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 of such jurisdiction.

NEW ISSUE **NOT RATED**

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

In the opinion of Bond Counsel to the City, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions on the date thereof, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on certain corporations.

$6,572,000*
CITY OF LIBERTY, TEXAS,
(a municipal corporation of the State of Texas located in Liberty County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT)

Sale Date: February 10, 2026
Dated Date: Closing Date (defined below) **Due: September 1, as shown on the inside cover**

The City of Liberty, Texas, Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District) (the "Bonds"), are being issued by the City of Liberty, Texas (the "City"). The Bonds will be issued in fully registered form, without coupons. Beneficial ownership of the Bonds may be acquired in principal denominations of $100,000 and in integral multiples of $1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover hereof, calculated on the basis of a 360-day year of twelve 30-day months, payable on each March 1 and September 1, commencing September 1, 2026, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by UMB Bank, N.A., a national banking association, as trustee (the "Trustee"), to DTC as the registered owner thereof. See "BOOK-ENTRY ONLY SYSTEM."

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an ordinance to be adopted by the City Council of the City (the "City Council"), and an Indenture of Trust (the "Indenture"), by and between the City and the Trustee. See "SECURITY FOR THE BONDS SIMILARLY SECURED." ***Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.***

Proceeds of the Bonds will be used for the purposes of paying (1) a portion of the Actual Costs of the Public Improvements, (ii) paying capitalized interest on the Bonds during the period of construction and acquisition of Improvements, (iii) funding a reserve account for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (v) paying the costs of issuance of the Bonds. See "THE AUTHORIZED IMPROVEMENTS" and "APPENDIX B – Form of Indenture."

The Bonds and any Refunding Bonds are referred to herein as the "Bonds Similarly Secured." The Bonds Similarly Secured, when issued and delivered, will constitute valid and binding special and limited obligations of the City payable solely from and secured by a first lien on, and pledge of the Trust Estate (as defined herein), consisting primarily of the Assessments (as defined herein) levied against the Assessed Property (as defined herein) in accordance with the Service and Assessment Plan (as defined herein), all to the extent and upon the conditions described in the Indenture. The Bonds Similarly Secured are not payable from funds raised or to be raised from taxation. See "SECURITY FOR THE BONDS SIMILARLY SECURED."

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

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

THE BONDS SIMILARLY SECURED, INCLUDING THE BONDS, ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM A FIRST LIEN ON, AND PLEDGE OF THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED 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 SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY ASSETS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY ASSETS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER ASSETS COMPRISING THE TRUST ESTATE. SEE "SECURITY FOR THE BONDS SIMILARLY SECURED SIMILARLY SECURED."

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by FMSbonds, Inc. ("the Underwriter"), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See "APPENDIX D – Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the City by its counsel, Olson & Olson LLP, for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, and for Liberty Ranch, LLC, a Texas limited liability company (the "Developer") by Coats Rose, P.C., counsel to the Developer. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about March 5, 2026 (the "Closing Date").

fmsbonds, Inc.
Municipal Bond Specialists

* Preliminary, subject to change.

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

CUSIP Prefix: _____[(a)]

$6,572,000*
CITY OF LIBERTY, TEXAS,
(a municipal corporation of the State of Texas located in Liberty County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT)

$_____ _____% Term Bonds, Due September 1, 20__, Priced to Yield _____%; CUSIP Suffix:___ [(a)(b)(c)(d)]

$_____ _____% Term Bonds, Due September 1, 20__, Priced to Yield _____%; CUSIP Suffix: ___ [(a)(b)(c)(d)]

* *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 ("CGS") and managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® data herein is provided by CGS and is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the City's Municipal Advisor, or the Underwriter takes any responsibility for the accuracy of such numbers.

(b) The Bonds are subject to extraordinary optional redemption as described herein under "DESCRIPTION OF THE BONDS – Redemption Provisions."

(c) The Bonds maturing on any date on and after September 1, 20__, are also subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, at the redemption prices set forth herein under "DESCRIPTION OF THE BONDS – Redemption Provisions."

(d) The Bonds are also subject to mandatory sinking fund redemption as described herein under "DESCRIPTION OF THE BONDS – Redemption Provisions."

* *Preliminary, subject to change.*

CITY OF LIBERTY, TEXAS
CITY COUNCIL

Name	Position	Term Expires (May)
John Hebert, Jr.	Mayor	2026
Tommy Brents	Mayor Pro-Tem	2026
Bruce Bell	Councilmember	2027
Nick Dennis	Councilmember	2027
Debbie Dugger	Councilmember	2027
Ed Seymour	Councilmember	2026
Ross Ward	Councilmember	2026

CITY MANAGER	**CITY SECRETARY**	**CHIEF FINANCIAL OFFICER**
Bryan Kendrick	April Gilliland	Naomi Herrington

ADMINISTRATOR
P3Works, LLC

MUNICIPAL ADVISOR TO THE CITY
RBC Capital Markets, LLC

BOND COUNSEL
McCall, Parkhurst & Horton, L.L.P.

UNDERWRITER'S COUNSEL
Orrick, Herrington & Sutcliffe LLP

For additional information regarding the City, please contact:

Naomi Herrington
Chief Financial Officer
City of Liberty
1829 Sam Houston Street
Liberty, Texas 77575
(936) 336-3684
nherrington@cityofliberty.org

Robert D. Traylor
Managing Director
RBC Capital Markets, LLC
303 Pearl Parkway, Suite 220
San Antonio, Texas 78215
(210) 805-1117
robert.d.traylor@rbccm.com

Brandon Davis
City Attorney
Olson & Olson LLP
1517 Trinity Street
Liberty, Texas, 77575
(936) 336-4115
brandon@bdavislaw.net

REGIONAL LOCATION MAP OF THE DISTRICT

AREA LOCATION MAP OF THE DISTRICT

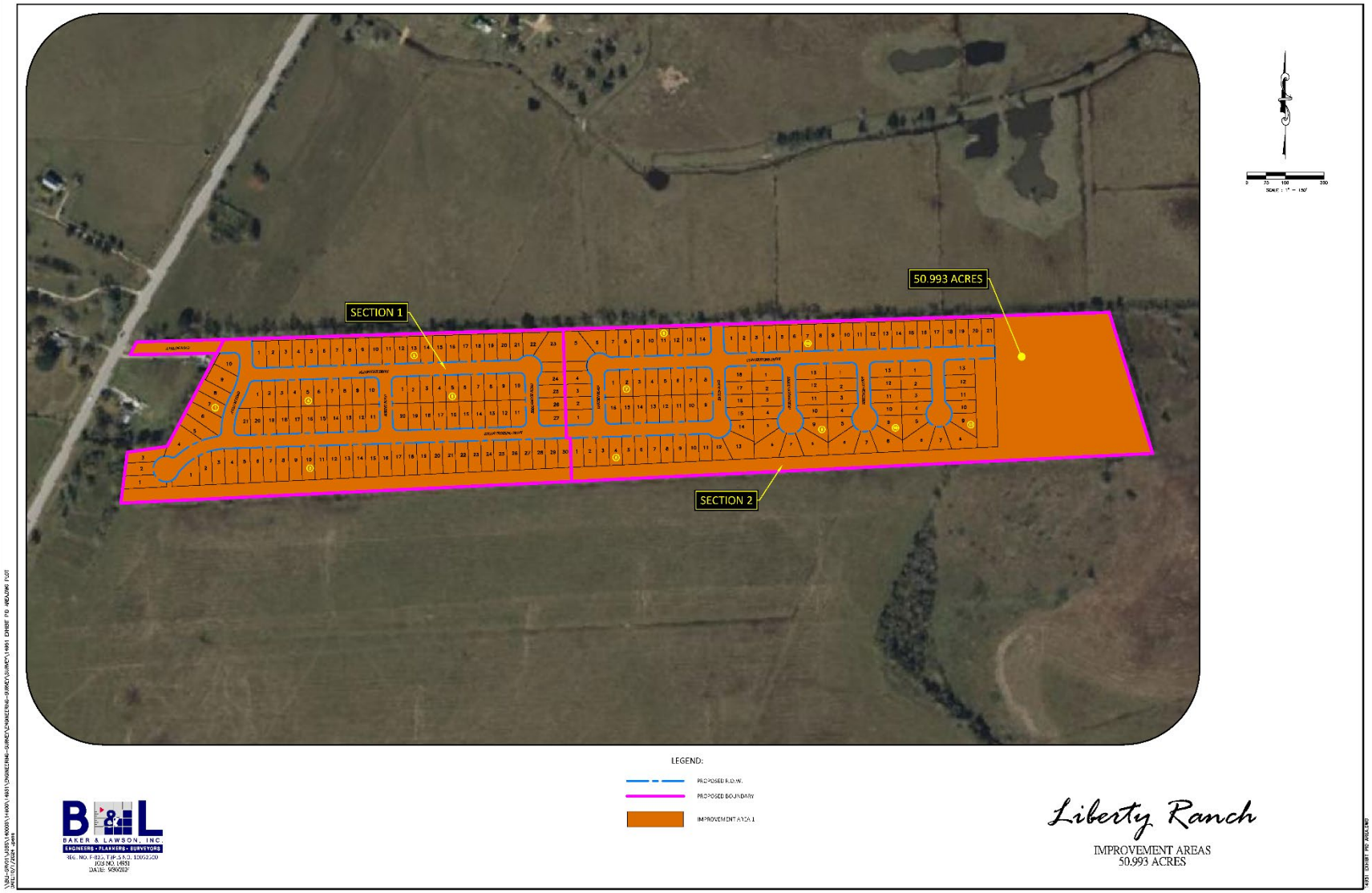
VICINITY MAP
SCALE 1"=1200'

N.T.S.

LOCATION MAP

LIBERTY RANCH
PUBLIC IMPROVEMENT DISTRICT
LOCATION MAP

BOUNDARIES AND CONCEPT PLAN OF THE DISTRICT



USE OF LIMITED OFFERING MEMORANDUM

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

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

THE INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO "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." EACH PROSPECTIVE INITIAL PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS ARE SET FORTH UNDER "BONDHOLDERS' RISKS." EACH INITIAL PURCHASER, BY ACCEPTING THE BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS."

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

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

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE

UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE CITY NOR THE DEVELOPER PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF THEIR EXPECTATIONS (OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED) CHANGE, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE – THE CITY" AND "– THE DEVELOPER," RESPECTIVELY.

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

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

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

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

TABLE OF CONTENTS

INTRODUCTION 1

PLAN OF FINANCE 2
- Overview 2
- Development Plan 2
- Homebuilders in the District 3
- The Bonds 3

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS 4

DESCRIPTION OF THE BONDS 5
- General Description 5
- Redemption Provisions 5

BOOK-ENTRY ONLY SYSTEM 7

SECURITY FOR THE BONDS similarly secured .. 9
- General 9
- Pledged Revenues 10
- Collection and Enforcement of Assessments 12
- Unconditional Levy of Assessments 12
- Perfected Security Interest 13
- Pledged Revenue Fund 13
- Bond Fund 14
- Project Fund 14
- Redemption Fund 16
- Reserve Account of the Reserve Fund 16
- Delinquency and Prepayment Reserve Account of the Reserve Fund 17
- Administrative Fund 17
- Bonds Deemed Paid 17
- Events of Default 18
- Immediate Remedies for Default 18
- Restriction on Owner's Actions 19
- Application of Revenues and Other Moneys After Event of Default 20
- Investment of Funds 20
- Against Encumbrances 21
- Other Obligations or Other Liens; Refunding Bonds 21

SOURCES AND USES OF FUNDS 23

DEBT SERVICE REQUIREMENTS FOR THE BONDS 24

OVERLAPPING TAXES AND DEBT 25
- Agricultural Valuation 26
- Homeowners' Association Dues 26

ASSESSMENT PROCEDURES 26
- General 26
- Assessment Methodology 27
- Collection and Enforcement of Assessment Amounts 29
- Assessment Amounts 30
- Prepayment of Assessments 31
- Priority of Lien 31
- Foreclosure Proceedings 31

THE CITY 32
- Background 32
- City Government 32
- Water and Wastewater Systems 32
- City Regulation of Oil, Gas, Minerals or Groundwater 33

THE DISTRICT 33
- General 33
- Powers and Authority of the City 33

THE AUTHORIZED IMPROVEMENTS 34
- General 34
- The Public Improvements 34
- Ownership and Maintenance of Improvements 35
- The Reimbursement Agreement 35
- The Completion Agreement 35

THE DEVELOPMENT 36
- Overview 36
- The Development Agreement 36
- Development within the District 36
- Lot Purchase Agreements 37
- Status of Development 38
- Photographs of the District 40
- Zoning/Permitting 42
- Amenities 42
- Schools 42
- Environmental 42
- Traffic Impact Analysis 42
- Flood Zone 43
- Utilities 43
- Mineral Rights, Groundwater, Easements, and Other Third-Party Rights 43

THE DEVELOPER 44
- General 44
- Description of the Developer 44
- Executive Biography of Principals of the Developer 45
- Homebuilders in the District 45
- History and Financing of the District 46

