feet with a delta angle of 48 degrees 08 minutes 30 seconds, a chord bearing of North 68 degrees 33 minutes 57 seconds East, and a chord distance of 205.00 feet to a 4 inch concrete monument found for corner;

6. South 87 degrees 29 minutes 30 seconds East, a distance of 585.63 feet to a 4 inch concrete monument found at the beginning of a curve to the left having a radius of 382.97 feet;

7. Northeasterly, along the arc of said curve, a distance of 191.86 feet with a delta angle of 12 degrees 36 minutes 34 seconds, a chord bearing of North 83 degrees 37 minutes 46 seconds East, and a chord distance of 191.52 feet to a 1/2 inch iron rod capped "PCSFT 4087" found for the North corner of said Tract 1;

THENCE South 21 degrees 27 minutes 31 seconds East, with a Northeast line of said Tract 1, a distance of 38.29 feet to a 5/8 inch iron rod set in the Northwest line of said Interstate tract for an angle corner of said Tract 1;

THENCE South 43 degrees 32 minutes 29 seconds West, with a Southeast line of said Tract 1 and the Northwest line of said Interstate tract, a distance of 460.80 feet to the POINT OF BEGINNING and containing, within the metes and bounds recited, 877.143 acres of land, more or less.

SAVE AND EXCEPT all of a called 10.000 acre tract of land described in Deed to Phillip Chai as recorded in Volume 2843, Page 642, Official Records, Kaufman County, Texas, and being more particularly described herein as follows:

BEGINNING at a 3/8 inch iron rod with plastic cap stamped PLS, INC (typical) set for the North corner of said Chai tract, from which a 3/4 inch pipe found for an interior corner of said Tract 1 bears North 17 degrees 33 minutes 18 seconds West, a distance of 2,054.61 feet, said corner being in a curve to the left having a radius of 5,388.00 feet;

THENCE with the Easterly line of said Chai tract, the following four (4) courses and distances:

1. Southeasterly, along the arc of said curve, a distance of 230.65 feet with a delta angle of 2 degrees 27 minutes 09 seconds, a chord bearing of South 37 degrees 27 minutes 21 seconds East, and a chord distance of 230.62 feet to a 5/8 inch iron rod set at the beginning of a curve to the right having a radius of 537.36 feet;

2. Southeasterly, along the arc of said curve, a distance of 1,018.30 feet with a delta angle of 71 degrees 16 minutes 31 seconds, a chord bearing of South 14 degrees 54 minutes 10 seconds East, and a chord distance of 954.38 feet to a 5/8 inch iron rod set for corner;

3. South 21 degrees 14 minutes 06 seconds East, a distance of 372.21 feet to a 5/8 inch iron rod set for the South corner of said Chai tract, from which a 3 inch steel fence corner post found for the East corner of said Tract 1 bears North 73 degrees 53 minutes 54 seconds East, a distance of 2,453.74 feet, said corner lying in a curve to the left having a radius of 805.30 feet;

THENCE with the Westerly line of said Chai tract, the following four (4) courses and distances:

1. Northerly, along the arc of said curve, a distance of 256.79 feet with a delta angle of 17 degrees 70 minutes 09 seconds, a chord bearing of North 02 degrees 47 minutes 58 seconds East, and a chord distance of 257.10 feet to a 5/8 inch iron rod set for the beginning of a curve to the left having a radius of 894.43 feet;

2. Northwesterly, along the arc of said curve, a distance of 448.62 feet with a delta angle of 28 degrees 34 minutes 16 seconds, a chord bearing of North 25 degrees 39 minutes 16 seconds West, and a chord distance of 447.42 feet to a 5/8 inch iron rod set for the beginning of a curve to the right having a radius of 1,794.43 feet;

3. Northwesterly, along the arc of said curve, a distance of 478.83 feet with a delta angle of 15 degrees 48 minutes 16 seconds, a chord bearing of North 33 degrees 01 minutes 24 seconds West, and a chord distance of 468.19 feet to a 5/8 inch iron rod set for corner;

4. North 30 degrees 27 minutes 16 seconds East, a distance of 317.95 feet to the POINT OF BEGINNING and containing, within the metes and bounds herein recited, 10.000 acres of land, more or less, having a GIA acreage of 867.137 acres of land, more or less.

PROPERTY DESCRIPTION - TRACT 2

Being a tract of land situated in the J. Richardson Survey, Abstract No. 458, the J. Ward Survey, Abstract No. 398, and the R. Turner Survey, Abstract No. 391, Kaufman County, Texas and being all of a called 239.453 acre tract of land (Tract 2) conveyed in Deed to Terrell 1132 LLC as recorded in Volume 4133, Page 448, Official Public Records, Kaufman County, Texas, and being more particularly described herein as follows:

BEGINNING at a 5/8 inch iron rod capped "PCSFT" found in the South Right-of-Way line of Interstate 20 (a called variable width R.O.W.) for the West corner of said Tract 2 and the North corner of a called 13.333 acre tract of land described in Deed to The James C. Bates and Kathy L. Bates Revocable Living Trust as recorded in Volume 4256, Page 377, said Official Public Records;

THENCE with the Northwest line of said Tract 2 and the Southwest line of said Interstate 20, the following nine (9) courses and distances:

1. North 50 degrees 09 minutes 54 seconds East, a distance of 498.98 feet to a 4 inch concrete monument found for corner;

2. North 54 degrees 32 minutes 35 seconds East, a distance of 614.63 feet to a 4 inch concrete monument found for corner;

3. North 51 degrees 15 minutes 18 seconds East, a distance of 658.73 feet to a 4 inch concrete monument found for corner;

4. North 54 degrees 30 minutes 15 seconds East, a distance of 1,798.74 feet to a 4 inch concrete monument found for corner;

5. North 57 degrees 36 minutes 14 seconds East, a distance of 558.47 feet to a 4 inch concrete monument found for corner;

6. North 54 degrees 18 minutes 25 seconds East, a distance of 791.85 feet to a 4 inch concrete monument found for corner;

7. North 52 degrees 44 minutes 27 seconds East, a distance of 1,061.18 feet to a 4 inch concrete monument found for corner;

8. North 54 degrees 13 minutes 08 seconds East, a distance of 754.64 feet to a 4 inch concrete monument found at the beginning of a curve to the right having a radius of 5,629.58 feet;

9. Northeasterly, along the arc of said curve, a distance of 358.68 feet with a delta angle of 3 degrees 39 minutes 46 seconds, a chord bearing of North 56 degrees 13 minutes 24 seconds East, and a chord distance of 358.61 feet to a 5/8 inch iron rod found for the North corner of said Tract 2 and the West corner of a called 30.564 acre tract of land conveyed in Deed to FM 148 Terrell Limited Partnership as recorded in Volume 3006, Page 318, said Official Public Records;

THENCE South 45 degrees 18 minutes 22 seconds East, with the Northeast line of said Tract 2 and the Southwest line of said FM 148 tract, a distance of 1,033.53 feet to a 600 inch blade at an 8 inch steel fence corner post for the South corner of said FM 148 tract and the West corner of the Chase Subdivision No. 1 as recorded in Volume 1, Page 308, Plat Records, Kaufman County, Texas;

THENCE South 43 degrees 09 minutes 24 seconds East, with the Northeast line of said Tract 2 and the Southwest line of said Chase Subdivision, a distance of 426.71 feet to a 1/2 inch iron rod found in the Northwest line of F.M. 148 (a public road) for the East corner of said Tract 2 and the South corner of said Chase Subdivision;

THENCE with the Southeast line of said Tract 2, along the Northwest line of said F.M. 148, the following eight (8) courses and distances:

1. South 43 degrees 34 minutes 08 seconds West, a distance of 287.88 feet to a 4 inch concrete monument found at the beginning of a curve to the right having a radius of 480.87 feet;

2. Northwesterly, along the arc of said curve, a distance of 412.63 feet with a delta angle of 49 degrees 11 minutes 18 seconds, a chord bearing of South 68 degrees 03 minutes 33 seconds West, and a chord distance of 400.17 feet to a 4 inch concrete monument found for corner;

3. North 87 degrees 36 minutes 43 seconds West, a distance of 863.09 feet to a 4 inch concrete monument found at the beginning of a curve to the left having a radius of 450.24 feet;

4. Southwesterly, along the arc of said curve, a distance of 377.30 feet with a delta angle of 48 degrees 00 minutes 03 seconds, a chord bearing of South 68 degrees 23 minutes 28 seconds West, and a chord distance of 366.28 feet to a 4 inch concrete monument found for corner;

5. South 44 degrees 24 minutes 12 seconds West, a distance of 1,775.27 feet to a 4 inch concrete monument found for corner;

6. North 44 degrees 35 minutes 38 seconds West, a distance of 1,243.96 feet to a 4 inch concrete monument found for corner;

7. South 44 degrees 59 minutes 34 seconds West, a distance of 2,207.53 feet to a 4 inch concrete monument found for corner;

8. South 44 degrees 19 minutes 35 seconds West, a distance of 903.09 feet to a railroad-tie fence corner post found for the South corner of said Tract 2 and the East corner of said Barker tract;

THENCE North 45 degrees 42 minutes 19 seconds West, with the Southwest line of said Tract 2 and the Northeast line of said Barker tract, a distance of 3,015.11 feet to the POINT OF BEGINNING and containing, within the metes and bounds herein recited, 231.453 acres of land, more or less.

TITLE REPORT NOTE

THIS SURVEY WAS PREPARED WITH THE BENEFIT OF A CURRENT TITLE REPORT AS PROVIDED BY CORRESPONDING LAND TITLE INSURANCE COMPANY, REFERENCED BY GF NO. CH-2206-1200018TX00297 AND DELIVERED AN EFFECTIVE DATE OF AUGUST 16, 2021.

SCHEDULE B ITEMS

10. THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TERMS AND CONDITIONS OF THE CHISHOLM MOUND WATER SUPPLY CORP. EASEMENT RECORDED IN VOLUME 91451, PAGE 209, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(f))(BLANKET EASEMENT)

11. THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO JUDGMENT CONDEMNATION PROCEEDINGS TO SEABOARD PIPELINE, INC. EASEMENT AND RIGHT-OF-WAY, RECORDED IN VOLUME 849, PAGE 12, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENTS RECORDED IN VOLUME 1195, PAGE 406, VOLUME 780, PAGE 702, VOLUME 778, PAGE 163 AND VOLUME 778, PAGE 181, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(g))

12. THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 209, PAGE 383, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1822, PAGE 253, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(h))(BLANKET EASEMENT)

13. THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 209, PAGE 389, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1822, PAGE 253, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(h))(BLANKET EASEMENT)

14. THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 209, PAGE 397, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1822, PAGE 253, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(h))(BLANKET EASEMENT)

15. THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 209, PAGE 585, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1822, PAGE 253, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(h))(BLANKET EASEMENT)

16. THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE ROSE HILL WATER SUPPLY CORPORATION EASEMENT RECORDED IN VOLUME 405, PAGE 443, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(i))(BLANKET EASEMENT)

17. THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE STERLING HYDROCARBON, INC. EASEMENT RECORDED IN VOLUME 899, PAGE 140, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, ASSIGNED TO ROCH PIPELINES, INC. BY INSTRUMENT RECORDED IN VOLUME 1464, PAGE 874, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(j))(BLANKET EASEMENT)

18. THE SUBJECT PROPERTY SHOWN HEREON DOES NOT APPEAR TO BE SUBJECT TO THE STERLING HYDROCARBON, INC. EASEMENT RECORDED IN VOLUME 899, PAGE 143, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, ASSIGNED TO ROCH PIPELINES, INC. BY INSTRUMENT RECORDED IN VOLUME 1464, PAGE 874, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(k))(BLANKET EASEMENT)

19. THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO JUDGMENT CONDEMNATION PROCEEDINGS TO SEABOARD PIPELINE, INC. EASEMENT AND RIGHT-OF-WAY, RECORDED IN VOLUME 844, PAGE 14, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENTS RECORDED IN VOLUME 1195, PAGE 406, VOLUME 780, PAGE 702, VOLUME 778, PAGE 163, VOLUME 778, PAGE 181, AND VOLUME 712, PAGE 711, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(g))(BLANKET EASEMENT)

20. THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE ROMAN GRADE PIPELINE COMPANY, LLC EASEMENT RECORDED IN VOLUME 4453, PAGE 348, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(l))(BLANKET EASEMENT)

FLOOD NOTE

BY MAP SCALE A PORTION OF THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE LOCATED IN A DESIGNATED ZONE A (100 YEAR FLOOD WITH NO BASE FLOOD ELEVATION DETERMINED), AND IN A DESIGNATED ZONE X (NO FLOOD AREA) AND DOES NOT APPEAR TO BE LOCATED IN A 1% OR 500 YEAR FLOOD AREA AS PLOTTED ON COMMUNITY PANEL # 48257C0040 E OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE OR FLOOD HAZARD BOUNDARY MAP BEARING A EFFECTIVE DATE OF JULY 4, 2012.

GENERAL NOTES

1. ALL BEARINGS CONTAINED HEREIN ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83, NORTH CENTRAL ZONE (4202), CONFIRMED SCALE FACTOR BEING 1.00007072841687, DERIVED FROM GPS OBSERVATION AND OBTAINED FROM A GA-RTK-GROUND SURVEY CONDUCTED ON SEPTEMBER 3, 2021.

2. ALL MONUMENTS SHOWN AS FOUND HEREON WERE CONTROLLING MONUMENTS USED IN THE FINAL BOUNDARY RESOLUTION AS SHOWN.

3. THIS SURVEY MAY OR MAY NOT COMPLY WITH CITY AND/OR COUNTY PLATTING REGULATIONS.

SURVEYOR'S CERTIFICATION

This is to certify that, under my personal supervision, a certain survey was made on the ground of the property shown hereon. USE OF THIS SURVEY FOR ANY OTHER PURPOSE OR BY OTHER PARTIES SHALL BE AT THEIR RISK AND NOT BE CONSTRUED TO CREATE ANY LIABILITY TO OTHERS FOR ANY LOSS RESULTING THEREFROM. The plat hereon is a correct representation of the subject property as determined by an on-the-ground survey. The size and dimensions of said property being as indicated by the plat. The location, character and type of all buildings, structures and improvements lying within the boundary of the property, without encroachments from the adjacent properties and that the distances from the nearest intersecting street or road being as shown on said plat. EXCEPT AS SHOWN HEREON, THERE ARE NO VISIBLE ENCROACHMENTS OR PROTRUSIONS APPARENT ON THE GROUND.

JOE C. VAUGHN, JR.
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5938
SEPTEMBER 28, 2021
FIRM REGISTRATION NO. 10123300

STATE OF TEXAS
REGISTERED
JOE C. VAUGHN JR.
5938
PROFESSIONAL LAND SURVEYOR

THE COMPLETE LAND TITLE SURVEY SHOWN HEREON COMPRISES 2 PAGES AND "PAGE 1" ACCOMPANIES AND IS ATTACHED HERETO BY THIS REFERENCE.

PLS PIPELINE LAND SERVICES, INC.
TBPLS FIRM NO. 10123300
12001 WOODBRIDGE LANE, STAFFORD, TX 77385
PHONE 832-533-1111 FAX 832-533-1376

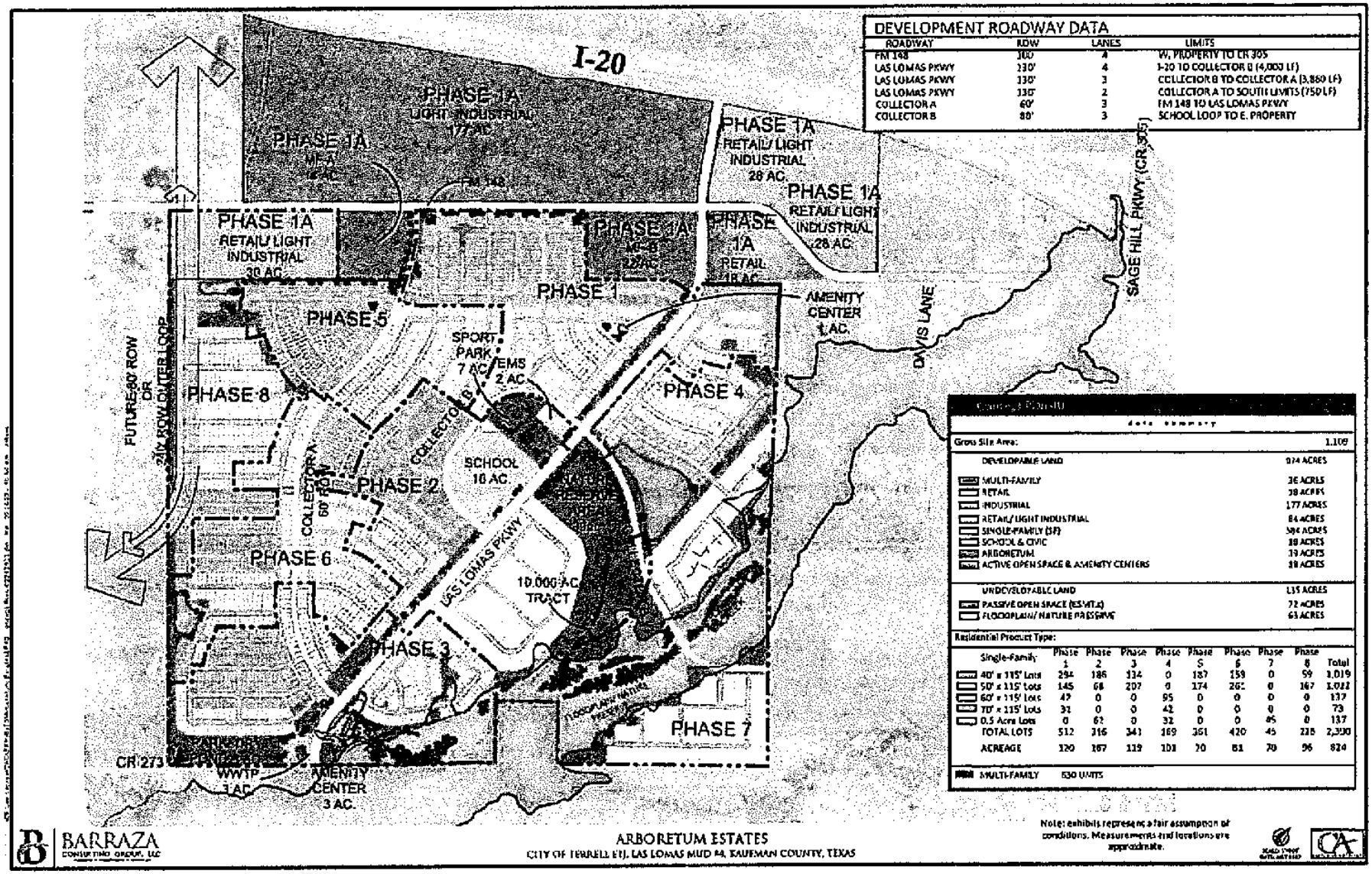
DRAWN BY:	RCA/CMW
CHECKED BY:	JCV
DATE:	9/29/21
SHEET:	2 OF 2
SCALE:	AS SHOWN

LAND TITLE SURVEY
TBD INTERSTATE 20 & TBD F.M. 148

TRACT 1 - 867.137 ACRES &
TRACT 2 - 231.430 ACRES
KAUFMAN COUNTY, TEXAS

TERRELL 1132_SURVEY_R1.DWG

2:\PROJECTS\Terrell 1132\Civil\Survey\Plat\Land Title Survey\Terrell_Survey_R1.dwg, 9/29/2021 7:58:53 PM



DEVELOPMENT ROADWAY DATA

ROADWAY	ROW	LANES	LIMITS
FM 148	100'	4	W. PROPERTY TO CR 305
LAS LOMAS PKWY	130'	4	I-20 TO COLLECTOR B (4,000 LF)
LAS LOMAS PKWY	130'	3	COLLECTOR B TO COLLECTOR A (3,860 LF)
LAS LOMAS PKWY	130'	2	COLLECTOR A TO SOUTH LIMITS (750 LF)
COLLECTOR A	60'	3	FM 148 TO LAS LOMAS PKWY
COLLECTOR B	80'	3	SCHOOL LOOP TO E. PROPERTY

Gross Site Area:	1,109
DEVELOPABLE LAND	974 ACRES
MULTI-FAMILY	36 ACRES
RETAIL	28 ACRES
INDUSTRIAL	177 ACRES
RETAIL/ LIGHT INDUSTRIAL	84 ACRES
SINGLE-FAMILY (SF)	594 ACRES
SCHOOL & CIVIC	18 ACRES
ARBORETUM	19 ACRES
ACTIVE OPEN SPACE & AMENITY CENTERS	18 ACRES
UNDEVELOPABLE LAND	135 ACRES
PASSIVE OPEN SPACE (ESVITLs)	72 ACRES
FLOODPLAIN/ NATURE PASSIVE	63 ACRES

Residential Product Type:

Single-Family	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	Phase 8	Total
40' x 115' Lots	294	186	134	0	187	159	0	59	1,019
50' x 115' Lots	145	68	207	0	174	265	0	167	1,022
60' x 115' Lots	47	0	0	95	0	0	0	0	137
70' x 115' Lots	31	0	0	42	0	0	0	0	73
0.5 Acre Lots	0	62	0	32	0	0	85	0	137
TOTAL LOTS	512	316	341	169	361	420	45	226	2,390
ACREAGE	120	167	119	101	70	81	70	96	824

MULTI-FAMILY 630 UNITS

BARRAZA CONSULTING GROUP, LLC

ARBORETUM ESTATES

CITY OF FERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.

Exhibit P
Maintenance PID Petition Form

THE STATE OF TEXAS

COUNTY OF KAUFMAN

PETITION FOR THE ESTABLISHMENT OF THE
ARBORETUM ESTATES MAINTENANCE PUBLIC IMPROVEMENT DISTRICT ("PETITION")

TO THE CITY COUNCIL, CITY OF TERRELL, TEXAS:

COMES NOW

MM TERRELL 1098, LLC of
1800 Valley View Lane, Suite 300
Farmers Branch, Texas 75234

The owners of real property, MM Terrell 1098, LLC (the "Petitioners"), and pursuant to Section 372.005 of the Texas Local Government Code, who hereby petition the City Council, City of Terrell, Texas ("City"), to conduct a hearing on this Petition, pursuant to Section 372.009 of the Texas Local Government Code, in anticipation of the establishment of a Public Improvement District to be known as the "Arboretum Estates Maintenance Public Improvement District" (hereinafter referred to as the "District").

In support of same, Petitioners would respectfully show the following:

I.

The boundaries of the proposed District are set forth in the site plan identifying parcels containing approximately ____ total acres shown in Exhibit "A" ("Property") attached hereto and incorporated by reference herein.

II.

The general purpose and nature of the District will be to repair and maintain an Arboretum, open space, common drainage, amenities and other common public improvements located on the Property, as generally depicted on Exhibit "B" (Public Facilities). The Petitioners acknowledge that Exhibit "B" is for illustrative purposes and that the final Public Facilities will be determined by phased acceptance by the City Engineer of completed Public Facilities.

III.

The annualized expenses are estimated to total approximately $175,000 based on the maintenance program shown in Exhibit "C" ("Maintenance Program"), attached hereto and incorporated by reference herein. The Petitioners acknowledge that expenses of the Maintenance Program will vary based on actual expenses incurred by the District for the Maintenance Program. The Petitioners acknowledge that the work of the Public Improvement District initiates and is then phased in, only after the City accepts as complete such Public Facilities as they are completed, dedicated, and accepted by the City Engineer. In

addition, the administrative expenses such as but not limited to, 3rd party administrative costs and annual contracts for Tax Collection and Kaufman Central Appraisal District services are PID eligible expenses.

IV.

The proposed method of assessment for each parcel within the District is as follows: the governing body of the City will calculate and levy assessments for the actual expenses incurred by the City for the Maintenance Program based on each parcel's assessed valuation by the Kaufman Central Appraisal District. Property owned or utilized by easement by the City, County or TxDOT shall not be included in the calculation. The proposed PID assessment level within the District is $0.03 per $100.00 of valuation for the land and improvement values of all taxable property. The Petitioner acknowledges the City will adjust the assessment rate as necessary and that the rate per $100.00 of valuation shall be consistent for all land owners and changes due to development as well as annual changes in the actual expenses of the Maintenance Program on an as needed basis to fully reimburse City for actual expenses of the administrative costs and Maintenance Program. This PID is proposed not to terminate. The maximum rate per $100.00 of valuation is $0.03, costs of the Maintenance Program beyond this level of revenue shall be the responsibility of the City.

V.

The management of the District will be by the City.

VI.

The persons or entities (through authorized representatives) signing this Petition request or concur with the establishment of the District and for the District to be managed and operated by the City, including, but not limited to:

1) Determining and accepting the final Public Facilities.
2) Developing a budget for the annual expenses.
3) Determining and establishing the annual assessment.
4) Procuring all services and paying for all improvements and maintenance.
5) Assuring timely and quality performance of services.
6) Auditing, reporting, and otherwise performing all accounting, oversight, and other management functions.
7) All such management and operations to be subject to annual approval by the Terrell City Council.

VII.

It is acknowledged that an Advisory Body will not be established to develop and recommend an "improvement plan" to the City Council of the City regarding the Maintenance Program. The City of Terrell shall not exempt or waive the obligations of this Petition for any land owner, current or future, in the District.

VIII.

The persons or entities (through authorized representatives) signing this Petition are:

1) Owners of real property representing more than fifty percent (50%) of the appraised value of the

real property liable for assessment under this Petition as determined by the current roll of the appraisal district in which the Property is located; and,

2) Owners of real property liable for assessment under this Petition who (a) constitute more than fifty percent (50%) of all record owners of property that are liable for assessment under this Petition, and (b) own real property that constitutes more than fifty percent (50%) of the area of all real property that is liable for assessment under this Petition.

IX.

The Exhibits to this Petition are summarized as follows:

Exhibit "A"	Property
Exhibit "B"	Public Facilities
Exhibit "C"	Maintenance Program

X.

This Petition for the Arboretum Estates Maintenance Public Improvement District will be filed with the City Secretary, City of Terrell, Texas. This Petition shall become effective upon the latest date of execution below.

MM Terrell 1098, LLC,
a Texas limited liability company

By: MMM Ventures, LLC,
a Texas limited liability company
Its Manager

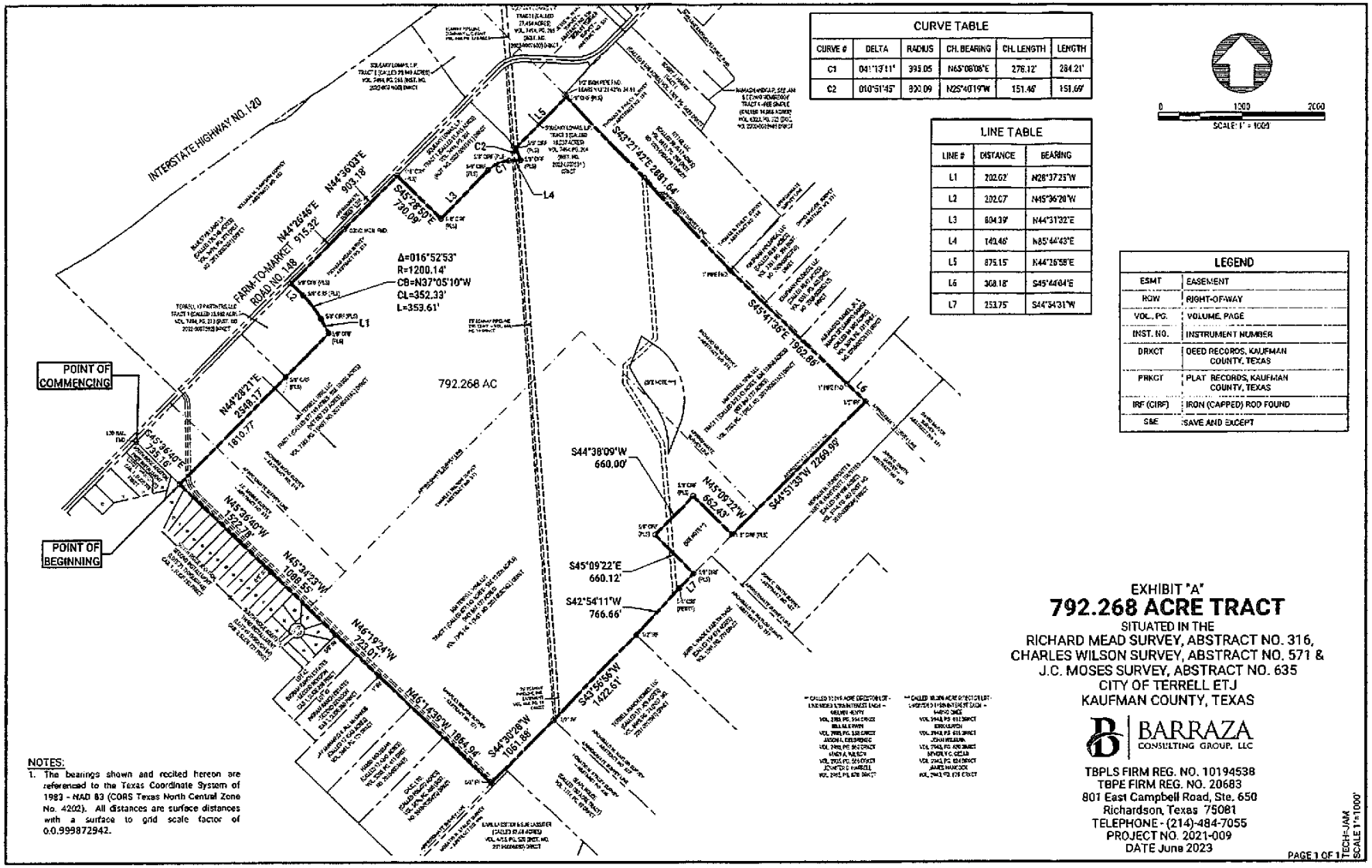
By: 2M Ventures, LLC,
a Delaware limited liability company
Its Manager

By: _____
Name: Mehrdad Moayedi
Its: Manager

Date: _____

Exhibit "A"

Property



CURVE TABLE					
CURVE #	DELTA	RADIUS	CH. BEARING	CH. LENGTH	LENGTH
C1	041°13'11"	395.05'	N65°08'06"E	276.12'	284.21'
C2	010°51'45"	800.09'	N25°40'19"W	151.46'	151.69'

LINE TABLE		
LINE #	DISTANCE	BEARING
L1	202.62'	N28°37'25"W
L2	202.07'	N45°36'20"W
L3	804.39'	N44°31'32"E
L4	140.46'	N85°44'43"E
L5	875.15'	N44°26'58"E
L6	368.18'	S45°44'04"E
L7	253.75'	S44°34'31"W

LEGEND	
ESMT	EASEMENT
ROW	RIGHT-OF-WAY
VOL., PG.	VOLUME, PAGE
INST. NO.	INSTRUMENT NUMBER
DRKCT	DEED RECORDS, KAUFMAN COUNTY, TEXAS
PRKCT	PLAT RECORDS, KAUFMAN COUNTY, TEXAS
IRF (CIRF)	IRON (CAPPED) ROD FOUND
SAE	SAVE AND EXCEPT

0 1000 2000
SCALE: 1" = 1000'

NOTES:
1. The bearings shown and recited hereon are referenced to the Texas Coordinate System of 1983 - NAD 83 (CORS Texas North Central Zone No. 4202). All distances are surface distances with a surface to grid scale factor of 0.0.999872942.

EXHIBIT "A"

792.268 ACRE TRACT

SITUATED IN THE
RICHARD MEAD SURVEY, ABSTRACT NO. 316,
CHARLES WILSON SURVEY, ABSTRACT NO. 571 &
J.C. MOSES SURVEY, ABSTRACT NO. 635
CITY OF TERRELL ETJ
KAUFMAN COUNTY, TEXAS

BARRAZA CONSULTING GROUP, LLC
TBPLS FIRM REG. NO. 10194538
TBPE FIRM REG. NO. 20683
801 East Campbell Road, Ste. 650
Richardson, Texas 75081
TELEPHONE - (214)-484-7055
PROJECT NO. 2021-009
DATE June 2023

TECH: JAM
SCALE 1"=1000'

DESCRIPTION – 792.268 ACRES

BEING that certain tract of land situated in the Richard Mead Survey, Abstract No. 316, the Charles Wilson Survey, Abstract No. 571, and the J. C. Moses Survey, Abstract No. 635, in Kaufman County, Texas and being part of that certain called 877.143 acre tract of land (save and except 10.006 acres) described as Tract 1 in deed to MM Terrell 1098, LLC recorded in Volume 7385, Page 1, of the Deed Records of Kaufman County, Texas (DRKCT), and including all of that certain called 10.006 acre tract of land described in the following five deeds (undivided 1/5th interest each) to I-Ming Chee recorded in Volume 2943, Page 612, DRKCT, Kirk Ulrich recorded in Volume 2943, Page 616, DRKCT, John Wilburn recorded in Volume 2943, Page 620, DRKCT, Beverly C. Cezar recorded in Volume 2943, Page 624, DRKCT, and James Hancock recorded in Volume 2943, Page 628, DRKCT, and being more particularly described as follows:

COMMENCING at a 60d nail found on the southeast right-of-way line of Farm-to-Market Road No. 148 (variable width right-of-way), and being the most westerly west corner of said MM Terrell 1098, LLC tract, and the north corner of Lot 20 of South Ridge Addition, First Installment, an addition to the County of Kaufman recorded in Cabinet I, Slide 728, of the Plat Records of Kaufman County, Texas (PRKCT);

THENCE South 45°36'40" East, with the southwest line of the MM Terrell 1098, LLC tract, and the northeast line of said Lot 20, and Lot 10, of said South Ridge Addition, First Installment, a distance of 735.16 feet to the **POINT OF BEGINNING**;

THENCE North 44°28'21" East, over and across said MM Terrell 1098, LLC tract, passing at a distance of 1810.77 feet a 5/8-inch iron rod with cap stamped "PLS" found at the south corner of that certain called 13.982 acre tract of land described as Tract 1 in deed to Terrell 13 Partners, LLC recorded in Volume 7494, Page 213, DRKCT, continuing with the southeast line of said Tract 1 in deed to Terrell 13 Partners, LLC, in all, a total distance of 2548.17 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner;

THENCE with the northeast line of said Tract 1 of the Terrell 13 Partners, LLC tract, the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

North 28°37'25" West, a distance of 202.02 feet to the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 16°52'53", a radius of 1200.14 feet, a chord which bears North 37°05'10" West, a chord distance of 352.33 feet, and for an arc distance of 353.61 feet;

And North 45°36'20" West, a distance of 202.07 feet, said iron rod being located at the north corner of Tract 1, of the Terrell 13 Partners, LLC tract, and on said southeast right-of-way line of Farm-to-Market Road No. 148;

THENCE North 44°26'46" East, with said southeast right-of-way line of Farm-to-Market Road No. 148, a distance of 915.32 feet to a concrete monument found for corner;

THENCE North 44°36'03" East, continuing with said southeast right-of-way line of Farm-to-Market Road No. 148, a distance of 903.18 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the west corner of that certain called 21.465 acre tract of land described as Tract 1 in deed to Squeaky Lomas, L.P. recorded in Volume 7494, Page 204, DRKCT;

THENCE with the southwest and southeast lines of said Tract 1 in deed to Squeaky Lomas, L.P., the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

South 45°28'50" East, a distance of 730.09 feet;

North 44°31'32" East, a distance of 804.39 feet to the beginning of a non-tangent curve to the right;

Northeasterly, with said curve which has a central angle of 41°13'11", a radius of 395.05 feet, a chord which bears North 65°08'08" East, a chord distance of 278.12 feet, and for an arc distance of 284.21 feet;

North 85°44'43" East, a distance of 140.46 feet to the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 10°51'45", a radius of 800.09 feet, a chord which bears North 25°40'19" West, a chord distance of 151.46 feet, and for an arc distance of 151.69 feet, said iron rod being the south corner of that certain called 18.037 acre tract described as Tract 2 in said deed to Squeaky Lomas, L.P. recorded in Volume 7494, Page 204, DRKCT;

THENCE North 44°26'58" East, with the southeast line of said Tract 2, a distance of 875.15 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the east corner of said Tract 2, and being located on the southeast line of that certain called 59.4917 acre tract of land described in deed to NT148, LLC recorded in Volume 6818, Page 258, DRKCT, from which a 1/2-inch iron pipe found at the west corner of said NT148, LLC tract bears North 43°21'42" West, a distance of 34.91 feet;

THENCE South 43°21'42" East, with the southwest line of said NT148, LLC tract, a distance of 2881.64 feet to a 1-inch pipe found for corner at the south corner of said NT148, LLC tract;

THENCE South 45°41'36" East, with a northeast line of said Tract 1 of the MM Terrell 1098, LLC tract, a distance of 1962.86 feet to a 1-inch iron pipe found for corner at the south corner of that certain called 69.500 acre tract of land described in deed to Alejandro Gamez, Jr. and Nancy Delcampo Gamez recorded in Volume 5078, Page 321, DRKCT, and a west corner of that certain called 189.998 acre tract of land described in deed to Norman N. Huneycutt and Janet R. Huneycutt, Trustees, recorded in Volume 3746, Page 407, DRKCT;

THENCE South 45°44'04" East, with a southwest line of said Norman N. Huneycutt and Janet R. Huneycutt tract, a distance of 308.18 feet to a 1/2 inch iron rod found for corner at an ell corner of said Norman N. Huneycutt and Janet R. Huneycutt tract;

THENCE South 44°51'33" West, with a northwest line of said Norman N. Huneycutt and Janet R. Huneycutt tract, a distance of 2269.99 feet to a 5/8-inch iron rod with cap stamped "PLS" found for corner at the east corner of that certain called 10.019 acre tract of land described in the following five deeds (undivided 1/5th interest each) to Melvin Henry recorded in Volume 2985, Page 554, DRKCT, Bill M. Erwin recorded in Volume 2985, Page 558, DRKCT, Jason A. Delorenzo recorded in Volume 2985, Page 562, DRKCT, Mary A. Wilson recorded in Volume 2985, Page 566, DRKCT, and Jennifer D. Harrell recorded in Volume 2985, Page 570, DRKCT;

THENCE with the northeast, northwest, and southwest lines of said 10.019 acre tract, the following courses to 5/8-inch iron rods with cap stamped "PLS" found for corner:

North 45°09'22" West, a distance of 662.43 feet;

South 44°38'09" West, a distance of 660.00 feet;

And South 45°09'22" East, a distance of 660.12 feet, said iron rod being the south corner of said 10.019 acre tract, and being located on the northwest line of that certain called 154.875 acre tract of land described in deed to Jerry L. Wade and Raelyn Wade recorded in Volume 1061, Page 779, DRKCT;

THENCE South 44°54'31" West, said northwest line of the Jerry L. Wade and Raelyn Wade tract, a distance of 253.75 feet to a 5/8-inch iron rod with cap stamped "PETITT RPLS 4087" found for corner;

THENCE South 42°54'11" West, continuing with said northwest line of the Jerry L. Wade and Raelyn Wade tract, a distance of 766.66 feet to a 1/2 inch iron rod found for corner at the north corner of that certain called 171.409 acre tract of land described in deed to Terrell Ranch Homes, LLC recorded in Volume 6969, Page 74, DRKCT;

THENCE South 43°56'56" West, with the northwest line of said Terrell Ranch Homes, LLC tract, and a southeast line of said Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1422.61 feet to a 1/2 inch iron rod found for corner at the west corner of said Terrell Ranch Homes, LLC tract;

THENCE South 44°30'28" West, with a southeast line of said Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1061.88 feet to a 5/8-inch iron rod found for corner at the most southerly south corner of Tract 1 in deed to MM Terrell 1098, LLC;

THENCE North 46°14'39" West, with a southwest line of Tract 1 in deed to MM Terrell 1098, LLC, a distance of 1864.94 feet to a 1-inch iron rod found at the east corner of Lot 43 of Ingram Ranch Estates, Second Revision, an addition to Kaufman County, Texas according to Final Plat recorded in Cabinet 1, Slide 260, PRKCT;

THENCE North 46°19'24" West, with the northeast line of said Lot 43, and Lot 42, of said Ingram Ranch Estates, Second Revision, a distance of 723.01 feet to a 5/8-inch iron rod found for corner at the east corner of South Ridge Addition, Third Installment (Lots 49 through 69), an addition to the County of Kaufman recorded in Cabinet 2, Slide 221, PRKCT;

THENCE North 45°34'23" West, with the northeast line of said South Ridge Addition, Third Installment, a distance of 1088.55 feet to 5/8" iron rod found for corner;

THENCE North 45°36'40" West, continuing with said northeast line of South Ridge Addition, Third Installment, and the northeast line of South Ridge Addition, Second Installment (Lots 21 through 48), an addition to the County of Kaufman recorded in Cabinet 1, Slide 755, PRKCT, and said northeast line of Lot 10, of South Ridge Addition, First Installment, a distance of 1522.78 feet to the **POINT OF BEGINNING**, and containing an area of 792.268 acres of land.

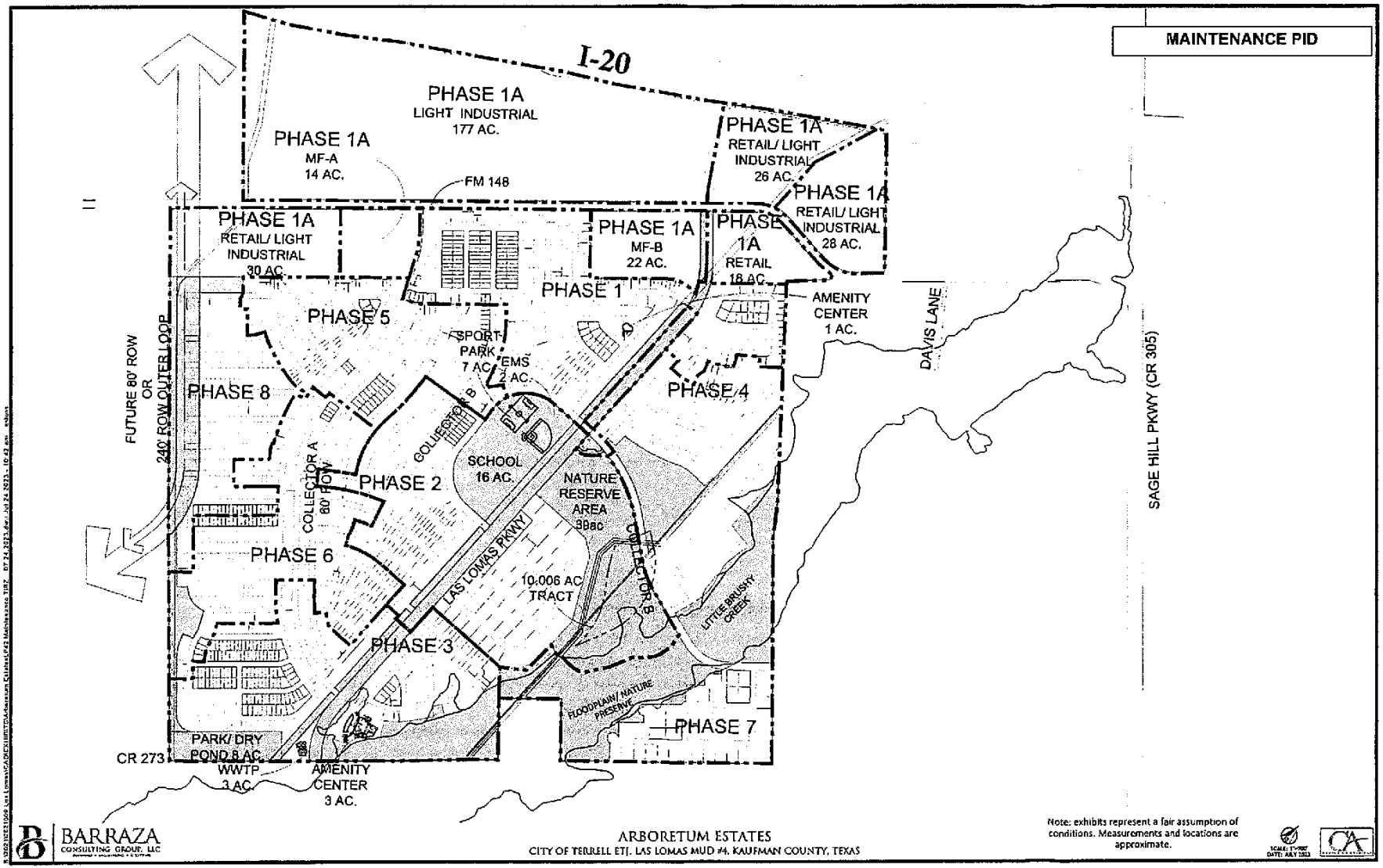
NOTES:

The bearings shown and recited hereon are referenced to the Texas Coordinate System of 1983 ~ North Central Zone No. 4202 - NAD 83. (All distances are surface distances with a surface to grid scale factor of 0.999872942).

Petition for the Establishment of the Arboretum Estates Maintenance Public Improvement District

Exhibit "B"

Public Facilities



BARRAZA
CONSULTING GROUP, LLC

ARBORETUM ESTATES
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.

Exhibit "C"

Maintenance Program

Overall Maintenance

1. Maintain all detention, lake, flood easement or drainage facilities dedicated to the City and accepted by the City in good working order; such maintenance will be provided in perpetuity unless and until all parties formally enter into a revised agreement.

2. Remove silt and other debris from any drainage facilities or floodplain area, so as to maintain a clean appearance, proper bottom elevation and proper slopes. Stocking fish, installing butterfly and bird habitats, and otherwise installing and maintaining wildlife elements necessary for proper ecological function, education and enjoyment of the residents within the Property and visitors to the Property.

3. Plant and maintain grass, a vegetative cover and trees on any and all public open spaces to provide a high quality appearance and safe environment throughout the Property and to prevent erosion surrounding the drainage lakes, flood easements, or drainage facilities.

4. Install as needed and maintain in good order and repair any fountain, dock, trail, fence, berm, slope, landscaping, pedestrian safety lighting, inflow or outflow devices in public ownership. Pay the regular cost of water and electrical services to common areas and common features.

5. Excepting emergency circumstances, maintain all facilities and land areas during daylight, week day hours.

6. Maintain public landscape areas on park, natural areas, Arboretum, and trail improvements and entryways to the PID.

7. Keep records detailing inspection and maintenance activity and these records shall be made available to the City upon request.

8. Other than driveways and parking at the Arboretum, the PID provides no maintenance of any roadway, parking area, fire lane, or private land. The PID provides no maintenance outside of the boundary of the Property.

9. Acquisition and maintenance of a Terrell Police Department approved, real-time camera system with automatic license plate reader functionality that is integrated with City-maintained systems.

Routine Maintenance

1. Mowing of the open spaces, bank slopes and areas owned by the City on a twice per month basis during the growing season or more frequently and as needed during the cooler months.

2. Inspect outfall structures monthly for debris which could inhibit the proper flow of discharge; any debris will be removed immediately and disposed of or placed in a location to prevent future maintenance and to not cause impact up or downstream of the drainage areas.

3. Remove trash from any common areas, access easements, rights of way, open spaces, around detention lakes, flood easements, parks, and drainage facilities. Remove trash from the public areas along dedicated public roadways, and other public access ways to prevent trash from entering drainage areas. Generally, the area owned by the public should be kept free of loose trash, which could be carried off site by wind or rain.

4. If needed, inspect and repair all drainage related structures, landscaping and facilities for non-routine maintenance needs.

5. Maintain all public drainage in a structurally sound condition so that it satisfies the drainage and public amenity function for which it was intended; maintain all public drainage in a clean and safe condition so as not to constitute a hazard or nuisance to the public; and, to maintain all elements in accordance with all rules, standards and regulations applicable thereto as may from time to time be enacted by any governmental agency or authority, including the City.

6. Mow, edge, trim public landscape areas and other public access ways on a weekly basis during the growing season and as needed during cooler months.

7. Maintain dedicated public park improvements in a high quality manner.

8. Maintain flood easement areas consistent with applicable requirements or best practices. .

Cyclical Maintenance of Detention Lakes / Drainage Ways

1. Monthly or after every one (1)-inch rainfall, whichever comes first:

    a. Remove trash and debris.
    b. Clear trash and debris from outlet pipes.
    c. Check slopes and contributing areas owned by the City; repair any eroded areas owned by the City before the next rainfall.
    d. Check inlet and outlet pipes, grass swales and inlet/outlet dissipaters.
    e. Replace any rip rap that is eroded, undermined or choked with sediment.

2. Annually

    a. Check and rectify facility depth at various locations. Remove sediment to restore original design capacity before 10% of original design capacity is lost.
    b. Check and rectify the condition of the slopes owned by the City for erosion, transverse or longitudinal cracks, sinkholes, woody vegetation, signs of rodent infestation or other such problems.

Exhibit Q
Maintenance PID Resolution Form

A Resolution of the City of Terrell, Texas calling for a public hearing on the creation of a public improvement district, the Arboretum Estates Maintenance Public Improvement District, being located within the corporate limits of the City of Terrell; and providing a severability clause and an effective date.

WHEREAS, the City Council (the "City Council") of the City of Terrell, Texas (the "City") has received a petition (the "Petition") requesting creation of a public improvement district (the "PID") under Chapter 372 of the Texas Local Government Code (the "Act"), from the record owners of taxable real property representing more than fifty percent ("50%") of the appraised value of the real property liable for assessment (as determined by the most recent certified appraisal roll for Kaufman County) in the proposed PID and the record owners of taxable real property that constitute more than 50% of all of the area of all taxable real property that is liable for assessment in the proposed PID; and

WHEREAS, the Petition, a copy of which is attached hereto as Exhibit 1, has been examined, verified, and found to meet the requirements of Section 372.005(b) of the Act and to be sufficient for consideration by the City Council: and

WHEREAS, boundaries of the proposed PID are shown on the map attached to the Petition as Exhibit A, said area for the PID being within the corporate limits of the City; and

WHEREAS, the City Council accepts the Petition and desires to schedule a public hearing to consider the creation of the PID to supplement and enhance services and improvements for Arboretum Estates. The general nature of the proposed services and improvements to be performed by the District will include, but not limited to, payment of expenses related to: (1) the promotion of the district (marketing, advertising, special event production, etc.); (2) enhancement of security in the district; (3) constructing and maintaining place-making elements (public art, street furniture, landscaping, streetscape, etc.); and (4) establishing, administering and operating the District as authorized by the Act. These Authorized Services shall promote the interests of the City and confer a special benefit upon the Property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS:

Section I: That a public hearing is hereby scheduled at or after 7:00 P.M. on _____, 2023, at _____, Terrell, Texas, to receive public comment on the creation of the PID in the area shown on the map attached to the Petition as Exhibit A, pursuant to the Act.

Section II: That notice of said hearing, in the substantially final form set forth in Exhibit 2 attached hereto, with such changes as may be approved by the City's counsel, shall be published in a newspaper of general circulation in the City before the 15th day prior to the hearing as required by the Act.

Section III: That written notice, in the substantially final form set forth in Exhibit 2 attached hereto with such changes as may be approved by the City's counsel, shall be mailed to

each property owner, as reflected on the tax rolls, of property subject to assessment under the PID, before the 15th day prior to the date set for the hearing.

Section IV: That all of the above recitals are hereby found to be true and correct factual determinations of the City and are hereby approved and incorporated by reference as though fully set forth herein.

Section V: That if any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the City Council hereby determines that it would have adopted this Resolution without the invalid provision.

Section VI: That this Resolution shall be in full force and effect from and after its passage, and it is accordingly so resolved.

DULY PASSED AND APPROVED this _____ day of _____ 2023.

_____

_____, MAYOR

ATTEST:

_____

_____, CITY SECRETARY

APPROVED AS TO FORM:

_____

_____, CITY ATTORNEY

EXHIBIT 1

PETITION FOR THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT WITHIN THE CITY OF TERRELL, TEXAS FOR THE ARBORETUM ESTATES MAINTENANCE PUBLIC IMPROVEMENT DISTRICT

EXHIBIT 2

NOTICE OF PUBLIC HEARING OF THE CITY OF TERRELL, TEXAS TO CONSIDER THE ADVISABILITY OF THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT TO PROVIDE CERTAIN SERVICES OVER CERTAIN PROPERTY LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY.

NOTICE IS HEREBY GIVEN THAT the City Council (the "City Council") of the City of Terrell, Texas (the "City"), pursuant to Chapter 372 of the Texas Local Government Code, as amended (the "Act"), will hold a public hearing at or after 7:00 P.M. on _____, 2023, at _____ Terrell, Texas, for the purpose of considering the establishment by the City of a public improvement district to be located within the corporate limits of the City.

In accordance with the Act, the City Council has received a petition (the "Petition") from certain property owners within the corporate limits of the City (the "Petitioners"), that requests the establishment of a public improvement district (the "PID"). The Petition and map showing property to be included in the PID are on file and open for public inspection in the office of the City Secretary at _____. The public hearing is being held with respect to the advisability of creating the PID and the improvements to be made therein.

GENERAL NATURE OF THE AUTHORIZED SERVICES: The purpose of the District is to supplement and enhance services and improvements for Arboretum Estates. The general nature of the proposed services and improvements to be performed by the District will include, but not limited to, payment of expenses related to: (1) the promotion of the district (marketing, advertising, special event production, etc.); (2) enhancement of security in the district; (3) constructing and maintaining place-making elements (public art, street furniture, landscaping, streetscape, etc.); and (4) establishing, administering and operating the District as authorized by the Act.

ESTIMATED COST OF THE AUTHORIZED SERVICES AND APPORTIONMENT OF COSTS: The estimated total costs of the Authorized Services for the First year of the District's operation will be a total of approximately $_____. The cost of the Authorized Services for subsequent years will be determined in the annual update to the service plan approved by the City each year in accordance with Section 372.013 of the Act. The City will not be obligated to provide any funds to finance the Authorized Services, other than from assessments levied on the Property. No municipal property in the District shall be assessed.

PROPOSED METHOD OF ASSESSMENT: The City shall levy an assessment on each benefited parcel of the Property within the District in a manner that results in imposing proportionate shares of the Authorized Service costs on property benefited.

a. The assessment will be based on the square footage of real property improvements (not to include Business Personal Property) as determined by the Kaufman County Central Appraisal District each year. The real property of jurisdictions and entities that have obtained an exemption from the City of Terrell real property taxes pursuant to the Texas Tax Code (except under the provisionsof Sections 11.24 and 11.28 of the Tax Code) will

not be subject to an assessment on that portion of the assessed value of the property exempt from City real property taxes.

b. The proposed annual assessment rate for the First year of the District's operation is estimated to be will be $0.03 per $100.00 of assessed value of real property.

c. In no event shall the annual assessment rate in any subsequent year exceed $0.03 per $100.00 of assessed value of real property.

d. The District shall pay the costs of the services and improvements by special assessment against real property improvements.

e. The City has agreed to contribute a fixed amount in lieu of assessment on City owned properties in the District.

APPORTIONMENT OF COST BETWEEN THE DISTRICT AND THE MUNICIPALITY AS A WHOLE: The District shall pay the cost of the supplemental improvements and services described in this petition. No portion of the supplemental services shall be apportioned to the City as a whole. City right-of-way, railroad right-of-way, parks and cemeteries are not specially benefitted and therefore are not subject to assessment. Any payment of assessments by other exempt jurisdictions and entities must also be established by contract.

BOUNDARIES OF THE PROPOSED PID: The boundaries of the proposed District are as illustrated in Exhibit "A" and are generally _____.

All interested persons are invited to attend such public hearing to express their views with respect to the establishment of the PID and the Authorized Improvements to be made therein. The public hearing will be held at or after 7:00 P.M. on _____, 2023, at _____, Terrell, Texas. All persons wishing to enter testimony during a videoconference are invited to participate remotely via broadcast by webinar to voice their opinion (registration is required). A registration link will be listed on the City Council agenda which will be available on _____, 2023 after 5:00 p.m. at the following link: _____. Total testimony is limited to thirty (30) minutes.

Emails regarding public hearing items may be submitted to _____.

This Notice of Public Hearing is given and the public hearing is being held pursuant to the requirements of the Act.

THE CITY OF TERRELL, TEXAS

Exhibit R
Maintenance PID Assessment Ordinance Form

An Ordinance of the City of Terrell, Texas, accepting and approving a Service and Assessment Plan and Assessment Roll for the Arboretum Estates Maintenance Public Improvement District; making a finding of special benefit to the property in the District; levying Assessments against property within the District and establishing a lien on such property; providing for the method of assessment and the payment of the Assessments in accordance with Chapter 372, Texas Local Government Code, as amended; providing penalties and interest on delinquent Assessments; providing for severability; resolving matters incident and related thereto; and providing an effective date.

WHEREAS, a petition was submitted and filed with the City Secretary (the "City Secretary") of the City of Terrell, Texas (the "City") pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "PID Act"), requesting the creation of a public improvement district located within the corporate limits of the City to be known as the Arboretum Estates Maintenance Public Improvement District (the "District"); and

WHEREAS, the petition contained the signature of the owners of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Kaufman Central Appraisal District; and

WHEREAS, on _____, 2023 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 on _____, 2023, the City Council made the findings required by Section 372.009(b) of the PID Act and, by adopting Resolution No. 2023-1- 6(R) (the "Authorization Resolution") adopted by a majority of the members of the City Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services for the District (the "Public Improvements"); and

WHEREAS, on _____, 2023, the District Advisory Board met and prepared an operations and maintenance budget to be included in the operations and maintenance service and assessment plan for the District; and

WHEREAS, on _____, 2023, the City published notice of the public hearing and proposed levy and assessments in a newspaper of general circulation in accordance with the PID Act; and

WHEREAS, on _____, 2023, the City prepared and mailed public hearing notices to property owners in accordance with the PID Act for the levy of the Operations and Maintenance Assessment within the District; and

WHEREAS, on _____, 2023, the District Advisory Board met and recommended approval of the City of Terrell, Texas, Arboretum Estates Maintenance Public Improvement District 2023 Preliminary Operations and Maintenance (O&M) Service and

Assessment Plan (the "2023 O&M Service and Assessment Plan" or "Service and Assessment Plan"); and

WHEREAS, the City Council desires to levy a special assessment to fund improvements and services within the District for the 2023-2024 fiscal year at a rate of $0.03 per $100.00 of assessed property value in the District, as determined by the Kaufman Central Appraisal District; and

WHEREAS, on _____, 2023, the City Council conducted and closed the public hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, determined to procced with the adoption of this Ordinance in conformity with the requirements of the PID Act.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS, THAT:

Section I. Terms.

Terms not otherwise defined herein, including in the preambles to this Ordinance, have the meanings ascribed thereto as set forth in the Service and Assessment Plan.

Section II. Findings.

The findings and determinations set forth in the preambles hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section. The City Council hereby finds, determines, and ordains, as follows:

(a) The apportionment of the operations and maintenance costs (as reflected in the 2023 O&M Service and Assessment Plan) is fair and reasonable, reflects an accurate presentation of the special benefit each parcel of Assessed Property will receive from the operations and maintenance costs identified in the 2023 O&M Service and Assessment Plan, and is hereby approved;

(b) The Service and Assessment Plan apportions the operations and maintenance costs to be assessed against the Assessed Property and such apportionment is made on the basis of special benefits accruing to the property because of the operations and maintenance;

(c) The 2023 O&M Service and Assessment Plan should be approved as the service plan and assessment plan for the District as described in Sections 372.013 and 372.014 of the PID Act;

(d) The Assessment Roll should be approved as the assessment roll for the District;

(e) The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Assessments, interest on Annual Installments, interest and penalties on delinquent Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Assessments are hereby approved and will expedite collection of the Assessments in a timely manner in order to provide the services and improvements needed and required for the area within the District; and

(f) A written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered, and formally acted upon.

Section III. Service and Assessment Plan.

Pursuant to the requirements of the Act, the City Council, after being presented with the 2023 O&M Service and Assessment Plan for the District developed and approved by the Advisory Board, hereby approves and adopts the 2023 O&M Service and Assessment Plan, attached as Exhibit "A".

Section IV. Assessment Roll.

The Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the PID Act as the assessment roll for the District.

Section V. Levy and Payment of Assessments for Actual Costs of the Public Improvements.

(a) The City Council hereby approves the levy of a special assessment on all taxable real property within the District by the City at a rate of $0.03 per $100.00 of assessed value, as determined by the Kaufman Central Appraisal District, to fund improvements and services in the District, in accordance with the approved assessment roll, attached as Exhibit "B".

(b) The City Council finds that the assessments should be made and levied against the respective parcels of property within the District, as shown in Exhibit "B" and against the owners thereof, and further finds that in each case the property assessed is especially benefited by means of the said services and improvements in the District, and further finds that the apportionment of costs of the services and improvements is in accordance with the law in force in this City and the State and in the proceedings of the City heretofore with reference to the formation of the District.

(c) The real property of entities that have obtained an exemption from the City of Terrell real property taxes pursuant to the Texas Tax Code (except under the provisions of Sections 11.24 and 11.28 of the Tax Code) will not be subject to an assessment on that portion of the assessed value of the property exempt from City real property taxes.

(d) The several sums above-mentioned and assessed against the said parcels of property and the owners thereof, together with reasonable fees and the costs of collection, if incurred, are hereby declared to be and are made a first and prior lien against the property assessed, superior to all other liens and claims except liens and claims for state, county, community college, school district and municipal ad valorem taxes and is 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 this ordinance until the assessment is paid and may be enforced by the governing body in the same manner that an ad valorem tax lien against real property may be enforced by the City Council.

(e) The assessments levied herein shall be due and payable in full on or before April 15, 2023. Delinquent payment of assessments shall incur interest, penalties, and attorney fees in the

same manner as delinquent ad valorem taxes. If default be made in the payment of any of the said sums hereby assessed against said property owners and their property, collection hereof, including costs and fees, shall be enforced by the governing body in the same manner that an ad valorem tax lien against real property may be enforced by the City Council. The owner of the assessed property may pay at any time the entire assessment, with interest that has accrued on the assessment, on any lot or parcel. All assessments levied are a personal liability and charge against the real and true owners of the premises described, notwithstanding such owners may not be named, or may be incorrectly named.

(f) The City will collect and disburse the District funds, and may contract with non-profit corporations to conduct District activities and programs. The Advisory Board shall manage the service plan and improvements undertaken by the District and shall oversee expenditure of District funds that are to be undertaken by contract with non-profit corporations.

Section VI. Applicability of Tax Code.

To the extent not inconsistent with this Ordinance, and not inconsistent with the PID Act or the other laws governing public improvement districts, the provisions of the Texas Tax Code shall be applicable to the imposition and collection of Assessments by the City.

Section VII. Filing in Land Records.

The City Secretary is directed to cause a copy of this Ordinance, including the Service and Assessment Plan and the Assessment Roll attached thereto, to be recorded in the real property records of Kaufman County. The City Secretary is further directed to similarly file each Annual Service Plan Update approved by the City Council.

Section VIII. Severability.

If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity or any other portion hereof, and all provisions of this ordinance are declared to be severable for that purpose.

Section IX. Effective Date.

This Ordinance shall take effect, and the levy of the Assessments and the provisions and terms of the Service and Assessment Plan shall become effective, upon passage and execution hereof.

PASSED AND APPROVED on the _____th day of _____, 2023

_____

_____, _____

ATTEST:

_____

_____, City Secretary

APPROVED AS TO FORM:

_____

_____, City Attorney

Exhibit A

Service and Assessment Plan

Exhibit B

Authorized Improvements

Exhibit S
TIRZ #2 Agreement Form

TIRZ#2 ECONOMIC DEVELOPMENT AGREEMENT

REINVESTMENT ZONE NUMBER 2, CITY OF TERRELL, TEXAS

TIRZ#2 AGREEMENT

This TIRZ#2 Economic Development Agreement (this "Agreement") is executed between MM Terrell 1098, LLC, a Texas limited liability company (the "Developer"), the City of Terrell (the "City"), a Texas municipal corporation located in the County of Kaufman, Texas, and the Board of Directors of Reinvestment Zone Number 2, City of Terrell, Texas (the "Board"), to be effective August 22nd, 2023 (the "Effective Date"). The City, the Board, and the Developer are individually referred to as a "Party" and collectively as the "Parties." The City and the Board are collectively referred to as the "Public Parties."

RECITALS

WHEREAS, Developer intends to develop or cause to be developed an approximately 1,100-acre parcel of real property in Kaufman County (the "County") that is generally located south of Interstate 20 and both north and south of FM 148, and described by metes and bounds on **Exhibit A** and depicted on **Exhibit B** (the "Property"); and

WHEREAS, the Property is currently located within the City's extraterritorial jurisdiction ("ETJ"); and

WHEREAS, the City and the Developer have entered or will enter into a Development Agreement (the "Development Agreement") simultaneous with the execution and delivery of this Agreement that provides for annexation of the Property not already in the city limits and the Parties agree that this Agreement shall not take effect until such annexation is completed; and

WHEREAS, capitalized terms shall have the meanings given to them in Article 2 of this Agreement, and, if not otherwise defined in Article 2, shall have the meanings given to them in the Agreement; and

WHEREAS, unless otherwise specified, all references to "Section" mean a section of this Agreement; and

WHEREAS, Tax Reinvestment Zone No. 2, City of Terrell, Texas ("TIRZ#2") is a tax increment reinvestment zone created by the governing body of the City (the "City Council") by Ordinance No. 2918, adopted August 23, 2022 ("Ordinance No. 2918"); and

WHEREAS, in addition to creating the TIRZ#2, in Ordinance No. 2981, the City Council has appointed the Board and the City has entered into the County Participation Agreement with Kaufman County regarding TIRZ #2; and

WHEREAS, on October 31, 2022, the Board (i) approved the *Final Project Plan and Final Finance Plan for Reinvestment Zone Number 2, City of Terrell, Texas* (the "Project and Finance Plan") for TIRZ#2 and (ii) recommended approval of the Project and Finance Plan to the City Council; and

WHEREAS, on November 15, 2022, the City Council adopted Ordinance No. 2938 approving the Project and Finance Plan; and

WHEREAS, Section 311.008 of the Act authorizes the City to enter into agreements necessary to implement the Project and Finance Plan and otherwise achieve the purposes of the Project and Finance Plan; and

WHEREAS, the Act authorizes the City to enter into agreements similar to this Agreement that the City and the Board determine to be necessary or convenient to implement the Project and Finance Plan; and

WHEREAS, the Parties intend that TIRZ#2 revenues will fund costs described in the Project and Finance Plan, including the TIRZ Offset, the TIRZ Grant, and/or all of the Project Costs; and

WHEREAS, the liability of the Public Parties under this Agreement is limited to amounts required to be deposited into the Arboretum Estates Fund; and

WHEREAS, the reimbursements provided to the Developer under this Agreement are for the public purposes of: (i) developing and diversifying the economy of the state; (ii) eliminating unemployment and underemployment in the state; (iii) developing and expanding commerce in the state; (iv) stimulating business and commerce within the TIRZ#2; and (v) promoting development and redevelopment within the TIRZ#2; and

WHEREAS, the Public Parties have an interest in creating jobs and expanding the tax base which accomplish a public purpose and create a benefit for the public in Kaufman County; and

WHEREAS, the Parties acknowledge this Agreement constitutes an "obligation" pursuant to Chapter 311, Texas Tax Code; and

WHEREAS, Article III, Section 52-a of the Texas Constitution and Chapter 380 of Texas Local Government Code provide constitutional and statutory authority for establishing and administering the Program (hereinafter defined) to provide grants or incentives of public money to promote local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, Article III, Section 52-a of the Texas Constitution provides that the development and diversification of the economy of the state is a public purpose; and

WHEREAS, the City has found and does hereby find and determine that providing a grant of funds to Developer in exchange for Developer's undertaking of the Development will promote local economic development and stimulate business and commercial activity and create jobs within

the City, and will establish and does establish an economic development program of the City (the "Program"); and

WHEREAS, the City has determined and does hereby determine that the Program will directly establish and meet a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the Program contain or will contain controls to ensure that public purposes are accomplished; and

WHEREAS, the Parties have agreed for the Developer to undertake the Development as defined and set forth in the Development Agreement, and the Development Agreement and documents related to the TIRZ contain controls to ensure a public purpose is accomplished; and

WHEREAS, but for the Developer undertaking the Development, TIRZ#2 would not generate sufficient TIRZ#2 increment to provide the financial assistance to the Developer as set forth in the Project and Finance Plan; and

WHEREAS, pursuant to Section 311.010(h) of the Act, the Board may establish and provide for the administration of one or more programs, including the Program, for the public purposes of developing and diversifying the economy of the zone, eliminating unemployment and underemployment in the zone, and developing or expanding transportation, business, and commercial activity in the zone, including programs to make grants and loans from the tax increment fund of the zone in an aggregate amount not to exceed the amount of the tax increment produced by the municipality and paid into the tax increment fund for the zone for activities that benefit the zone and stimulate business and commercial activity in the zone, and for the purposes of Section 311.010(h) of the Act the Board has all the powers of a municipality under Chapter 380, Texas Local Government Code; and

WHEREAS, capitalized terms used but not defined herein shall have the meanings given to them in the Project and Finance Plan.