APPRAISAL 46
THE PID ADMINISTRATOR 47
THE MUNICIPAL ADVISOR 48
BONDHOLDERS' RISKS 48
Deemed Representations and Acknowledgment by Initial Purchasers 48
General Factors relating to Payment of the Bonds 49
Assessment Limitations 49
Direct and Overlapping Indebtedness, Assessments and Taxes 50
Depletion of Accounts of the Reserve Fund 50
Lien Foreclosure and Bankruptcy 50
Bondholders' Remedies and Bankruptcy 50
Judicial Foreclosures 52
No Acceleration 52
Bankruptcy Limitation to Bondholders' Rights 52
State Law Requiring Notice of Assessment; Failure of Developer and Homebuilders to Deliver Required Notice Pursuant to Texas Property Code 53
Potential Future Changes in State Law Regarding Public Improvement Districts 53
Limited Secondary Market for the Bonds 53
No Credit Rating 53
Adverse Developments Affecting the Financial Services Industry 54
General Risks of Real Estate Investment and Development 54
Risks Related to the Current Residential Real Estate Market 55
Risks Related to Recent Increase in Costs of Building Materials and Labor Shortages 55
Failure or Inability to Complete Proposed Development 55
Completion of Homes 56
Competition 56
Hazardous Substances 56
Regulation 57
Availability of Utilities 57
100-Year Flood Plain 57
Risk from Weather Events 58
Exercise of Third-Party Rights 58
Tax-Exempt Status of the Bonds 58
Management and Ownership 59
Dependence Upon Developer and Homebuilders 59
Use of Appraisal 59
Risks Related to Exposure to the Oil and Gas Industry 59
TAX MATTERS 60
Opinion 60
Federal Income Tax Accounting Treatment of Original Issue Discount 60
Collateral Federal Income Tax Consequences 61
State, Local and Foreign Taxes 62
Information Reporting and Backup Withholding 62
Future and Proposed Legislation 62
Cybersecurity Risks 62
LEGAL MATTERS 63
Legal Proceedings 63
Legal Opinions 63
Litigation – The City 63
Litigation – The Developer 64
SUITABILITY FOR INVESTMENT 64
ENFORCEABILITY OF REMEDIES 64
NO RATING 64
CONTINUING DISCLOSURE 64
The City 64
The City's Compliance with Prior Undertakings 65
The Developer 65
The Developer's Compliance with Prior Undertakings 65
UNDERWRITING 66
REGISTRATION AND QUALIFICATION OF BONDS FOR SALE 66
LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS 66
INVESTMENTS 66
Legal Investments 66
INFORMATION RELATING TO THE TRUSTEE 69
SOURCES OF INFORMATION 69
General 69
Source of Certain Information 70
Experts 70
Updating of Limited Offering Memorandum 70

FORWARD-LOOKING STATEMENTS 70

AUTHORIZATION AND APPROVAL 71

APPENDIX A	General Information Regarding the City and Surrounding Areas
APPENDIX B	Form of Indenture
APPENDIX C	Form of Service and Assessment Plan
APPENDIX D	Form of Opinion of Bond Counsel
APPENDIX E-1	Form of Disclosure Agreement of Issuer
APPENDIX E-2	Form of Disclosure Agreement of Developer
APPENDIX F	Appraisal
APPENDIX G	Reimbursement Agreement
APPENDIX H	Development Agreement

THIS PAGE IS LEFT BLANK INTENTIONALLY.

PRELIMINARY LIMITED OFFERING MEMORANDUM

$6,572,000[*]
CITY OF LIBERTY, TEXAS,
(a municipal corporation of the State of Texas located in Liberty County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT)

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 Liberty, Texas (the "City"), of its $6,572,000[*] aggregate principal amount of Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District) (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, PREMIUM, IF ANY, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" AND "BONDHOLDERS' RISKS."

The Bonds are being issued by the City pursuant to the PID Act, an ordinance to be adopted by the City Council (the "Bond Ordinance"), and the Indenture of Trust, dated as of March 1, 2026, entered into by and between the City and UMB Bank, N.A., a national banking association, as trustee (the "Indenture"). Payment of the Bonds is secured by a first lien on and pledge of the Trust Estate, consisting primarily of revenue from Assessments levied pursuant to a separate ordinance to be adopted by the City Council (the "Assessment Ordinance") against Assessed Property located within the District, all to the extent and upon the conditions described in the Indenture. See "SECURITY FOR THE BONDS SIMILARLY SECURED" and "ASSESSMENT PROCEDURES."

The Bonds and any Refunding Bonds are referred to herein as the "Bonds Similarly Secured." The Bonds Similarly Secured, when issued and delivered, will constitute valid and binding special and limited obligations of the City payable solely from and secured by a first lien on and pledge of the Trust Estate, consisting primarily of the Assessments levied against the Assessed Property in accordance with the Service and Assessment Plan, all to the extent and upon the conditions described in the Indenture. The Bonds Similarly Secured are not payable from funds raised or to be raised from taxation. See "SECURITY FOR THE BONDS SIMILARLY SECURED."

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

Set forth herein are brief descriptions of the City, the District, the Bond Ordinance, the Assessment Ordinance, the Service and Assessment Plan, the Development Agreement (as defined herein), the Reimbursement Agreement (as defined herein), the Completion Agreement (as defined herein), the Developer, and the Administrator (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof

[*] *Preliminary, subject to change.*

and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, telephone number 214-418-1588. The form of the Indenture appears in APPENDIX B and the form of Service and Assessment Plan appears in APPENDIX C. The information provided under this caption "INTRODUCTION" is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

Overview

Following receipt of a petition requesting creation of a public improvement district in accordance with the PID Act, the City created the District on May 10, 2022. The District is an approximately 50.993 acre single-family residential development within the corporate boundaries of the City, and is located East of Highway 146, between County Road 2830 and McGuire Road, approximately 5 miles northeast of the City. The District will consist of 216 50' lots, as well as certain amenities, including a children's play area, grass and concrete sport courts, horseshoe pits, multi-use paths, 20,0000 square feet of greenbelt pedestrian paths, and sitting areas and structures (the "Amenities"), as reflected on the map on page iv (the "Development").

Development Plan

Land Acquisition. In July 2022, Von Schmidt Land and Cattle, LLC, a Texas limited liability company ("Von Schmidt Land and Cattle"), which shares common ownership with the Developer, acquired 50.993 acres, comprised of all of the property within the District (the "Property"), at a purchase price of $570,000, using cash on hand, from Ernie W. Picket IV and Stacie Lynn Pickett. On March 25, 2025, the Developer acquired the Property from Von Schmidt Land and Cattle pursuant to a Special Warranty Deed. See "THE DEVELOPER – Description of the Developer" and "– History and Financing of the District."

The Development Agreement. The City and the Developer entered into that certain Liberty Ranch Development Agreement, effective as of April 24, 2025 (the "Development Agreement") to provide standards for developing the District, and to provide for the development of the Authorized Improvements (as defined herein), including the Public Improvements (as defined herein). The Development Agreement provides provisions for the construction of various improvements in the District, including homes, the Public Improvements, including the Amenities, certain water and sewer utility extensions located outside of the Property, and for any improvements required by the Texas Department of Transportation ("TxDOT") to be made to Highway 146, and other matters. See "THE DEVELOPMENT – The Development Agreement", "– Traffic Impact Analysis," "– Zoning/Permitting," and "APPENDIX H – The Development Agreement."

Development within the District. Development of the District is anticipated to include 216 single-family homes. The Developer is constructing, acquiring, or purchasing the public improvements, which provide a special benefit to the entire District (the "Improvements" or the "Public Improvements"), in two phases, consisting of Section 1 and Section 2. Section 1 is comprised of 108 single-family lots. The Developer completed construction of the Public Improvements in Section 1 in January 2026. Section 2 is comprised of the remaining 108 single-family lots. The Developer currently expects to complete construction of the Public Improvements in Section 2 by August 2026. The Public Improvements, the Bond Issuance Costs (including costs of issuance of the Bonds, debt service reserves, and capitalized interest), and the first year of Annual Collection Costs, listed in the Service and Assessment Plan are collectively referred to herein as the "Authorized Improvements". See "THE AUTHORIZED IMPROVEMENTS" and "THE DEVELOPMENT – Development within the District."

Financing Plan. The total cost of the Authorized Improvements (consisting of the Public Improvements, Bond Issuance Costs, including capitalized interest, and funding a reserve fund for the payment of principal of and interest on the Bonds) is approximately $7,471,583. A portion of the cost of the Public Improvements, in the approximate amount of $5,205,884*, is expected to be paid to the Developer from proceeds of the Bonds. The

remaining portion in the approximate amount of $1,137,583* will be paid by the Developer and will not be reimbursed by the City. As of January 1, 2026, the Developer has spent approximately $4,048,110 on the construction, acquisition, or purchase of the Public Improvements. Pursuant to the Development Agreement, the Developer is responsible for paying for the certain offsite improvements in the approximate amount of $1,437,000, which consists of the Offsite Utility Improvements (as defined herein) and the TxDOT Improvements (as defined herein) (collectively, the "Offsite Improvements"). The City has agreed to reimburse the Developer for up to $1,000,000 of the cost of the Offsite Improvements from lawfully available sources other than the Assessments or proceeds of the Bonds. The remainder of the cost of the Offsite Improvements, in the approximate amount o$437,000, may be reimbursed from the proceeds of the Bonds. The Developer will pay for the costs of the Public Improvements, which includes the Amenities, and the Offsite Improvements from proceeds of the Development Loan (as defined herein), proceeds from lot sales within Section 1, and cash on hand. See "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT – Amenities," "– Traffic Impact Analysis," "– Water and Wastewater Systems," "THE DEVELOPER – History and Financing of the District," and "APPENDIX H – The Development Agreement."

The Reimbursement Agreement. The City and the Developer entered into that certain Liberty Ranch Public Improvement District Reimbursement Agreement, effective December 8, 2025 (the "Reimbursement Agreement"), to finance a portion of the Actual Costs of the Public Improvements, in an amount equal to the lesser of (a) amounts shown on each approved Certificate for Payment for Actual Costs (each as defined in the Reimbursement Agreement) of Authorized Improvements paid by or at the direction of the Developer, and (b) the reimbursement amount shown in the Service and Assessment Plan, plus interest calculated pursuant to the Reimbursement Agreement, subject to the limitations imposed by the PID Act (the "Reimbursement Agreement Balance"). See "THE AUTHORIZED IMPROVEMENTS – The Reimbursement Agreement" and "APPENDIX G – Reimbursement Agreement."

The Completion Agreement. In accordance with the Development Agreement, and in order to provide additional assurance that the Developer will complete the Public Improvements and initially finance their costs (to the extent of insufficiency of proceeds of the Bonds for such purpose), the Developer, the City and the Trustee expect to enter into the Completion Agreement (the "Completion Agreement") dated as of February 10, 2026 (but effective as of the date of initial delivery of the Bonds). In the Completion Agreement, the Developer agrees to timely pay Actual Costs of Authorized Improvements that are not directly funded from proceeds of the Bonds, as set forth in the Indenture (the "Developer Financial Commitment"). To provide a source to fund the Developer Financial Commitment, the Developer has obtained a closed-end line of credit from Prosperity Bank, a Texas banking association (the "Lender") in the amount of $3,730,050. See "THE AUTHORIZED IMPROVEMENTS – The Completion Agreement" and "THE DEVELOPER – History and Financing of the District."

Homebuilders in the District

The Developer is under contract to sell 162 of the 216 single-family lots in the District, consisting of 108 lots to be sold to Starlight Homes Texas L.L.C., a Delaware limited liability company ("Starlight Homes"), and 54 lots to be sold to Hart Construction Partners, LLC, a Texas limited liability company ("Hart Homes" and, together with Starlight Homes, the "Homebuilders"). Of the 108 lots under contract with Starlight Homes, 82 are located in Section 1 and 26 are located in Section 2. Of the 54 lots under contract with Hart Homes, 26 lots are located in Section 1 and 28 lots are located in Section 2. Fifty-four of the lots in Section 2 of the District are uncontracted. As of January 1, 2026, no lots have been purchased by the Homebuilders. The Developer expects the Homebuilders to begin purchasing lots in the District in February 2026. The Developer received a combined earnest money deposit from the Homebuilders equal to $1,374,750, all of which has been released to the Developer. Starlight Homes has the right of first refusal on the remaining 54 lots in Section 2 of the District. See "THE DEVELOPMENT – Lot Purchase Agreements."

The Bonds

Proceeds of the Bonds will be used for the purposes of paying (1) a portion of the Actual Costs of the Authorized Improvements, and (2) Bond Issuance Costs, including capitalized interest, and funding a reserve fund for the payment of principal of and interest on the Bonds. See "SECURITY FOR THE BONDS SIMILARLY

* Preliminary, subject to change.

SECURED," "SOURCES AND USES OF FUNDS," "THE AUTHORIZED IMPROVEMENTS," and "APPENDIX B – Form of Indenture."

Payment of the Bonds Similarly Secured, including the Bonds, is secured by a first lien on and pledge of the Trust Estate, consisting primarily of revenue from the Assessments expected to be levied against the Assessed Property, all to the extent and upon the conditions described in the Indenture. See "SECURITY FOR THE BONDS SIMILARLY SECURED" and "ASSESSMENT PROCEDURES."

The Bonds Similarly Secured, including the Bonds, shall never constitute an indebtedness or general obligation of the City, the State of Texas (the "State"), or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Bonds Similarly Secured 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 Similarly Secured.

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 "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933, and "accredited investors" as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933. Each initial purchaser of the Bonds (each, an "Initial Purchaser") will be deemed to have acknowledged, represented, and warranted to the City as follows:

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

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

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

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

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

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

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

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

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from the Closing Date 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 1 and September 1, commencing September 1, 2026 (each, an "Interest Payment Date"), until maturity or prior redemption. UMB Bank, N.A., a national banking association, is the initial Trustee and Paying Agent/Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons. Beneficial ownership of the Bonds may be acquired in principal denominations of $100,000 and in integral multiples of $1,000 in excess thereof ("Authorized Denominations"). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See "BOOK-ENTRY ONLY SYSTEM."