NOW THEREFORE, for and in consideration of the mutual benefits and promises of the Parties set forth in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are acknowledged and agreed by the Parties, the Parties agree as follows:

ARTICLE I
OPTION PERIOD

The Parties agree that this Agreement shall not take effect until annexation of all portions of the Property not currently in the city limits pursuant to the Development Agreement is completed. If such binding annexation petition is not completed and provided by the Developer within thirty (30) days of the execution of the Development Agreement, this Agreement shall be null and void for all purposes and the Public Parties shall have no further obligations. If such annexation is not completed within two hundred ten (210) days of the receipt by City of the completed annexation petition due to any action or default by Developer under the Development Agreement, the Public Parties may notify Developer and Developer shall have a period of time established by the City which shall be no less than an additional one hundred twenty (120) days to complete the annexation pursuant to the terms and conditions of the Development Agreement. In the event the Developer then fails to annex the Property, City may unilaterally terminate this

Agreement by written notice and the Agreement shall be null and void for all purposes and the Public Parties shall have no further obligations; provided, however, if Developer's failure to annex is not the result of Developer's actions, Developer shall be granted a reasonable amount of time to complete the annexation so long as Developer is proceeding in good faith and is not the cause of the failure to or delay in annexation.

ARTICLE II
DEFINITIONS

"Arboretum Estates Fund" is defined in Section 3.2.

"Act" is defined in the Recitals.

"Administrative Costs" means the actual administrative costs, including reasonable charges for the time spent by employees of the City in connection with the creation, management, reporting, compliance, and implementation of the Project and Finance Plan.

"Agreement" is defined in the first paragraph hereof.

"Assignee" is defined in Section 4.2.

"Board" is defined in the first paragraph hereof.

"City" means the City of Terrell, Texas, a home-rule municipality of the State of Texas.

"City Council" means the governing body of the City.

"City Representative" means the City Manager or designee.

"City Tax Increment" is defined and regulated in Section 3.3.

"County" means Kaufman County, Texas.

"County Participation Agreement" means the agreement executed by the City and the County on September 6, 2022, and attached hereto as **Exhibit C**.

"County Tax Increment" is defined and regulated in Section 3.3.

"Developer" means MM Terrell 1098, LLC.

"Development Agreement" means that certain Development Agreement related to the Property by and between the City and the Developer.

"District" means that certain Arboretum Estates Public Improvement District to be created by the City, which will include the single-family residential portions of the Property.

"Effective Date" means the effective date of this Agreement, which is _____, 2023.

"Party" is defined in the first paragraph hereof.

"Parties" is defined in the first paragraph hereof.

"Project Costs" are the Administrative Costs and the actual costs of Public Infrastructure, which include, but are not limited to, all costs that may be reimbursed to the Developer under the Project and Finance Plan.

"Project and Finance Plan" means that certain *Final Project Plan and Final Finance Plan for Reinvestment Zone Number 2, City of Terrell*, approved by the Board on October 31, 2022, and approved by the City Council by Ordinance No. 2938, adopted on November 15, 2022.

"Property" is defined in Exhibits A and B.

"Public Infrastructure" has the meaning stated in Section 3.1.

"Public Parties" is defined in the first paragraph hereof.

"Term" means the term of this Agreement, beginning on the Effective Date and continuing for the Term of the TIRZ#2.

"Term of the TIRZ#2" shall mean the date as specified in Section 5 of the TIRZ#2 Ordinance.

"TIRZ#2" means Reinvestment Zone Number 2, City of Terrell, Texas created in by Ordinance No. 2918 adopted by the City Council on August 23, 2022.

"TIRZ#2 Fund" means a tax increment fund created by the City and segregated from all other funds and accounts of the City into which the County Tax Increment and City Tax Increment are deposited.

"TIRZ#2 Ordinance" means Ordinance No. 2918 adopted by the City Council on August 23, 2022.

"TIRZ Offset" means the offset of the District assessments levied upon the single-family residential portion of the Property within the TIRZ on a parcel-by-parcel basis as shown in the District service and assessment plan.

ARTICLE III
SOURCES AND USES OF TIRZ#2 REVENUE

Section 3.1 Creation. Pursuant to and in accordance with the TIRZ Act, the City has created TIRZ#2, which includes both the Property and other land areas not under the ownership of Developer, all such land area being identified in the County Participation Agreement executed on or about September 6, 2022. The City has adopted the Project and Finance Plan, which includes revenues and costs related to this Agreement and revenues and costs not related to this Agreement. The Parties agree that costs in the Project and Finance Plan related to this Agreement are more generally estimated and shown in concept form on the maps in **Exhibit D** ("Public Infrastructure

Phasing Concepts") and preliminary cost estimates are provided in **Exhibit E** ("Current Estimate of Public Infrastructure"). **Exhibit D** and **Exhibit E** are subject to change and additional such facilities may be included. All such facilities shown in concept form in **Exhibit D**, and all final such facilities approved and accepted for public ownership by the City through the final platting process are collectively referred to as the "Public Infrastructure." However, any Public Infrastructure not eligible under state law for TIRZ#2 reimbursement shall be excluded from the term Public Infrastructure. The Parties further agree that the Development Agreement may be used to exclude certain infrastructure projects from eligibility for TIRZ#2 reimbursement.

Section 3.2. TIRZ Fund Accounts. The City shall create multiple subaccounts within the TIRZ#2 Fund ("TIRZ#2 Subaccounts"): one subaccount that corresponds to the Property and other subaccounts that correspond to other land areas within TIRZ#2, in order to identify and allocate the City Tax Increment and County Tax Increment as set forth herein and in the TIRZ#2 Project and Finance Plan. The subaccount attributable to the Property shall be designated the "Arboretum Estates Fund" and shall be further divided between the tax increments collected from the single-family residential and non-single family residential (includes multifamily) portions of the Property. In accordance with the Project and Finance Plan, the tax increment collected from the single-family residential portion of the Property within the TIRZ shall be placed into the "Residential Subaccount" of the Arboretum Estates Fund and the tax increment collected from the non-single family residential portion of the Property (including multifamily development) within the TIRZ shall be placed into the "Commercial Subaccount" of the Arboretum Estates Fund. The monies in the Residential Subaccount of the Arboretum Estates Fund shall be used to fund the Administrative Costs of TIRZ#2, apply the TIRZ Offset, and to fund any other item identified in the Project and Finance Plan and eligible under the Act. The monies in the Commercial Subaccount of the Arboretum Estates Fund shall be used to reimburse the Developer for costs expended on any Public Infrastructure that was not financed through the District. Amounts in each subaccount of the TIRZ#2 Fund shall not be comingled and each subaccount of the TIRZ#2 Fund shall be held separate and apart from all other subaccounts of the TIRZ#2 Fund. The specific terms, allocations, and structure shall be more fully described in the Project and Finance Plan. With the written consent of Developer, and with subsequent approval of the TIRZ#2 Board, additional subaccounts of the Arboretum Estates Fund may be established as needed for administrative or accounting purposes.

Section 3.3. Tax Increment Amounts. The City, in exercising its powers under the TIRZ Act, shall dedicate the following TIRZ#2 revenues generated by the Property and actually received by the City and due (the "City Tax Increment") as follows: eighty percent (80%) of the maintenance and operation tax increment on non-residential development (excludes multifamily) in accordance with the Project and Finance Plan for a period of thirty-six (36) years, and sixty percent (60%) of the maintenance and operation tax increment on single-family residential development and multifamily development, which will be collected by the City in accordance with the Project and Finance Plan. The Parties acknowledge that the County will participate in the TIRZ and contribute sixty percent (60%) of its collected maintenance and operation tax increment generated from the Property for both the residential and non-residential portions for a period of thirty-six (36) years, which will be collected by the County in accordance with the Project and Finance Plan (the "County Tax Increment").

Section 3.4 Administrative Uses. The Parties agree that the first-priority payment of the TIRZ#2 Fund shall be any payment to the City for the Administrative Costs of TIRZ#2. The City shall expend available City Tax Increment and County Tax Increment monies on the Administrative Costs of TIRZ#2 prior to the use of any other funds. These Administrative Cost payments shall be limited to Administrative Costs approved by the TIRZ#2 Board. The Parties further agree that the City shall be entitled to a one-time payment of the first $120,000.00 received from the Arboretum Estates Fund as administrative reimbursement of start-up costs from TIRZ#2 and the first $25,000.00 each year from the Arboretum Estates Fund after the first year, such $25,000 shall be adjusted annually for inflation by the consumer price index. The City shall expend available City Tax Increment and County Tax Increment monies on the Administrative Costs of TIRZ#2 prior to the use of any other funds and prior to transferring any funds to any subaccount.

Section 3.5. TIRZ#2 Revenue. Revenue in the TIRZ#2 Fund may fund any cost eligible for funding identified in the Project and Finance Plan pursuant to the TIRZ Act. Revenue in the Arboretum Estates Fund, or related subaccounts, shall be used as described in Section 4.8 below.

Section 3.6. TIRZ#2 Fund. Commencing on the Effective Date, continuing for the Term of TIRZ#2, and after payment of the Administrative Costs, the City shall cause to be deposited into the Arboretum Estates Fund: (a) the City Tax Increment; and (b) the County Tax Increment. Funds in the Arboretum Estates Fund are attributable to the Property. The City, by entering into this Agreement, approves such transfers to the Arboretum Estates Fund and such reimbursement to the Developer or District of Project Costs of Public Infrastructure that the City Engineer has accepted as complete, and agrees that no additional approvals of such payments are required from the City Council. However, no reimbursement payment to Developer shall be made by the City without an invoice from the Developer with a complete documentation of applicable Project Costs.

Section 3.7. Construction of Public Infrastructure. In conjunction with the development of the Property, the Developer will cause the Public Infrastructure necessary for full development of the Property to be constructed. Prior to construction, the Developer shall make, or cause to be made, application for any neccssary permits and approvals required by the City to be issued for the construction of the Public Infrastructure. The Developer shall require the design, inspection, and supervision of the construction of the Public Infrastructure to be undertaken in accordance with City requirements.

Section 3.8. Priority of Payments.

(a) The City agrees to pay all TIRZ#2 revenues placed into the Residential Subaccount of the Arboretum Estates Fund on a priority basis to:

(i) first, pay the Administrative Costs, then;

(ii) second, pay the TIRZ Offset, then;

(iii) third, any other item identified in the Project and Finance Plan, and eligible under the Act.

(b) The City agrees to pay all TIRZ#2 revenues placed into the Commercial Subaccount of the Arboretum Estates Fund on a priority basis to:

(i) first, reimburse the Developer for all amounts expended to fund public improvements required for full development of the Property, including all of the Public Infrastructure, the costs of which are not reimbursed from the District's net bond proceeds. No reimbursements shall be made absent the submission of a detailed written invoice by the Developer or District to the City clearly identifying the costs incurred and the resulting priority of payments, then;

(ii) second, any other item identified in the Project and Finance Plan, and eligible under the Act.

Section 3.9. Use of Arboretum Estates Fund. The Arboretum Estates Fund shall only be used to pay amounts as set forth in this Agreement, the Project and Finance Plan, and the Act. After payment of the Administrative Costs, and notwithstanding any other provision of this Article III or the Project and Finance Plan, the initial costs to be paid from the Arboretum Estates Fund revenue generated from the Property will be limited to the uses set forth in Section 3.8 above. After such payments under Section 3.8 are funded, and only if there are sufficient Arboretum Estates Fund revenues remaining after such obligations are satisfied, will such excess Arboretum Estates Fund revenues be paid to satisfy other obligations in the Project and Finance Plan.

Section 3.10. Obligations Absolute. The obligation of the Public Parties to use the Arboretum Estates Fund or to make payments, as applicable, as set forth in this Agreement are absolute and unconditional, and the Public Parties shall not suspend or discontinue any deposits into the Arboretum Estates Fund or payments under Section 3.8 as provided for in this Agreement.

Section 3.11. Procedure for Payment. The Developer agrees that, each year before receiving the Arboretum Estates Fund payment from the Commercial Subaccount under subpart (iii) of Section 3.8 above, it shall provide documentation to the City demonstrating that none of the requested payment from the Arboretum Estates Fund has been reimbursed to the Developer from bond proceeds. The Developer will present to the City Representative not more frequently than monthly invoices evidencing expenditures for Project Costs (including supporting documentation and engineering certifications reasonably requested by the City Representative). The City Representative shall review the expenditures and shall approve or deny them on behalf of the Public Parties within thirty (30) business days (which approvals shall not be unreasonably withheld). Invoices that have been approved by the City Representative or that are deemed approved shall be paid to the Developer exclusively from actual revenues of the Commercial Subaccount of the Arboretum Estates Fund within ten (10) business days after the end of the next calendar month, provided funds are available in the Commercial Subaccount of the Arboretum Estates Fund. If no funds are available in the Commercial Subaccount of the Arboretum Estates Fund to pay approved Project Costs, such costs will accrue without interest until paid on a first-in-first-out basis in accordance with the requirements of Section 3.8. The Parties will use all reasonable efforts to resolve disputes within thirty (30) business days, after which time the Developer may pursue its remedies under this Agreement. If the dispute is not resolved within said

thirty (30) business days, then Developer may request that the dispute be submitted to the City Council for resolution, The decision of the City Council shall be final.

Section 3.12. Records. Each Party shall maintain complete books and records showing its compliance with its obligations, its satisfaction of performance criteria for incentives under this Agreement, which books and records shall be deemed complete if kept in accordance with generally acceptable accounting principles. Such books and records shall be available for examination by the duly authorized officers or agents of the inspecting Party during normal business hours upon request made not less than ten (10) business days prior to the date of such examination. Each Party shall maintain such books and records throughout the term of this Agreement. Upon written request by a Party not more than once per year, the Party in receipt of the request shall give the requesting Party access to all records controlled by, or in the direct or indirect possession of, the Party (other than records subject to legitimate claims of attorney-client privilege) relating to that Party's compliance with performance criteria or obligations and permit the inspecting Party to review such records in connection with conducting a reasonable audit of such conditions. Any discrepancy in grant or reimbursement payments found in the audit shall be submitted to the audited Party for review and each Party shall make appropriate adjustment in incentive payments during the next payment period.

Section 3.13. Remaining Balance. Any balance remaining in the Arboretum Estates Fund upon expiration of the Term of the TIRZ#2 that is not otherwise legally committed to any of the payments set forth in Section 3.8 above shall be returned to the City as required by the Act.

ARTICLE IV.
MISCELLANEOUS

Section 4.1 Term. This Agreement shall expire at the end of the Term of the TIRZ#2. This Agreement may also terminate by mutual written agreement of the Parties or by a full reimbursement of Project Costs of City Engineer-accepted Public Infrastructure and a written statement by the Developer that no additional Public Infrastructure will be initiated.

Section 4.2 Assignment. (a) The Developer has the right, from time to time without the consent of the City, but upon written notice to the City, to assign this Agreement, in whole or in part, including any obligation, right, title, or interest of the Developer under this Agreement, to the following (an "Assignee"): (i) any person or entity that is or will become an owner of or who leases any portion of the Property; or (ii) any entity that is controlled by or under common control with the Developer. Each assignment shall be in writing executed by the Developer and the Assignee and shall obligate the Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment shall be provided to the City within 15 days after execution. From and after such assignment and notwithstanding anything to the contrary in this Agreement, the City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that the Developer shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the City within 15 days after execution, the Developer shall not be released until the City receives such assignment. An Assignee shall be considered the "Developer" and a "Party" for the purposes of this Agreement.

(b) The Developer has the right, from time to time without the consent of the City, but upon written notice to the City, to assign any receivables due under this Agreement, in whole or in part, to any person or entity. Each assignment of receivables shall be in writing executed by the Developer and the assignee. A copy of each assignment of receivables shall be provided to the City within 15 days after execution. From and after such assignment and notwithstanding anything to the contrary in this Agreement, the City shall pay any such receivables assigned to the assignee named in such assignment. If a copy of the assignment of receivables is not received by the City within 15 days after execution, the City may pay the Developer and the City shall not be liable to the assignee for any reason and the Developer shall be liable for the payment of all payments made by the City to the Developer of the assigned receivables until the City receives notice of such assignment. Provided, however, that notwithstanding the above, Developer shall be limited to a maximum of six (6) such assignments and any additional assignments after the sixth such assignment shall require the consent of the City.

Section 4.3 Collateral Assignment. The Developer shall have the right to collaterally assign, pledge, or encumber, in whole or in part, to any lender as security for any loan in connection with development within the Property, all rights, title, and interests of the Developer to receive payments under this Agreement. Such collateral assignments (i) shall not require the consent of the Public Parties, (ii) shall require notice to the Public Parties together with full contact information for such lenders, (iii) shall not create any liability for any lender under this Agreement by reason of such collateral assignment unless the lender agrees, in writing, to be bound by this Agreement; and (iv) may give lenders the right, but not the obligation, to cure any failure of the Developer to perform under this Agreement. No collateral assignment shall relieve the Developer from any obligations or liabilities under this Agreement.

Section 4.4. 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 (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given 30 days to perform. If the default cannot reasonably be cured within such 30-day period, and the Party in default has diligently pursued such remedies as shall be reasonably necessary to cure such default, then the non-defaulting Party may, at its sole option, extend the period in which the default must be cured.

Section 4.5. REMEDIES. As compensation for the other party's default, an aggrieved Party is limited to seeking specific performance, or other equitable relief available at law, of the other party's obligations under this Agreement. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL ENTITLE THE AGGRIEVED PARTY TO TERMINATE THIS AGREEMENT AND PREVENT THE DEVELOPER OR THE CITY FROM RECEIVING ANY REIMBURSEMENTS OR PAYMENTS DUE AND OWED TO THE DEVELOPER OR THE CITY UNDER THIS AGREEMENT, ANY ECONOMIC DEVELOPMENT AGREEMENT, ANY REIMBURSEMENT AGREEMENT, OR THE DEVELOPMENT AGREEMENT.

Section 4.6. Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below or on the day actually received if sent by courier or otherwise hand delivered:

To the City: City of Terrell
Attn: City Manager
P. O. Box 310
201 E. Nash Street
Terrell, Texas 75160
E-mail: mikesims@cityofterrell.org

To the Board: Tax Increment Reinvestment Zone Number 2
Attn: Board of Directors
P. O. Box 310
201 E. Nash Street
Terrell, Texas 75160
E-mail: citysecretary@cityofterrell.org

With copy to: City Attorney
Attn: Mary Gayle Ramsey
201 E. Nash Street
Terrell, Texas 75160
E-mail: cityattorney@cityofterrell.org

To the Developer: MM Terrell 1098, LLC
Attn: Mehrdad Moayedi
1800 Valley View Lane, Suite 300
Farmers Branch, Texas 75234
E-mail: c/o jack@centurionamerican.com

With a copy to: Texas Real Estate Law
1800 Valley View Lane, Suite 360
Farmers Branch, Texas 75234
Attn: Travis Boghetich
Email: travis@txreallaw.com

Any Party may designate a different address at any time upon written notice to the other Parties.

Section 4.7. Governing Law and Venue. This Agreement shall be interpreted and the rights of the Parties hereto determined in accordance with the laws of the State of Texas without regard to the conflicts of laws or principles thereto, and venue shall be in the District Court in Kaufman County, Texas.

Section 4.8. Compliance with Laws. The City and Developer shall comply in all material respects with all applicable laws in connection with the development and construction of the Property.

Section 4.9. Entire Agreement; Severability. This Agreement and the Development Agreement constitute the entire agreement between the Parties and supersede all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement

is determined by a court of competent jurisdiction to be unenforceable for any reason, then (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

Section 4.10. Amendment. Except as expressly set forth herein, this Agreement may not be amended or terminated without the written consent of the Parties hereto.

Section 4.11. Waiver. No term or condition of this Agreement shall be deemed to have been waived, nor has there been any estoppel to enforce any provision of this Agreement, except by written instrument of the Party charged with such waiver or estoppel.

Section 4.12. Third-Party Beneficiaries. The District is a third party beneficiary of this Agreement. With the exception of the District, the Parties hereto intend that this Agreement shall not benefit or create any right or cause of action in or on behalf of any third-party beneficiary, or any individual other than the Parties hereto and their permitted assigns.

Section 4.13. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

Section 4.14. Headings. The headings of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

Section 4.15. Draftsmanship and Interpretation. This Agreement shall be deemed drafted equally by all Parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any Party shall not apply. In the event of a dispute or disagreement arising under this Agreement, this Agreement shall be interpreted in accordance with its fair meaning and shall not be interpreted for or against any party on the ground that such party drafted or caused to be drafted this Agreement.

Section 4.16. Conflicts. To the extent there is a conflict between the terms of this Agreement and the TIRZ#2 Ordinance, the terms of the TIRZ#2 Ordinance shall control.

Section 4.17. Employment of Undocumented Workers. To the extent this Agreement constitutes an incentive, 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.

Section 4.18. 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 compliance with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Section 4.19. 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 enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

Section 4.20. 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.

Section 4.21. 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."

Section 4.22. 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 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.

Exhibits to the TIRZ #2 Agreement regarding Arboretum Estates

Exhibit A	Legal Description
Exhibit B	Map of Property
Exhibit C	County Participation Agreement
Exhibit D	Public Infrastructure Phasing Concepts
Exhibit E	Current Estimate of Public Infrastructure

[SIGNATURE PAGES FOLLOW]

EXECUTED this 28th day of July, 2023.

ATTEST:

Name: Dawn Steil

Title: City Secretary

CITY OF TERRELL, TEXAS

By: _____

Name: E. Rick Carmona

Title: Mayor

Date: 7-28-2023

DORA L TREJO
NOTARY PUBLIC
STATE OF TEXAS
MY COMM. EXP. 05/24/25
NOTARY ID 13311876-7

Dora L Trejo

APPROVED AS TO FORM AND LEGALITY:

Name: _____

Greg Shumpert, Assistant City Attorney

REINVESTMENT ZONE NUMBER 2,

CITY OF TERRELL, TEXAS

By: Juan F. Salazar
TIRZ No. 1, 2, 3 & 4, Board Chairman

STATE OF TEXAS §

§

COUNTY OF Kaufman §

This instrument was acknowledged before me on this 28th day of July, 2023 by Juan Salazar, the Board Chairman of the Reinvestment Zone Number 2, City of Terrell, Texas, on behalf of said entity.

DORA L TREJO
NOTARY PUBLIC
STATE OF TEXAS
MY COMM. EXP. 05/24/25
NOTARY ID 13311876-7

Dora L. Trejo
Notary Public - State of Texas

DEVELOPER:

MM Terrell 1098, LLC

a Texas limited liability company

By: MM Terrell 1098, LLC

its Manager

By: _____

Name: Mehrdad Moayedi

Title: Manager

Date: 8/22/2023

STATE OF TEXAS §

§

COUNTY OF DALLAS §

This instrument was acknowledged before me on this 22 day of August, 2023 by Mehrdad Moayedi, the Manager of MM Terrell 1098, LLC, a Texas limited liability company, on behalf of such limited liability company.

ROME BRADLEY BARNES
Notary ID #129140981
My Commission Expires
September 26, 2024

_____

Notary Public - State of Texas

[SEAL]

EXHIBIT A

PROPERTY DESCRIPTION

1,098.59 ACRES

TRACT 1

Being a tract of land situated in the R. Turner survey, Abstract No. 551, the J. Ward survey, Abstract No. 596, the R. Mead survey, Abstract No 316, and the Charles Wilson survey, Abstract No.571, Kaufman County, Texas and being all of the remainder of a called 887.126 acres tract of land (tract 1) described in deed to Terrell 1132 LLC as recorded in Volume 4133, Page 449, official public records, Kaufman County, Texas and being more particularly described herein as follows:

BEGINNING at a ¾ inch pipe found near a fence corner post for an interior corner of said tract 1 and the west corner of a called 59.4917 acres tract of land described in deed to NT148, LLC, Millennium Trust Co., LLC FBO Benjamin Baume IRA, and millennium trust co., LLC Custodian FBO Jeffrey Svendsen SEP IRA as recorded in Volume 6818, Page 258, said official public records;

THENCE south 43 degrees 47 minutes 28 seconds east, with the northeast line of said tract 1 and the southwest line of said millennium tract, along and near a fence, a distance of 2,414.92 feet to a ½ inch rod capped "Petitt 4087" found for an angle point corner;

THENCE south 39 degrees 08 minutes 45 seconds east, continuing with the northeast line of said tract 1 and the southwest line of said millennium tract, along and near a fence, a distance of 347.24 feet to a 5/8 inch iron rod with the plastic cap stamped "PLS, INC" (typical) set for an angle point corner;

THENCE south 45 degrees 41 minutes 02 seconds east, continuing with the northeast line of said tract 1 and the southwest line of said millennium tract, along and near a fence, passing the south corner of said millennium tract, and continuing along said course, passing at a distance of 1,327.21 feet a 60d nail found for the south corner of a called 49.47 acres tract of land described in deed to Kaufman holdings, LLC as recorded in Volume 3361, Page 405, official records, Kaufman County, Texas and the west corner of a called 69.500 acres tract of land described in deed to Alejandro games, jr. And Nancy Delcamp Gamez as recorded in Volume 5078, Page 321, said official records, and continuing along said course, passing the south corner of said tract 1 and an ell corner of a called 189.998 acres tract of land described in deed to Norman n. Huneycutt and Janet r. Huneycutt, trustees of the amended and restated Huneycutt family trust as recorded in Volume 3764, Page 407, said official records;

THENCE south 44 degrees 51 minutes 16 seconds west, with the southeast line of said tract 1 and the northwest line of said Huneycutt tract, along and near a fence, a distance of 2,268.35 feet to a 5/8 inch iron rod set for the east corner of a called 10.019 acres tract of land described in deed to Jennifer d. Harrell as recorded in Volume 2985, Page 570, said official records;

THENCE south 44 degrees 51 minutes 16 seconds west, with the southeast line of said tract 1 and the northwest line of said Huneycutt tract, along and near a fence, a distance of 2,268.35 feet to a 5/8 inch iron rod set for the east corner of a called 10.019 acres tract of land described in deed to Jennifer d. Harrell as recorded in Volume 2985, Page 570, said official records;

THENCE north 45 degrees 09 minutes 05 seconds west, with the northeast line of said Harrell tract, a distance of 662.54 feet to a 5/8 inch iron rod set for the north corner of said Harrell tract;

THENCE south 44 degrees 38 minutes 03 seconds west, with the northwest line of said Harrell tract, a distance of 660.00 feet to a 5/8 inch iron rod set for the west corner of said Harrell tract;

THENCE south 45 degrees 09 minutes 05 seconds east, with the southwest line of Harrell tract, a distance of 660.00 feet to a 5/8 inch iron rod set for the west corner of said Harrell tract;

THENCE south 45 degrees 09 minutes 05 seconds east, with the southwest line of said Harrell tract, a distance of 660.00 feet to a 5/8 inch iron rod set to the southeast line of said tract 1 and the northwest line of a called 154.91 acres tract of land described in deed to jerry l. Wade and wife, Raelyn Wade as recorded in Volume 1061, Page, 770, real property records, Kaufman County, Texas for the south corner of said Harrell tract;

THENCE south 44 degrees 51 minutes 16 seconds west, with the southeast line of said tract 1 and the northwest line of said wade tract, a distance of 253.73 feet to a ½ inch iron rod capped "Petitt 4087" found for corner;

THENCE south 42 degrees 54 minutes 18 seconds west, continuing with the southeast line of said tract 1 and the northwest line of said tract, a distance of 766.51 feet to a ¾ inch iron pipe found for the west corner of said wade tract and the north corner of a called 171.363 acres tract of land described in deed to timothy r. Holt, D.V.M. as recorded in Volume 2371, Page 64, said official records;

THENCE south 44 degrees 29 minutes 35 seconds west, continuing with the southeast line of said tract 1, a distance of 1,062.06 feet to a ½ inch iron rod capped "Pettit 4087' found for the south corner of said tract 1;

THENCE north 46 degrees 16 minutes 01 seconds west, with the southwest line of said tract 1 and the northeast line of said third installment, a distance of 1,210.06 feet to a 5/8 inch iron rod set for the north corner of said third installment and the east corner of south ridge addition – second installment as recorded in Volume 1, Page 755, said plat records;

THENCE north 45 degrees 36 minutes 32 seconds west, with the southwest line of said tract 1 and the northeast line of said second installment, passing the north corner of said second installment and the east corner of the south ridge addition – first installment as recorded in Volume 1, Page 728, said plat records, and continuing along said course, a distance of 2,138.22 feet to a 5/8 inch iron rod set in the southeast line of FM 148 (a public road) for the west corner of said tract 1 and the north corner of said first installment;

THENCE with the northwest line of said tract 1, along the southeast line of said FM 148, the following seven (7) courses and distances:

1. North 44 degrees 11 minutes 59 seconds east, a distance of 1,368.09 feet to a 4 inch concrete monument found for corner;

2. North 44 degrees 26 minutes 42 seconds east, a distance of 2,206.40 feet to a 4 inch concrete monument found for corner;

3. North 44 degrees 36 minutes 14 seconds east, a distance of 1,393.91 feet to a 4 inch concrete monument found for corner;

4. North 44 degrees 20 minutes 24 seconds east, a distance of 1,273.80 feet to a 4 inch concrete monument found at the beginning of a curve to the right having radius of 370.24 feet;

5. Northeasterly, along the arc of said curve, a distance of 311.07 feet with a delta angle of 48 degrees 08 minutes 20 seconds, a chord bearing of north 68 degrees 23 minutes 57 seconds east, and a chord distance of 302.00 feet to a 4 inch concrete monument found for corner;

6. South 87 degrees 29 minutes 30 seconds east, a distance of 585.65 feet to a 4 inch concrete monument found at the beginning of a curve to the left having a radius of 560.87 feet;

7. Northeasterly, along the arc of said curve, a distance of 191.96 feet with a delta angle of 19 degrees 36 minutes 34 seconds, a chord bearing of north 82 degrees 41 minutes 48 seconds east, and a chord distance of 191.02 feet to a ½ inch iron rod capped "Petitt 4087" found for the north corner of said tract 1;

8. THENCE south 21 degrees 27 minutes 31 seconds east, with a northeast line of said tract 1, a distance of 59.29 feet to a 5/8 inch iron rod set in the northwest line of said millennium tract for an angle corner of said tract 1;

9. THENCE south 42 degrees 32 minutes 49 seconds west, with a southeast line of said tract 1, a distance of 59.29 feet to a 5/8 inch iron rod set in the northwest line of said millennium tract for an angle corner of said tract 1;

10. THENCE south 42 degrees 32 minutes 49 seconds west, with a southeast line of said tract 1 and the northwest line of said millennium tract, a distance of 460.60 feet to the point of beginning and containing, within the metes and bounds herein recited, 877.143 acres of land, more or less.

SAVE AND EXCEPT all of a called 10.006 acres tract of land described in deed to I-Ming Chee as recorded in Volume 2943, Page 612, official records, Kaufman County, Texas, and being more particularly described herein as follows:

BEGINNING at a 5/8 inch iron rod with plastic cap stamped "PLS, INC" (typical) set for north corner of said Chee tract, from which a ¾ inch pipe found for an interior corner of said tract 1 bears north 17 degrees 33 minutes 15 seconds west, a distance of 3,054.81 feet, said corner being in a curve to the left having a radius of 5,280.00 feet;

THENCE with the easterly line of said Chee tract, the following three (3) courses and distances:

1. Southeasterly, along the arc of said curve, a distance of 270.05 feet with a delta angle of 2 degrees 55 minutes 50 seconds, a chord bearing of south 57 degrees 27 minutes 01 seconds east, and a chord distance 270.02 feet to a 5/8 inch iron rod set at the beginning of a curve to the right having a radius of 827.58 feet;

2. Southeasterly, along the arc of said curve, a distance of 1,029.50 feet with a delta angle of 71 degrees 16 minutes 31 seconds, a chord bearing of south 14 degrees 24 minutes 10 seconds east, and a chord distance of 964.39 feet to a 5/8 inch iron rod set for corner;

3. South 21 degrees 14 minutes 06 seconds west, a distance of 373.32 feet to a 5/8 inch iron rod set for the south corner of said Chee tract, from which a 3 inch steel fence corner post found for the east corner of said tract 1 bears north 75 degrees 05 minutes 04 seconds east, a distance of 2,455.74 feet, said corner being in a curve to the left having a radius of 895.00 feet;

THENCE with the westerly line of said Chee tract, the following four 940 courses and distances:

1. Northerly, along the arc of said curve, a distance of 268.19 feet with a delta angle of 17 degrees 10 minutes 09 seconds, a chord bearing of north 03 degrees 47 minutes 29 seconds west, and a chord distance of 267.19 feet to a 5/8 inch iron rod set at the beginning of a curve to the right having a radius of 1,704.45 feet;

2. Northwesterly, along the arc of said curve, a distance of 446.03 feet with a delta angle of 28 degrees 34 minutes 16 seconds, a chord bearing of north 26 degrees 39 minutes 10 seconds west, and a chord distance of 441.42 feet to a 5/8 inch iron rod set at the beginning of a curve to the right having a radius of 1,704.45 feet;

3. Northwesterly, along the arc of said curve, a distance of 470.65 feet with a delta angle of 15 degrees 49 minutes 16 seconds, a chord bearing of north 33 degrees 01 minutes 26 seconds west, and a chord distance of 469.16 feet to a 5/8 inch iron rod set for corner;

4. North 20 degrees 27 minutes 32 seconds east, a distance of 397.95 feet to the point of beginning and containing, within the metes and bounds herein recited, 10.006 acres of land, more or less.

TRACT 2

Being a tract of land situated in the j. Stephenson survey, Abstract No. 452, the j. Ward survey, Abstract No. 596, and the r. Turner survey, Abstract No. 551, Kaufman County, Texas and being all of a called 231.430 acres tract of land (tract 2) described in deed to Terrell 1132 LLC as recorded in Volume 4133, Page 449, official public records, Kaufman County, Texas, and being more particularly described herein as follows:

BEGINNING at a 5/8 inch iron rod capped "Petitt" found in the southeast right-of-way line if interstate 20 (a called variable width R.O.W.) for the west corner of said tract 2 and the north corner of a called 15.332 acres tract of land described in deed to the James E. Bates and Kathy L. Bates revocable living trust as recorded in Volume 4255, Page 577, said official public records;

THENCE with the northwest line of said tract 2 and the southeast line of said interstate 20, the following four (4) courses and distances:

1. North 60 degrees 09 minutes 54 seconds east, a distance of 498.99 feet to a 4 inch concrete monument found for the corner;
2. North 54 degrees 52 minutes 35 seconds east, a distance of 614.62 feet to a 4 inch concrete monument found for corner;
3. North 51 degrees 15 minutes 18 seconds east, a distance of 550.73 feet to a 4 inch concrete monument found for corner;
4. North 54 degrees 20 minutes 15 seconds east, a distance of 1,450.00 feet to a 5/8 inch iron rod with plastic cap stamped "PLS, INC" (typical) set for the west corner of a called 0.526 acre TxDOT proposed right-of-way tract;

THENCE with the southeast line if said 0.526 acre tract, the following three (3) courses and distances:

1. North 71 degrees 02 minutes 30 seconds east, a distance of 209.04 feet to a 5/8 inch iron rod set for corner;
2. North 54 degrees 18 minutes 55 seconds east, a distance of 125.00 feet to a 5/8 inch iron rod set for corner;
3. North 45 degrees 57 minutes 59 seconds east, a distance of 309.92 feet to a 5/8 inch iron rod set in said southwest line of said interstate 20 for the east corner of said 0.526 acre tract

THENCE with the northwest line of said tract 2 and the southeast line of said interstate 20, the following three (3) courses and distances:

1. North 57 degrees 21 minutes 50 seconds east, a distance of 268.64 feet to a 5/8 inch iron rod set for corner;
2. North 54 degrees 21 minutes 11 seconds east, a distance of 799.24 feet to a 5/8 inch iron rod set for corner;
3. North 52 degrees 44 minutes 07 seconds east, a distance of 342.20 feet to a 5/8 inch iron rod set for the west corner of a called 0.799 acre txdot proposed right-of-way tract;

THENCE with the southeast line of said 0.799 acre tract, the following four (4) courses and distances:

1. North 54 degrees 19 minutes 38 seconds east, a distance of 1308.68 feet to a 5/8 inch iron rod set for corner;
2. North 60 degrees 02 minutes 16 seconds east, a distance of 100.50 feet to a 5/8 inch iron rod set for corner;
3. North 54 degrees 19 minutes 38 seconds east, a distance of 54.44 feet to a 5/8 inch iron rod set for corner at the beginning of a curve to the right having a radius of 5,499.58 feet;

4. Northeasterly, along the arc of said curve, a distance of 362.13 feet with a delta angle of 3 degrees 46 minutes 22 seconds, a chord bearing of north 56 degrees 12 minutes 49 seconds east, and a chord distance of 362.07 feet to a 5/8 inch iron rod set in the northwest line of said tract 2 and the west line of a called 30.594 acres tract bears north 45 degrees 18 minutes 27 seconds west, a distance of 31.71 feet;

THENCE south 45 degrees 18 minutes 27 seconds east, with the northeast line of said tract 2 and the southeast line of said fm148 tract, a distance of 1,051.92 feet to a 60d nail found at an 8 inch wood fence corner post for the south corner of said FM 148 tract and the west corner of the Gibson Subdivision No. 1 as recorded in Volume 1, Page 202, plat records, Kaufman County, Texas;

THENCE south 45 degrees 08 minutes 24 seconds east, with the northeast line of said tract 2 and the southwest line of said Gibson Subdivision, a distance of 436.71 feet to a ½ inch iron rod found in the northwest line of FM 148 (a public road) for the east corner of said tract 2 and the south corner of said Gibson Subdivision;

THENCE with the southeast line of said tract 2, along the northwest line of said FM 148, the following eight (8) courses and distances:

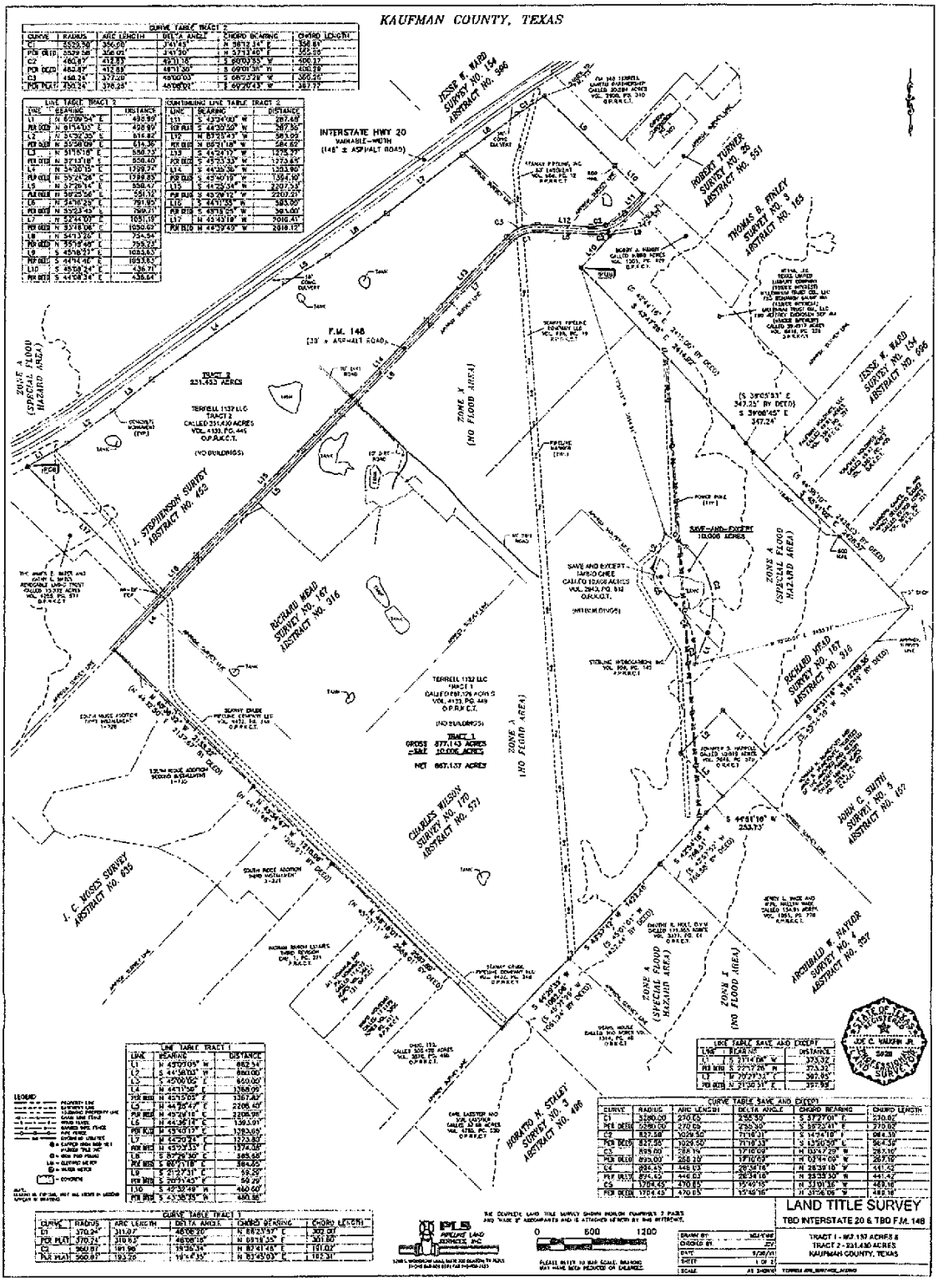
1. South 43 degrees 34 minutes 00 seconds west, a distance of 287.68 feet to a 4 inch concrete monument found at the beginning of a curve to the right having a radius of 480.87 feet;
2. Southwesterly, along the arc of said curve, a distance of 412.83 feet with a delta angle of 49 degrees 11 minutes 18 seconds, a chord bearing of south 68 degrees 03 minutes 55 seconds west, and a chord distance of 400.27 feet to a 4 inch concrete monument found for corner;
3. North 87 degrees 26 minutes 43 seconds west, a distance of 583.09 feet to a 4 inch concrete monument
4. Southwesterly, along the arc of said curve, a distance of 377.20 feet with a delta angle of 48 degrees 00 minutes 03 seconds, a chord bearing of south 68 degrees 23 minutes 29 seconds west, and a chord distance of 366.26 feet to a 4 inch concrete monument found for corner;
5. South 44 degrees 24 minutes 17 seconds west, a distance of 1,275.27 feet to a 4 inch concrete monument found for corner;
6. South 44 degrees 35 minutes 36 seconds west, a distance of 1,393.96 feet to a 4 inch concrete monument found for corner;
7. South 44 degrees 25 minutes 34 seconds west, a distance of 2,207.53 feet to a 4 inch concrete monument found for corner;
8. South 44 degrees 11 minutes 35 seconds west, a distance of 593.09 feet to a railroad-tie fence corner post found for the south corner of said tract 2 and the east corner of said bates tract;

THENCE north 45 degrees 43 minutes 19 seconds west, with the southwest line of said tract 2 and the northeast line of said bates tract, a distance of 2,016.41 feet to the point of beginning and containing, within the metes and bounds herein recited, 230.149 acres of land, more or less.

EXHIBIT B

MAP OF PROPERTY

[See attached]


KAUFMAN COUNTY, TEXAS
INTERSTATE HWY 20
VARIABLE-WIDTH
(148' ± ASPHALT ROAD)
F.M. 148
(33' ± ASPHALT ROAD)
TRACT 2
221.433 ACRES
TERRELL 1137 LLC
TRACT 2
CALLED 221.430 ACRES
VOL. 4133, PG. 445
O.P.R.K.C.T.
(NO BUILDINGS)
TRACT 1
GROSS 877.143 ACRES
- SAVE AND EXCEPT 10.006 ACRES
NET 867.137 ACRES
TERRELL 1137 LLC
TRACT 1
CALLED 878.126 ACRES
VOL. 4133, PG. 449
O.P.R.K.C.T.
(NO BUILDINGS)
SAVE-AND-EXCEPT
10.006 ACRES
SAVE AND EXCEPT
1.810 ACRE
CALLED 10.006 ACRES
VOL. 3943, PG. 938
O.P.R.K.C.T.
(NO BUILDINGS)
ZONE A
(SPECIAL FLOOD HAZARD AREA)
ZONE X
(NO FLOOD AREA)
JESSE F. WARD SURVEY NO. 154 ABSTRACT NO. 566
ROBERT TURNER SURVEY NO. 155 ABSTRACT NO. 551
THOMAS B. FINLEY SURVEY NO. 165 ABSTRACT NO. 165
J. STEPHENSON SURVEY ABSTRACT NO. 405
RICHARD MEAD SURVEY NO. 167 ABSTRACT NO. 316
CHARLES WILSON SURVEY NO. 170 ABSTRACT NO. 571
J. C. MOSS SURVEY ABSTRACT NO. 635
JOHN C. SUTH SURVEY NO. 1 ABSTRACT NO. 157
ARCHIBALD K. TAYLOR SURVEY NO. 1 ABSTRACT NO. 557
BONITO N. STALEY SURVEY NO. 3 ABSTRACT NO. 496
(S 39°05'31" E 347.25' BY DEED)
S 39°06'45" E 347.24'
S 44°51'10" E 253.73'
(S 44°51'10" E 1095.08' BY DEED)
1095.24' BY MEAS)
(S 45°51'09" W 3161.76' BY DEED)
S 45°51'09" W 3161.76'
(S 45°51'09" W 2766.58' BY DEED)
(N 45°51'09" E 2766.58' BY DEED)
(N 45°51'09" E 2766.58' BY DEED)
(S 45°51'09" W 2766.58' BY DEED)
(S 45°51'09" W 1452.41' BY DEED)
S 45°51'09" W 1452.41'
(S 45°51'09" W 1452.41' BY DEED)
(S 45°51'09" W 1452.41' BY DEED)
(S 45°51'09" W 1452.41' BY DEED)

PROPERTY DESCRIPTION - TRACT 1

Being a tract of land situated in the A. Bonner Survey, Abstract No. 231, the A. Ward Survey, Abstract No. 245, the H. Ward Survey, Abstract No. 246, and the Charles Ward Survey, Abstract No. 115, Kaufman County, Texas and being all of the remainder of a called 853.66 acre tract of land (Tract 1) described in Deed to Total 1020 LLC as recorded in Volume 4133, Page 449, Official Public Records, Kaufman County, Texas, and being more particularly described hereto as follows:

BEGINNING at a 5/8 inch iron rod found near a brass corner post for an interior corner of said Tract 1 and the most corner of a called 86.4977 acre tract of land described in Deed to Atrium, LLC, Alexander Land Co., LLC, TBG Rockwall Bound 99, and Millennium Twin Co., LLC Controlled FBO Jeffrey Bandeen SDP #1 as recorded in Volume 5816, Page 258, said Official Public Records;

THENCE South 43 degrees 07 minutes 29 seconds East, with the northeast line of said Tract 1 and the Southwest line of said Millennium tract, along said near a fence, a distance of 2413.97 feet to a 5/8 inch iron rod with plastic cap stamped "RLS, INC"(typical) set for an angle point corner;

THENCE South 46 degrees 41 minutes 27 seconds East, continuing with the Northeast line of said Tract 1 and the Southwest line of said Millennium tract, along and near a fence, passing the South corner of said Millennium tract, and continuing along said course, passing at a distance of 1,327.21 feet a 5/8" inch iron rod for the South corner of a called 69.47 acres tract of land described in Deed to Atrium Holdings, LLC as recorded in Volume 2341, Page 103, Official Records Kaufman County Texas and the West corner of a called 69.500 acres tract of land described in Deed to Alexander Service, II, and Susan Catherman Carrol as recorded in Volume 2078, Page 223, said Official Records, and continuing along said course, passing the South corner of said Carrol tract, for a total distance of 2,436.27 feet to a 2 inch steel fence corner post found for the most Southerly East corner of said Tract 1 and an ell corner of a called 386.868 acres tract of land described in Deed to Harmon H. Rungwald and Janet M. Rungwald, Trustees of the amended and restated Rungwald Family Trust as recorded in Volume 3781, Page 107, said Official Records;

THENCE South 44 degrees 21 minutes 36 seconds West, with the Southeast line of said Tract 1 and the Northwest line of said Rungwald tract, along and near a fence, a distance of 2,246.26 feet to a 5/8 inch iron rod set for the East corner of a called 10.016 acres tract of land described in Deed to Jonathan A. Ingram as recorded in Volume 2888, Page 510, said Official Records;

THENCE North 45 degrees 09 minutes 09 seconds West, with the Northeast line of said Ingram tract, a distance of 697.84 feet to a 5/8 inch iron rod set for the North corner of said Ingram tract;

THENCE South 44 degrees 28 minutes 23 seconds West, with the Northwest line of said Ingram tract, a distance of 1430.83 feet to a 5/8 inch iron rod set for the West corner of said Ingram tract;

THENCE South 45 degrees 09 minutes 09 seconds East, with the Southwest line of said Ingram tract, a distance of 1430.83 feet to a 5/8 inch iron rod set in the Southeast line of said Tract 1 and the Old Forney line of a called 104.81 acres tract of land described in Deed to Jerry L. Reed and wife, Marilyn Wade as recorded in Volume 1081, Page 778, Real Property Records, Kaufman County, Texas for the South corner of said Ingram tract;

THENCE South 44 degrees 28 minutes 16 seconds West, with the Southeast line of said Tract 1 and the Northwest line of said Reed tract, a distance of 2565.12 feet to a 1/2 inch iron rod found for the West corner of said Reed tract and the North corner of a called 171.343 acre tract of land described in Deed to Forney, L. Ltd., D.F.W. as recorded in Volume 2317, Page 81, said Official Records;

THENCE South 43 degrees 27 minutes 42 seconds West, continuing with the Southeast line of said Tract 1 and the Northwest line of said Ltd. tract, a distance of 1,502.12 feet to a 5/8 inch iron found for the West corner of said Ltd. tract and the North corner of a called 100 acres tract of land described in Deed to Cora Moore as recorded in Volume 124, Page 48, said Official Records;

THENCE South 44 degrees 29 minutes 36 seconds West, continuing with the Southeast line of said Tract 1, a distance of 1,382.06 feet to a 1/2 inch iron rod marked "PERRY 4967" found for the South corner of said Tract 1;

THENCE North 45 degrees 15 minutes 21 seconds West, with the Southwest line of said Tract 1, a distance of 1,294.79 feet to a 5/8 inch iron rod found for the North corner of Lagrain Ranch Estates - Tribe Subdivision as recorded in Volume 2, Page 271, P.R., Kaufman, Kaufman County, Texas and the East corner of South Rose Addition - Third Installment as recorded in Volume 2, Page 321, said Plat Records;

THENCE North 43 degrees 34 minutes 41 seconds West, with the Southwest line of said Tract 1 and the Northeast line of said South Rose Addition, a distance of 1,218.86 feet to a 5/8 inch iron rod set for the North corner of said Third Installment and the East corner of South Rose Addition - Second Installment as recorded in Volume 2, Page 353, said Plat Records;

THENCE North 43 degrees 39 minutes 23 seconds West, with the Southwest line of said Tract 1 and the Northeast line of said Second Installment, passing at a point the North corner of said Second Installment and the East corner of South Rose Addition - First Installment as recorded in Volume 2, Page 328, said Plat Records, and continuing along said course, a distance of 2,136.52 feet to a 5/8 inch iron rod set in the Southeast line of F.M. 148 (a public road) for the West corner of said Tract 1 and the North corner of said First Installment;

THENCE with the Northeast line of said Tract 1, along the Southwest line of said F.M. 148, the following seven (7) courses and distances:

1. North 44 degrees 11 minutes 39 seconds East, a distance of 1,349.89 feet to a 4 inch concrete monument found for corner;

2. North 45 degrees 28 minutes 42 seconds East, a distance of 2,232.40 feet to a 4 inch concrete monument found for corner;

3. North 44 degrees 36 minutes 11 seconds East, a distance of 1,332.91 feet to a 4 x 12 concrete monument found for corner;

4. North 44 degrees 52 minutes 24 seconds East, a distance of 1,673.80 feet to a 4 inch concrete monument found at the beginning of a curve to the right having a radius of 2764.51 feet;

5. Northeasterly, along the arc of said curve, a distance of 291.97 feet with a delta angle of 06 degrees 08 minutes 20 seconds, a chord bearing of North 56 degrees 23 minutes 51 seconds East, and a chord distance of 305.00 feet to a 4 inch concrete monument found for corner;

6. South 67 degrees 59 minutes 31 seconds East, a distance of 355.86 feet to a 4 inch concrete monument found at the beginning of a curve to the left having a radius of 5822.97 feet;

7. Northeasterly, along the arc of said curve, a distance of 141.55 feet with a chord angle of 10 degrees 36 minutes 24 seconds, a chord bearing of North 83 degrees 41 minutes 46 seconds East, and a chord distance of 141.55 feet to a 1/2 inch iron rod found "PERRY 4967" found for the North corner of said Tract 1;

THENCE South 21 degrees 33 minutes 33 seconds East, with a Northeast line of said Tract 1, a distance of 99.23 feet to a 5/8 inch iron rod set in the Northwest line of said Millennium tract for an angle corner of said Tract 1;

THENCE South 43 degrees 16 minutes 49 seconds West, with a Southeast line of said Tract 1 and the Northwest line of said Millennium tract, a distance of 668.60 feet to the **POINT OF BEGINNING** and containing, within the metes and bounds herein recited, 877.142 acres of land, more or less.

SAVE AND EXCEPT all of a called 13.000 acre tract of land described in Deed to Linda Dean as recorded in Volume 3943, Page 411, Official Records, Kaufman County, Texas, and being more particularly described hereto as follows:

BEGINNING at a 5/8 inch iron rod with yellow cap stamped "RLS, INC"(typical) set in the North corner of said Dean tract, from which a 5/8 inch iron found for an interior corner of said Tract 1 bears North 17 degrees 33 minutes 33 seconds West, a distance of 2,006.81 feet, said corner being at a curve to the left having a radius of 5,789.00 feet;

THENCE with the Easterly line of said Dean tract, the following three (3) courses and distances:

1. Southeasterly, along the arc of said curve, a distance of 348.10 feet with a delta angle of 3 degrees 26 minutes 30 seconds, a chord bearing of South 34 degrees 27 minutes 57 seconds East, and a chord distance of 348.04 feet to a 5/8 inch iron rod set at the beginning of a curve to the right having a radius of 321.26 feet;

2. Southwesterly, along the arc of said curve, a distance of 1,916.50 feet with a delta angle of 341 degrees 31 minutes 31 seconds, a chord bearing of South 11 degrees 34 minutes 10 seconds East, and a chord distance of 1,916.50 feet to a 5/8 inch iron rod set for corner;

3. South 21 degrees 18 minutes 05 seconds West, a distance of 372.32 feet to a 5/8 inch iron rod set for the South corner of said Dean tract, from which a 5 inch steel fence corner post found for the East corner of said Tract 1 bears North 73 degrees 03 minutes 04 seconds East, a distance of 2,483.74 feet, said corner being in a curve to the left having a radius of 670.00 feet;

THENCE with the Westerly line of said Dean tract, the following four (4) courses and distances:

1. Northerly, along the arc of said curve, a distance of 368.16 feet with a delta angle of 31 degrees 29 minutes 09 seconds, a chord bearing of North 04 degrees 57 minutes 29 seconds West, and a chord distance of 363.58 feet to a 5/8 inch iron rod set at the beginning of a curve to the left having a radius of 894.10 feet;

2. Northwesterly, along the arc of said curve, a distance of 449.03 feet with a delta angle of 28 degrees 46 minutes 44 seconds, a chord bearing of North 25 degrees 38 minutes 16 seconds West, and a chord distance of 444.42 feet to a 5/8 inch iron rod set at the beginning of a curve to the right having a radius of 1,764.13 feet;

3. Northwesterly, along the arc of said curve, a distance of 470.65 feet with a delta angle of 15 degrees 49 minutes 15 seconds, a chord bearing of North 33 degrees 01 minutes 39 seconds West, and a chord distance of 469.16 feet to a 5/8 inch iron rod set for corner;

4. North 25 degrees 27 minutes 01 seconds East, a distance of 397.82 feet to the **POINT OF BEGINNING** and containing, within the metes and bounds herein recited, 16.859 acres of land, more or less, leaving a net acreage of 857.157 acres of land, more or less

PROPERTY DESCRIPTION - TRACT 2

Being a tract of land situated in the A. Stephenson Survey, Abstract No. 432, the J. Ward Survey, Abstract No. 466, and the B. Turner Survey, Abstract No. 501, Kaufman County, Texas and being all of a called 231.430 acre tract of land (Tract 2) described in Deed to Total 1020 LLC as recorded in Volume 4133, Page 449, Official Public Records, Kaufman County, Texas, and being more particularly described hereto as follows:

BEGINNING at a 5/8 inch iron rod marked "PLOTT" found in the South Right-of-Way line of Interstate 20 (a variable width R.O.W.) for the East corner of said Tract 2 and it's South corner of a called 10.228 acre tract of land described in Deed to The Jamie C. Bishop and Kathy L. Bishop Revocable Living Trust as recorded in Volume 4253, Page 317, Kaufman County, Texas, also being in the Northwest line of said Tract 1 and the Southwest line of said Millennium Tract;

THENCE with the Northwest line of said Tract 2 and the Southeast line of said Interstate 20, the following nine (9) courses and distances:

1. North 43 degrees 09 minutes 34 seconds East, a distance of 998.98 feet to a 4 inch concrete monument found for corner;

2. North 54 degrees 52 minutes 28 seconds East, a distance of 814.53 feet to a 4 inch concrete monument found for corner;

3. North 51 degrees 19 minutes 19 seconds East, a distance of 308.21 feet to a 4 inch concrete monument found for corner;

4. North 54 degrees 33 minutes 15 seconds East, a distance of 1,199.74 feet to a 4 inch concrete monument found for corner;

5. North 52 degrees 36 minutes 18 seconds East, a distance of 388.47 feet to a 4 inch concrete monument found for corner;

6. North 54 degrees 16 minutes 25 seconds East, a distance of 799.93 feet to a 4 inch concrete monument found for corner;

7. North 52 degrees 46 minutes 07 seconds East, a distance of 1,091.98 feet to a 4 inch concrete monument found for corner;

8. North 54 degrees 33 minutes 35 seconds East, a distance of 754.24 feet to a 4 inch concrete monument found at the beginning of a curve to the right having a radius of 5,654.58 feet;

9. Northeasterly, along the arc of said curve, a distance of 324.68 feet with a delta angle of 3 degrees 17 minutes, a chord bearing of North 56 degrees 12 minutes 34 seconds East, and a chord distance of 324.91 feet to a 5/8 inch iron rod found for the North corner of said Tract 2 and the West corner of a called 20.000 acre tract of land described in Deed to the Ted Hanna Lovelace Partnership as recorded in Volume 3826, Page 342, said Official Public Records;

THENCE South 43 degrees 10 minutes 27 seconds East, with the Northeast line of said Tract 2 and the Southwest line of said 20.000 acre tract, a distance of 1,628.63 feet to a 5/8 inch found iron rod for the South corner of said 20.000 acre tract and the West corner of the Chase Subdivision No. 1 as recorded in Volume 1, Page 202, Plat Records, Kaufman County, Texas;

THENCE South 43 degrees 08 minutes 54 seconds East, with the Northeast line of said Tract 2 and the Southwest line of said Chase Subdivision, a distance of 638.76 feet to a 5/8 inch iron rod found in the Northwest line of F.M. 148 (a public road) for the East corner of said Tract 2 and the South corner of said Chase Subdivision;

THENCE with the Northeast line of said Tract 2, along the Northwest line of said F.M. 148, the following eight (8) courses and distances:

1. South 43 degrees 37 minutes 08 seconds West, a distance of 197.88 feet to a 4 inch concrete monument found at the beginning of a curve to the right having a radius of 1,482.97 feet;

2. Southwesterly, along the arc of said curve, a distance of 417.83 feet with a delta angle of 49 degrees 31 minutes 18 seconds, a chord bearing of South 63 degrees 03 minutes 39 seconds West, and a chord distance of 405.27 feet to a 4 inch concrete monument found for corner;

3. South 27 degrees 29 minutes 13 seconds West, a distance of 1,153.08 feet to a 4 inch concrete monument found at the beginning of a curve to the left having a radius of 1,952.31 feet;

4. Southeasterly, along the arc of said curve, a distance of 377.72 feet with a delta angle of 10 degrees 50 minutes 53 seconds, a chord bearing of South 22 degrees 53 minutes 26 seconds West, and a chord distance of 377.18 feet to a 4 inch concrete monument found for corner;

5. South 41 degrees 24 minutes 17 seconds West, a distance of 1,776.37 feet to a 4 inch concrete monument found for corner;

6. South 44 degrees 25 minutes 36 seconds West, a distance of 1,253.88 feet to a 4 inch concrete monument found for corner;

7. South 44 degrees 21 minutes 34 seconds West, a distance of 2,387.53 feet to a 4 inch concrete monument found for corner;

8. South 45 degrees 31 minutes 35 seconds West, a distance of 89.39 feet to a railroad-tie found corner post found for the South corner of said Tract 2 and the East corner of said Dallas tract;

THENCE North 43 degrees 11 minutes 11 seconds West, with the Southwest line of said Tract 2 and the Northeast line of said Dallas tract, a distance of 2,004.91 feet to the **POINT OF BEGINNING** and containing within the metes and bounds herein recited, 231.451 acres of land, more or less.

TITLE REPORT NOTE

THIS SURVEY WAS PREPARED WITH THE BENEFIT OF A CURRENT TITLE REPORT AS PROVIDED BY COMMONWEALTH LAND TITLE INSURANCE COMPANY, REFERENCED BY GF NO. CM-2206-3080876(000) AND BEARING AN EFFECTIVE DATE OF AUGUST 18, 2021.

SCHEDULE B ITEMS

10.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TERMS AND CONDITIONS OF THE COLLEGE MOUND WATER SUPPLY CORP. EASEMENT RECORDED IN VOLUME 1983, PAGE 358, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(C)BLANKET EASEMENT)

11.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO AGREEMENT CONDEMNATION PROCEEDINGS TO SOUTHWESTERN ELECTRIC POWER COMPANY, INC. EASEMENT AND RIGHT-OF-WAY RECORDED IN VOLUME 2106, PAGE 163, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENTS RECORDED IN VOLUME 2186, PAGE 438, VOLUME 2190, PAGE 260, VOLUME 2192, PAGE 208, VOLUME 2196, PAGE 284, AND VOLUME 2196, PAGE 288, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(A))

12.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 200, PAGE 364, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1930, PAGE 258, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

13.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 200, PAGE 367, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1930, PAGE 258, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

14.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 200, PAGE 369, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1930, PAGE 258, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

15.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 200, PAGE 371, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1930, PAGE 258, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

16.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 200, PAGE 373, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1930, PAGE 258, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

17.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 200, PAGE 375, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1930, PAGE 258, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

18.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 200, PAGE 377, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1930, PAGE 258, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

19.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 200, PAGE 379, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1930, PAGE 258, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

20.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 200, PAGE 381, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1930, PAGE 258, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

21.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 200, PAGE 383, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1930, PAGE 258, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

22.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 200, PAGE 385, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1930, PAGE 258, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

23.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 200, PAGE 387, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1930, PAGE 258, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

24.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 200, PAGE 389, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1930, PAGE 258, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

25.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TEXAS POWER & LIGHT COMPANY EASEMENT RECORDED IN VOLUME 200, PAGE 391, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, AS AFFECTED BY INSTRUMENT RECORDED IN VOLUME 1930, PAGE 258, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

26.) THE SUBJECT PROPERTY SHOWN HEREON DOES NOT APPEAR TO BE SUBJECT TO THE TERMS AND CONDITIONS AND EASEMENT RECORDED IN VOLUME 2106, PAGE 169, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, ASSIGNED TO KOCH PIPELINE, INC. BY INSTRUMENT RECORDED IN VOLUME 1084, PAGE 624, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

27.) THE SUBJECT PROPERTY SHOWN HEREON DOES NOT APPEAR TO BE SUBJECT TO THE TERMS AND CONDITIONS AND EASEMENT RECORDED IN VOLUME 2106, PAGE 182, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, ASSIGNED TO KOCH PIPELINE, INC. BY INSTRUMENT RECORDED IN VOLUME 1084, PAGE 624, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

28.) THE SUBJECT PROPERTY SHOWN HEREON DOES NOT APPEAR TO BE SUBJECT TO THE TERMS AND CONDITIONS AND EASEMENT RECORDED IN VOLUME 2106, PAGE 196, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, ASSIGNED TO KOCH PIPELINE, INC. BY INSTRUMENT RECORDED IN VOLUME 1084, PAGE 624, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

29.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TERMS AND CONDITIONS AND EASEMENT RECORDED IN VOLUME 2106, PAGE 198, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, ASSIGNED TO KOCH PIPELINE, INC. BY INSTRUMENT RECORDED IN VOLUME 1084, PAGE 624, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

30.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TERMS AND CONDITIONS AND EASEMENT RECORDED IN VOLUME 2106, PAGE 200, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, ASSIGNED TO KOCH PIPELINE, INC. BY INSTRUMENT RECORDED IN VOLUME 1084, PAGE 624, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

31.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TERMS AND CONDITIONS AND EASEMENT RECORDED IN VOLUME 2106, PAGE 202, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, ASSIGNED TO KOCH PIPELINE, INC. BY INSTRUMENT RECORDED IN VOLUME 1084, PAGE 624, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

32.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TERMS AND CONDITIONS AND EASEMENT RECORDED IN VOLUME 2106, PAGE 204, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, ASSIGNED TO KOCH PIPELINE, INC. BY INSTRUMENT RECORDED IN VOLUME 1084, PAGE 624, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

33.) THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE SUBJECT TO THE TERMS AND CONDITIONS AND EASEMENT RECORDED IN VOLUME 2106, PAGE 206, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS, ASSIGNED TO KOCH PIPELINE, INC. BY INSTRUMENT RECORDED IN VOLUME 1084, PAGE 624, REAL PROPERTY RECORDS, KAUFMAN COUNTY, TEXAS TO THE BEST OF THE SURVEYOR'S KNOWLEDGE, INFORMATION AND BELIEF. (Schedule B, Item 10(B),(BLANKET EASEMENT)

FLOOD NOTE

BY MAP SCALE A PORTION OF THE SUBJECT PROPERTY SHOWN HEREON APPEARS TO BE LOCATED IN A DETERMINED ZONE A (100 YEAR FLOOD) with BASE FLOOD ELEVATION DETERMINED) AND IN A SCHEDULED ZONE X (500 FLOOD AREA) AND DOES NOT APPEAR TO BE LOCATED IN A 100 OR 500 YEAR FLOOD AREA AS PLOTTED ON FIRM/FLOOD INSURANCE RATE MAP COMMUNITY PANEL # 48257C 0030 E OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE OR FLOOD HAZARD BOUNDARY MAP REVISED & EFFECTIVE DATE OF JULY 2, 2019

GENERAL NOTES

1. ALL BEARINGS SHOWN/NAD HEREON ARE BASED ON THE TEXAS STATE PLANE COORDINATES SYSTEM, NAD 83, NORTH CENTRAL ZONE (4202), COMBINED SCALE FACTOR BEING 1.00013702344167, DERIVED FROM GPS OBSERVATION AND DERIVED FROM AN OPUS-RAPID-GRAVITY SOLUTION(S) ON SEPTEMBER 9, 2021.