Redemption Provisions

Optional Redemption. The City reserves the option to redeem Bonds prior to their scheduled maturities on any date on or after September 1, 20___[*], at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption (the "Redemption Price"). The Trustee shall receive written notice from the City of the City's intention to conduct an optional redemption of Bonds not less than forty-five (45) days prior to the date fixed for redemption.

Extraordinary Optional Redemption. Notwithstanding any provision in the Indenture to the contrary, but subject to the City's ability to make a notice of redemption conditional upon certain circumstances, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any Business Day, at the Redemption Price from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in the Indenture or any other transfers to the Redemption Fund under the terms of the Indenture, including from transfers of Foreclosure Proceeds). The Trustee shall receive written notice from the City of the City's intention to conduct an optional redemption of Bonds not less than forty-five (45) days prior to the date fixed for redemption.

[*] To be completed upon pricing of the Bonds.

Notwithstanding the foregoing, the Trustee will not be required to make an extraordinary optional redemption pursuant to this subsection unless it has at least $1,000 available in the Redemption Fund with which to redeem the Bonds.

Mandatory Sinking Fund Redemption. The Bonds (referred to as "Term Bonds" below) are subject to mandatory sinking fund redemption prior to their respective maturities 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, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

$___ Term Bonds maturing September 1, 20__[*]

Redemption Date	Principal Amount
September 1, 20__	$
September 1, 20__	
September 1, 20__†	

$___ Term Bonds maturing September 1, 20__

Redemption Date	Principal Amount
September 1, 20__	$
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__†	

† Stated maturity.

At least thirty (30) days prior to each scheduled mandatory redemption date, the Trustee shall select for redemption randomly by lot, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as required by the Indenture.

The principal amount of the Term Bonds required to be redeemed on any redemption date shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 30 days prior to the mandatory sinking fund redemption date shall have been acquired by the City and delivered to the Paying Agent/Registrar for cancellation at a price not exceeding the principal amount of such Term Bonds plus accrued unpaid interest to the date of purchase thereof.

Notice of Redemption to Owners. 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 first class United States mail, postage prepaid, not less than thirty (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. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds Similarly Secured are to be surrendered for payment, and, if less than all the Bonds Similarly Secured Outstanding are to be redeemed, an identification of the Bonds Similarly Secured or portions thereof to be redeemed, any conditions to such redemption, and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable. Any notice given as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

The City reserves the right, in the case of an optional or extraordinary optional redemption, to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee on or prior to the date fixed

[*] To be completed upon pricing of the Bonds.

for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds Similarly Secured then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. Upon receipt of a City Certificate directing recission, 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. If less than all of the Bonds Similarly Secured are to be redeemed, Bonds shall be redeemed in minimum principal amounts of $1,000 or any integral 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.

If less than all of the Bonds Similarly Secured are called for optional redemption pursuant to the Indenture, the City shall, pursuant to a City Certificate, determine the Bond Similarly Secured or Bonds Similarly Secured or the amount thereof within a Stated Maturity to be redeemed and direct the Trustee in writing to call by random lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

If less than all Bonds Similarly Secured are called for extraordinary optional redemption, the Bonds Similarly Secured or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds Similarly Secured. If less than all Bonds Similarly Secured within a Stated Maturity are called for extraordinary optional redemption pursuant to the Indenture, the Trustee shall call by random lot the Bonds Similarly Secured, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

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

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 The Depository Trust Company ("DTC"), New York, New York, 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 information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the City believes to be reliable, but none of the City, the City's Municipal Advisor or the Underwriter takes any responsibility for the accuracy or completeness thereof.

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code,

and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations 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 for the Bonds 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 MMI 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 payable 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, 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 all other 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, the Trustee, or the Paying Agent/Registrar. Under such circumstances, in the event that a successor 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-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

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 Municipal Advisor, or the Underwriter take any responsibility for the accuracy thereof.

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

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

SECURITY FOR THE BONDS SIMILARLY SECURED

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 Similarly Secured. Potential Investors must read the entire Indenture to obtain information essential to the making of an informed investment decision. See "APPENDIX B – Form of Indenture."

General

THE BONDS SIMILARLY SECURED, INCLUDING THE BONDS, ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER ASSETS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED 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 SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY ASSETS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECUREDOR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY ASSETS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER ASSETS COMPRISING THE TRUST ESTATE. SEE "APPENDIX B – Form of Indenture."

The principal of, premium, if any, and interest on the Bonds Similarly Secured are secured by a first lien on and pledge of the Pledged Revenues and other assets comprising the Trust Estate, consisting primarily of revenues from the Assessments expected to be levied against the Assessed Property within the District, all to the extent and upon the conditions described in the Indenture. The District contains approximately 50.993 acres. Other than Non-Benefited Property (defined in the Service and Assessment Plan), all of the property within the District has been assessed. In accordance with the PID Act, the City caused the preparation of a Service and Assessment Plan, which describes the special benefit received by the property within the District, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of the Assessments, and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds.

In accordance with the PID Act, on February 10, 2026, the City will consider adoption of a Service and Assessment Plan in connection with the levy of the Assessments on the Assessed Property. The Service and Assessment Plan describes the special benefit received by the Assessed Property, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of the Assessments, and provides for the allocation of Assessment Revenue for payment of principal of, premium, if any, and interest on the Bonds Similarly Secured. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for the Public Improvements and the Annual Installments of the Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See "APPENDIX C – Form of Service and Assessment Plan."

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance, and other provisions of law to finance the Authorized Improvements by levying Assessments upon Assessed Property in the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments levied in the District, see "ASSESSMENT PROCEDURES" and "APPENDIX C – Form of Service and Assessment Plan." The City covenants in the Indenture that it will take and pursue all actions permissible under the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State or of the United States (collectively, the "Applicable Laws") to cause the Assessments to be collected and the liens thereof to be enforced continuously. See "– Pledged Revenue Fund," "APPENDIX B – Form of Indenture," and "APPENDIX C – Form of Service and Assessment Plan."

Pursuant to the Indenture, the following terms are assigned the following meanings:

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

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

"Annual Collection Costs" means the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) paying and redeeming the Bonds Similarly Secured; (6)

investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan, the PID Act, and any Indenture, with respect to the Bonds Similarly Secured, including the City's continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with the Bonds Similarly Secured, 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 payment of the Assessments as calculated by the Administrator and approved by the City Council that includes (i) principal, (ii) interest, (iii) Annual Collection Costs, and (iv) Additional Interest.

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

"Assessed Property" or "Assessed Properties" means property within the District that benefits from an Authorized Improvement and on which Assessments have been levied as shown on an Assessment Roll (as the same may be updated each year by an update to a Service and Assessment Plan) and which includes any and all Parcels within the District other than Non-Benefitted Property.

"Assessment" means an assessment levied against a Parcel in the District imposed pursuant to an Assessment Ordinance and the provisions in the Indenture, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions in the Indenture and in the PID Act.

"Assessment Revenues" means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

"Assessment Roll(s)" means any assessment roll for the Assessed Property within the District, including the Assessment Roll included in the Service and Assessment Plan as Exhibit F, as updated, modified, or amended from time to time in accordance with the procedures set forth in the Indenture and in the PID Act, including updates prepared in connection with the levy of an Assessment, the issuance of the Bonds Similarly Secured, or in connection with any Annual Service Plan Update.

"Foreclosure Proceeds" means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Assessments, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

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

"Pledged Revenues" means, collectively, the (i) Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds or other Bonds Similarly Secured.

"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.

"Sinking Fund Installment" means the amount of money to redeem or pay at maturity the principal of a Stated Maturity of Bonds payable from such installments at the times and in the amounts provided in the Indenture.

"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.

"Trust Estate" means (i) the Pledged Revenues, as defined in the Indenture, including all moneys and investments held in the Pledged Funds and Accounts, and including 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 pursuant to the Indenture by the City or by anyone on its behalf or with its written consent.

Collection and Enforcement of Assessments

The City covenants, agrees and warrants in the Indenture that, for so long as any Bonds Similarly Secured are Outstanding and amounts are due to the Developer under the Reimbursement Agreement to reimburse it for its funds it has contributed to pay Actual Costs of the Public Improvements, it will take and pursue all reasonable 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, and to cause no reduction, abatement, or exemption in the Assessments. See "THE AUTHORIZED IMPROVEMENTS – The Reimbursement Agreement" and "APPENDIX G – Reimbursement Agreement."

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

Unconditional Levy of Assessments

The City will impose Assessments on Assessed Property within the District to pay the principal of and interest on the Bonds Similarly Secured scheduled for payment from the Trust Estate as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Assessments are effective from the date, and strictly in accordance with the terms, of the Assessment Ordinance and the Service and Assessment Plan. Each Assessment may be paid in full or in part at any time or in periodic Annual Installments over a period of time equal to the term of the Bonds Similarly Secured, which installments shall include interest on the Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments for each parcel of Assessed Property within the District and allocated to the Bonds Similarly Secured begins to accrue on the date specified in the Service and Assessment Plan and bears interest at the rate of interest on the Bonds Similarly Secured plus the Additional Interest. Each Annual Installment, including the interest on the unpaid amount of Assessments, will be determined by September 30 of each year and billed in October of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.003(b)(14) of the PID Act, a portion of the Annual Installment collected each year while the Bonds Similarly Secured are Outstanding and unpaid shall be used to pay the Annual Collection Costs. The portion of each Annual Installment of an Assessment used to pay the Annual Collection Costs shall remain in effect from year to year until all Bonds are finally paid or until the City adjusts the levy after an annual review in any year pursuant to Section 372.015(d) of the PID Act. The amount collected to pay Annual Collection Costs shall be due as part of the Annual Installment in the manner set forth in the Assessment Ordinance and shall be billed in October of each year and shall be delinquent if not paid by February 1 of the following year. Amounts collected for Annual Collection Costs do not secure repayment of the Bonds Similarly Secured.

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

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 against the Assessed Property within the District, superior to all other liens and claims, except liens and claims for the State, county, school district, or

municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of adoption 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."

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." There are currently no properties within the District that claimed a homestead exemption prior to the levy of the Assessments.

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

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, and execution and delivery of the Indenture, without physical delivery or transfer of control of the Trust Estate, the filing of the Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds Similarly Secured 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 Similarly Secured are Outstanding such that the pledge of the Trust Estate granted by the City under the Indenture is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, then in order to preserve to the registered owners of the Bonds Similarly Secured 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 Chapter 9, Business and Commerce Code, and enable a filing to perfect the security interest in said pledge to occur. See "APPENDIX B – Form of Indenture."

Pledged Revenue Fund

Immediately upon receipt of the proceeds of the Bonds, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues. Specifically, the City will direct the Trustee to deposit or cause to be deposited the foregoing amounts 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 Similarly Secured next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement , (iii) third to pay other Actual Costs of the Public Improvements, as identified in a City Certificate directed to the Trustee, and (iv) fourth to pay other costs permitted by the PID Act, as identified in a City Certificate directed to the Trustee. Notwithstanding the foregoing, the Additional Interest of the Annual Installments shall only be utilized for the purposes set forth in the Indenture, and, on each March 1, beginning March 1, 2027, and on any other day set forth in a City Certificate, the amount of Additional Interest of the Annual Installments confirmed by the City pursuant to a City Certificate, will be deposited into the Delinquency & Prepayment Reserve Account and/or the Redemption Fund, as applicable.

From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account of the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account 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 (defined in the Indenture)) and interest due on the Bonds Similarly Secured on the next Interest Payment Date.

The Trustee shall transfer the amounts determined in writing by the City as Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

Upon receipt of Foreclosure Proceeds, the Trustee shall transfer such amount of Foreclosure Proceeds determined in writing by the City, first to the Reserve Fund to restore any transfers from the Reserve Fund made to which the Foreclosure Proceeds relate, second, to replenish the Delinquency & Prepayment Reserve Requirement, and third, to the Redemption Fund.

After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, at the written request of the City, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which monies may be used for any lawful purpose for which Assessments may be used under the PID Act. The Trustee may rely upon any such request of the City and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Bond Fund

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

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

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

(d) 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 ($)
_____, 20__*	$_____*

Project Fund

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. Each such City Certificate shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such written request and the Trustee may rely on such payment instructions though given by the City with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein. Disbursements from the Improvement Account of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. The execution by the City or its designee of such Certification for Payment shall constitute conclusive evidence upon which the Trustee may rely that the disbursement of funds from the Improvement Account is pursuant to and in accordance with the disbursement procedures described in the Reimbursement Agreement or as provided in such written direction from the City. The Trustee shall be permitted to conclusively rely on any Certification for Payment, City Certificate, or other written direction received pursuant to the Indenture without investigation, and Trustee shall not be responsible for receiving

*To be completed upon pricing of the Bonds.

or reviewing any backup or attachments thereto. See "THE AUTHORIZED IMPROVEMENTS – The Reimbursement Agreement" and "APPENDIX G – Reimbursement Agreement."

Except as provided in the Indenture, money on deposit in the Improvement Account shall be used solely to pay Actual Costs provided the Trustee shall have no responsibility for the application of any funds disbursed from the Improvement Account in reliance upon a Certification for Payment approved by the City.