2. ALL MONUMENTS SHOWN AS FOUND HEREON WERE CONFORMING MONUMENTS USED IN THE FINAL BOUNDARY RESOLUTION AS SHOWN

3. THIS SURVEY MAY OR MAY NOT COMPLY WITH CITY AND/OR COUNTY PLATTING REGULATIONS

SURVEYOR'S CERTIFICATION

This is to certify that, under my personal supervision, a careful survey was made on the ground of the property shown hereon. USE OF THIS SURVEY FOR ANY PURPOSE OTHER THAN THAT FOR WHICH IT WAS PREPARED SHALL BE AT THE USER'S SOLE RISK AND WITHOUT LIABILITY TO THE UNDERSIGNED. TO THE BEST OF MY KNOWLEDGE AND BELIEF, THE SURVEY AND LEGAL DESCRIPTION ARE AT EVEN DATE HEREWITH CORRECT AND REPRESENT A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION. THERE ARE NO VISIBLE ENCROACHMENTS OR PROTRUSIONS, EXCEPT AS SHOWN. THE PLAT HEREON IS A TRUE REPRESENTATION OF THE SUBJECT PROPERTY AS DETERMINED BY AN ON-THE-GROUND SURVEY, AND THE POSITIONS OF SAID PROPERTY LINES, AS REFERENCED TO THE PLAT LINE WIDTH, AND TYPE OF BUILDINGS AND IMPROVEMENTS ARE AS SHOWN, ALL IMPROVEMENTS LYING WITHIN THE BOUNDARY OF THE PROPERTY BETWEEN THESE PROPERTY LINES THE OVERALL DIMENSIONS AND THE DISTANCE FROM THE NEAREST INTERSECTING STREET OR ROAD LYING AS SHOWN ON MAP, EXCEPT AS SHOWN THERE ARE NO VISIBLE ENCROACHMENTS OR PROTRUSIONS APPARENT ON THE GROUND.

JOE C. VARONE JR.
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 6214
SEPTEMBER 29, 2021
PLS REGISTRATION ID: 101253307

STATE OF TEXAS
REGISTERED
JOE C. VARONE JR.
6214
PROFESSIONAL
LAND SURVEYOR

PLS
PIPELINE LAND SERVICES, INC.
Land • Measurement • Title • Right-of-Way • Mapping
Phone: 214-484-1191 Fax: 469-221-0196

DRAWN BY:	JCL/DKN
CHECKED BY:	JCV
DATE:	8/20/21
SHEET:	2 OF 2
SCALE:	AS SHOWN

LAND TITLE SURVEY

TBD INTERSTATE 20 & TBD F.M. 148

TRACT 1 - 857.157 ACRES &
TRACT 2 - 231.430 ACRES
KAUFMAN COUNTY, TEXAS

TBD#14_JOB_SURVEY.dwg

THE COMPLETE LAND TITLE SURVEY SHOWN HEREON CONSISTS OF 2 PAGES AND "PAGE 1" ACCOMPANIES AND IS UNLESS NOTED BY THIS REFERENCE.

EXISTING\Misc\Survey\Land Survey\DWG\Working\Boundary\TBD#14_JOB_SURVEY.dwg, 9/29/2021 2:33:53 PM

EXHIBIT C

COUNTY PARTICIPATION AGREEMENT

[See attached]

STATE OF TEXAS

COUNTY OF KAUFMAN

INTERLOCAL AGREEMENT TO PARTICIPATE IN

TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, (TIRZ #2)
CITY OF TERRELL, TEXAS

THIS INTERLOCAL AGREEMENT TO PARTICIPATE IN TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, (TIRZ #2) CITY OF TERRELL, TEXAS ("Agreement") is made by and between the **CITY OF TERRELL, TEXAS** ("City"), a municipal corporation and home-rule city of the State of Texas situated in Kaufman County, Texas, acting by and through its governing body, the City Council; and **KAUFMAN COUNTY, TEXAS,** a body corporate and politic under the laws of the State of Texas, acting by and through its governing body, the Kaufman County Commissioners Court ("County").This Agreement is made pursuant to Chapter 791 of the Texas Government Code and Chapter 311 of the Texas Tax Code.

The City and the County hereby agree to the following terms and conditions of this Agreement.

I.

DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set out below:

"Agreement" means this Interlocal Agreement to Participate in Tax Increment Reinvestment Zone Number 2, (TIRZ #2) City of Terrell, Texas between the City and the County.

"Captured Appraised Value" means the captured appraised value of the Zone, as defined by Chapter 311.0 12 (b), Texas Tax Code.

"City" means the City of Terrell, Texas, and its successors and assigns.

"County" means Kaufman County, Texas, and its successors and assigns.

"County Tax Increment Participation" means the amount of the County tax levy on the Captured Appraised Value which the County agrees to contribute to the Zone pursuant to Subsections A and B of Section III of the Agreement.

"Debt Service Tax Rate" means that portion of the tax rate that is levied for payment of debt service.

"Finance Plan" means the reinvestment zone financing plan for the Zone, a true and correct copy of which is attached to the Agreement as part of the Project Plan.

"Project" means the acquisition and development and/or redevelopment of the area described in the Project Plan.

"Project Plan" means the Project Plan for the Zone, a true and correct copy of which is attached to the Agreement as Exhibit "2", and such amendments and revisions to such plan as may be adopted by the board of directors of the Zone and approved by the City Council of the City.

"Road & Bridge Tax Rate" means the tax rate the County levies under Article VIII, Sec. 1(a) and Article VIII, Sec. 9, Texas Constitution.

"Tax Increment Fund" means that fund created by the City pursuant to Section 311.014 of the Act and Section 7 of City Ordinance No. 2918, which will be maintained by the City as a separate and individual interest-bearing account into which all revenues of the Zone will be deposited, including (i) deposits of tax increment by the City and by other taxing units with jurisdiction over real property in the Zone, including the County, and (ii) all accrued interest earned on the cash balance of the fund.

"Zone" means Tax Increment Reinvestment Zone Number Two, (TIRZ #2), City of Terrell, Texas, created by the City on August 23, 2022, by Ordinance No. 2918, a true and correct copy of said Ordinance is attached to the Agreement as "Exhibit 1", and its successors and assigns.

Otherwise, the terms used herein have the meanings ascribed to them in Chapter 311, Texas Tax Code.

II.

BACKGROUND

On August 23, 2022, the City created the Zone by adoption of City Ordinance No. 2918, for the purposes of development and/or redevelopment of the property within the Zone pursuant to the Project Plan. The City has agreed to participate in the Zone by contributing tax increments produced in the Zone to the Tax Increment Fund based on a contribution of eighty percent (80%) of its Maintenance and Operations Tax Rate (not including Interest & Sinking Funds and Roll Back taxes) on real property. City contributions to the Tax Increment Fund will continue for forty

(40) years or until all contractual obligations approved by the TIRZ Board are extinguished. The current estimate for the City contribution is $334,414,296; there is no maximum or cap to the City contribution to TIRZ #2.

The County desires to participate in the Zone in consideration for the agreements set forth below. The parties now desire to enter into this Agreement pursuant to Section 311.013(f) of the Texas Tax Code.

III.

OBLIGATIONS OF COUNTY

A. Tax Increment Participation

For and in consideration of the Agreement of the parties set forth herein, and subject to the remaining subsections of this section, the County agrees to participate in the Zone by contributing ninety percent (90%) of its Maintenance and Operations Tax Rate (not including the Road & Bridge Tax Rate or Debt Service Tax Rate) on real property on the tax increment attributed to the Captured Appraised Value in the Zone attributable to the County. However, any County Roll Back Taxes shall not be paid into the TIF Fund and shall remain with the County. County contributions to the Tax Increment Fund shall continue for forty (40) years or until all contractual obligations approved by the TIRZ Board are extinguished. The current estimate for the total County contribution is $193,692,129. In no event shall the County contribution to the TIF Fund exceed $193,692,129. Upon reaching the total contribution of $193,692,129, the participation of the County in this Agreement shall terminate unless the County by official action of the Commissioners' Court agrees in writing to extend this Agreement.

B. County Tax Increment Limitation

The County is not obligated to pay the County Tax Increment Participation from any source other than taxes collected on the Captured Appraised Value, not including taxes collected resulting from the Road & Bridge Tax Rate or the Debt Service Tax Rate. Furthermore, the County has no duty or obligation to pay the County Tax Increment Participation from any other County taxes or revenues, or until the County Tax Increment Participation in the Zone is actually collected. The obligation to pay the County Tax Increment Participation accrues as the County collects taxes representing the County Tax Increment Participation, and payment shall be due on the first day of each calendar month when any eligible taxes from the Zone are collected. No interest or penalty

will be charged to the County for any late payment received from the County; provided, however, the penalty and interest received by the County on any delinquent taxes from the County Tax Increment Participation shall be paid to the Tax Increment Fund less any collection fees. Any portion of the taxes representing the County Tax Increment Participation that are paid to the County and subsequently refunded pursuant to the provisions of the Texas Tax Code shall be offset against future payments to the Tax Increment Fund.

C. Residential Zoning

In acknowledgement of the voluntary annexation of property into the City, if an owner of any part of the approximately 1098.59 acre tract subject to the proposed City Zoning action on September 22, 2022 requests and the City approves a change in zoning that would allow more than the currently planned 2,390 single-family residential units and 630 multi-family units anticipated by the September 22, 2022 City Zoning action, the County may unilaterally by a majority vote of its Commissioners Court reduce or eliminate its annual contribution to the Tax Increment Fund or terminate this Participation Agreement The parties agree that the sole exception to this provision will be if the Outer Loop does not impact the property, in which case the City may allow no greater than one hundred and ten (110) additional single-family homes strictly in the acreage which would otherwise be impacted by the Outer Loop.

D. City Maintains ISO Rating

The City must maintain a City Fire Department Service Standard equivalent to or higher than ISO Public Protection Classification (PPC) Two (2) as defined by the Fire Suppression Rating Schedule edition adopted by the Texas Department of Insurance and in effect in Terrell on the Effective Date of this Agreement, including the Zone when the Zone reaches a twenty-five (25) percent buildout of the Zone, and continuously thereafter. If such Service Standard is not continuously maintained Citywide, including the Zone when the Zone reaches a twenty-five (25) percent buildout of the Zone, the County may notice the City of default of this Agreement. If City is unable to cure the default within twenty-four (24) months, County may unilaterally by a majority vote of its Commissioners Court reduce or eliminate its annual contribution to the Tax Increment Fund or terminate this Participation Agreement.

E. Expansion of the Zone

The Obligation of the County to participate in the Zone is limited to the area described in the City of Terrell Ordinance creating the Zone. The County's participation does not extend to the

tax increment on any additional property added to the Zone or on any other project(s) added to the Zone which would increase the Project Plan total above $518,770,020 unless the County specifically agrees in writing to participate in the additional area or in the additional project(s).

F. Board of Directors

Notwithstanding anything to the contrary in the City's ordinance creating the Zone, pursuant to the provisions of Sections 311.009(a), Texas Tax Code, the County shall have the unequivocal right to appoint and thereafter at all times maintain two (2) members on the Board of Directors of the Zone. The size of the TIRZ #2 Board as specified in the City's Ordinance creating the Zone shall not be changed or increased unless the County specifically agrees to the change. Failure of the County to appoint persons to the Board of Directors of the Zone by January 1, 2023, shall not be deemed a waiver of the County's right to make an appointment at a later date.

IV.

OBLIGATIONS OF THE CITY AND THE ZONE

A. Amendment of Ordinance

The Ordinance creating the Zone designates the boundaries, the eligible real properties for the calculation of tax increment for the Zone and the specific participation level of the City. All amendments to the Ordinance shall be approved by the Board of Directors of the Zone prior to approval by the City Council. If the City Council approves an amendment to the Ordinance different from the amendment approved by the Board of Directors of the Zone, the County shall suspend payment into the Tax Increment Fund as described in Section 3 until the amendment is approved by the governing body of the County.

B. Project Plan and Finance Plan

The Commissioners Court of the County may review and comment upon any amendment to the Project Plan and Finance Plan prior to its approval by the City Council. The City agrees to provide the County with any proposed amendments to the Project Plan and Finance Plan at least fourteen (14) days prior to their submission to the City Council for approval. No amendment to the Project Plan or the Finance Plan that impacts the Obligations of the County shall be effective until it is approved by the Commissioners Court of the County.

C. Payment of Tax Increments

The obligation to transfer the City Tax Increment Participation accrues as the City receives remittance from County of taxes representing the City Tax Increment Participation, and transfer shall be due on the first day of each calendar month when any eligible taxes from the Zone are received. No interest or penalty will be charged to the City for any late transfer from the City; provided, however, the penalty and interest received by the City on any delinquent taxes from the City Tax Increment Participation shall be transferred to the Tax Increment Fund less any collection fees. Any portion of the taxes representing the City Tax Increment Participation that are remitted to the City, transferred to TIRZ #2 and subsequently refunded to a taxpayer pursuant to the provisions of the Texas Tax Code shall be offset against future payments to the Tax Increment Fund.

D. Disposition of Tax Increments

Upon termination of the Zone, and after all obligations and bonded indebtedness of the Zone have been paid, the City and the Zone shall pay to the County, within sixty (60) days of said termination, all monies remaining in the Tax Increment Fund that are attributable to the County Tax Increment Participation paid by the County into the Tax Increment Fund. Furthermore, if the projects to be undertaken pursuant to the Project Plan are not undertaken, are discontinued, or are terminated, all monies remaining in the Tax Increment Fund after satisfaction of lawful claims, shall be paid to the participating taxing entities in proportion to their respective share of the total amount of tax increments derived from taxable real property in the Zone that were deposited in the Tax Increment Fund during the Fund's existence. In no event shall payment of monies to the participating taxing units exceed ninety (90) days from the date of termination.

E. Audits

In the event the City creates a redevelopment authority in connection with the Zone, the City shall provide to the County a copy of each of the audits required by the Agreement between the City, the Zone, and any such redevelopment authority within thirty (30) days of receipt of each audit.

On or before the 150th day following the end of the fiscal year of the City, the City shall submit to the County and the Texas State Comptroller an Annual Report on the status of the Zone.

The report shall include:

(1) the amount and source of revenue in the tax increment fund established for the Zone;

(2) the amount and purpose of expenditures from the fund, specifying projects funded;

(3) the amount of principal and interest due on outstanding bonded indebtedness;

(4) the tax increment base and current captured appraised value retained by the Zone;

(5) the captured appraised value shared by the City and County, the total amount of tax increments received, and any additional information necessary to demonstrate compliance State Law required under section 311.016 of the Texas Tax Code;

(6) the Fire Department Service Standards as specified in Article III, Section D; and

(7) documentation showing that spending and contractual obligations are consistent with the Project Plan.

If the Annual Report, or similar audit or review or Freedom of Information Act request, identifies expenses incurred by TIRZ #2 out of compliance with State Law, Ordinance No. 2918, this Agreement or the Project Plan, City shall reimburse, as needed, TIRZ #2 from non-TIRZ #2 resources within thirty (30) days or the County shall have the unilateral by a majority vote of its Commissioners Court right to terminate this Agreement, or suspend or reduce payments under this Agreement.

F. Deposit of Penalties Received By City

As an inducement to have the County participate in this Agreement, the City agrees that any penalty and interest received by the City on any delinquent taxes attributable to the City's tax increment participation in the Zone shall be paid to the Tax Increment Fund less any collection fees.

V.

LIMITATIONS ON TAX INCREMENT DEPOSITS AND USE OF FUNDS

This Agreement is based on the following conditions, and the City agrees and acknowledges the County's right to enforce the conditions contained herein by injunction or any other lawful means in the event one or more of such conditions are not satisfied, to wit:

A. The tax increment deposited into the Tax Increment Fund by the City and the County shall be used exclusively for costs as set forth and identified in the Project Plan.

B. If the Project Plan or the Finance Plan are amended such that they impact the Obligations

of the County, the tax increment deposited into the Tax Increment Fund by the County may not be used for any infrastructure improvements or other public improvements not addressed by the Plans unless the amended Plans are approved by the governing body of the County as an amendment to this Agreement.

C. As defined, the Zone shall include real properties located within the boundaries as described in Ordinance No. 2918. If the Zone is expanded, the tax increment deposited into the Tax Increment Fund by the County may not be used for any infrastructure improvements or other public improvements in any portion of the expanded area of the Zone unless approved by the governing body of the County as an amendment to this Agreement.

D. Prior to any vote of the TIRZ #2 Board on any future development agreement or other potential project cost, documentation shall be provided in writing to every member of the TIRZ #2 Board describing the manner in which the proposed cost is eligible and consistent with the Project Plan. Failure to do so shall be a default event which County may demand to be cured within thirty (30) days and, if not corrected, shall be a grounds for the County to unilaterally by a majority vote of its Commissioners Court terminate this Agreement, or suspend or reduce payments under this Agreement.

E. Upon request by the County, documentation supporting that the Tax Increment Fund contributions of the County were not used for any infrastructure improvements or other public improvements within any future expanded area of the Zone (unless approved by the County) will be provided to the County within fifteen (15) days of such request.

VI.
TERM AND TERMINATION

A. Agreement Term

This Agreement becomes effective as of the date of the final signature hereto. The term of the payments shall commence with the incremental value from the tax year beginning on January 1, 2023. This Agreement shall terminate after forty (40) years of tax increment payments or in accordance with the Termination provisions of the Project Plan or in accordance with City Ordinance No. 2918. Nothing in this Agreement limits the authority of the Kaufman County Commissioners Court to extend the term of the Agreement. In the event of County termination or reduction in contribution due to Article III, Sections C and D or Article IV, Section E or Article

V, Section D, City agrees to meet the contractual obligations which would otherwise have come from the County TIRZ contribution.

B. Early Termination

The Zone may terminate pursuant to the provisions of Section 311.017 of the Texas Tax Code.

VII.
MISCELLANEOUS

A. Severability

In the event any term, covenant or condition herein contained is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained. In the event any term, covenant or condition shall be held invalid and affects in any manner the limitations on the County's, or any other party's contributions or participation, then neither the County, nor any other party, shall have any liability for any incremental or other payments as may otherwise be provided for this Agreement.

B. Entire Agreement

This Agreement merges the prior negotiations and understanding of the parties hereto and embodies the entire agreement of the parties, and there are no other agreements, assurances, conditions, covenants (express or implied) or other terms with respect to the covenants, whether written or verbal, antecedent or contemporaneous, with the execution hereof.

C. Written Amendment

Unless otherwise provided herein, this Agreement may be amended only by written instrument duly executed on behalf of each party.

D. Notices

All notices required or permitted hereunder shall be in writing and shall be deemed delivered when actually received or, if earlier, on the third (3rd) day following deposit in a United States Postal Service post office or receptacle with proper postage affixed (certified mail, returned receipt requested) addressed to the respective other party at the address set out below or at such other address as the receiving party may have theretofore prescribed by notice to the sending party.

The initial addresses of the parties, which any party may charge by giving written notice of its changed address to the other parties, are as follows:

City of Terrell	Kaufman County
City Manager	Kaufman County Judge
City of Terrell	Kaufman County Courthouse
PO Box 310	100 West Mulberry
Terrell, TX 75160	Kaufman, TX 75142

E. Non-Waiver

Failure of any party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, and to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any other right or remedy occurring as a result of any future default or failure of performance.

F. Assignment

No party shall assign this Agreement at law or otherwise without the prior written consent of the other parties. No party shall delegate any portion of its performance under this Agreement without the written consent of the other parties.

G, Tax Rate Increases.

In the event the City or County raise their respective maintenance and operations tax rates in the future, the parties agree that the County contribution to any Development Agreement shall not exceed the tax rate of 0.2799612 per $100 of valuation, which is 90% of the County's current Maintenance and Operations Tax Rate. In addition, the parties agree that the City contribution to any Development Agreement shall not exceed the tax rate of 0.48336 per $100 of valuation, which is 80% of the City's current Maintenance and Operations Tax Rate.

H. Municipal Services.

The parties acknowledge that City operational expenses related to property in the Zone will require a Municipal Services transfer from the Zone to the City for the purposes of providing Police, Fire, and other municipal services. These expenses are estimated in the Project Plan and subject approval of the TIRZ #2 Board.

I. Successors

This Agreement shall bind and benefit the parties and their legal successors. This Agreement

does not create any personal liability on the part of any officer, agent or employee of the City or the County.

J. No Waiver of Immunity

No party hereto waives or relinquishes any immunity or defense on behalf of itself, its trustees, officers, employees, and agents as a result of this execution of the Agreement and performance of the covenants contained herein.

IN WITNESS HEREOF, the City and the County have made and executed the Agreement in multiple copies, each of which is an original on the 6th day of September, 2022.

CITY OF TERRELL, TEXAS

E. RICK CARMONA, Mayor

KAUFMAN COUNTY, TEXAS

HAL RICHARDS, County Judge

ATTEST:

DAWN STEIL, City Secretary

ATTEST:

LAURA HUGHES, County Clerk

COMMISSIONERS COURT KAUFMAN COUNTY TEXAS

Exhibit 1

ORDINANCE NO. 2918

AN ORDINANCE DESIGNATING A CERTAIN AREA AS TAX INCREMENT REINVESTMENT ZONE NUMBER TWO CITY OF TERRELL, TEXAS, ESTABLISHING A BOARD OF DIRECTORS FOR SUCH REINVESTMENT ZONE, MAKING CERTAIN FINDINGS, AND OTHER MATTERS RELATED THERETO.

WHEREAS, the City Council of the City of Terrell, Texas, (the "City"), desires to promote the development of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code (the "Act"); and

WHEREAS, in compliance with the Act, the City has called a public hearing to hear public comments on the creation of the proposed reinvestment zone and its benefits to the City and the property in the proposed reinvestment zone; and

WHEREAS, in compliance with the Act, notice of such public hearing was published on August 6, 2022, in the *Terrell Tribune*, the designated paper of general circulation for City notices, such publication date being not later than seven (7) days prior to the date of the public hearing; and

WHEREAS, such hearing was convened at the time and place mentioned in the published notice, to wit, on the 16th day of August, 2022 in the City Hall of the City of Terrell, Texas, which hearing was then closed; and

WHEREAS, the City, at such hearing, invited any interested person, or his attorney, to appear and speak for or against the creation of the reinvestment zone, the boundaries of the proposed reinvestment zone, whether all or part of the territory which is described and attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B" should be included in such proposed reinvestment zone, the concept of tax increment financing, and the appointment of a board of directors of the proposed reinvestment zone; and

WHEREAS, all owners of property located within the proposed reinvestment zone and all other taxing units and other interested persons were given a reasonable opportunity at such public hearing to protest the creation of the proposed reinvestment zone and/or the inclusion of their property in such reinvestment zone; and

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone, and opponents, if any, of the reinvestment zone appeared to contest creation of the zone;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS:

SECTION 1: That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct and are incorporated herein by reference.

SECTION 2: That the City Council, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

a) That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law.

b) That creation of the proposed reinvestment zone with boundaries as described in Exhibits "A" and "B" will result in benefits to the City, its residents and property owners, in general, and to the property, residents and property owners in the reinvestment zone.

c) That the reinvestment zone, as defined in Exhibits "A" and "B", meets the criteria for the creation of a reinvestment zone set forth in the Act in that:

   1. It is a contiguous geographic area located wholly within the corporate limits of the City or the extraterritorial jurisdiction of the City.

   2. The area is predominately open, undeveloped or underdeveloped, and lack of necessary public improvements impairs growth.

d) That thirty percent or less of the property in the proposed reinvestment zone, excluding property dedicated to public use, is used for residential purposes, which is defined in the Act as any property occupied by a house which has fewer than five living units.

e) That the total appraised value of all taxable real property in the proposed reinvestment zone according to the most recent appraisal rolls of the City, together with the total appraised value of taxable real property in all other existing reinvestment zones within the City, according to the most recent appraisal rolls of the City, does not exceed fifty

percent of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any.

f) That the proposed reinvestment zone does not contain more than fifty percent of the total appraised value of real property taxable by a county or school district.

g) That the improvements in the reinvestment zone will significantly enhance the value of all taxable real property in the reinvestment zone.

h) That the development or redevelopment of the property in the proposed reinvestment zone will not occur solely through private investment in the reasonably foreseeable future.

SECTION 3: That the City hereby creates a reinvestment zone over the area described in Exhibit "A" attached hereto and depicted in the map attached hereto as Exhibit "B" and such reinvestment zone shall hereafter be identified as Tax Increment Reinvestment Zone Number Two, City of Terrell, Texas (the "Zone" or "Reinvestment Zone"). The City Council hereby approves the Preliminary Project Plan and Finance Plan and directs the City Manager to negotiate and the Mayor to execute a Participation Agreement between the City and Kaufman County for TIRZ #2.

SECTION 4: That there is hereby established a board of directors for the Zone that shall consist of five members. The board of directors of the Reinvestment Zone shall be appointed as follows:

a) At least three members shall be appointed by the City Council of the City of Terrell and two members may be appointed by the Kaufman County Commissioners Court, should Kaufman County elect to participate in the Reinvestment Zone. The initial board of directors shall be appointed within sixty (60) days of the passage of this ordinance or within a reasonable time thereafter. All members appointed to the board shall meet the eligibility requirements set forth in the Act. The governing bodies of other taxing units that levy taxes on real property in Tax Increment Financing Reinvestment Zone Number Two have chosen not to pay any of their taxes into the Tax Increment Fund and have waived their right to appoint board members.

b) The terms of the board members shall be two-year terms. The City Council shall designate a member of the board to serve as chair and other officers as it sees fit.

c) The board of directors shall make recommendations to the City Council concerning the administration of the Zone. It shall prepare and adopt a project plan and reinvestment zone financing plan for the Zone and must submit such plans to the City Council for its approval. The Board of Directors shall possess all powers necessary to prepare,

implement and monitor such project plan and financing plan for the reinvestment zone as the City Council considers advisable, including the submission of an annual report on the status of the Zone.

SECTION 5: That the Zone shall take effect immediately upon the passage and approval of this Ordinance consistent with Section 311.004(a)(3) of the Act and that the termination of the Zone shall occur in a manner consistent with the TIRZ Board approved Project Plan on December 31, 2062, or at an earlier time designated by subsequent ordinance of the City Council in the event the City determines that the Zone should be terminated due to insufficient private investment, accelerated private investment, successful completion of the purpose of the TIRZ or other good cause, or at such later time as all TIRZ Board approved contractually obligated project costs and tax increment bonds, if any, and the interest thereon, have been paid in full. Any statutory or equitable right to terminate the Zone at any earlier date or to extend the term is hereby reserved.

SECTION 6: That the Tax Increment Base for the Zone, which is the total taxable value of all real property located in the Zone, is to be determined as of January 1, 2022, the year in which the Zone was designated a reinvestment zone.

SECTION 7: That there is hereby created and established a Tax Increment Fund for the Zone which may be divided into such subaccounts as may be authorized by subsequent resolution or ordinance, into which all Tax Increments, less any of the amounts not required to be paid into the Tax Increment Fund pursuant to the Act, are to be deposited. The Tax Increment Fund and any subaccounts are to be maintained in an account at the City Treasurer's affiliated depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. In addition, all revenues from the sale of any tax increment bonds and notes hereafter issued by the City, revenues from the sale of any property acquired as part of the tax increment financing plan and other revenues to be dedicated to and used in the Zone shall be deposited into such fund or subaccount from which monies will be disbursed to pay project costs for the Zone or to satisfy the claims of holders of tax increment bonds or notes issued for the Zone. The first priority for the expenditure of Tax Increments shall be to pay for administrative costs incurred in the creation and operation of the zone, including but not limited to reimbursement to the City and/or its development corporations for eligible expenditures.

SECTION 8: That if any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 9: This Ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law and charter in such cases provide.

SECTION 10: That it is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given all as required by Section 551.041, Texas Government Code.

PASSED AND APPROVED by the City Council of the City of Terrell, Texas on the 16th day of August, 2022.

PASSED AND ADOPTED by the City Council of the City of Terrell, Texas on the 23rd day of August, 2022.

E. Rick Carmona, Mayor

ATTEST:

Dawn Steil, City Secretary

APPROVED AS TO FORM:

Mary Gayle Ramsey, City Attorney

Exhibit A

Tax Increment Reinvestment Zone # 2

(+/-1,789.48 Acres)

BEING a 1,848.02 Acre tract of land situated in the R. Mead Survey, Abstract No. 316, the W.M. Simpson Survey, Abstract No. 453, the J.W. Ward Survey, Abstract No. 596, the R. Turner Survey, Abstract No. 551, the M.L. Swing / J.W. Laws Survey, Abstract No. 512, the T.B. Finley Survey, Abstract No. 165, the D. McIver Survey, Abstract No. 331, the J.C. Hale Survey, Abstract No. 202, the C. Wilson Survey, Abstract No. 571, and the J.C. Moses Survey, Abstract No. 635, Kaufman County, Texas, Save and Except the +/- 58.54 Acre Tract 2, and more particularly described as follows:

BEGINNING at a point in the south right-of-way line of Interstate Highway 20 (variable width right-of-way) said point also being the northeast corner of a 7.923 Acre tract of land deeded to Gregory Lamb in Volume 3388, Page 205 of the Deed Records of Kaufman County, Texas;

THENCE South 45°07'42" East, a distance of 2,287.45 feet to a point for corner;

THENCE North 43°19'46" East a distance of 1,196.04 feet to a point for corner;

THENCE North 82°10'40" East a distance of 2,348.02 feet to a point for corner;

THENCE North 43°19'27" East a distance of 567.04 feet to a point for corner in the south Right of Way of Interstate Highway 20, said point also being the northernmost corner of a tract of land deeded to Bright Star Estates LLC in Volume 6762, Page 160 of the Deed Records of Kaufman County, Texas;

THENCE South 83°02'30" East a distance of 358.04 feet to a point for corner;

THENCE South 76°03'48" East a distance of 279.09 feet to a point for corner;

THENCE South 67°48'01" East a distance of 263.62 feet to a point for corner;

THENCE South 45°52'51" East a distance of 316.30 feet to a point for corner;

THENCE South 42°12'19" West a distance of 270.97 feet to a point for corner;

THENCE South 45°29'43" East a distance of 952.35 feet to a point for corner;

THENCE South 44°39'18" West a distance of 463.75 feet to a point for corner;

THENCE South 44°29'41" West a distance of 684.19 feet to a point for corner;

THENCE South 44°25'21" West a distance of 1,011.35 feet to a point for corner;

THENCE South 44°17'37" West a distance of 393.44 feet to a point for corner;

THENCE South 44°27'21" West a distance of 196.04 feet to a point for corner;

THENCE South 44°30'18" West a distance of 984.45 feet to a point for corner;

THENCE North 45°42'09" West a distance of 710.37 feet to a point for corner;

THENCE South 41°52'54" West a distance of 1,729.47 feet to a point for corner;

THENCE South 41°54'14" West a distance of 1,113.00 feet to a point for corner;

THENCE South 41°54'37" West a distance of 152.85 feet to a point for corner;

THENCE South 41°56'45" West a distance of 830.33 feet to a point for corner;

THENCE South 45°41'02" East a distance of 305.53 feet to a point for corner;

THENCE South 44°51'16" West a distance of 2,268.35 feet to a point for corner;

THENCE North 45°09'05" West a distance of 662.54 feet to a point for corner;

THENCE South 44°38'03" West a distance of 660.00 feet to a point for corner;

THENCE South 45°09'05" East a distance of 660.00 feet to a point for corner;

THENCE South 44°51'16" West a distance of 253.73 feet to a point for corner;

THENCE South 42°54'18" West a distance of 766.51 feet to a point for corner;

THENCE South 43°57'42" West a distance of 1,422.46 feet to a point for corner;

THENCE South 44°29'35" West a distance of 1,062.06 feet to a point for corner, said corner also being the southernmost corner of a tract of land deeded to MM Terrell 1098 LLC in Volume 7385, Page 1 of the Deed Records of Kaufman County, Texas;

THENCE North 46°16'01" West a distance of 2,587.89 feet to a point for corner;

THENCE North 45°34'47" West a distance of 1,210.06 feet to a point for corner;

THENCE North 45°36'32" West a distance of 2,138.22 feet to a point for corner;

THENCE North 44°11'59" East a distance of 772.49 feet to a point for corner;

THENCE North 45°43'19" West a distance of 2,096.40 feet to a point for corner in the South Right of Way of Interstate Highway 20, said point being the Northwest corner of a

tract of land deeded to Blue Star Land LP in Volume 7494, Page 274 of the Deed Records of Kaufman County, Texas;

THENCE North 60°09'54" East a distance of 498.98 feet to a point for corner;

THENCE North 54°52'35" East a distance of 614.62 feet to a point for corner;

THENCE North 51°15'18" East a distance of 550.73 feet to a point for corner;

THENCE North 54°20'15" East a distance of 1,799.74 feet to a point for corner;

THENCE North 57°26'14" East a distance of 558.47 feet to a point for corner;

THENCE North 54°16'25" East a distance of 791.95 feet to a point for corner;

THENCE North 52°44'07" East a distance of 1,051.19 feet to a point for corner;

THENCE North 54°13'26" East a distance of 754.54 feet to a point for corner at the beginning of a curve to the right having a radius of 5,146.25 feet;

THENCE along the arc of said curve a distance of 356.68 feet with a delta of 3°58'16", a chord bearing of North 56°12'34" East, and a chord distance of 356.61 feet to a point for corner at the beginning of a curve to the right with a radius of 5,717.41 feet;

THENCE along the arc of said curve a distance of 1,081.53 feet with a delta of 10°50'18", a chord bearing of North 63°36'51" East, and a chord distance of 1,079.92 feet to a point for corner;

THENCE South 45°31'02" East a distance of 86.10 feet to a point for corner;

THENCE North 44°45'21" East a distance of 180.11 feet to a point for corner at the beginning of a curve to the right with a radius of 5,529.58 feet;

THENCE along the arc of said curve a distance of 123.34 feet with a delta of 1°16'41", a chord bearing of North 71°55'46" East, and a chord distance of 123.34 feet to a point for corner;

THENCE North 72°25'05" East a distance of 99.55 feet to a point for corner;

THENCE North 72°39'56" East a distance of 26.01 feet to a point for corner;

THENCE North 71°49'28" East a distance of 54.58 feet to a point for corner;

THENCE North 76°28'07" East a distance of 391.85 feet to a point for corner;

THENCE North 76°26'28" East, a distance of 941.21 feet to a point for corner; to the **POINT OF BEGINNING** and containing 1,848.02 acres of land, more or less. **Save and Except TRACT 2**, 58.54 Acres more or less, more particularly described below, leaving a total area of **1,789.48 acres** for the herein described tract of land.