If the City Representative determines in the City Representative's reasonable discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Public Improvements such that, in the reasonable opinion of the City Representative, it is unlikely that the amounts in the Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

Upon the filing of a City Certificate stating that all of the Public Improvements have been completed and that all Actual Costs have been paid, or that any Actual Costs of the Public Improvements are not required to be paid from the Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the applicable series of Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvement Account of the Project Fund and used to pay Actual Costs of the Public Improvements or (ii) if no Public Improvements remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Certificate filed with the Trustee and the Costs of Issuance Account shall be closed.

Notwithstanding the above, the aggregate amount of funds that the Trustee may disburse from the Improvement Account shall not exceed $_____[*] (the "Authorized Amount") except and until the City determines the Release Condition (as defined in below) has been satisfied, after which the Trustee may resume disbursements. The first Certification for Payment that requests funds in excess of the Authorized Amount from the Improvement Account after satisfaction of the Release Condition shall be submitted to the City, the City's financial advisor, Bond Counsel and the Administrator for review and confirmation. The Trustee may make disbursements from the Improvement Account that exceed the Authorized Amount only when the City provides written certification to the Trustee and the City that the Release Condition has been satisfied.

Money may be disbursed from the Improvement Account of the Project Fund in excess of the Authorized Amount only if the City has performed and approved the final inspections of at least __[*] homes within the District and issued a certificate of completion on each such home in accordance with its customary residential building inspection practices (the "Release Condition"). The City may not approve a Certification for Payment for payment from the Improvement Account of the Project Fund for any amounts that exceed the Authorized Amount until the Release Condition has been satisfied.

Notwithstanding anything herein to the contrary, in the event the Developer has not provided the certificate confirming that the Release Condition has been satisfied on or before March 5, 2029, then the Trustee shall transfer

[*]To be completed upon pricing of the Bonds.

any funds remaining in the Improvement Account of the Project Fund to the Redemption Fund to be used to redeem Bonds pursuant to the terms of the Indenture.

Redemption Fund

Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds pursuant to the optional redemption, and extraordinary option redemption, provisions of the Indenture.

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

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account has been created within the Reserve Fund for the benefit of the Bonds Similarly Secured, held by the Trustee and funded with proceeds of the Bonds Similarly Secured in the amount of the Reserve Account Requirement.

The City agrees with the Owners of the Bonds Similarly Secured to accumulate and, when accumulated, maintain in the Reserve Account, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund or the Redemption Fund as provided in the Indenture.

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

Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with the Indenture, unless prior to the next Interest Payment Date, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under the Indenture, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured or (iii) to the Project Fund to pay Actual Costs of the Public Improvements if such application and the expenditure of funds is expected to occur within three years of the date of the Indenture.

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

If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account and the Delinquency and Prepayment Reserve Account shall be transferred to the Principal and Interest Account and applied to the payment of the principal of the Bonds Similarly Secured.

If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds Similarly

Secured on the next date the Bonds Similarly Secured may be optionally redeemed by the City at a redemption price of par, together with the unpaid interest accrued on such Bonds Similarly Secured as of such date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds Similarly Secured on such date.

Delinquency and Prepayment Reserve Account of the Reserve Fund

The Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency & Prepayment Reserve Account on March 1 of each year, commencing March 1, 2027, and on any other day set forth in a City Certificate, an amount equal to the Additional Interest until the Delinquency & Prepayment Reserve Requirement has been accumulated in the Delinquency & Prepayment Reserve Account. Once the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account, any amounts in excess of the Delinquency & Prepayment Reserve Requirement shall be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured as provided in Article IV provided, however, that at any time the amount on deposit in the Delinquency & Prepayment Reserve Account is less than Delinquency & Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency & Prepayment Reserve Account until the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account. In determining the amounts to be transferred pursuant to the Indenture, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer.

Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Delinquency & Prepayment Reserve Account exceeds the Delinquency & Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall transfer such excess pursuant to the preceding paragraph.

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

Administrative Fund

The City shall deposit or cause to be deposited to the Administrative Fund the portion of the Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan.

Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds 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, including payment of Annual Collection Costs and Delinquent Collection Costs or may be withdrawn by the Trustee without further authorization for the payment of the fees, expenses, advances and indemnities owed to the Trustee in accordance with the Indenture. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

Bonds Deemed Paid

Any Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of the Indenture (a "Defeased Debt"), when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds Similarly Secured with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the defeasance provisions of 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 Similarly Secured. 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 Similarly Secured 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 determined by the City and described in the Public Funds Investment Act, Chapter 2256, Government Code, as amended, which 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.

Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in clause (1) or (2) of the first paragraph under this subcaption shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions summarize under the first paragraph of this subcaption with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

Events of Default

Each of the following occurrences or events constitute an "Event of Default" under the Indenture, to wit:

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

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

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under the Indenture other than a default under (i) above or (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured then Outstanding; and

(iv) The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter.

Immediate Remedies for Default

Subject to the terms and provisions of the Indenture, upon the happening and continuance of any of the Events of Default, then and in every such case the Trustee may proceed, and upon the written request of the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding under the Indenture and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce 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 Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that any action for money damages against the City shall be limited to recovery from the Trust Estate may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

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

Whenever moneys are to be applied pursuant to Article XI of 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. The Trustee shall sell Trust Estate assets, according to the appraised value thereof, beginning with the asset of the highest value and continuing such sales in the order of next succeeding most valuable asset until satisfaction of debts pertaining to the outstanding Bonds Similarly Secured. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

If an Event of Default shall have occurred and be continuing, the City, upon demand of the Trustee, shall surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers, and accounts of the City pertaining thereto, and including the rights and the position of the City, and to hold, operate, and manage the same, and from time to time make all needed repairs and improvements, as well as set up proper reserve for the payment of all proper costs and expenses, holding and managing the same, including (i) reasonable compensation to the Trustee, its agents, and counsel, (ii) any reasonable charges of the Trustee pursuant to the Indenture, (iii) any taxes and assessments and other charges prior to the lien of this of Indenture, and (iv) all expenses of such repairs and improvements. After payment in full of the foregoing, the Trustee shall surrender possession of the Trust Estate to the City, its successors or assigns.

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a default has occurred and is continuing of which the Trustee has actual knowledge thereof or has been notified in writing, or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity, (iv) the Trustee has for 60 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 60-day period by the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; however, 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 Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, as advised by counsel, be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy thereunder.

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

In case the Trustee or any Owners of Bonds Similarly Secured 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 of Bonds Similarly Secured, then and in every such case the City, the Trustee and the Owners of Bonds Similarly Secured 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 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, liabilities, advances and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel fees, costs and expenses), 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 be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, 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 Similarly Secured, or Redemption Price of any Bonds Similarly Secured 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 Similarly Secured 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 thirty (30) days of receipt of such good and available funds, the Trustee may fix a record date and a payment date for any payment to be made to Owners of Bonds Similarly Secured.

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

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

Investment of Funds

Money in any Fund or Account, other than the Reserve Account, shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Account shall be invested in such Investment Securities as directed by the City pursuant to a City Certificate filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Certificate shall be a certification that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence and the Trustee shall not be responsible for determining such requirements. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and 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, in order to make the disbursements required or permitted by the Indenture, to prevent any default under the Indenture.

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.

The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades. The Trustee shall not incur any liability for losses (including depreciation of value) arising from any investments made or sold pursuant to the Indenture. The Trustee shall not be required to determine the legality of any investments and shall have no discretion for investing fnds or advising any parties on investing funds. The Trustee is not providing investment supervision, recommendation, or advice in acting pursuant to the provisions of the Indenture.

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 of the Indenture for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee thereunder, 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 the Indenture.

Against Encumbrances

The City shall not create and shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

So long as Bonds Similarly Secured are Outstanding, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds Similarly Secured, (including, any Refunding Bonds, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

Other Obligations or Other Liens; Refunding Bonds

The City reserves the right to issue obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on any portion of the Trust Estate and are not payable from the Trust Estate.

Other than Refunding Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be done or omit to be done any matter or things whatsoever whereby the lien of the Indenture or the priority thereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with the Indenture as a lien or charge upon the Trust Estate; provided, however, that nothing in the Indenture shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of counsel to the Trustee, the same would endanger the security for the Bonds Similarly Secured.

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

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, and in accordance with the conditions set forth below:

(i) Notwithstanding anything to the contrary herein, no Refunding Bonds may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds is scheduled to mature on September 1 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture; and

(ii) Upon their authorization by the City, the Refunding Bonds of a Series issued under the Indenture shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee (1) a copy, certified by the City Secretary, of the ordinance or ordinances of the City authorizing the issuance, sale, execution and delivery of the Refunding Bonds and the execution and delivery of a Supplemental Indenture establishing, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Refunding Bonds, and (2) an original executed counterpart of the Supplemental Indenture for such Refunding Bonds.

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

SOURCES AND USES OF FUNDS

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

[*]Sources of Funds:	
Principal Amount	$
TOTAL SOURCES	$
Use of Funds:	
Deposit to Improvement Account of the Project Fund	$
Deposit to Costs of Issuance Account of the Project Fund	
Deposit to Capitalized Interest Account of the Bond Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to Administrative Fund	
Underwriter's Discount [(1)]	
TOTAL USES	$

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

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

[*] To be completed upon pricing of the Bonds.

DEBT SERVICE REQUIREMENTS FOR THE BONDS*

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

Year Ending (September 30)	Principal	Interest	Total
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
2055			
2056			
Total			

* To be completed upon pricing of the Bonds.

OVERLAPPING TAXES AND DEBT

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

The District is located within the corporate limits of the City. The City, Liberty County, Texas ("the County"), Hardin Independent School District ("Hardin ISD"), and the Liberty County Hospital District No. 1 ("Hospital District No. 1") may each levy ad valorem taxes upon land in the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or assessments levied by any other taxing authorities.

The following table reflects the overlapping ad valorem tax rates levied on property located in the District.

Taxing Entity	Tax Year 2025 Ad Valorem Tax Rate [1]
The City	$0.583800
The County	0.480000
Hardin ISD	0.863700
Hospital District No. 1	0.089328
Total Current Tax Rate	$2.016828
Estimated Average Annual Assessment in the District as a Tax Rate Equivalent	$0.989973[2][3]
Estimated Total Tax Rate and Average Annual Assessment in the District as a Tax Rate Equivalent	**$3.006801 [2][3]**

(1) As reported by the taxing entities. Per $100 in assessed value.
(2) See Exhibit E to "APPENDIX C – Form of Service and Assessment Plan."
(3) *Preliminary, subject to change*.

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

As noted above, the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the expected outstanding indebtedness payable from ad valorem taxes with respect to property within the District as of March 1, 2026, and City debt to be secured by the Assessments:

Taxing or Assessing Entity	Expected Gross Outstanding Debt as of March 1, 2026	Estimated Percentage Applicable [1]	Direct and Estimated Overlapping Debt [1]
The City (the Bonds)	$ 6,572,000[2]	100.00%	$6,572,000 [2]
The City (General Obligation)	15,425,000	1.49%	229,301
The County	22,085,000	0.08%	18,656
Hardin ISD	16,057,113	1.56%	260,051
Hospital District No. 1	-	0.24%	-
	$60,139,113		**$7,080,008**

[1] Based on certified valuations for Tax Year 2025 for the taxing entities and the Appraisal. See "APPRAISAL," "APPENDIX C – Form of Service and Assessment Plan," and "APPENDIX F – Appraisal."

[2] *Preliminary, subject to change.*

Agricultural Valuation

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 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.

If land qualified for an agricultural valuation but the land use changes to a non-agricultural use, "rollback taxes" are assessed for each of the previous three (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.

The land within the District does not have an agricultural use valuation.

Homeowners' Association Dues

In addition to the Assessments and overlapping taxes and assessments referenced above, the Developer anticipates that each lot owner in the District will pay a property owner's association fee monthly to a homeowner's association (the "HOA"). Such fee is currently $470 per year.

ASSESSMENT PROCEDURES

General

Capitalized terms under this caption and not otherwise defined in this Limited Offering Memorandum shall be the meaning given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Authorized Improvements through Assessments, it must adopt a resolution generally describing the Authorized Improvements and the land within the District to be subject to Assessments to pay the costs therefor. The City caused to be prepared the Assessment Roll, which shows the land within District assessed, the amount of the benefit to and the Assessment against each lot or parcel of land, and the number of Annual Installments into which the Assessment is divided. The Assessment Roll was or will be filed with the City Secretary and made available for public inspection. Statutory notice was or will be given to the owners of the Assessed Property and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Authorized Improvements and funding the same with Assessments. The City Council is expected to consider adoption of the Assessment Ordinance and levy the Assessments on February 10, 2026. Upon such adoption, the Assessments will become legal, valid, and binding liens upon the property against

which the Assessments were made. Upon the issuance of the Bonds, the Service and Assessment Plan will be updated to reflect the sale of the Bonds.

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

Assessment Methodology

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

As set forth in the Service and Assessment Plan, the City Council has determined that the costs of the Authorized Improvements shall be allocated to each Parcel within the District based on the ratio of the Estimated Buildout Value of each Parcel designated as an Assessed Property to the Estimated Buildout Value of all Assessed Property. Currently the Initial Parcel is allocated 100% of the Assessment levied for the Authorized Improvements.

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 the newly divided Assessed Properties

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

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

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 (as defined in the Service and Assessment Plan) based on Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot
B = the Assessment for the Parcel prior to subdivision
C = the sum of the Estimated Buildout Value of all newly subdivided Lots with the same Lot Type (as defined in the Service and Assessment Plan)
D = the sum of the Estimated Buildout Value for all the newly subdivided Lots excluding Non-Benefitted Property
E= the number of Lots with the same Lot Type

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat.

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

3. Upon Consolidation

If two or more Lots or Parcels are consolidated into a single 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 approved by the City Council in the next Annual Service Plan Update immediately following such consolidation. The Assessment for any resulting Lot will not exceed the Maximum Assessment, shown on Exhibit E to the Service and Assessment Plan for the applicable Lot Type, and compliance may require a mandatory Prepayment of Assessments pursuant to the Service and Assessment Plan.

Mandatory Prepayment of Assessments. If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments under applicable law or any portion of Assessed Property becomes Non-Benefited Property, the owner transferring the Assessed Property or causing the portion to become Non-Benefited Property shall pay to the City or the Administrator on behalf of the City the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Assessed Property, prior to the transfer; provided that, however, such mandatory Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City, a homeowner association, any other governmental entity or utility provider for use as internal roads, utilities, parks, drainage and detention facilities, and other similar Authorized Improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel. If a reallocation to the remainder of the Parcel as provided in the foregoing sentence causes the Assessment for such remainder to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

True-Up of Assessments if Maximum Assessment Exceeded at Time of Platting. Prior to the City approving a final subdivision plat, the Administrator will verify 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 such Lot Type shall be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City or cause to be paid to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

The following table provides the expected allocation of Assessments to the Assessed Property in the District.

Maximum Assessment and Tax Rate Equivalent [(1)]

Lot Type	Units [(2)]	Estimated Finished Lot Value Per Unit[(2)]	Estimated Buildout Value per Unit [(2)]	Maximum Assessment Per Unit [(4)]	Estimated Average Annual Installments per Unit [(3)]	Tax Rate Equivalent of Average Annual Installment of Assessment per Unit[(3)]	Estimated Ratio of Estimated Finished Lot Value Per Unit to Assessment[(3)]	Estimated Ratio of Estimated Buildout Value per Unit to Assessment[(3)]
50'	216	$55,463	$265,000	$30,426	$2,623	$0. 989973	1.8:1	8.7:1

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

(2) As provided in the Appraisal.

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

(4) Pursuant to the Service and Assessment Plan, the Maximum Assessment that can be levied on a Lot within the District is the amount calculated pursuant to the assessment methodology described in Section V.A of, and shown in Exhibit E to, the Service and Assessment Plan. See "OVERLAPPING TAXES AND DEBT – Overlapping Taxes" and "APPENDIX C – Form of Service and Assessment Plan."

Collection and Enforcement of Assessment Amounts

Pursuant to the PID Act, the Annual Installments may be collected in the same manner and at the same time as ad valorem taxes of the City. The 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. Pursuant to 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."

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

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

To the extent permitted by law and as is practically feasible, notice of the Annual Installments will be sent by, or on behalf of, the City to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be

subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

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

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

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

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

Assessment Amounts

Assessment Amounts. The maximum amounts of the Assessments have been established by the methodology described in the Service and Assessment Plan. The Assessment Roll sets forth for each year the Annual Installment for each parcel consisting of payment of (i) principal, (ii) interest, (iii) Annual Collection Costs, and (iv) Additional Interest related to the Bonds. The Annual Installments for the District may not exceed the amounts shown on the Assessment Roll. The Assessments are expected to be levied against the Parcels comprising the Assessed Property as indicated on the Assessment Roll. See "APPENDIX C – Form of Service and Assessment Plan."

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

The Bonds are secured by a first lien on and pledge of the Trust Estate, including revenue from the Assessments. See "SECURITY FOR THE BONDS SIMILARLY SECURED" and "APPENDIX C – Form of Service and Assessment Plan."

Prepayment of Assessments

Pursuant to the PID Act and the Indenture, the owner of any Assessed Property may voluntarily prepay (a "Prepayment") 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.

Priority of Lien

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

The City covenants in the Indenture 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 B – Form of Indenture." See also "APPENDIX E-1 – Form of Disclosure Agreement of Issuer" for a description of the expected timing of certain events with respect to collection of the delinquent Assessments.

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

THE CITY

Background

The City is located in Liberty County, Texas, and is approximately 44 miles northeast of the City of Houston, Texas, along U.S. Highway 90. The City's 2020 census population was 8,279, and the City estimates its 2025 population to be 8,974. The City covers approximately 45.77 square miles. The City's economy is based on manufacturing, retail, agricultural chemical production, and oil and gas production.

In addition to water, sewer, and electric distribution services, the City provides police and fire protection, sanitary services, certain public health services, ambulance services, street and drainage maintenance, park facilities, library facilities, a drama theatre and a municipal airport, which contains a 3,700-foot runway. The George Bush Intercontinental Airport is 55 miles southwest of the City and is the closest airport with commercial service.

City Government

The City is a Home Rule City which operates under a City Charter (the "Charter") adopted by the voters in 1958. The Charter provides for a Council-Manager form of government composed of a mayor and six council members elected for staggered two-year terms. It is the City Council's responsibility to appoint a City Manager who is the chief administrative and executive officer of the City.

The current members of the City Council and their respective expiration of terms of office, as well as the principal administrators of the City, are noted on page i. See "APPENDIX A – General Information Regarding the City and Surrounding Areas" for more information.

Water and Wastewater Systems

Pursuant to the Development Agreement, the City agreed that it will timely provide sanitary sewer, and potable water service, at its standard rates to each home or business located within the Development. Additionally, the City agreed to reimburse the Developer for up to a total of One Million Dollars ($1,000,000) for the Offsite Improvements, which includes approximately 2,500 linear feet of water and sewer lines along 146 connecting the District to the City's utility infrastructure (the "Offsite Utility Improvements"), from lawfully available sources other than the Assessments. The reimbursement shall include payments made for geotechnical services, surveying, engineering, design, and construction services necessary to complete offsite water and sewer extensions required to extend both water and sewer utility services to the District. The Developer commenced construction of the Offsite Utility Improvements in January 2026, and the Developer currently expects to complete construction of the Offsite Utility Improvements in February 2026. The Developer expects the Offsite Utility Improvements to cost approximately $762,000. The Developer will not be reimbursed for the Offsite Utility Improvements from the Assessments or from proceeds of the Bonds. See "THE DEVELOPMENT – The Development Agreement," and "APPENDIX H – The Development Agreement."

The City has a municipal water system with a rating of Superior. City currently has two wells with a capacity of 2.4 million gallons per day and has 3,148 water connections. The City is currently in the process of drilling a new water well to increase the city's water capacity. The City's long term plans calls for the addition of wells and or pumping and water storage capacity as market conditions drive need.

The City owns and operates its own municipal sanitary system. The City currently has one wastewater treatment plant with a current capacity of 2.5 million gallons per day and is permitted by the Texas Commission on Environmental Quality for 2.5 million gallons per day. The City currently uses an average of 1.2 million gallons per day at the sewer plant. The City provides contract wastewater treatment for multiple smaller cities in the region and has 2,708 internal sewer connections. The City's long-term plans call for the addition of sanitary capacity as market conditions drive need.

City Regulation of Oil, Gas, Minerals or Groundwater

While the City does not prohibit oil and gas activities within it is corporate boundaries, any drilling activities require a permit issued by the City and such activities cannot occur within 600 feet of a protected use. A protected use includes a residence, religious institution, hospital building, public or private school, day care, or public park. As result of such limitation, it is unlawful to drill an oil and gas well on any land in the District.

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 Resolution No. 2022-40 of the City adopted on May 10, 2022 (the "Creation Resolution") in accordance with the PID Act for the purpose of undertaking and financing, in phases, the costs of certain public improvements within the District, including the Authorized Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the property within the District. The District is not a separate political subdivision of the State and is governed by the City Council. Maps of the property within the District are included on pages ii-v hereof.

Powers and Authority of the City

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City's extraterritorial jurisdiction. The 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 reimburse a developer for the costs of, the financing, acquisition, construction, or improvement of the Authorized Improvements. See "THE AUTHORIZED IMPROVEMENTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, reimbursement, acquisition or purchase of certain improvements within the District, which include: (i) design, construction and other allowed costs related to street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) design, construction and other allowed costs related to improvement of parks and open space, together with any ancillary structures, features or amenities such as trails, playgrounds, walkways, lighting and any similar items located therein; (iii) design, construction and other allowed costs related to sidewalks and landscaping and hardscaping, fountains, lighting and signage; (iv) design, construction and other allowed costs related to gas, water, wastewater and drainage (including detention) improvements and facilities; (v) design, construction and other allowed costs related to projects similar to those listed in subsections (i) - (iv) above authorized by the PID 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; (vii) payment of costs associated with operating and maintaining the public improvements listed in subparagraphs (i) - (v) above; and (viii) payment of costs associated with developing and financing the public improvements listed in subparagraphs (i) - (v) above, and costs of establishing, administering and operating the District. The City has determined to finance a portion of the costs thereof through the issuance of the Bonds, and to provide for the payment of debt service on the Bonds from the Trust Estate. See "ASSESSMENT PROCEDURES" and "APPENDIX C – Form of Service and Assessment Plan."

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

THE AUTHORIZED IMPROVEMENTS

General

The Authorized Improvements consist of the Public Improvements, Bond Issuance Costs, and First Year Annual Collection Costs. The Developer is responsible for the completion of construction, acquisition, or purchase of the Public Improvements, and the Developer or its designee will act as construction manager. The Developer is developing the Public Improvements in two phases, Section 1 and Section 2. The Developer completed construction of the Public Improvements in Section 1 in January 2026. The Developer currently expects to complete construction of the Public Improvements in Section 2 by August 2026. The balance of the costs of the Authorized Improvements not paid by the proceeds of the Bonds will be paid by the Developer under the terms of the Reimbursement Agreement. As of January 1, 2026, the Developer has spent approximately $4,048,110 on the construction, acquisition, or purchase of the Public Improvements. See "THE AUTHORIZED IMPROVEMENTS – The Reimbursement Agreement," and "APPENDIX G – Reimbursement Agreement."

The Public Improvements

A portion of the proceeds of the Bonds will be used to pay or reimburse a portion of the costs of the Public Improvements representing payment of the outstanding Reimbursement Agreement Balance. See "THE AUTHORIZED IMPROVEMENTS – The Reimbursement Agreement" and "APPENDIX G – Reimbursement Agreement."

The following table reflects the total costs of the Public Improvements.

Public Improvements	*Cost*
Roadways	$1,596,015
Water	671,233
Sewer	883,973
Drainage	1,122,911
Parks and Landscaping	56,140
Offsite Improvements Highway 146	437,000
Soft Costs	1,338,195
Total	**$6,105,467**

The costs of the Public Improvements are 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 and were approved by the City Council as part of the Service and Assessment Plan. See "APPENDIX C – Form of Service and Assessment Plan."

The Public Improvements consist of the following:

Roadways. Improvements include land acquisition for right-of-way, subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, and curbs. Intersections, Streetlights (HOA Responsibility) and signage are included. Roadway improvements include streets that will provide street access to each lot.

Drainage. Improvements include land acquisition for detention, and drainage, trench excavation and embedment, trench safety, reinforced concrete and PP piping, manholes, inlets, channels/swales, clearing, pond excavation and embankment, soil testing, channels, rock riprap, loose riprap walls, construction of outfall structures, silt fence, rock berms, construction entrances, inlet protection, topsoil, hydro mulch, seeding, and irrigation sleeves, revegetation, and utility improvements. These will include the necessary appurtenances to be fully operational to convey stormwater to the limits of the improvement area and temporarily detain water as required by the City.

Water. Improvements include trench excavation and embedment, trench safety, PVC piping, fire hydrant assemblies, air release valves, gate valves, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the District. The water improvements will be owned by the City.

Sewer. Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area. Sewer system will be owned by the City.

Parks and Landscaping. Improvements include community entry monument signs, landscape entry, land acquisition, street trees, play structures, basketball court, horseshoe pitches, fencing, perimeter walls, and planting and irrigation providing improvements to the public. Parks and Landscaping improvements will be owned by the City and maintained by the HOA.

Offsite Improvement Highway 146. Improvements include any improvement required by TXDOT to be made to Highway 146 as described in the Development Agreement.

Soft Costs. Costs related to District Formation Expense, mobilization, setup, and project overhead for all equipment, designing, constructing, and installing the Public Improvements including land planning and design, City fees, inspection fees, engineering, Geotechnical, Storm Water Pollution Prevention Plan, material testing and survey.

Ownership and Maintenance of Improvements

All Authorized Improvements are being designed and constructed in accordance with City standards and will be owned by the City. The City and the HOA entered into that certain Maintenance Agreement Public Improvement Maintenance Agreement on April 24, 2025, in which the HOA agreed to maintain the drainage improvements and the Amenities, including the parks and landscaping improvements (the "Maintenance Agreement"). The City will own and maintain the roadway, water and sewer improvements. See "THE DEVELOPMENT – Amenities," and "APPENDIX H – The Development Agreement."

The Reimbursement Agreement

The City and the Developer entered into the Reimbursement Agreement to outline the terms according to which the Developer will finance a portion of the Actual Costs of the Public Improvements, in an amount equal to the lesser of (a) amounts shown on each approved Certificate for Payment for Actual Costs (each as defined in the Reimbursement Agreement) of Authorized Improvements paid by or at the direction of the Developer, and (b) the reimbursement amount shown in the Service and Assessment Plan, plus interest calculated pursuant to the Reimbursement Agreement, subject to the limitations imposed by the PID Act (the "Reimbursement Agreement Balance"). The Reimbursement Agreement Balance is payable solely from (1) the PID Reimbursement Fund (as defined in the Reimbursement Agreement) if no Bonds are issued for the purpose of paying the Authorized Improvements related to the Reimbursement Agreement Balance, or (2) from proceeds of the Bonds. See "SOURCES AND USES OF FUNDS" and "APPENDIX G – Reimbursement Agreement."