TRACT 2

(Save and Except Tract)
(+/- 58.54 Acres)

BEING a 58.48 Acre tract of land situated in the T.B. Finley Survey, Abstract No. 165, and the D. McIver Survey, Abstract No. 331, Kaufman County, Texas, and more particularly described as follows:

BEGINNING at the southernmost corner of a 9.722 Acre tract of land deeded to Jacinto Valdelamar in Volume 2591, Page 228 of the Deed Records of Kaufman County, Texas;

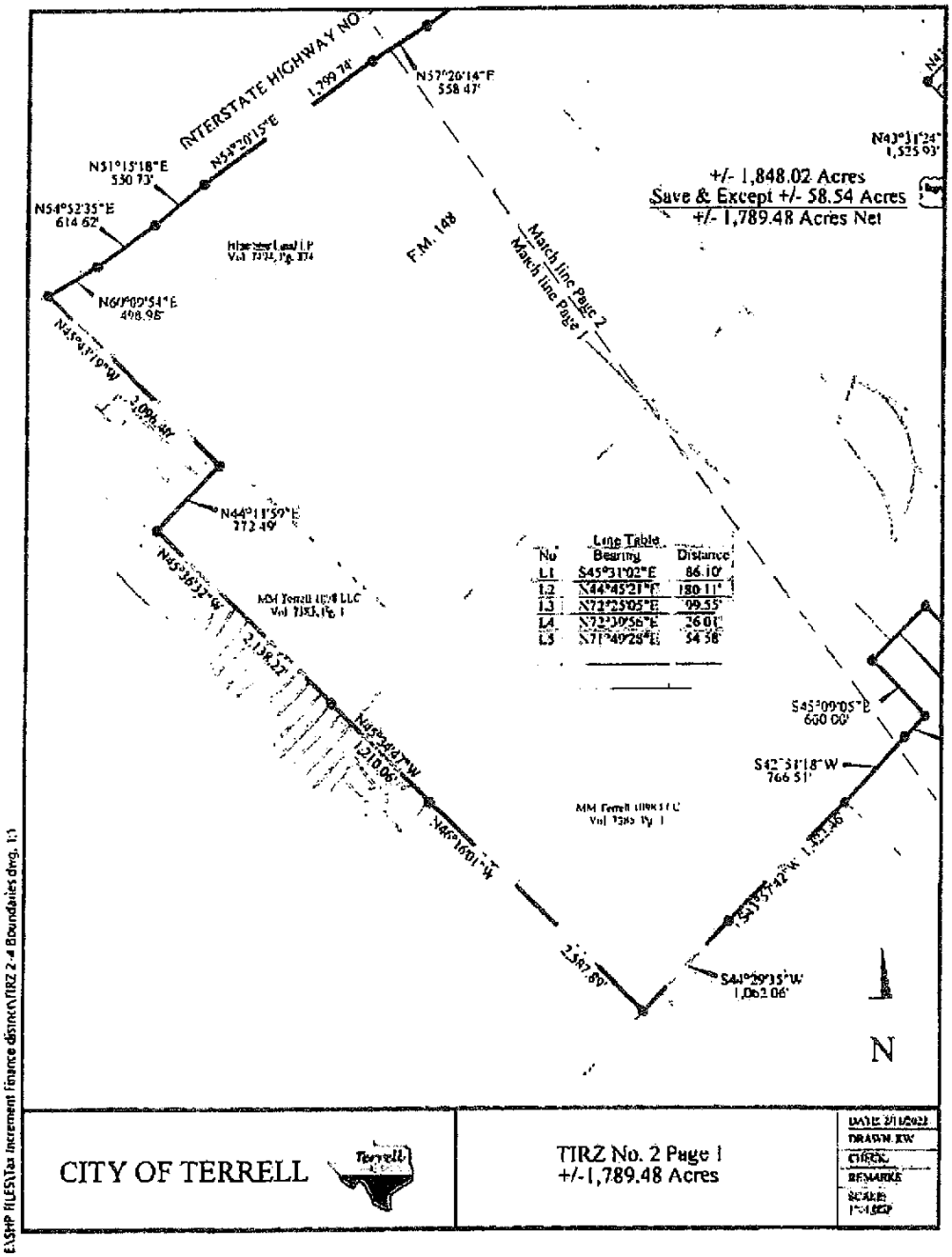
THENCE North 43°31'24" West a distance of 1,525.93 feet to a point for corner;

THENCE North 43°05'26" East a distance of 1,643.90 feet to a point for corner;

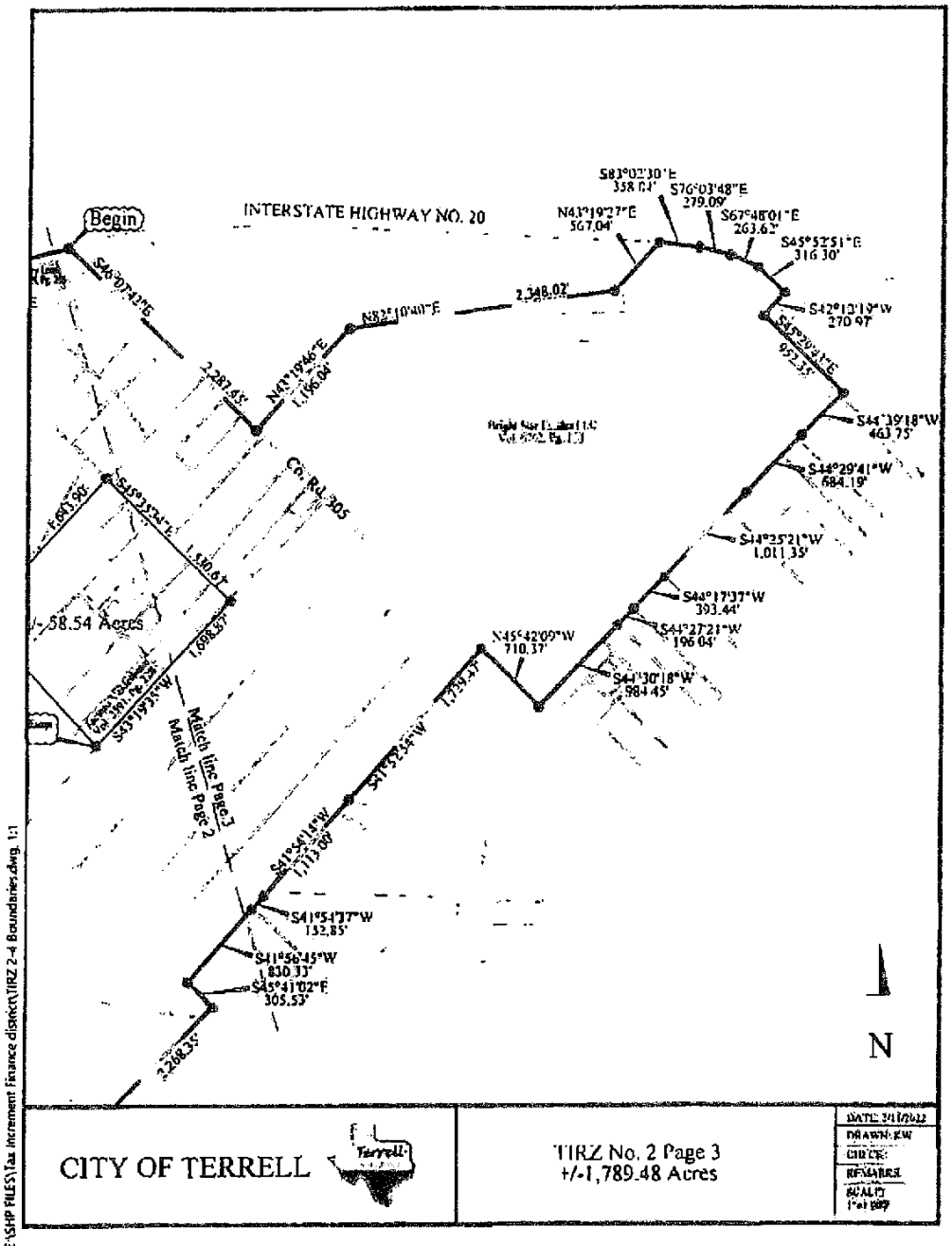
THENCE South 45°35'34" East a distance of 1,530.67 feet to a point for corner;

THENCE South 43°19'35" West a distance of 1,698.87 feet to the **POINT OF BEGINNING** and containing 58.54 Acres more or less.

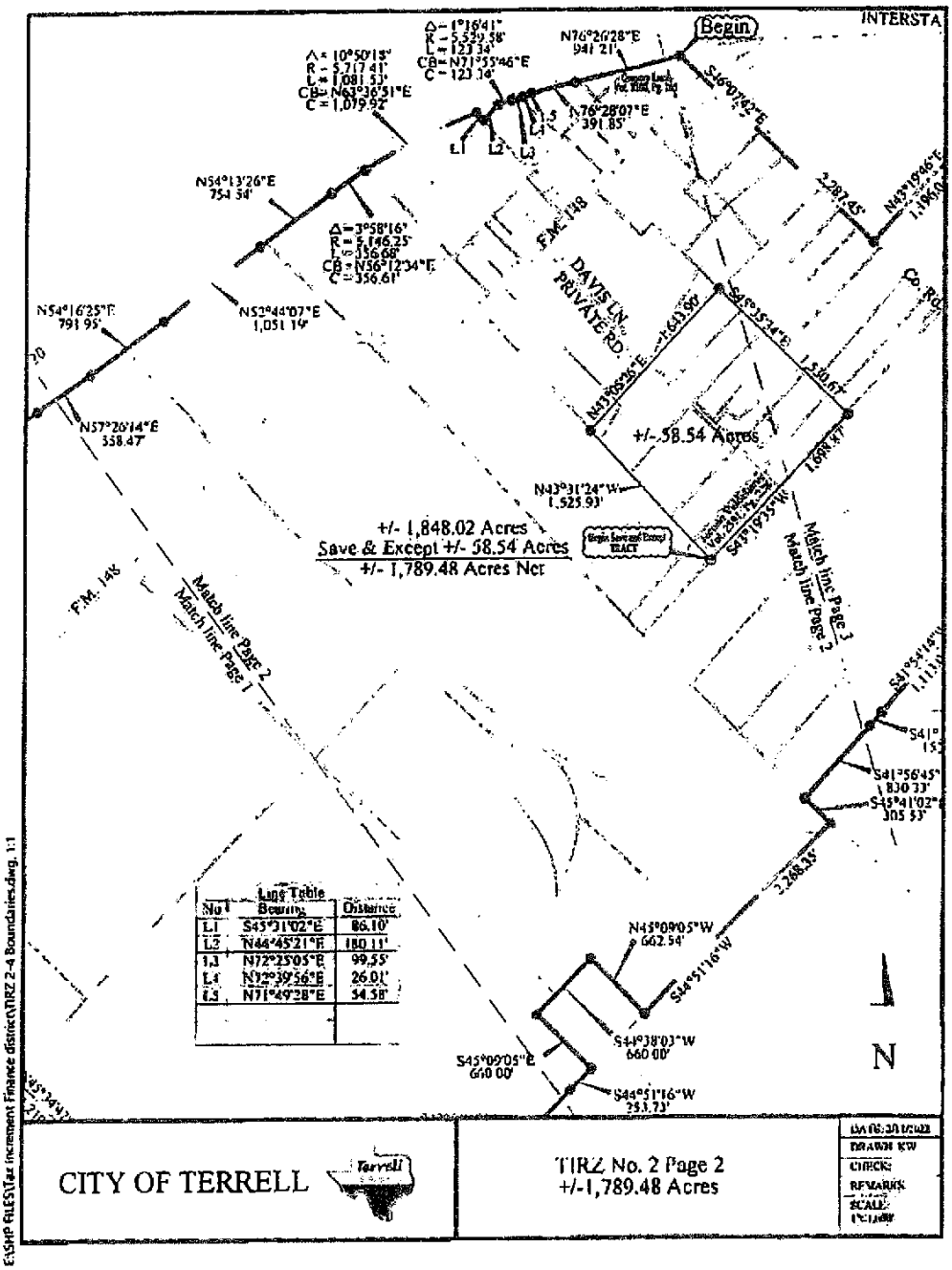
Exhibit B



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Exhibit 2





REINVESTMENT ZONE NUMBER TWO, CITY OF TERRELL, TEXAS PRELIMINARY PROJECT AND FINANCE PLAN SEPTEMBER 6, 2022

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SECTION 1: DEFINITIONS

Capitalized terms used in this Preliminary Plan shall have the meanings given to them in **Section I** below unless otherwise defined in this Preliminary Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a "Section," or an "Exhibit," shall be a reference to a Section of this Preliminary Plan or an Exhibit attached to and made a part of this Preliminary Plan for all purposes.

"**Act**" means Chapter 311, Texas Tax Code, Tax Increment Financing Act

"**Administrative Costs**" means the actual, direct costs paid or incurred by or on behalf of the City to administer the Zone, including planning, engineering, legal services, organizational costs, publicizing costs, or implementations costs paid by or on behalf of the City that are directly related to the administration of the Zone.

"**Appraisal District**" means the Kaufman Central Appraisal District.

"**Board**" means the Board of Directors for the Zone.

"**Captured Appraised Value**" means the new taxable value generated in addition to the Tax Increment Base on a parcel-by-parcel basis for each year during the term of the Zone, as calculated and confirmed annually by the Appraisal District.

"**City**" means the City of Terrell, Texas.

"**City Council**" means the governing body of the City.

"**City TIRZ Increment**" means the portion of the City's ad valorem tax increment equal to eighty percent (80%) of the maintenance and operation portion of the ad valorem real property taxes collected and received by the City on the Captured Appraised Value in the Zone.

"**Cornerstone Project**" means the development of a major university campus adjacent to the Zone.

"**County**" means Kaufman County, Texas.

"**County TIRZ Increment**" means the portion of the County's ad valorem tax increment equal to ninety percent (90%) of the maintenance and operation portion of the ad valorem real property taxes collected and received by the County on the Captured Appraised Value in the Zone.

"**County Participation Agreement**" means that certain Interlocal Agreement to Participate in Tax Increment Reinvestment Zone Number Two, City of Terrell, Texas entered into by the City, the

County, and Tax Increment Reinvestment Zone Number Two, City of Terrell, Texas on September 6, 2022, detailing the City and County's participation in the Zone.

"**Creation Ordinance**" means Ordinance No. 2918 adopted by the City Council on August 23, 2022, designating the Creation of the Zone and the Board.

"**Feasibility Study**" means the economic feasibility study as evaluated over the term of the Zone and focused only on direct financial benefits, as shown on **Exhibit E**.

"**Final Plan**" means the future *Reinvestment Zone Number Two, City of Terrell, Texas Final Project and Finance Plan*.

"**Non-Project Costs**" means those certain costs that will be spent to develop in the Zone, but will not be financed by the Zone, and will be financed by private funds, as described in **Section 6**, and shown on **Exhibit B**.

"**Onsite Public Improvements**" means the proposed Public Improvements located within the Zone, which includes the full project costs of streets, water, storm drainage, sidewalks, public buildings, parks, public facilities, sanitary sewer, professional services, and landscaping, or as otherwise eligible under the Act, as depicted on **Exhibit G**, and detailed on **Exhibit C**.

"**Offsite Public Improvements**" means the proposed Public Improvements located outside the Zone, but that still benefits the Zone, which includes streets, water, storm drainage, sidewalks, public buildings, parks, public facilities, sanitary sewer, professional services, and landscaping, or as otherwise eligible under the Act, as shown on **Exhibit G**, and defined on **Exhibit C**.

"**Preliminary Plan**" means this *Reinvestment Zone Number Two, City of Terrell, Texas Preliminary Project and Finance Plan*.

"**Project Costs**" means the total actual costs for projects in the Zone, including the Onsite Public Improvements, Offsite Public Improvements, Municipal Services, and the Administrative Costs.

"**Property**" means 1,789.44 acres of land as depicted on **Exhibit A** and identified on **Exhibit H**.

"**Public Improvements**" means the proposed public infrastructure to be financed in part by the Zone, including Onsite Public Improvements and Offsite Public Improvements, which includes the full project costs of streets, water, storm drainage, sidewalks, public buildings, parks, public facilities, sanitary sewer, professional services, and landscaping, or as otherwise eligible under the Act, as depicted on **Exhibit G**, and detailed on **Exhibit C**.

"**Tax Increment Base**" means total appraised value of taxable real property in the Zone at the time of creation of the Zone, as calculated and certified by the Appraisal District.

"**TIRZ Fund**" means the tax increment fund created by the City and segregated from all other funds of the City.

"**Zone**" means Reinvestment Zone Number Two, City of Terrell, Texas, as depicted on **Exhibit A**, and parcels identified on **Exhibit H**.

SECTION 2: INTRODUCTION

2.1 Authority and Purpose

The City has the authority under the Act to designate a contiguous or noncontiguous geographic area within the corporate limits or extraterritorial jurisdiction of the City as a tax increment reinvestment zone to promote development or redevelopment of the area because the City Council determined that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future, that the Zone is economically feasible, and that creation of the Zone is in the best interest of the City and the property in the Zone. The purpose of the Zone is to facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, and other projects benefiting the Zone, plus other costs incidental to those expenditures, all of which costs are authorized by the Act.

2.2 Eligibility Requirements

An area is eligible under the Act to be designated as a tax increment reinvestment zone if the area:

1) substantially arrests or impairs the sound growth of the municipality designating the Zone, retard the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition; or
2) is predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City; or
3) is in a federally assisted new community located in the City or in an area immediately adjacent to a federally assisted new community; or
4) is in an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the City by the owners of property constituting at least fifty percent (50%) of the appraised value of the

property in the area according to the most recent certified appraisal roll for the county in which the area is located.

The City cannot, however, designate a zone if more than thirty percent (30%) of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes, or if the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds fifty percent (50%) of the total appraised value of taxable real property in the City and in industrial districts created by the City.

2.3 Proposed Zone

The Property within the proposed Zone is currently located within the extraterritorial jurisdiction and corporate limits of the City. The Property is predominantly open, undeveloped or underdeveloped, and substantially impairs and arrests the sound growth of the City. Due to its size, location, and physical characteristics development would not occur solely through private investment in the foreseeable future. The Property lacks public infrastructure and requires economic incentive to attract development for the purpose of providing long-term economic benefits including, but not limited to, increased real property tax base for all taxing units in the Zone. If the Public Improvements are financed as contemplated by this Preliminary Plan, the City envisions that the Property will be developed to take full advantage of the opportunity to bring to the City, and County, a quality development.

2.4 Preliminary Plan and Hearing

Before the City Council adopts the Creation Ordinance, the City Council must prepare a preliminary reinvestment zone financing plan in accordance with the Act and hold a public hearing on the creation of the Zone and its benefits to the City and to the Property, at which public hearing interested persons shall be given the opportunity to speak for and against the creation of the Zone, the boundaries of the Zone and the concept of tax increment financing, and at which hearing the owners of the Property shall be given a reasonable opportunity to protest the inclusion of their Property in the Zone. The requirement of the Act for a preliminary reinvestment zone financing plan was satisfied by this Preliminary Plan, the purpose of which was to describe, in general terms, the public improvements that will be undertaken and financed by the Zone. A description of how such public improvements and projects will be undertaken and financed shall be determined by Final Plan, which requires approval by the Board and by the City Council.

2.5 Creation of the Zone

Upon the closing of the above referenced public hearing, the City Council shall consider the Creation Ordinance and the following findings:

1) that development or redevelopment of the Property would not occur solely through private investment in the reasonably foreseeable future,
2) that the Zone was feasible,
3) that improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City, and
4) that the Zone meets the eligibility requirements of the Act.

Among other provisions required by the Act, the Creation Ordinance shall appoint the Board.

2.6 Board Recommendations

After the creation of the Zone, the Board shall review the Final Plan and recommend its approval to the City Council pursuant to which the City shall contribute the City TIRZ increment into the TIRZ Fund to pay a portion of the Project Costs benefiting the Zone. If the County participates in the Zone, then pursuant to the County Participation Agreement, the County shall contribute the County TIRZ Increment into the TIRZ Fund to fund a portion of the Project Costs benefitting the Zone.

SECTION 3: DESCRIPTION AND MAPS

3.1 Existing Uses and Conditions

The portion of the Property within the corporate limits of the City is currently zoned Agricultural, Highway Corridor, and Executive Estate. The portion of the Property located within extraterritorial jurisdiction of the City is anticipated to be zoned Planned Development, or Highway Corridor, upon annexation to the City. The majority of the Property is primarily undeveloped or underdeveloped, and there is no public infrastructure to support development. Development requires extensive public infrastructure that: (1) the City could not provide, and (2) would not be provided solely through private investment in the foreseeable future.

3.2 Proposed Uses

The proposed uses of the Property in the City include industrial, commercial, and retail, as shown on **Exhibit F**.

3.3 Parcel Identification

The parcels identified on **Exhibit H** provide sufficient detail to identify with ordinary and reasonable certainty the territory included in the Zone.

3.4 Future Plans that may Amend Uses

The vision of the Cornerstone Project is to catalyze development in the area by having a newly located university adjacent to the Zone serve as an anchor. Such anchor would enhance the

quality and value of the development of the Zone. The City is actively recruiting potential new university partners and has identified that 300-500 acres of land are necessary for a full-scale research campus with a potential build-out student population of 10,000 to 20,000. The Texas Higher Education Coordinating Board has documented the need for new pathways to degrees in Texas. A new university would satisfy the educational needs of the region long into the future while providing a pipeline for a highly trained workforce in the County. Without workforce improvements, the County will not be able to compete for high wage job opportunities in the future. The Cornerstone Project would also provide the opportunity for co-development of research and technology projects with private sector companies. These companies may be located on the future university campus, or they may be off-site within the Zone. Project Cornerstone would enhance the taxable value of the Zone, and provide for student training opportunities in applied science fields, creating not only a land value benefit from higher and better land uses but improve skillsets in the local workforce. As such, the infrastructure may also be used in advance of the arrival of a university to provide for a catalyst project meant to help attract a university.

Finally, construction of public infrastructure as part of the Cornerstone Project will be necessary to tie together the roads, water, sewer, drainage, and greenspace amenities which are crucial for the Zone. It is contemplated that traffic circulation within the Zone will rely on the use of the Outer Loop, Sage Hill Parkway, CR 238, and other circulators that pass through the Cornerstone Project. Since this off-site infrastructure is beneficial to the Zone and since the Cornerstone Project will enhance the value of the Zone, this Preliminary Plan identifies certain Offsite Public Improvements vital to the Cornerstone Project, as shown on **Exhibit G** and detailed on **Exhibit C.**

SECTION 4: PROPOSED CHANGES TO ORDINANCES, PLANS, CODES, RULES, AND REGULATIONS

The Property is wholly located in the extraterritorial jurisdiction and corporate limits of the City and is subject to the City's zoning regulation, or shall be subject to the City's zoning regulation upon annexation. The City has exclusive jurisdiction over the subdivision and platting of the property within the Property and the design, construction, installation, and inspection of water, sewer, drainage, roadway, and other public infrastructure. Except as specified in the Development Agreement, no proposed changes to zoning ordinances, comprehensive plan, building codes, subdivision rules, or other municipal ordinances are planned.

SECTION 5: RELOCATION OF DISPLACED PERSONS

No persons shall be displaced and in need of relocation due to the creation of the Zone or due to the implementation of the Final Plan.

SECTION 6: ESTIMATED NON-PROJECT COSTS

Non-Project Costs are costs that will be spent to develop in the Zone but will not be financed by the Zone, and will be financed by private funds. The list of Non-Project Costs is shown on **Exhibit B**, and are estimated to be approximately $1,093,480,000.

SECTION 7: PROPOSED PUBLIC IMPROVEMENTS

7.1 Categories of Public Improvements

All Public Improvements shall be planned and engineered with oversight of the City of Terrell for approval by the TIRZ Board as part of public projects and development agreements. At the TIRZ Board's option, the Public Improvements may be adjusted to meet the engineering needs of various future public projects and development projects.

The proposed Public Improvements to be financed by the Zone include the full project costs of streets, water, storm drainage, sidewalks, public buildings, parks, public facilities, sanitary sewer, professional services, and landscaping, as generally depicted in concept form on **Exhibit G** for demonstrative purposes, and detailed on **Exhibit C**. All Public Improvements shall be designed and constructed in accordance with all applicable City standards and shall otherwise be inspected, approved, and accepted by the City. At the TIRZ Board's option, the Public Improvements may be expanded to include any other category of improvements authorized by the Act.

7.2 Location of Public Improvements

The estimated locations of the proposed Public Improvements are depicted on **Exhibit G**. These locations may be revised and refined, with the approval of the TIRZ Board, from time to time without amending the Final Plan.

SECTION 8: ESTIMATED PROJECT COSTS

8.1 Project Costs

The total Project Costs are estimated to be $518,770,020, as shown below and detailed on **Exhibit C**. The projects and project costs shown in Exhibit C may be revised and refined, with the approval of the TIRZ Board, from time to time without amending the Final Plan. The Public Improvements are estimated to be $441,993,000 as shown on **Exhibit C**. It is anticipated that the Final Plan shall be amended by City and County mutual agreement in the future to reflect new costs for additional development within the Zone exceeding this estimate.

i. **Administrative Costs**

The Administrative Costs are estimated to be $10,000 per year beginning 2023 and escalating at two percent (2%) thereafter. The Administrative Costs shall be paid each year from the TIRZ Fund before any other Project Costs are paid.

ii. **Onsite Public Improvements**

The total Onsite Public Improvements are estimated to be $327,513,000, as shown on **Exhibit C**.

iii. **Offsite Public Improvements**

The total Offsite Public Improvements are estimated to be $114,480,000, as shown on **Exhibit C**.

iv. **Municipal Services**

The City may utilize TIRZ Revenue to fund reasonable Municipal Services attributed to the Zone. At this time, the Municipal Services are estimated to be $76,173,000, as shown on **Exhibit C**.

8.2 Estimated Timeline of Incurred Costs

The Administrative Costs and Municipal Services will be incurred annually through the remaining duration of the Zone. It is estimated the Public Improvements will be incurred between 2024 and 2037, as shown on **Exhibit D**, and funded annually over the remaining term of the Zone.

SECTION 9: ECONOMIC FEASIBILITY

9.1 Feasibility Study

The Feasibility Study focuses on only direct financial benefits (i.e. ad valorem tax revenues from the development of Public Improvements in the Zone). Based on the Feasibility Study, during the term of the Zone, new development (which would not have occurred but for the Zone) will generate approximately $795,821,679 in total new real property tax revenue for the participation taxing entities. Approximately $528,106,425 will be deposited into the TIRZ Fund to pay for the Project Costs over the life of the Zone. The remaining real property tax revenue over that period, estimated at $267,715,254 shall be retained by the participating taxing entities.

Entity	Gross New AV	TIRZ Contribution	Retained New AV
City	$ 528,714,426	$ 334,414,296	$ 194,300,130
County	$ 267,107,253	$ 193,692,129	$ 73,415,124
Total	$ 795,821,679	$ 528,106,425	$ 267,715,254

The Feasibility Study shows the cumulative City TIRZ Increment is estimated to be $334,414,296, which will be available to pay a portion of the Project Costs, until the term expires or is otherwise terminated. The remainder of the new City real property tax revenue generated within the Zone and retained by the City is estimated to be $194,300,130 over the term.

The Feasibility Study shows the cumulative County TIRZ Increment is estimated to be $193,692,129, which will be available to pay a portion of the Project Costs, until the term expires or is otherwise terminated. The remainder of the new County real property tax revenue generated within the Zone and retained by the County is estimated to be $73,415,124 over the term.

One hundred percent (100%) of all taxing revenues generated for other taxing entities by the new development within the Zone will be retained by the respective taxing entities. Based on the foregoing, the feasibility of the Zone has been demonstrated.

SECTION 10: ESTIMATED BONDED INDEBTEDNESS

No tax increment reinvestment zone bonds or public indebtedness by the City secured by the tax increments pursuant to the Act, is contemplated. The TIRZ Board may recommend to the City Council, at its discretion, to issue bonded indebtedness utilizing TIRZ Revenue, to refund any obligations of the Zone in an amount not to exceed the amount outstanding obligations of the Zone, at the time such bonds are issued. The TIRZ Board may recommend to the City Council, at its discretion, to enter into TIRZ Agreements with future developers and/or provide annual payments to one or more special districts located within the Zone, subject to the terms of an applicable TIRZ Agreement.

SECTION 11: APPRAISED VALUE

11.1 Tax Increment Base

The Tax Increment Base is estimated to be $27,720,240 and shall be confirmed by the Appraisal District. Each year, the Appraisal District shall confirm the Captured Appraised Value of the Zone, less the Tax Increment Base.

11.2 Estimated Captured Appraised Value

It is estimated that upon expiration of the term of the Zone, the total Captured Appraised Value of taxable real property in the Zone will be approximately $2,953,200,722, as shown on **Exhibit E-3**. The actual Captured Appraised Value, as certified by the Appraisal District each year, will be used to calculate the annual City TIRZ Increment, and if applicable, the County TIRZ Increment, pursuant to the Final Plan and County Participation Agreement.

SECTION 12: METHOD OF FINANCING

12.1 TIRZ Fund Contributions

The Final Plan shall obligate the City to deposit the City TIRZ Increment into the TIRZ Fund beginning in 2023. For example, in FY 2022, the City's maintenance and operation portion of the ad valorem tax rate was $0.6042 per $100 of taxable value, therefore the City would contribute $0.48336 per $100 of the Captured Appraised Value in the Zone levied and collected, to the TIRZ Fund.

On residential property within the Zone, the City shall reserve an amount equal to an estimated twenty percent (20%) of the maintenance and operation portion of the ad valorem real property taxes collected and received by the City on the Captured Appraised Value of residential property in the Zone in a special account within the TIRZ Fund to fund Municipal Services attributable to the Zone.

If applicable, the County Participation Agreement shall obligate the County to deposit the County TIRZ Increment into the TIRZ Fund beginning in 2023. For example, in FY 2022, the County's maintenance and operation portion of the ad valorem tax rate was $0.311068 per $100 of taxable value, therefore the County would contribute $0.2799612 per $100 of the Captured Appraised Value in the Zone levied and collected, to the TIRZ Fund.

All payments of Project Costs shall be made solely from the TIRZ Fund and from no other funds of the City, or the County unless otherwise approved by their respective governing bodies. The TIRZ Fund shall only be used to pay the Project Costs. The City may amend the Final Plan in compliance with the County Participation Agreement, including but not limited to what is considered a Project Cost.

12.2 Special Districts

The construction of public infrastructure within the Zone may be performed by one or more special district(s) or reimbursed by one or more special district(s). Whenever these methods or similar are used, TIRZ revenues may be paid on a contractual basis to reimburse the full project costs, including special district finance costs authorized by law, of such public infrastructure costs incurred by the applicable special district. In addition, all of the public infrastructure costs eligible under the applicable State Law for the applicable special district shall be an eligible project cost of the Zone whenever such costs are eligible under the Act.

SECTION 13: DURATION OF THE ZONE, TERMINATION

13.1 Duration

The stated term of the Zone shall commence upon the execution of the Creation Ordinance and shall continue until December 31, 2062, with the last payment being due by January 31, 2063, unless otherwise terminated in accordance with the Creation Ordinance.

13.2 Termination

The Zone shall terminate on the later of (i) December 31, 2062, or (ii) at such time that the contractually obligated Project Costs have been paid in full subject to the approval of the TIRZ Board. If upon expiration of the stated term of the Zone, the full Project Costs of the Zone have not been fully funded by the TIRZ Fund, the City and the County shall have no obligation to pay the shortfall and the term shall not be extended. Nothing in this Section is intended to prevent the City or the County from extending the term of the Zone in accordance with the Act.

LIST OF EXHIBITS

Unless otherwise stated, all references to "Exhibits" contained in this Preliminary Plan shall mean and refer to the following exhibits, all of which are attached to and made a part of this Preliminary Plan for all purposes.

Exhibit A	Map of the Zone
Exhibit B	Non-Project Costs
Exhibit C	List of Project Costs
Exhibit D	Estimated Timeline of Incurred Costs
Exhibit E	Feasibility Study
Exhibit F	Proposed Uses of the Property
Exhibit G	Map of the Public Improvements
Exhibit H	Parcel Identification

EXHIBIT A – MAP OF THE ZONE

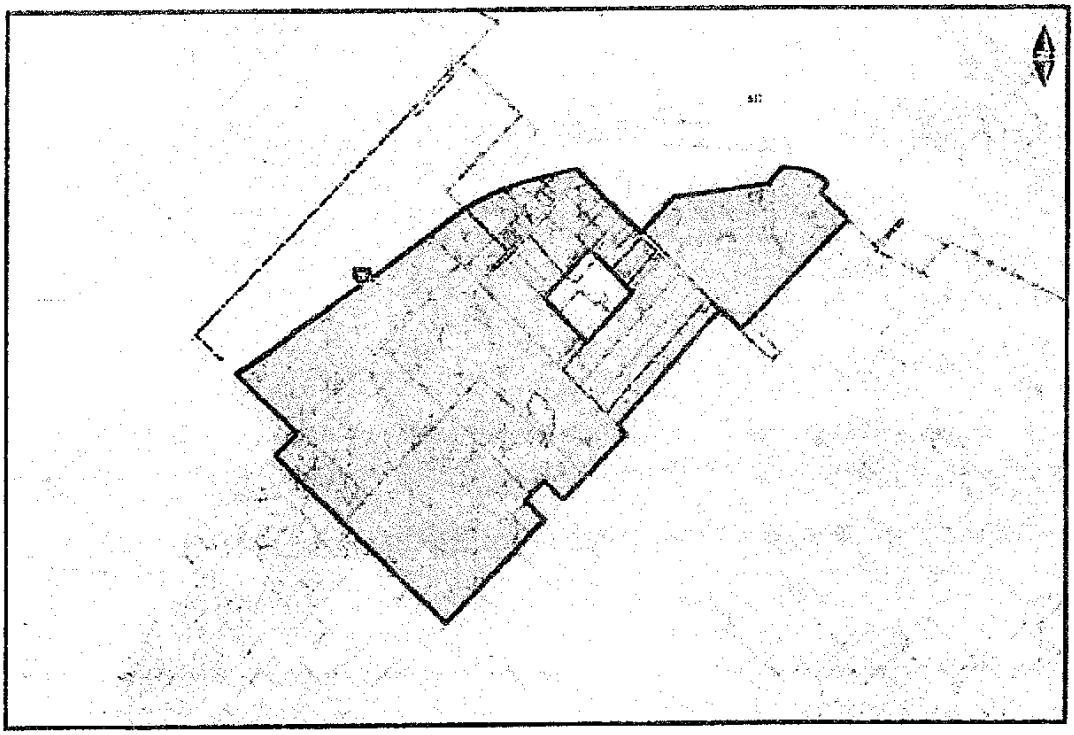


EXHIBIT B – NON-PROJECT COSTS

Reinvestment Zone Number Two, City of Terrell, Texas
Non-Project Costs

Area	Lot Type	Units	Lot Value per Unit	Total Finished Lot Value	Buildout Value per Unit[1]	Total Buildout Value	Estimated Non-Project Costs
Residential	40's	886	$ 60,000	$ 53,160,000	$ 300,000.0	$ 265,800,000	$ 212,640,000
Residential	50's	883	$ 70,000	$ 61,810,000	$ 350,000.0	$ 309,050,000	$ 247,240,000
Residential	60's	190	$ 80,000	$ 15,200,000	$ 400,000.0	$ 76,000,000	$ 60,800,000
Residential	.5 Acre	120	$ 100,000	$ 12,000,000	$ 500,000.0	$ 60,000,000	$ 48,000,000
Residential	Multifamily	630	$ 30,000	$ 18,900,000	$ 150,000.0	$ 94,500,000	$ 75,600,000
Non-Residential	Retail	120,000	$ 40	$ 4,800,000	$ 200.0	$ 24,000,000	$ 19,200,000
Non-Residential	Industrial	1,500,000	$ 11	$ 16,500,000	$ 55.0	$ 82,500,000	$ 66,000,000
Non-Developer	Single Family	1,820	$ 50,000	$ 91,000,000	$ 250,000.0	$ 455,000,000	$ 364,000,000
Total				$ 273,370,000		$ 1,366,850,000	$ 1,093,480,000

(1) Estimate subject to change.

EXHIBIT C – LIST OF PROJECT COSTS

Reinvestment Zone Number Two, City of Terrell, Texas
Project Costs

Public Improvement Category		Cost
Onsite Public Improvements		
Streets and Sidewalks	$	139,367,000
Water	$	39,819,000
Sewer	$	59,729,000
Storm Drainage	$	18,914,000
Parks, Public Buildings, and other Public Facilities	$	19,910,000
Soft Costs	$	19,910,000
Contingency	$	29,864,000
Onsite Subtotal	**$**	**327,513,000**
Streets and Sidewalks	$	35,837,000
Water	$	14,932,000
Sewer	$	14,932,000
Storm Drainage	$	9,955,000
Parks, Public Buildings, and other Public Facilities	$	9,955,000
Soft Costs	$	18,914,000
Contingency	$	9,955,000
Offsite Subtotal	**$**	**114,480,000**
Municipal Services[1]	**$**	**76,173,000**
Administrative Costs	**$**	**604,020**
Total	**$**	**518,770,020**

(1) Represents the 20% residential increment reserved for Municipal Services.

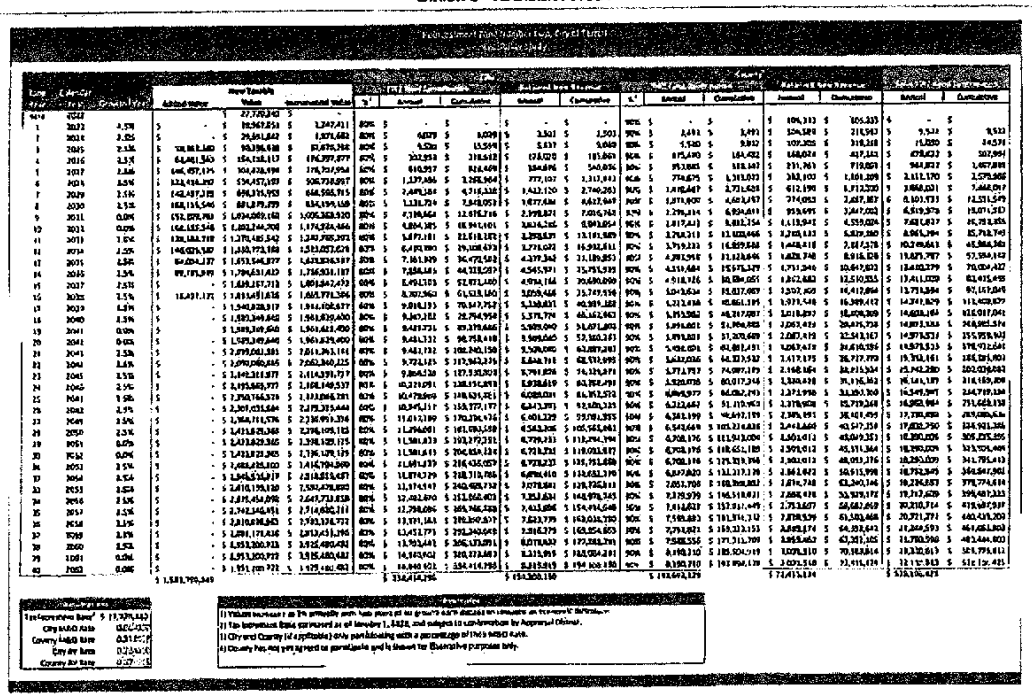
EXHIBIT D – ESTIMATED TIMELINE OF INCURRED COSTS

Reinvestment Zone Number Two, City of Terrell
Estimated Timeline of Incurred Project Costs

Zone Year	Calendar Year	Total Project Costs[1,2] Annual	Cumulative
Base	2022	$ -	$ -
1	2023	$ -	$ -
2	2024	$ 16,733,910	$ 16,733,910
3	2025	$ 17,152,258	$ 33,886,168
4	2026	$ 40,872,218	$ 74,758,386
5	2027	$ 62,070,924	$ 136,829,310
6	2028	$ 41,441,583	$ 178,270,893
7	2029	$ 46,927,659	$ 225,198,552
8	2030	$ 42,477,623	$ 267,676,175
9	2031	$ 46,927,659	$ 314,603,835
10	2032	$ 38,563,613	$ 353,167,448
11	2033	$ 40,751,787	$ 393,919,235
12	2034	$ 17,861,847	$ 411,781,082
13	2035	$ 25,051,240	$ 436,832,322
14	2036	$ -	$ 436,832,322
15	2037	$ 5,160,678	$ 441,993,000
		$ 441,993,000	

(1) Estimate provided for illustrative purposes only.
(2) Does not illustrate Administrative Costs or Municipal Services, which shall be incurred annually for the duration of the Zone.

EXHIBIT E – FEASIBILITY STUDY



Tax Increment Fund Projection	
Tax Rate	$ 0.000000
City M&O Rate	0.000000
County M&O Rate	0.000000
City I&S Rate	0.000000
County I&S Rate	0.000000

Assumptions:

1) Values increase 3% annually over base years as no growth was declared on January 1st of the current year.
2) Tax increment base correspond as of January 1, 2021, and subject to confirmation by Appraisal District.
3) City and County (if applicable) only participating with a percentage of the M&O rate.
4) County has not yet agreed to participate and is shown for illustrative purposes only.

EXHIBIT F – PROPOSED USES OF THE PROPERTY

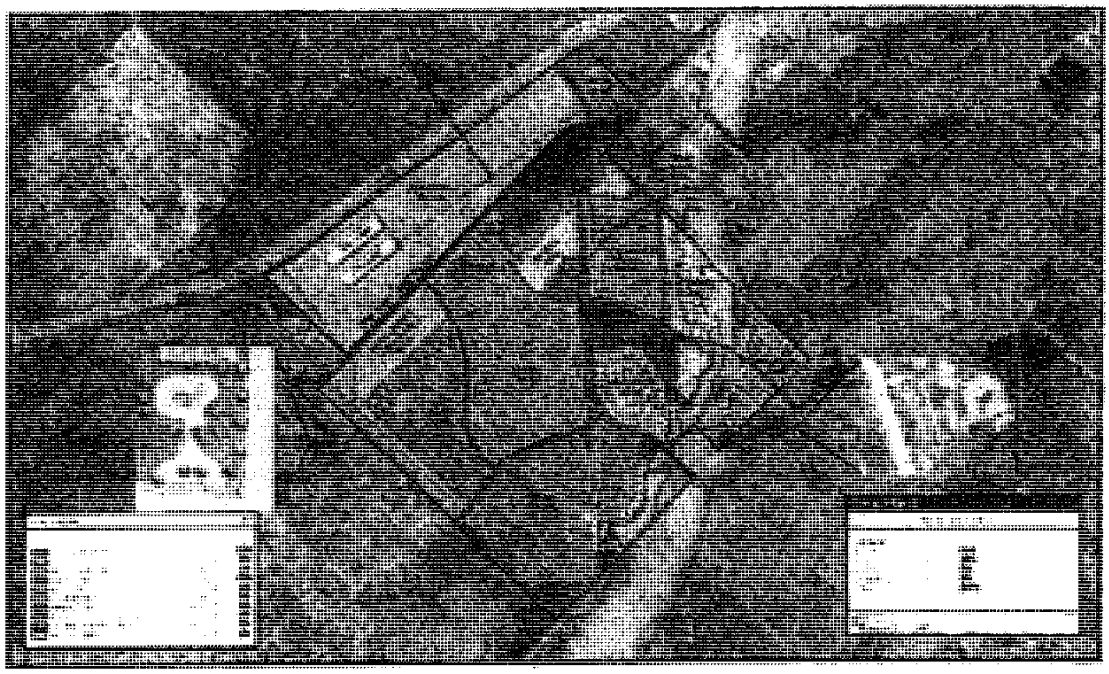
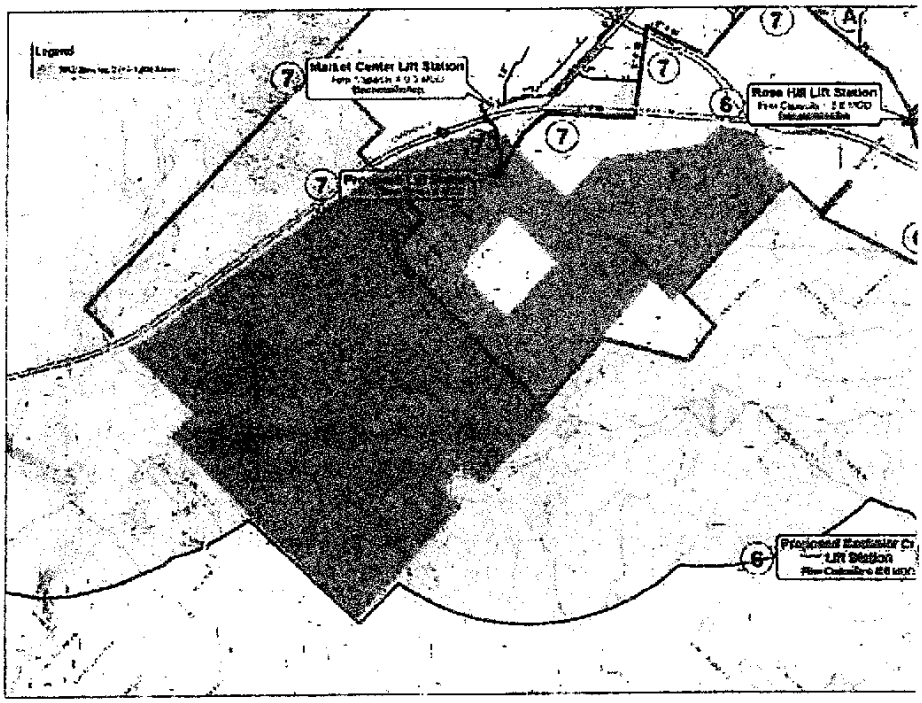
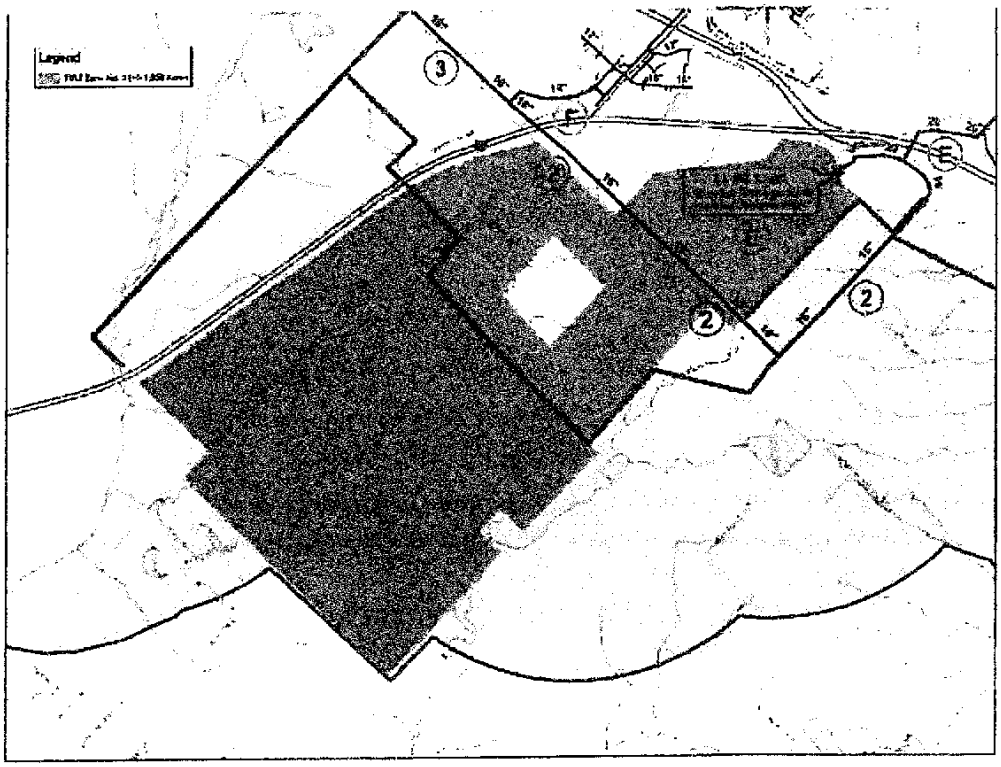
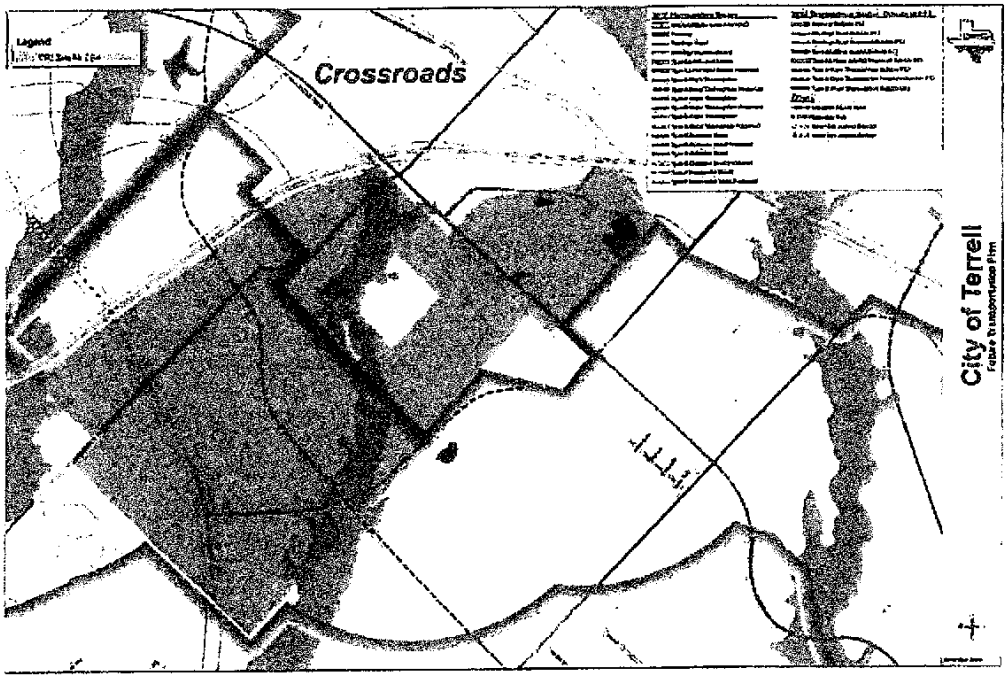


EXHIBIT G – CONCEPT MAPS OF THE PUBLIC IMPROVEMENTS




Legend
3
2
2
2


Legend
Crossroads
City of Terrell

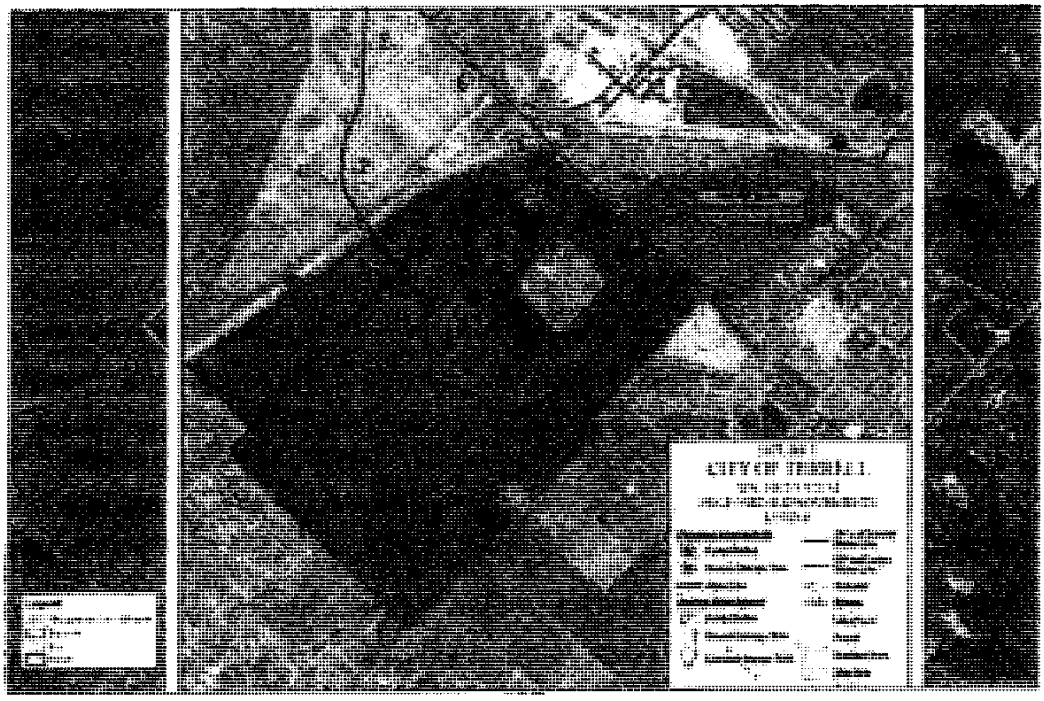


EXHIBIT H – PARCEL IDENTIFICATION

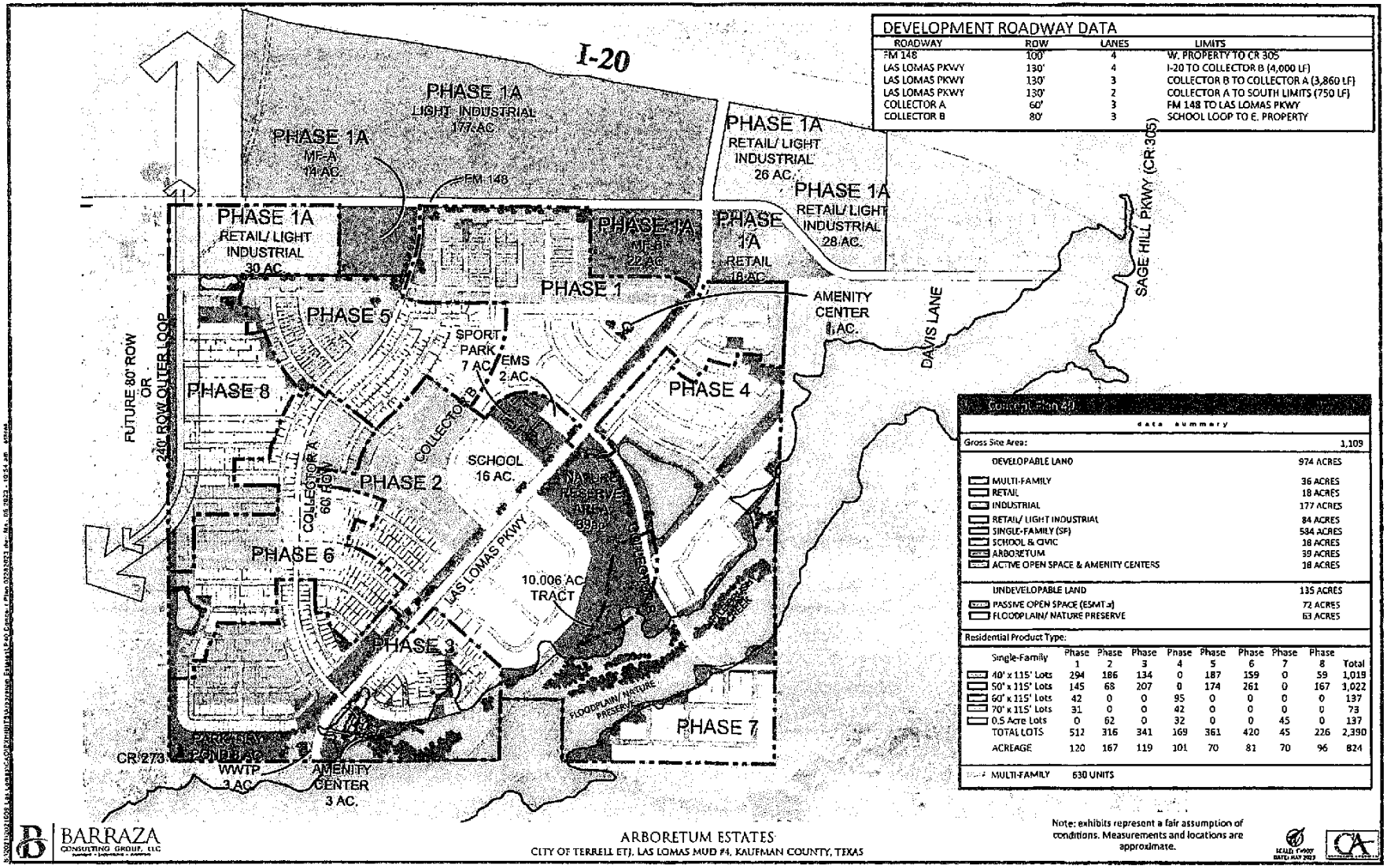
Property ID	Taxable Value	Acreage
5820	$ 501,321	55.78
5821	$ 459,424	21.46
5823	$ 95,863	2.63
5827	$ 329,341	10.68
7666	$ 29,749	1.69
7667	$ 10,583	1.19
7668	$ 3,211,688	243.89
9864	$ 900,300	262.36
9865	$ 1,853,540	153.94
10034	$ 429,125	37.17
10035	$ 6,250	1.24
10042	$ 434,138	33.88
10046	$ 618,375	50.75
10047	$ 961,294	47.63
10052	$ 26,256	4.24
10054	$ 238,952	0.63
10055	$ 113,095	5.13
13042	$ 3,777,650	197.23
14098	$ 272,527	2.24
14099	$ 437,719	6.43
14100	$ 163,176	3.01
14101	$ 161,814	4.11
14102	$ 161,814	9.47
14103	$ 599,660	12.46
14104	$ 65,616	2.74
14105	$ 305,024	16.30
14106	$ 585,685	5.48
14107	$ 329,155	0.00
14107	$ 329,155	1.37

Property ID	Taxable Value	Acreage
15181	$ 28,050	2.82
15181	$ 28,050	0.03
15182	$ 111,252	8.25
15183	$ 29,580	0.44
15184	$ 305,922	6.52
15185	$ 205,211	3.86
15186	$ 87,049	2.25
15187	$ 606,035	1.87
15189	$ 96,093	0.53
15190	$ 304,028	1.96
16339	$ 1,916,400	297.48
16340	$ 1,340,900	101.38
16554	$ 1,364,658	3.51
16559	$ 939,241	19.56
16561	$ 40,075	0.89
16563	$ 233,874	5.06
16939	$ 433,000	48.48
24335	$ 151,637	2.00
24336	$ 40,198	1.00
24337	$ 156,540	0.99
24338	$ 216,104	1.00
24339	$ 206,900	0.99
24340	$ 37,159	0.99
53508	$ 221,720	26.86
58244	$ 271,399	25.20
73009	$ 515,979	6.05
176006	$ 212,303	10.31
177645	$ 212,594	10.00

EXHIBIT D

PUBLIC INFRASTRUCTURE PHASING CONCEPTS

[See Attached]



DEVELOPMENT ROADWAY DATA

ROADWAY	ROW	LANES	LIMITS
FM 148	100'	4	W. PROPERTY TO CR 305
LAS LOMAS PKWY	130'	4	I-20 TO COLLECTOR B (4,000 LF)
LAS LOMAS PKWY	130'	3	COLLECTOR B TO COLLECTOR A (3,860 LF)
LAS LOMAS PKWY	130'	2	COLLECTOR A TO SOUTH LIMITS (750 LF)
COLLECTOR A	60'	3	FM 148 TO LAS LOMAS PKWY
COLLECTOR B	80'	3	SCHOOL LOOP TO E. PROPERTY

Concept Plan 4D

data summary

Gross Site Area:	1,109
DEVELOPABLE LAND	974 ACRES
MULTI-FAMILY	36 ACRES
RETAIL	18 ACRES
INDUSTRIAL	177 ACRES
RETAIL/ LIGHT INDUSTRIAL	84 ACRES
SINGLE-FAMILY (SF)	584 ACRES
SCHOOL & CIVIC	18 ACRES
ARBORETUM	39 ACRES
ACTIVE OPEN SPACE & AMENITY CENTERS	18 ACRES
UNDEVELOPABLE LAND	135 ACRES
PASSIVE OPEN SPACE (ESMT.s)	72 ACRES
FLOODPLAIN/ NATURE PRESERVE	63 ACRES

Residential Product Type:

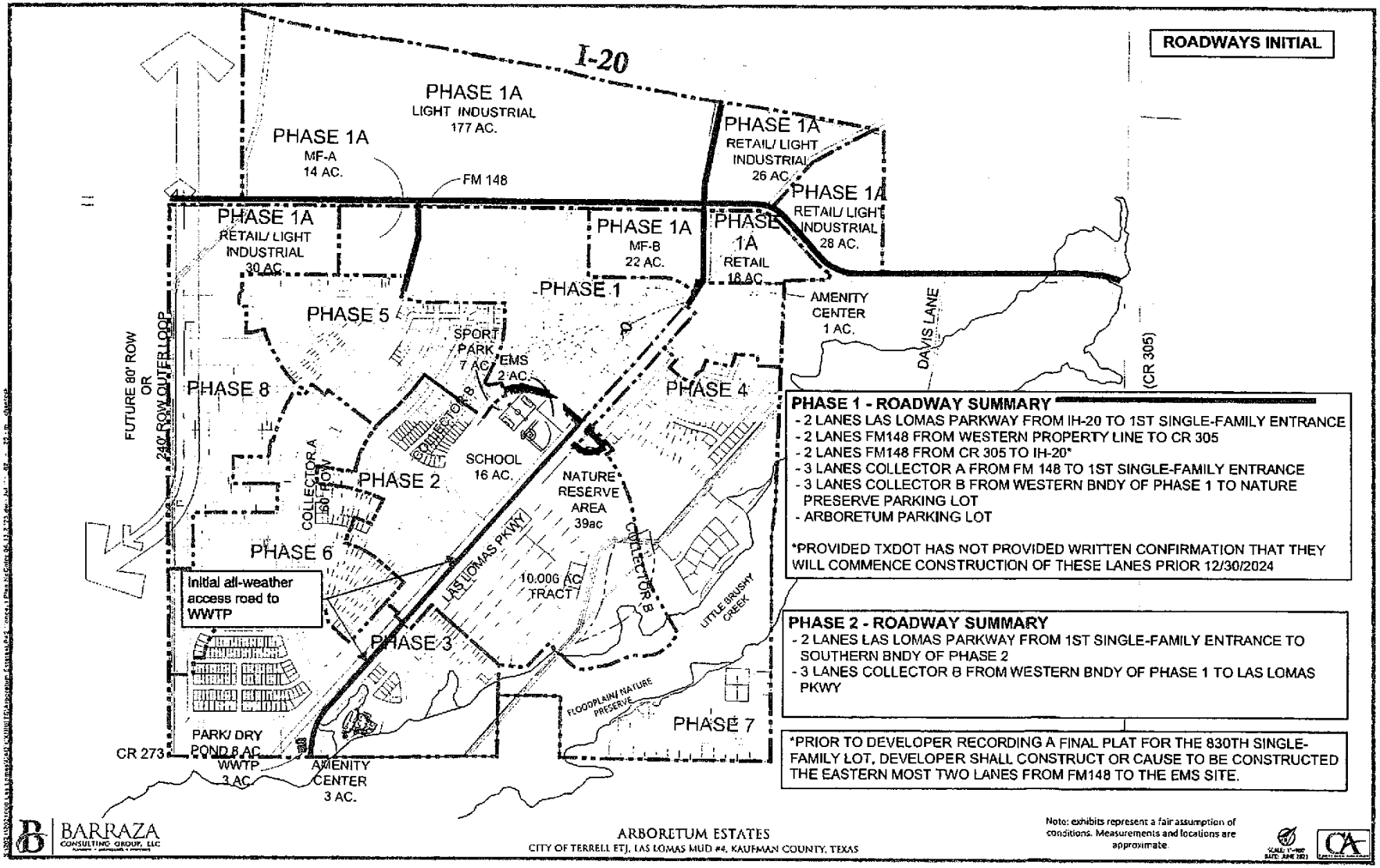
Single-Family	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	Phase 8	Total
40' x 115' Lots	294	186	134	0	187	159	0	59	1,019
50' x 115' Lots	145	68	207	0	174	261	0	167	1,022
60' x 115' Lots	42	0	0	95	0	0	0	0	137
70' x 115' Lots	31	0	0	42	0	0	0	0	73
0.5 Acre Lots	0	62	0	32	0	0	45	0	137
TOTAL LOTS	512	316	341	169	361	420	45	226	2,390
ACREAGE	120	167	119	101	70	81	70	96	824

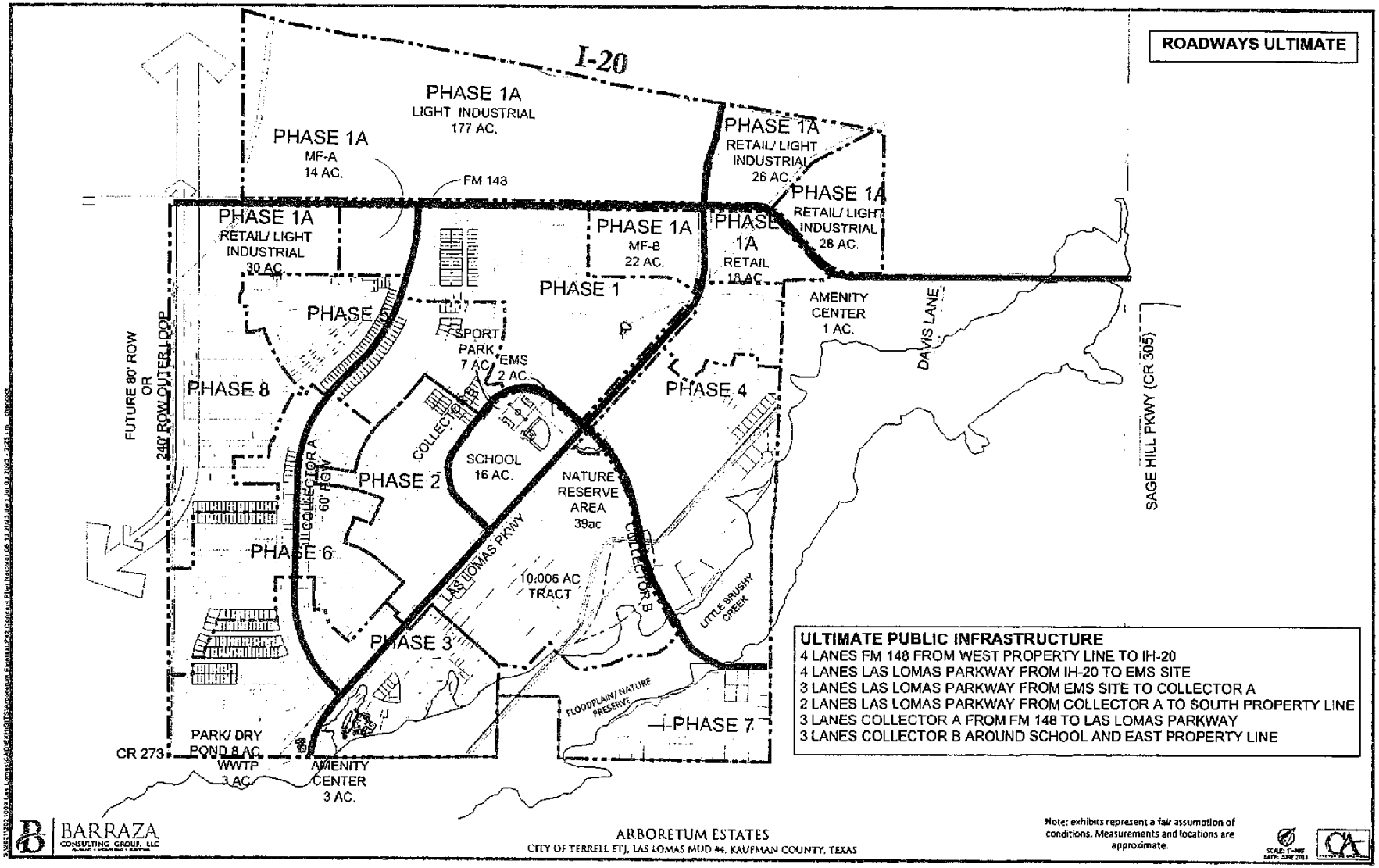
MULTI-FAMILY 630 UNITS

BARRAZA
CONSULTING GROUP, LLC

ARBORETUM ESTATES
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.