The Completion Agreement

In accordance with the Development Agreement, and in order to provide additional assurance that the Developer will complete the Public Improvements and initially finance their costs (to the extent of insufficiency of proceeds of the Bonds for such purpose), the Developer, the City and the Trustee expect to enter into the Completion Agreement. In the Completion Agreement, the Developer agrees to timely pay the Developer Financial Commitment. To provide a source to fund the Developer Financial Commitment, the Developer has obtained a closed-end line of credit from the Lender in the amount of $3,730,050. See "THE DEVLOPMENT – The Development Agreement" and "THE DEVELOPER – History and Financing of the District."

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 Municipal Advisor, and the Underwriter, and none of the City, the City's Municipal Advisor, or the Underwriter have any way of guaranteeing the accuracy of such information. See "SOURCES OF INFORMATION – Source of Certain Information."

Overview

The District is an approximately 50.993 acre single-family residential development within the City, and is located East of Highway 146, between County Road 2830 and McGuire Road, approximately 5 miles northeast of the City. The District will consist of 216 50' lots, as well as the Amenities, as reflected on the map on page iv.

In July 2022, Von Schmidt Land and Cattle acquired the Property, at a purchase price of $570,000, using cash on hand, from Ernie W. Picket IV and Stacie Lynn Pickett. On March 25, 2025, the Developer acquired the Property from Von Schmidt Land and Cattle, which shares common ownership with the Developer, pursuant to a Special Warranty Deed. See "THE DEVELOPER – Description of the Developer" and "– History and Financing of the District."

The Development Agreement

The City and the Developer entered into the Development Agreement to provide standards for developing the District, and to provide for the development of the Authorized Improvements, including the Public Improvements. The Development Agreement provides provisions for the construction of various improvements in the District, including homes, which must have a minimum of 1,400 square feet of livable space, the Public Improvements, including the Amenities, the Offsite Utility Improvements, the TxDOT Improvements, and other matters. See "THE DEVELOPMENT – Traffic Impact Analysis" and "– Zoning/Permitting."

Pursuant to the Development Agreement, the Developer is responsible for the construction of the Offsite Improvements, which will cost approximately $1,437,000. The Offsite Improvements include the Offsite Utility Improvements and the TxDOT Improvements. The City has agreed to reimburse the Developer for up to $1,000,000 of the cost of the Offsite Improvements from lawfully available sources other than the Assessments or proceeds of the Bonds. The remainder of the cost of the Offsite Improvements, in the approximate amount of $437,000, may be reimbursed from the proceeds of the Bonds. The Developer expects to complete construction of the Offsite Utility Improvements in February 2026 and expects to complete construction of the TxDOT Improvements in Q1 2026. As of January 1, 2026, the Developer has spent $198,060 on the construction of the Offsite Improvements and the Developer has not yet sought reimbursement from the City. See "THE CITY – Water and Wastewater Systems."

The Development Agreement additionally requires that prior to the City's authorization of the Bonds, the Developer, the City, and the Trustee shall have entered into the Completion Agreement, obligating the Developer to satisfy the Authorized Improvement Costs (defined in the Development Agreement) not anticipated to be directly funded with proceeds of the Bonds. Prior to the delivery of the Bonds, the Developer will be required to provide written evidence of its ability to pay any such Authorized Improvement Costs.

Pursuant to the Development Agreement, the issuance of the Bonds is subject to a number of conditions, in addition to execution of the Completion Agreement, including: (i) the City has confirmed there is a minimum value to lien ratio of at least 3:1, (ii) the maximum total City tax rate equivalent of the Assessments within the District shall be no greater than $1.25 per $100 assessed value unless the City and Developer agree otherwise, and (iii) the Developer has obtained approval from TxDOT for any driveway, entrance, or other access to or from Highway 146.

Development within the District

Development of the District is anticipated to include 216 single-family homes. The Developer is constructing, acquiring, or purchasing the Public Improvements, which provide a special benefit to the entire District, in two phases, consisting of Section 1 and Section 2. Section 1 is comprised of 108 single-family lots. The Developer completed

construction of the Public Improvements in Section 1 in January 2026. Section 2 is comprised of the remaining 108 single-family lots. The Developer currently expects to complete construction of the Public Improvements in Section 2 by August 2026.The improvements benefiting the land within the District will consist of, but are not limited to, improvements authorized under the PID Act, including the Authorized Improvements. See "THE AUTHORIZED IMPROVEMENTS".

Lot Purchase Agreements

The Developer is under contract to sell 162 of the 216 single-family lots in the District, consisting of 108 lots to be sold to Starlight Homes, and 54 lots to be sold to Hart Homes. Of the 108 lots under contract with Starlight Homes, 82 are located in Section 1 and 26 are located in Section 2. Of the 54 lots under contract with Hart Homes, 26 lots are located in Section 1 and 28 lots are located in Section 2. Fifty-four of the lots in Section 2 of the District are uncontracted. As of January 1, 2026, no lots have been purchased by the Homebuilders. The Developer expects the Homebuilders to begin purchasing lots in the District in February 2026. The Developer received a combined earnest money deposit from the Homebuilders equal to $1,374,750 (the "Earnest Money"), all of which has been released to the Developer and will be credited to the purchase price at closing. Starlight Homes has the right of first refusal on the remaining 54 lots in Section 2 of the District.

Starlight Homes PSA. On December 13, 2024, Waterstone Development Group, LLC, a Texas limited liability company ("Waterstone"), which is an entity that shares common ownership with the Developer, and Starlight Homes entered into that certain Real Estate Purchase and Sale Agreement, as amended by that certain First Amendment to Real Estate Purchase and Sale Agreement entered into on January 27, 2025, by and between Waterstone and Starlight Homes, and as further amended by that certain Second Amendment to and Assignment of Real Estate Purchase and Sale Agreement (the "Second Amendment"), entered into on October 14, 2025, by and between Waterstone, Starlight Homes, and the Developer (collectively, the "Starlight Homes PSA"). Waterstone transferred and assigned all of its right, title and interest in and to the Starlight Homes PSA pursuant to the terms of the Second Amendment.

Pursuant to the Starlight Homes PSA, Starlight Homes has agreed to purchase 108 50' lots within the District. Of the 108 lots under contract with Starlight Homes, 82 are located in Section 1 and 26 are located in Section 2. The purchase price for the first 74 lots acquired by Starlight Homes shall be $55,000 per lot, and the purchase price for the final 34 lots, $60,000 per lot. Starlight Homes has paid earnest money in the amount of $916,500, which has been released to the Developer and will be credited to the purchase price at closing. Starlight Homes agreed to takedown the lots subject to the Starlight Homes PSA pursuant to four closings. Starlight Homes is expected to close on the initial 50 lots in February 2026.See "THE DEVELOPMENT – Status of Development" below for more information on the expected takedown schedule.

Pursuant to the Starlight Homes PSA, the Developer shall not sell any lots in the District for a purchase price which is less than $1,100 per front foot, or $55,000 for a 50' lot, unless and until Starlight Homes has acquired its first 74 lots, and the Developer shall not sell any lots in the District for a purchase price which is less than $1,200 per front foot, or $60,000 for a 50' lot, thereafter. The terms of the Hart Homes PSA, as defined and described below, comply with this provision in the Starlight Homes PSA.

Hart Homes PSA. On March 13, 2025, the Developer and Hart Homes entered into that certain Unimproved Property Contract, as amended by that certain First Amendment to Contract for Purchase and Sale and Escrow Instructions, entered into on April 14, 2025, and by that certain Second Amendment to Contract for Purchase and Sale Agreement, entered into on January 7, 2026 (collectively, the "Hart Homes PSA" and together with the Starlight Homes PSA, the "Lot Purchase Agreements").

Pursuant to the Hart Homes PSA, Hart Homes has agreed to purchase 54 50' lots within the District at a purchase price of $3,055,000. Of the 54 lots under contract with Hart Homes, 26 lots are located in Section 1 and 28 lots are located in Section 2. Hart Homes has paid earnest money in the amount of $458,250, which has been released to the Developer and will be credited to the purchase price at closing. The initial takedown under the Hart Homes PSA, consisting of 25 50' lots, must take place within 30 days after the Developer files the final plat for Section 1. The Developer filed the final plat for Section 1 in January 2026, and, as such, the Developer currently expects the

initial takedown to take place in February 2026. See "THE DEVELOPMENT – Status of Development" below for more information on the expected takedown schedule.

Status of Development

As of January 1, 2026, the Developer projects the following timeline for delivery of finished lots, sale of lots to homebuilders, and sale of homes to homeowners in the District, but such projections are subject to change based on a variety of factors, many of which are outside of the control of the Developer:

Expected Buildout of the District [(1)(2)]

Lots [(2)]	Lot Size	Section	Actual/Expected Infrastructure Completion Date	Actual/Expected Initial Sale Date of Single-Family Lots to Homebuilders	Expected Final Sale Date of Lots to Homebuilders	Expected Initial Sale Date of Single-Family Homes to Homeowners	Expected Final Sale Date of Single-Family Homes to Homeowners
108	50'	1	January 2026	February 2026	July 2026	May 2026	June 2027
108	50'	2	August 2026	August 2026	January 2028	April 2027	October 2028

(1) Provided by the Developer.
(2) Includes 2 lots designated as model homes. An additional lot may be designated as a model home if the uncontracted lots are sold to a third homebuilder.

As of January 1, 2026, no lots have been purchased by the Homebuilders. The following table shows the expected single-family lot take down schedule pursuant to the Lot Purchase Agreements.

Expected Lot Takedown Schedule[(1)]

Date	Starlight Homes	Hart Homes	Uncontracted	Total
Q1 2026	50	25	-	75
Q2 2026	-	-	-	-
Q3 2026	24	12	-	36
Q4 2026	-	-	-	-
Q1 2027	24	12	25	61
Q2 2027	-	-	-	-
Q3 2027	10	5	14	29
Q4 2027			–	–
Q1 2028			15	15
Total:	**108**	**54**	**54**[(2)]	**216**[(3)]

(1) As of January 1, 2026.
(2) Starlight Homes has the right of first refusal on the remaining 54 lots in the District.
(3) Includes 2 lots designated as model homes. An additional lot may be designated as a model home if the uncontracted lots are sold to a third homebuilder.

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

The following table reflects the Developer's expectations regarding sales of completed homes to homeowners in the District.

Expected Absorption of Homes to Homeowners in the District

Expected Sale Dates to *Homeowners*	Total Lots
Q2 2026	16
Q3 2026	24
Q4 2026	24
Q1 2027	24
Q2 2027	30
Q3 2027	33
Q4 2027	27
Q1 2028	17
Q2 2028	9
Q3 2028	9
Q4 2028	3
Total	**216**

The actual and expected single-family residential lot prices and expected average home prices in the District are as follows:

Lot Prices and Expected Average Home Prices in the District

Lot Size	Number of Lots	Expected Average Base Lot Price [(1)]	Expected Average Home Price [(1)]
50'	216	$55,463	$265,000

[(1)] Developer estimates.

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

Photographs of the District

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

Zoning/Permitting

Pursuant to the Development Agreement, in the event that the City adopts a comprehensive zoning ordinance, the City shall zone the Property consistent with the Development Standards, Concept Plan (each as defined in the Development Agreement), and applicable provisions of the Development Agreement. Additionally, the Developer has agreed that development of the District will comply with the Concept Plan, Development Standards, and applicable City Regulations (defined in the Development Agreement). See "THE DEVELOPMENT – The Development Agreement," and "APPENDIX H – The Development Agreement."

Amenities

The Developer intends to construct the Amenities, including a children's play area, grass and concrete sport courts, horseshoe pits, approximately 600 linear feet of multi-use paths, approximately 20,000 square feet of greenbelt pedestrian paths, and sitting areas and structures. The Amenities fall under the "parks and landscaping improvements" category of the Public Improvements, and, as such, the costs of the Amenities may be reimbursed by the Assessments or from the proceeds of the Bonds. The Developer currently anticipates commencing construction of the Amenities in Q2 2026, and the Developer expects to complete construction of the Amenities in August 2026. The Developer expects that the Amenities will cost approximately $235,000, which the Developer will finance with proceeds of the Development Loan, cash flow from lot sales in Section 1, and cash on hand. The Amenities will be owned by the City, and the HOA will maintain the Amenities pursuant to the Maintenance Agreement. See "THE AUTHORIZED IMPROVEMENTS – The Public Improvements," and "Ownership and Maintenance of Improvements."

Schools

The District is located entirely within Hardin ISD. Students in the District are expected to attend Hardin Elementary School (approximately 4.3 miles north of the District), Hardin Junior High School (approximately 3.9 miles north of the District), and Hardin High School (approximately 3.9 miles north of the District).

GreatSchools.org rates Hardin Elementary School a 2-out-of-10, Hardin Junior High School a 4-out-of-10, and Hardin High School a 4-out-of-10. According to the Texas Education Agency Annual Accountability Ratings, Hardin ISD was rated "C," Hardin Elementary School was rated "D," Hardin Junior High School was rated "B," and Hardin High School was rated as "B" for 2025, the last school year for which such information is available. The categories for public school districts and public schools for such year were A, B, C, D, and F.

Environmental

A Phase I Environmental Site Assessment (the "Phase I ESA") of the land within the District was completed by Wild Associates in August 2021. The Phase I ESA revealed no evidence of recognized environmental conditions or other environmental concern in the District. The Phase I ESA concluded that no further investigation was required to identify a recognized environmental condition.

Traffic Impact Analysis

A traffic impact analysis ("TIA") was conducted by Voigt Associates, Inc. in June 2022. The report of such analysis stated that a left turn lane from SH 146 into the Development on the proposed Avalon Road, which is the site entrance road, will meet triggers for construction when the Development reaches about 40 homes built and occupied. According to the TIA, upon substantial completion of Section 1 and before a significant number of lots in Section 2 are occupied, the left turn lane should be constructed to TxDOT standards. Additionally, a right turn deceleration is warranted for construction when the Development reaches about 105 homes built and occupied or about when Section 1 is complete, and Section 2 is beginning construction. The improvements described herein, which comprise the "TxDOT Improvements", are a portion of the Offsite Improvements for which the Developer may be reimbursed by the City for the costs of construction, in an amount up to $1,000,000, pursuant to the terms of the Development Agreement. See "THE DEVELOPMENT – The Development Agreement," and "APPENDIX H – The Development Agreement." A portion of the TxDOT Improvements, in the approximate amount of $437,000, may be reimbursed

from the proceeds of the Bonds. See "THE AUTHORIZED IMPROVEMENTS," and "PLAN OF FINANCE – Development Plan."

Flood Zone

According to the Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Map ("FIRM"), Community Panel No. 48291C0475D, effective on June 18, 2007, approximately 9.6 acres of the District within Section 2 are within the 100-year flood plain. Per the Developer, such land is intended to be removed from such flood plain by a Letter of Map Revision-Based on Fill ("LOMR") as the Development progresses. The Developer expects to submit the LOMR in March 2026. Typical FEMA processing is 3-6 months. As of January 1, 2026, the Developer has filled the applicable area such that the elevation all lots within such area is in excess of the 100-year flood plain. See "BONDHOLDERS' RISKS – Flood Plains."

Utilities

Water and Wastewater Service. The City provides both water and wastewater service to end users within the District. See "THE CITY – Water and Wastewater Systems."

Other Utilities. Additional utilities are provided by: (1) Electric – Entergy; (2) Internet and Phone: Highline Fiber; and (3) Natural Gas – none.

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

There are certain mineral rights reservations of prior owners of real property within the District (the "Mineral Owners") pursuant to one or more deeds in the chain of title. While there is currently no drilling or exploration of minerals, the Developer cannot predict whether the Mineral Owners will take new action in the future to explore or develop the above-described mineral rights. Any such action to explore or develop must comply with the City's regulation of oil and gas drilling, as described herein.

While the City does not prohibit oil and gas activities within it is corporate boundaries, any drilling activities require a permit issued by the City and such activities cannot occur within 600 feet of a protected use. A protected use includes a residence, religious institution, hospital building, public or private school, day care, or public park. As result of such limitation, it is unlawful to drill an oil and gas well on any land in the District.

Although there is no exploration or production of oil, gas or other mineral or groundwater rights on the property within the District, exploration and/or production may be possible on adjacent properties. While adjacent properties may have developable mineral and groundwater rights, the City's drilling ordinance regulates the drilling, production, and operation of oil and gas wells, the exploration associated with such operations, and the transport of hydrocarbons or wastes associated with these operations, within the regulated area of the City. Such ordinance may make it difficult for owners of such rights to develop same.

Although the Developer does not expect the above-described Third-Party Rights, or the exercise of such rights or any other third-party 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."

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

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 Municipal Advisor, and the Underwriter, and none of the City, the City's Municipal Advisor, or the Underwriter have any way of guaranteeing the accuracy of such information. See "SOURCES OF INFORMATION – Source of Certain Information."

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of the revenue bonds, such as the Bonds, issued by a municipality for a public improvement district. A developer is generally under no obligation 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. See "BONDHOLDERS' RISKS – Dependence Upon Developer and Homebuilders."

Description of the Developer

The Developer is a Texas company with a single member, Charles Von Schmidt, who owns 100% of the Developer. The Developer shares common ownership with Waterstone, and was created by Waterstone for the purpose of managing and 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. See "BONDHOLDERS' RISKS – Dependence Upon Developer and Homebuilders."

Mr. Charles Von Schmidt has ultimate control over Waterstone and all of its affiliates. Waterstone maintains a corporate staff and remains in a growth mode. Waterstone creates single asset limited liability companies to own each development site while acting as developer for these projects.

Waterstone routinely cooperates with investors, landowners, financial institutions, and vendors to acquire land inventory for its diverse mix of projects. Waterstone has experience working closely with local municipalities, county officials, and public-school systems in the creation of relaxed communities reminiscent of simpler times which provide a higher quality of life for our working men and women along with their families. Collaborating with communities and thinking creatively Waterstone is able to create unique designs that offset visually the challenges to lot configuration, street layout, density, and material selections. Waterstone has focused its attention for the past several years on creating affordable communities, allowing families to join the ranks of homeowners, breaking the rental cycle, allowing them to provide financial stability, create generational wealth while increasing the sense of home for the children.

The following table contains the past and current development projects of Waterstone and its subsidiaries and affiliates. The information in this table was provided by the Developer.

Name of Community	City	Number of Lots	Status of Development
Villages of Westpointe	Dayton, TX	524 Lots	Fully Completed. Two PID Bond issuances. IA#1 $8.04MM Issuance and IA#2 $11.86MM Issuance
Crockett Meadows Sections 1-3	Conroe, TX	304 Lots Section	Fully Completed. IA#1 PID Bond Issuance $12.165MM. Sections 4-7 to be constructed based on market
Kiber Reserve	Angleton, Tx	93 Lots	Fully Completed. Cash flow PID
Crown Point	Huntsville, TX	94 Lots	Fully Completed
Villages of Greystone	Conroe, TX	164 lots	Fully Completed, PID Bond issuance anticipated Q3 2026
Villages of Magnolia Farms	Conroe, TX	Approximately 2,500 lots	Under Design
The Highlands	Liberty, TX	Approximately 2,200 lots	Under Design
Davis Reserve	Dayton, TX	Approximately 500 lots	Under Design

Executive Biography of Principals of the Developer

Mr. Charles Von Schmidt, President. Since 1981, Mr. Von Schmidt has worked in the development industry in various capacities, with experience in office, retail, hospitality, single and multi-family projects. His expertise provided Waterfront Development, which was founded in 2006, the tools necessary to develop its projects, and now powers Waterstone. Mr. Von Schmidt is particularly proud to have gathered the consultants, engineers, and support staff he has been privileged to work with over the past 40 years to augment the capabilities of Waterstone.

Ken Schott, CPA, Director. Mr. Schott joined Waterstone in 2019 after a successful career in the finance and energy industries. Mr. Schott received a BBA in Finance from Texas A&M in 1992 and his MBA from UT Austin in 2000. He held various roles with El Paso Corporation during his eight years there, including Manager of Planning and Budgeting, and was integrally involved in business development. Upon transitioning to the private sector, he served as CFO of several private E&P companies.

Mr. Schott has quickly adapted to real estate development and serves as Director of Waterstone responsible for execution and management of development operations, overseeing feasibility, entitlement, design, and construction to ensure timely and successful completion of projects in the southern half of the Houston MSA. Mr. Schott also keeps a watchful eye on our financial efforts to include conventional financing as well as entitlements, PIDs, TIRZ and 380/381 agreements. Each of these tools allows delivery of a better product at a lower entry price.

John Madsen, CPA, Controller. Mr. Madsen, who serves as Waterstone Controller, has been a partner in two accounting firms after working for ten years as Vice President and Controller for the real estate subsidiary of American General Corporation. He also served as Controller of Weekley Homes as well as five years in "Big Eight" accounting with Touche Ross and Ernst & Whinney. He brings his broad experience into many facets of the real estate industry, taxation, and financial strategies. Mr. Madsen represented the firm for more than 10 years before accepting his position as Controller.

Homebuilders in the District

Starlight Homes. Starlight Homes is a privately held national homebuilding firm founded in 2017. Starlight focusses on entry level residential homes with operations in Arizona, Florida, Georgia, North Carolina, South Carolina, Tennessee, and Texas. Within the greater Houston area, Starlight is currently located in a dozen communities and continues to rapidly expand its presence in this strong marketplace. Members of Starlight's senior management team have previously transacted with Developer's affiliate companies.

Hart Homes. Founded in 2022, Hart Homes is one of the nation's fastest growing homebuilders engaged in the design and construction of affordable homes in high growth markets in the Greater Houston MSA. Hart designs,

builds and sells high quality homes that target renters & entry-level homebuyers. According to the Community Builder Advisory Services, Hart ranked #41 in the Greater Houston MSA Builder Ranking during 2024. Hart has previously worked with the Developer in two of their other subdivisions: The Villages at Westpointe in the City of Dayton, Texas, and Crockett Meadows, located in Montgomery County, Texas.

History and Financing of the District

In July 2022, Von Schmidt Land and Cattle, LLC, a Texas limited liability company, an affiliate of the Developer, acquired all of the land within the District, at a purchase price of $570,000, using cash on hand, from Ernie W. Picket IV and Stacie Lynn Pickett. On March 25, 2025, the Developer acquired the Property from Von Schmidt Land and Cattle pursuant to a Special Warranty Deed.

In October 2025, the Developer obtained an approximately $3,730,050 loan (the "Development Loan") from Prosperity Bank, a Texas banking association (the "Lender") for the purpose, among other things, of financing the costs associated with the development of the District. The Development Loan is a closed-end line of credit. Interest on amounts drawn by the Developer pursuant to the Development Loan is payable monthly at a rate equal to .5% over the Index Rate, which is defined as the highest per annum rate of interest published as the "Prime Rate" in the "Money Rates" Section of the Wall Street Journal. Notwithstanding the foregoing, the interest rate prior to maturity shall at no time be less than 6.250%.

The Development Loan matures on October 15, 2027. As of January 1, 2026, the outstanding balance of the Development Loan was approximately $2,122,705.

The Developer financed the costs of the Public Improvements in Section 1 of the District primarily with cash on hand and proceeds of the Development Loan. Construction of the Public Improvements in Section 2 will be financed with a combination of cash on hand, proceeds from lot sales in Section 1, proceeds from the Bonds, and proceeds of the Development Loan. Pursuant to the Development Agreement, the Developer must enter into a Completion Agreement obligating the Developer to satisfy the Authorized Improvement Costs (defined in the Development Agreement) not anticipated to be directly funded with proceeds of the Bonds. See "THE DEVELOPMENT – The Development Agreement," and "APPENDIX H – The Development Agreement."

The Development Loan is secured by a first lien deed of trust covering all of the land in the District in favor of the Lender. In the event of a default under the Development Loan and/or related documents, the Lender will have the right to various remedies, including foreclosure of the deed of trust. The Developer may purchase a partial release of the lien securing the Development Loan at the Release Price of $46,050 per lot.

The PID Act provides that the Assessment Lien is a first and prior lien against the Assessed Property and is superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes. Prior to the levy of the Assessments, the Lender acknowledged the creation of the District, the levy of the Assessments, and the subordination of the liens securing the Development Loan to the Assessment Lien. The Assessment Lien has priority over the liens on the property within the District securing the Development Loan, Earnest Money, and any other loans that may be obtained by the Developer or its affiliates.

APPRAISAL

General. Barletta & Associates, Inc. (the "Appraiser"), prepared an appraisal report for the City dated December 16, 2025, based upon a site visit and effective date of value of December 15, 2025 (the "Appraisal"). The Appraisal was prepared at the request of the City and is addressed solely to the Underwriter for use in preparing an estimated value of property in connection with the issuance of the Bonds. The estimates of value presented in the Appraisal are no indication of the appraised property's actual market value and do not address the value or benefit of the Authorized Improvements. Investors should not assume that the disposition of the lots in the District in the event of default would provide sufficient funds to pay the principal of Bonds outstanding at that time. The Appraisal does not constitute a recommendation to any person to purchase or sell the Bonds. The description of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the District. The Appraisal is attached hereto as

APPENDIX F 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 F – Appraisal."

Value Estimates. The Appraiser estimated the prospective "upon completion" bulk market value of the 216 completed lots in the District. The Appraisal provides the fee simple estate values for the District. See "APPENDIX F – Appraisal."

The hypothetical "upon completion" bulk market value of the fee simple interest in the 108 completed lots in Section 1, using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of December 31, 2025, is $5,990,000.

The hypothetical "upon completion" bulk market value of the fee simple interest in the 108 completed lots in Section 2, using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of May 1, 2026[*], is $5,960,000.

None of the City, the Developer, the Municipal 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. See "BONDHOLDERS' RISKS – Use of Appraisal."

THE PID ADMINISTRATOR

The following information has been provided by P3Works, LLC, as the Administrator. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

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

The Administrator's duties will include:

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

[*] Substantial completion of Section 2 is now expected in August 2026. A delay in the substantial completion date may affect appraised value[s].

THE MUNICIPAL ADVISOR

The following information has been provided by RBC Capital Markets, LLC, as the City's Municipal Advisor. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

RBC Capital Markets, LLC (RBCCM) (the "Municipal Advisor") is employed as Municipal Advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

BONDHOLDERS' RISKS

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

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

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

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

Deemed Representations and Acknowledgment by Initial Purchasers

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

General Factors relating to Payment of the Bonds

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within the District to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the property within the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such property.