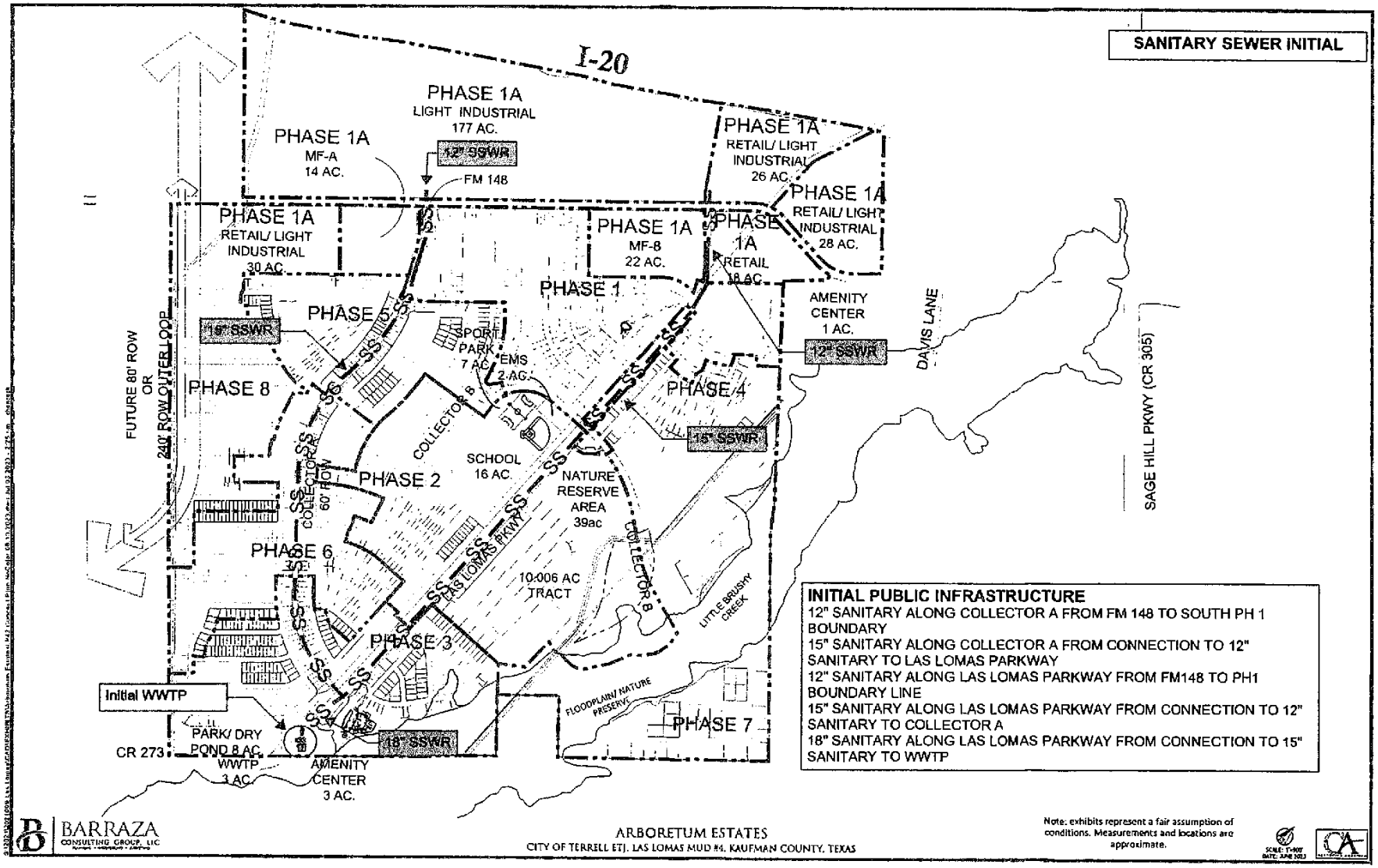

ROADWAYS INITIAL
I-20
PHASE 1A
LIGHT INDUSTRIAL
177 AC.
PHASE 1A
MF-A
14 AC.
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
26 AC.
FM 148
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
28 AC.
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
30 AC.
PHASE 1A
MF-B
22 AC.
PHASE 1A
RETAIL
18 AC.
PHASE 1
PHASE 5
SPORT
PARK
7 AC.
EMS
2 AC.
AMENITY
CENTER
1 AC.
DAVIS LANE
(CR 305)
FUTURE 80' ROW
OR
240' ROW OUTER LOOP
PHASE 8
PHASE 4
COLLECTOR B
COLLECTOR A
80' ROW
PHASE 2
SCHOOL
16 AC.
NATURE
RESERVE
AREA
39ac
PHASE 6
LAS LOMAS PKWY
10.006 AC
TRACT
COLLECTOR B
LITTLE BRUSHY
CREEK
initial all-weather
access road to
WWTP
PHASE 3
FLOODPLAIN/ NATURE
PRESERVE
PHASE 7
PARK/ DRY
POND 8 AC.
CR 273
WWTP
3 AC.
AMENITY
CENTER
3 AC.
PHASE 1 - ROADWAY SUMMARY
- 2 LANES LAS LOMAS PARKWAY FROM IH-20 TO 1ST SINGLE-FAMILY ENTRANCE
- 2 LANES FM148 FROM WESTERN PROPERTY LINE TO CR 305
- 2 LANES FM148 FROM CR 305 TO IH-20*
- 3 LANES COLLECTOR A FROM FM 148 TO 1ST SINGLE-FAMILY ENTRANCE
- 3 LANES COLLECTOR B FROM WESTERN BNDY OF PHASE 1 TO NATURE PRESERVE PARKING LOT
- ARBORETUM PARKING LOT
*PROVIDED TXDOT HAS NOT PROVIDED WRITTEN CONFIRMATION THAT THEY WILL COMMENCE CONSTRUCTION OF THESE LANES PRIOR 12/30/2024
PHASE 2 - ROADWAY SUMMARY
- 2 LANES LAS LOMAS PARKWAY FROM 1ST SINGLE-FAMILY ENTRANCE TO SOUTHERN BNDY OF PHASE 2
- 3 LANES COLLECTOR B FROM WESTERN BNDY OF PHASE 1 TO LAS LOMAS PKWY
*PRIOR TO DEVELOPER RECORDING A FINAL PLAT FOR THE 830TH SINGLE-FAMILY LOT, DEVELOPER SHALL CONSTRUCT OR CAUSE TO BE CONSTRUCTED THE EASTERN MOST TWO LANES FROM FM148 TO THE EMS SITE.
BARRAZA
CONSULTING GROUP, LLC
ARBORETUM ESTATES
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS
Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.

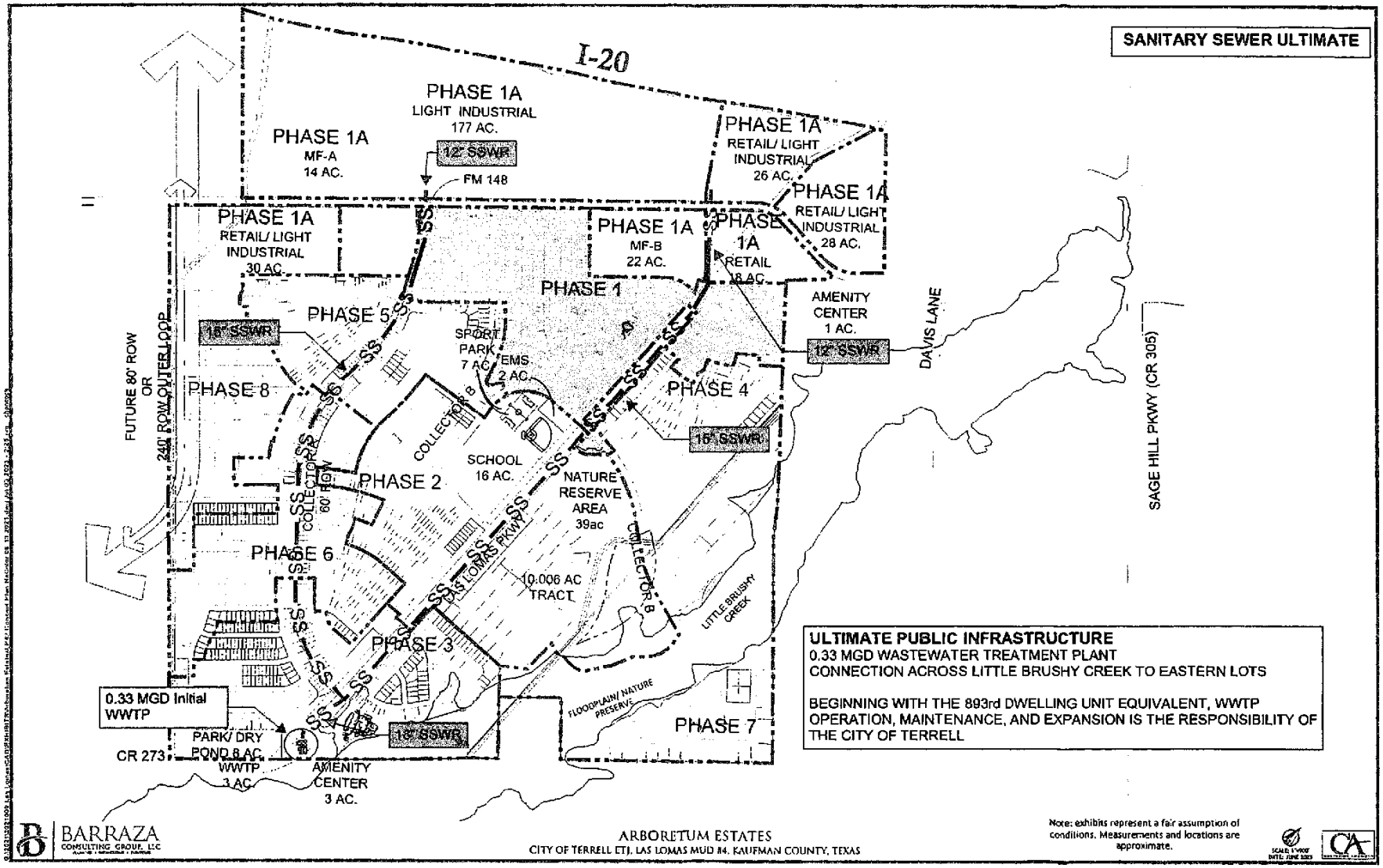


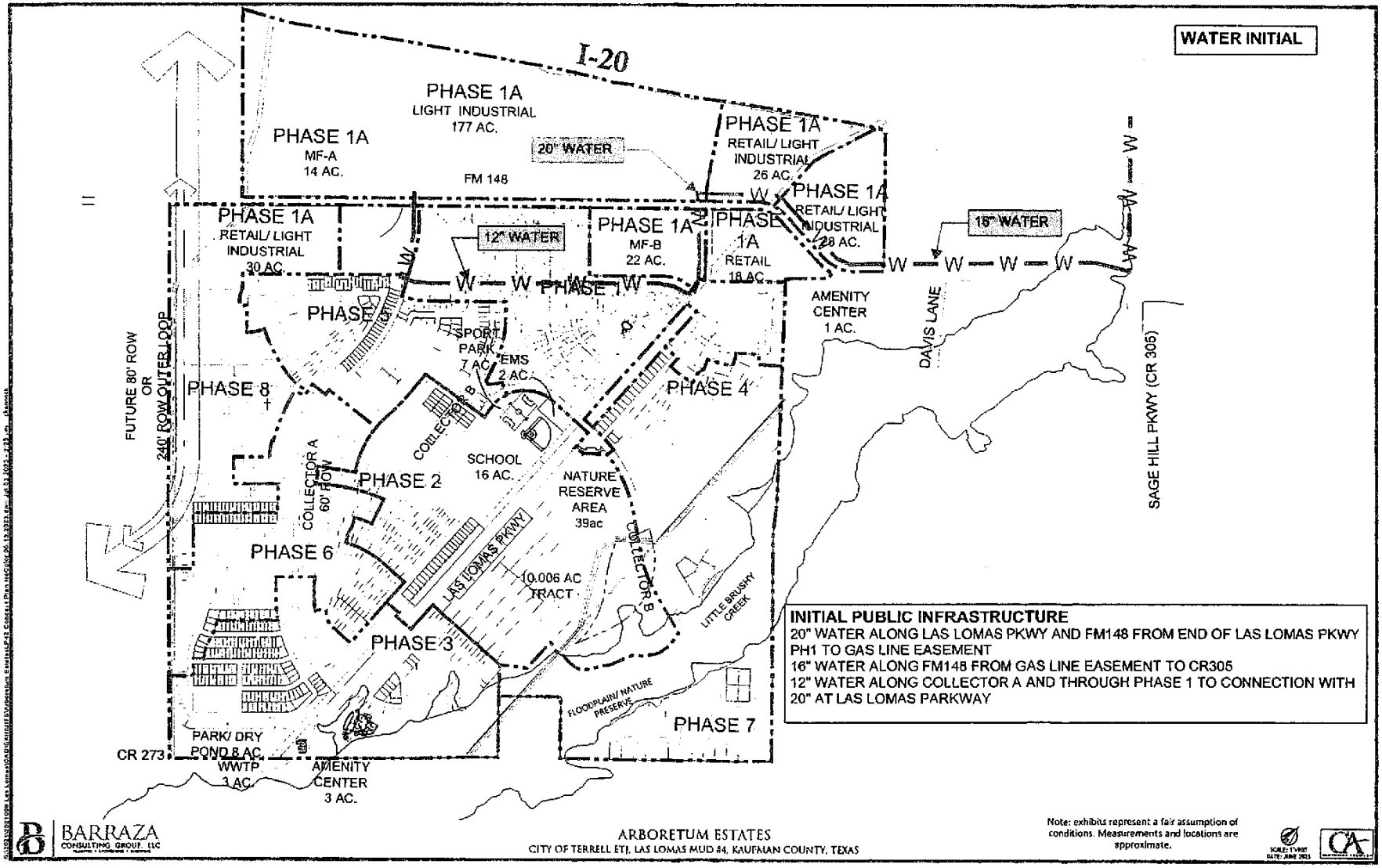
BARRAZA
CONSULTING GROUP, LLC

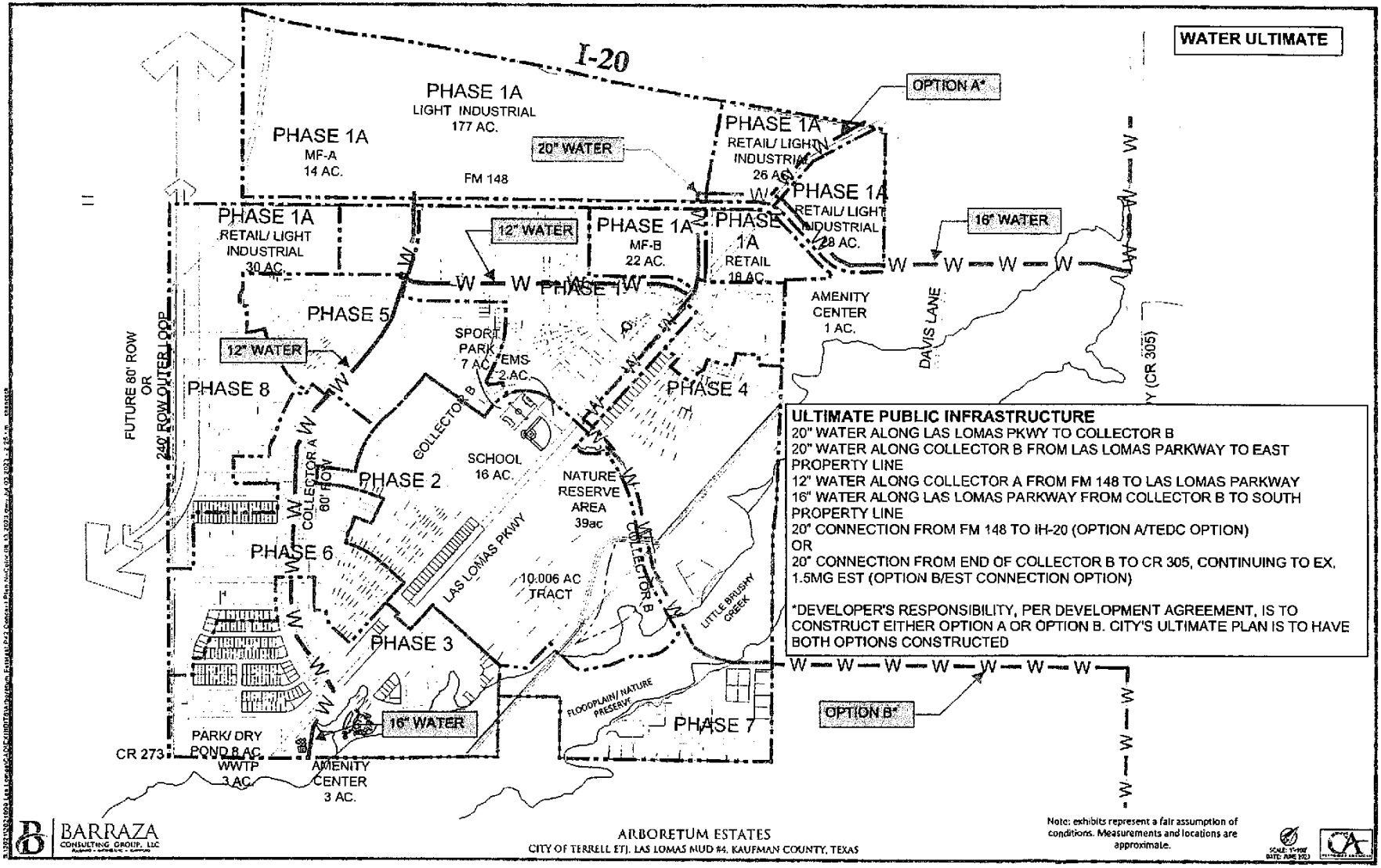
ARBORETUM ESTATES
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.


SANITARY SEWER INITIAL
I-20
PHASE 1A
LIGHT INDUSTRIAL
177 AC.
PHASE 1A
MF-A
14 AC.
12" SSWR
FM 148
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
26 AC.
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
28 AC.
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
30 AC.
PHASE 1A
MF-8
22 AC.
PHASE 1A
RETAIL
18 AC.
PHASE 1
PHASE 5
15" SSWR
SPORT
PARK
7 AC.
EMS
2 AC.
AMENITY
CENTER
1 AC.
12" SSWR
DAVIS LANE
FUTURE 80' ROW
OR
240' ROW OUTER LOOP
PHASE 8
COLLECTOR B
PHASE 4
15" SSWR
SCHOOL
16 AC.
PHASE 2
NATURE
RESERVE
AREA
39ac
COLLECTOR A
60' ROW
LAS LOMAS PKWY
SAGE HILL PKWY (CR 305)
PHASE 6
10.006 AC
TRACT
COLLECTOR B
LITTLE BRUSHY
CREEK
PHASE 3
Initial WWTP
FLOODPLAIN/ NATURE
PRESERVE
PHASE 7
PARK/ DRY
POND 8 AC.
CR 273
18" SSWR
WWTP
3 AC.
AMENITY
CENTER
3 AC.
INITIAL PUBLIC INFRASTRUCTURE
12" SANITARY ALONG COLLECTOR A FROM FM 148 TO SOUTH PH 1 BOUNDARY
15" SANITARY ALONG COLLECTOR A FROM CONNECTION TO 12" SANITARY TO LAS LOMAS PARKWAY
12" SANITARY ALONG LAS LOMAS PARKWAY FROM FM148 TO PH1 BOUNDARY LINE
15" SANITARY ALONG LAS LOMAS PARKWAY FROM CONNECTION TO 12" SANITARY TO COLLECTOR A
18" SANITARY ALONG LAS LOMAS PARKWAY FROM CONNECTION TO 15" SANITARY TO WWTP
BARRAZA
CONSULTING GROUP, LLC
ARBORETUM ESTATES
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS
Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.


SANITARY SEWER ULTIMATE
I-20
PHASE 1A
LIGHT INDUSTRIAL
177 AC.
PHASE 1A
MF-A
14 AC.
12" SSWR
FM 148
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
26 AC.
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
28 AC.
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
30 AC.
PHASE 1A
MF-B
22 AC.
PHASE 1A
RETAIL
8 AC.
PHASE 1
PHASE 5
PHASE 8
PHASE 2
PHASE 6
PHASE 3
PHASE 4
PHASE 7
AMENITY
CENTER
1 AC.
12" SSWR
DAVIS LANE
SAGE HILL PKWY (CR 305)
FUTURE 80' ROW
OR
240' ROW OUTER LOOP
18" SSWR
SPORT
PARK
7 AC.
EMS
2 AC.
COLLECTOR B
SCHOOL
16 AC.
NATURE
RESERVE
AREA
39ac
16" SSWR
COLLECTOR
60' ROW
LAS LOMAS PKWY
10.006 AC
TRACT
COLLECTOR B
LITTLE BRUSHY
CREEK
FLOODPLAIN/ NATURE
PRESERVE
0.33 MGD Initial
WWTP
PARK/ DRY
POND 8 AC.
CR 273
WWTP
3 AC.
AMENITY
CENTER
3 AC.
16" SSWR
ULTIMATE PUBLIC INFRASTRUCTURE
0.33 MGD WASTEWATER TREATMENT PLANT
CONNECTION ACROSS LITTLE BRUSHY CREEK TO EASTERN LOTS
BEGINNING WITH THE 893rd DWELLING UNIT EQUIVALENT, WWTP
OPERATION, MAINTENANCE, AND EXPANSION IS THE RESPONSIBILITY OF
THE CITY OF TERRELL
BARRAZA
CONSULTING GROUP, LLC
ARBORETUM ESTATES
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS
Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.


WATER INITIAL
I-20
PHASE 1A
LIGHT INDUSTRIAL
177 AC.
PHASE 1A
MF-A
14 AC.
20" WATER
FM 148
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
26 AC.
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
28 AC.
16" WATER
PHASE 1A
RETAIL/ LIGHT
INDUSTRIAL
30 AC.
12" WATER
PHASE 1A
MF-B
22 AC.
PHASE 1A
RETAIL
18 AC.
AMENITY
CENTER
1 AC.
DAVIS LANE
SAGE HILL PKWY (CR 305)
FUTURE 80' ROW
OR
240' ROW OUTER LOOP
PHASE 5
SPORT
PARK
7 AC.
EMS
2 AC.
PHASE 8
PHASE 4
COLLECTOR B
COLLECTOR A
60' ROW
SCHOOL
16 AC.
PHASE 2
NATURE
RESERVE
AREA
39ac
PHASE 6
LAS LOMAS PKWY
10.006 AC
TRACT
COLLECTOR B
LITTLE BRUSHY
CREEK
PHASE 3
FLOODPLAIN/ NATURE
PRESERVE
PHASE 7
PARK/ DRY
POND 8 AC.
CR 273
WWTP
1 AC.
AMENITY
CENTER
3 AC.
INITIAL PUBLIC INFRASTRUCTURE
20" WATER ALONG LAS LOMAS PKWY AND FM148 FROM END OF LAS LOMAS PKWY PH1 TO GAS LINE EASEMENT
16" WATER ALONG FM148 FROM GAS LINE EASEMENT TO CR305
12" WATER ALONG COLLECTOR A AND THROUGH PHASE 1 TO CONNECTION WITH 20" AT LAS LOMAS PARKWAY
BARRAZA
CONSULTING GROUP, LLC
ARBORETUM ESTATES
CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS
Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.



BARRAZA CONSULTING GROUP, LLC

ARBORETUM ESTATES

CITY OF TERRELL ETJ, LAS LOMAS MUD #4, KAUFMAN COUNTY, TEXAS

Note: exhibits represent a fair assumption of conditions. Measurements and locations are approximate.

EXHIBIT E

CURRENT ESTIMATE OF PUBLIC INFRASTRUCTURE

[See Attached]

COMMUNITY NAME:	Arboretum Estates	**GROSS ACREAGE:**	703.5
PHASES:	Phases 1-8 & Overall MI's	**NET ACREAGE:**	620.0
CITY OR TOWN:	Terrell ETJ & Las Lomas MUD 4	**TOTAL LOTS:**	2,391
		TOTAL DENSITY:	3.86
		LANDPLAN:	38
		CREATED BY:	RCL/CH
		REVIEWED BY:	MC
		CREATED:	10/12/21
		REVISED:	06/29/23

BARRAZA
CONSULTING GROUP, LLC
PLANNING + ENGINEERING + SURVEYING

Direct Phase Costs (PID Direct)			**Totals**	**Phase 1**	**Future**
	Lot Count		**2391**	**507**	**1884**
1 Grading & Site Preparation		$	10,745,394	$ 1,870,671	$ 8,874,723
2 Water System		$	12,906,399	$ 2,311,038	$ 10,595,361
3 Sanitary Sewer System		$	15,264,811	$ 3,244,139	$ 12,020,672
4 Drainage System		$	26,252,760	$ 4,873,939	$ 21,378,822
5 Street Improvements		$	29,470,879	$ 5,941,891	$ 23,528,988
6 District Formation		$	4,815,172	$ 920,352	$ 3,894,821
7 Soft Costs		$	13,262,782	$ 2,382,445	$ 10,880,336
8 Contingency	5%	$	5,395,151	$ 1,031,206	$ 4,363,945
	Total	$	118,113,349	$ 22,575,681	$ 95,537,668
	Cost per Lot	$	49,399	$ 44,528	$ 50,710

Private Costs			**Totals**	**Phase 1**	**Future**
	Lot Count		**2391**	**507**	**1884**
1 Grading & Site Preparation		$	9,201,911	$ 1,356,225	$ 7,845,686
2 Retaining Walls		$	3,964,000	$ 752,000	$ 3,212,000
3 Dry Utilities		$	2,481,200	$ 484,900	$ 1,996,300
4 Amenity Center		$	3,500,000	$ -	$ 3,500,000
5 Soft Costs		$	2,032,336	$ 305,768	$ 1,726,569
6 Contingency	5%	$	1,058,972	$ 144,945	$ 914,028
	Total	$	22,238,420	$ 3,043,838	$ 19,194,582
	Cost per Lot	$	9,301	$ 6,004	$ 10,188
Total (Direct + Private)		$	***140,351,769***	$ ***25,619,519***	$ ***114,732,250***
Total MI		$	***72,112,793***	$ ***25,759,088***	$ ***46,353,706***
Total Water Oversizing		$	***515,340***	$ ***515,340***	$ -
Total All		$	***212,979,902***	$ ***51,893,946***	$ ***161,085,956***
Direct + Private Per Lot		$	*58,700*	$ *50,532*	$ *60,898*
MI Per Lot		$	*30,160*	$ *50,807*	$ *24,604*
Oversize Water MI Per Lot		$	*216*	$ *1,016*	$ -
Total (Direct + Private + MI) per lot		$	***89,076***	$ ***102,355***	$ ***85,502***

Lot Count	**Totals**	**Phase 1**	**Future**
40' Lots	1,031	294	737
50' Lots	1,010	140	870
60' Lots	141	42	99
70' Lots	70	31	39
1/2 AC. Lots	139	0	139
Total Lots	***2,391***	***507***	***1884***

COMMUNITY NAME:	Arboretum Estates	**GROSS ACREAGE:**	703.5
PHASES:	Phases 1-8 & Overall MI's	**NET ACREAGE:**	620.0
CITY OR TOWN:	Terrell ETJ & Las Lomas MUD 4	**TOTAL LOTS:**	2,391
		TOTAL DENSITY:	3.86
		LANDPLAN:	38
		CREATED BY:	RCL/CH
		REVIEWED BY:	MC
		CREATED:	10/12/21
		REVISED:	06/29/23

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

Major Improvements Costs		**Totals**	**Phase 1**	**Future**
Overall Development Lot Count		**2391**	507	1,884
1 Water		$ 5,267,706	$ 2,363,795	$ 2,903,912
2 Sanitary Sewer Transmission		$ 5,223,496	$ 3,179,508	$ 2,043,988
Sanitary Sewer Capacity (WWTP)		$ 4,950,000	$ 2,100,000	$ 2,850,000
3 Detention Ponds		$ 995,004	$ -	$ 995,004
4 Amenity Ponds		$ 339,080	$ -	$ 339,080
5 Street Improvements		$ 29,981,618	$ 9,586,120	$ 20,395,497
6 Screening Walls		$ 4,646,000	$ 684,000	$ 3,962,000
7 Landscape & Irrigation		$ 2,899,000	$ 342,000	$ 2,557,000
8 Monumentation		$ 300,000	$ 100,000	$ 200,000
9 Parks & Trails		$ 1,638,442	$ 235,489	$ 1,402,953
10 ROW Dedication		$ 2,000,000	$ 2,000,000	$ -
11 Soft Costs		$ 7,638,647	$ 2,941,428	$ 4,697,219
12 Contingency	5%	$ 3,293,950	$ 1,176,617	$ 2,117,333
13 District Formation		$ 2,939,850	$ 1,050,131	$ 1,889,719
	Total	$ 72,112,793	$ 25,759,088	$ 46,353,706
	Cost per Lot	$ 30,160	$ 50,807	$ 24,604

Major Improvements - City Oversizing (Non-PID)		**Totals**	**Phase 1**	**Future**
Overall Development Lot Count		**2391**	507	1,884
1 Water		$ 490,800	$ 490,800	$ -
12 Contingency	5%	$ 24,540	$ 24,540	$ -
	Total	$ 515,340	$ 515,340	$ -
	Cost per Lot	$ 216	$ 1,016	$ -

TOTAL COST	**Totals**	**Phase 1**	**Future**
(Private + Direct + MI + Oversizing)	***$ 212,979,902***	***$ 51,893,946***	***$ 161,085,956***
Cost per Lot	$ 89,076	$ 102,355	$ 85,502

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY. BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES TAKE-OFFS BEFORE FINANCIAL OBLIGATIONS ARE MADE.

NOTES

[1] MI Water - Ph 1, 3, 4 and 7 include offsite Freese & Nichols study segments 3, 4 and 5. CADG to pay for segment 5 at 12", City pays oversizing to 16"

[2] MI Sanitary Sewer - WWTP assumes CADG-operated 0.33 MGD temporary plant before hand-off to City of Terrell for permanent plant construction/operation. 0.14 MGD with Ph 1. WWTP to be expanded pased on actual flows @ 70% capacity

[3] MI Detention Pond - Pond costs are for City-required detention

[4] MI Amenity Pond - Digging out and amenitizing dry pond near WWTP in Ph 3, and wet pond on property limits in Ph 6

[5] MI Streets - Total costs - 4 lanes FM 148:$11.60MM, 4/3/2 lanes Las Lomas Pkwy: $7.87MM, 3 lanes Collector A: $4.73MM, 3 lanes Collector B: $4.83MM. City's revised technical standards increased paving costs

[6,7] MI Screening wall, landscaping, and irrigation included for road major improvements adjacent to single-family phases. Excluded adjacent to commercial/multi-family outparcels and City property on Collector B.

[9] MI Parks & Trails - Ph 1 includes Arboretum parking lot. Ph 2 includes trails

[11] Soft Costs (Direct, Private & MI) include: Civil Engineering, Planning, Surveying, Flood Studies, Environmental, Wetlands, SWPPP Administration, Traffic Studies, Const Admin, City Const Inspect, Const Mgmt ($1,000/lot per GM), Material Testing ($1,500/lot per GM) and City/County/TxDOT Fees

[B] Development cost does not include: Potential rock excavation

[C] Grading cost assumes 2 ft of excavation across the site

[D] Unit costs based on CADG projects Verandah and Spiritas Ranch

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