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

Assessment Limitations

Annual Installments of Assessments are billed to property owners of Assessed Property. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as ad valorem taxes as 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 the 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, 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 District, any 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, Section 372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code Section 372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. It is unclear under State law

whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

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

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

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

Direct and Overlapping Indebtedness, Assessments and Taxes

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

Depletion of Accounts of the Reserve Fund

Failure of the owners of property within the District to pay the Assessments when due could result in the rapid, total depletion of the Reserve Account and the Additional Interest Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Fund. The Reserve Account of the Reserve Fund will be fully funded from the proceeds of the Bonds. The Indenture provides that if after a withdrawal from the Reserve Account the amounts therein are less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account sufficient to cure such deficiency.

Lien Foreclosure and Bankruptcy

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

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 at the written direction of the Owners of the Owners of at least a Quarter in Interest 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 Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained therein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

The 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 its use rests within the discretion of the court but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

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

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

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

The City is not aware of any State court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts

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

Judicial Foreclosures

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

No Acceleration

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

Bankruptcy Limitation to Bondholders' Rights

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

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

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

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

Potential Future Changes in State Law Regarding Public Improvement Districts

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 89th Legislative Session of the State (the "89th Regular Session") convened on January 14, 2025, and is scheduled to conclude on June 2, 2025. When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor's direction, each lasting no more than 30 days, and for which the Governor sets the agenda. The Governor called two special sessions, the first of which began on July 21, 2025, and ended on August 15, 2025, and the second of which began on August 15, 2025, and ended on September 3, 2025. 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 Similarly Secured.

Limited Secondary Market for the Bonds

The Bonds Similarly Secured 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 Assessed Property within the District, existing real estate and financial market conditions and other factors.

No Credit Rating

The City has not applied for or received a rating on the Bonds. Even if a credit rating had been sought for the Bonds, it is not anticipated that such a rating would have been investment grade. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue,

secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

Adverse Developments Affecting the Financial Services Industry

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

The Developer expects to finance the costs of the Public Improvements not paid from bond proceeds with the Development Loan. If the Developer is unable to access funds under the Development Loan, the Developer's ability to complete the Public Improvements could be adversely affected. If a homebuilder uses a line of credit or other financial instrument to finance home construction and is unable to access funds under such line of credit or other financial instrument, the homebuilder's ability to take down lots and complete homes could be adversely affected. Additionally, confidence in the safety and soundness of regional banks specifically, or the banking system generally, could impact where customers choose to maintain deposits, which could materially adversely impact the homebuilder's liquidity and access loan funding capacity, and results in an impact to operations. Similar impacts to the development industry have occurred in the past.

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. See "THE DEVELOPMENT – Status of Development" herein.

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

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

Risks Related to the Current Residential Real Estate Market

The real estate market is currently experiencing a slowing of new home sales and new home closings due in part to rising inflation and mortgage interest rates. It is difficult to determine what effects the on-again, off-again tariffs by the federal administration and the threaten of retaliatory tariffs 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 parcel, lot, and home sales within the District. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

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

As a result of low supply and high demand, shipping constraints, and the ongoing trade war (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. Further, the federal administration's imposition and threatened imposition of tariffs and the imposition or threatened imposition of retaliatory tariffs will impact the ability of the Developer to estimate costs. If the Actual Costs of the Public Improvements are substantially greater than the estimated costs or if the Developer is unable to access building materials in a timely manner, it may affect the ability of the Developer to complete the Public Improvements or pay the Assessments when due. See "THE DEVELOPER — History and Financing of the District." If the cost of materials remains high or increase, it may affect the ability of the homebuilders to construct homes within the District.

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

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.

Competition

The housing industry in the Greater Houston area is very competitive, and none of the Developer, the City, the City's Municipal Advisor or the Underwriter can give any assurance that the building programs of the single-family residential development within the District which are planned will ever commence or be completed in accordance with the Developer's expectations. The competitive position of the Developer or of any homebuilder in the sale of developed lots or 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.

Competitive projects in the area include, but are not limited to the following: [(1)]

Project Name	Number of Units	Proximity	Developer	Prices
Westpointe Villages	524	6 miles	Waterstone	$200k-$275k
River Ranch	2500	10 miles	Multiple	$300k-$500k
Medina	630	14 miles	D.R. Horton	$300k-$350k

(1) Provided by the Developer.

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

Hazardous Substances

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

The value of the land within the District does not consider the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The City has not independently verified, and is not

aware, that the owner (or operator) of any of the parcels within the District has such a current liability with respect to such parcel; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

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

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

Regulation

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

Availability of Utilities

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

Portions of the State, including the City and its surrounding area, are experiencing significant growth, which has produced and is expected to continue to produce a growing demand for water and wastewater service. The ability of the City to provide an adequate supply of water and sufficient capacity for treatment of wastewater, as applicable, is dependent on many factors, including, but not limited to, supply and demand of materials to complete necessary water and wastewater improvements, compliance with the Texas Commission on Environmental Quality regulations, the effects of extreme weather events on such entities' water and wastewater systems, and the construction of developments competing with the District. See "THE DEVELOPMENT — Utilities," "BONDHOLDERS' RISKS — General Risks of Real Estate Investment and Development," "— Risks Related to Current Increase in Costs of Building Materials, "— Competition," "— Regulation" and "— Risk from Weather Events."

None of the City, the Municipal Advisor, the Underwriter, or the Developer can predict the impact that such growing demand may have on the City, the District, the projected buildout schedule, availability of water and wastewater service to the District or an investment in the Bonds.

100-Year Flood Plain

According to the Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Map ("FIRM"), Community Panel No. 48291C0475D, effective on June 18, 2007, approximately 9.6 acres of the District within Section 2 are within the 100-year flood plain. Per the Developer, such land is intended to be removed from such flood plain by a Letter of Map Revision-Based on Fill ("LOMR") as the Development progresses. The Developer expects to submit the LOMR in March 2026. Typical FEMA processing is 3-6 months. As of January 1, 2026, the Developer has filled the applicable area such that the elevation all lots within such area is in excess of the 100-year flood plain.

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

Risk from Weather Events

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

Exercise of Third-Party Rights

As described herein under "THE DEVELOPMENT – Mineral Rights, Ground Water, Easements, and Other Third-Party Rights," there are certain Third-Party Rights within the District. 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 Liberty County.

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

Tax-Exempt Status of the Bonds

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

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

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

Management and Ownership

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

Dependence Upon Developer and Homebuilders

Currently, the Developer and Homebuilders have the obligation for payment of 100% and 0%, respectively, of the Assessments. The ability of the Developer and Homebuilders 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. There can be no assurances given as to the financial ability of the Developer or Homebuilders to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer or any Homebuilder will advance such funds. See "THE DEVELOPER — Description of the Developer" and "THE DEVELOPMENT -- The Lot Purchase Agreements."

None of the Developer or the Homebuilders will guarantee or otherwise be obligated to pay debt service on the Bonds. Payment of the Assessments on the Assessed Property will initially be the responsibility of the Developer and/or the Homebuilders, as the case may be, as the owners of such Assessed Property prior to purchase by homeowners.

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

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 Similarly Secured 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.

Risks Related to Exposure to the Oil and Gas Industry

The economy of the greater Houston area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their spillover effects into other industries could result in declines in

the demand of residential and commercial property in the area and could reduce or negatively affect property values or homebuilding activity within the District.

TAX MATTERS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership, and disposition of the Bonds.

Opinion

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Bond Counsel to the City, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See "APPENDIX D – Form of Opinion of Bond Counsel."

In rendering its opinion, Bond Counsel to the City will rely upon (a) the City's federal tax certificate, and (b) covenants of the City with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. Failure of the City to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel to the City is conditioned on compliance by the City with the covenants and the requirements described in the preceding paragraph, and Bond Counsel to the City has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the City with respect to the Bonds or the facilities financed or refinanced with the proceeds of the Bonds. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the City that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between

(i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue 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 Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Interest on the Bonds may be includable in certain corporation's "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such Bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

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

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of foreign investors, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

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.

CYBERSECURITY RISKS

The City, like other municipalities in the State, utilizes technology in conducting its operations. As a user of technology, the City potentially faces cybersecurity threats (e.g., hacking, phishing, viruses, malware and ransomware) on its technology systems. Accordingly, the City may be the target of a cyber-attack on its technology systems that could result in adverse consequences to the City. The City employs a multi-layered approach to combating cybersecurity threats. While the City deploys layered technologies and requires employees to receive cybersecurity training, as required by State law, among other efforts, cybersecurity breaches could cause material disruptions to the City's finances or operations. The costs of remedying such breaches or protecting against future cyber-attacks could be substantial. Further, cybersecurity breaches could expose the City to litigation and other legal risks, which could cause the City to incur other costs related to such legal claims or proceedings.

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.

McCall, Parkhurst & Horton L.L.P. serves as Bond Counsel to the City. Orrick, Herrington & Sutcliffe LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

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

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

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

Litigation – The City

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

Litigation – The Developer

At the time of delivery and payment for the Bonds, 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 Developer, threatened against or affecting Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of Developer or its officers or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Reimbursement Agreement, the Development Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a "Material Adverse Effect"). The Developer and its affiliates have been and are parties to pending and threatened litigation related to their commercial and real estate development activities. According to the Developer, such litigation occurs in the ordinary course of business and is not expected to have a Material Adverse Effect.

SUITABILITY FOR INVESTMENT

Investment in the Bonds poses certain economic risks. See "BONDHOLDERS' RISKS." The Bonds are not, at this time, 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 preliminary 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 Securities and Exchange Commission (the "Rule"), the City, the Administrator and UMB Bank, N.A., a national banking association (the "Dissemination Agent") will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of the Issuer") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure

Agreement of the Issuer, certain financial information and operating data relating to the City (collectively, the "City Reports"). The specific nature of the information to be contained in the City Reports is set forth in "APPENDIX E-1 – Form of Disclosure Agreement of Issuer." Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of the Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Issuer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

The City's Compliance with Prior Undertakings

In the last five years, the City has not failed to comply in any material respect with any material provisions of the continuing disclosure agreements made by the City in accordance with the Rule.

The Developer

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

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

The Developer's Compliance with Prior Undertakings

The Developer has not previously entered into an undertaking to provide continuing disclosure related to the Bonds.

UNDERWRITING

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

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the Texas Public Funds Investment Act (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." 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 State law in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change.

Legal Investments

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations,

* To be completed upon pricing of the Bonds.

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

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA-m" or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered

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

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

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

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

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Commission; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are

not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than ninety (90) days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than fifteen percent (15%) of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

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

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

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

SOURCES OF INFORMATION

General

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

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Authorized Improvements generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE – Overview," "– Development Plan," and "– Lot Purchase Agreements," "OVERLAPPING TAXES AND DEBT – Agricultural Valuation" (third paragraph only) and "– Homeowners' Association Dues," "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Authorized Improvements, and the Development), "LEGAL MATTERS – Litigation – The Developer," "CONTINUING DISCLOSURE – The Developer" "– The Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION – Source of Certain Information," and "APPENDIX E-2," "APPENDIX F," "APPENDIX G," and "APPENDIX H" 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 herein, in 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 Barletta & Associates, Inc., 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 of 1933. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget" or other similar words.

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

CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE."

AUTHORIZATION AND APPROVAL

The City approved the form and content of this Preliminary Limited Offering Memorandum and authorized the use thereof by the Underwriter in connection with the marketing and sale of the Bonds.

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

THIS PAGE IS LEFT BLANK INTENTIONALLY.

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREAS

The City is located in Liberty County, Texas, and is approximately 44 miles northeast of the City of Houston, Texas, along U.S. Highway 90. The City's 2020 census population was 8,279, and the City estimates its 2025 population to be 8,974. The City covers approximately 45.77 square miles. The City's economy is based on manufacturing, retail, agricultural chemical production, and oil and gas production.

In addition to water, sewer, and electric distribution services, the City provides police and fire protection, sanitary services, certain public health services, ambulance services, street and drainage maintenance, park facilities, library facilities, a drama theatre and a municipal airport, which contains a 3,700-foot runway. The George Bush Intercontinental Airport is 55 miles southwest of the City and is the closest airport with commercial service.

The City is a Home Rule City which operates under a City Charter (the "Charter") adopted by the voters in 1958. The Charter provides for a Council-Manager form of government composed of a mayor and six council members elected for staggered two-year terms. It is the City Council's responsibility to appoint a City Manager who is the chief administrative and executive officer of the City.

The current members of the City Council and their respective expiration of terms of office, as well as the principal administrators of the City, are noted on page i.

Historical Annual Employment in Houston – Pasadena – The Woodlands Metropolitan Statistical Area

The following information has been provided for informational purposes only.

	2024[(1)]	2023	2022	2021	2020
Civilian Labor Force	3,835,585	3,736,245	3,601,335	3,511,131	3,401,400
Total Employed	3,668,691	3,578,660	3,449,835	3,292,314	3,468,699
Total Unemployed	166,894	157,585	151,500	218,817	296,060
Unemployment Rate	4.4%	4.2%	4.2%	6.2%	8.5%

[(1)] As of December 2025.

Source: Texas Workforce Commission

Major Employers in the City

The major employers in the City for 2025 are set forth in the table below.

Employer	Employees
Liberty ISD	450
Wal-Mart	350
Liberty/Dayton Hospital	157
Curtis and Sons	150
City of Liberty	100
Liberty Forge	40
TxDOT	26
KJ Chemical	10
Timberline/Quantum Products	10

Source: Libert Community Development Corporation

REGIONAL EMPLOYMENT

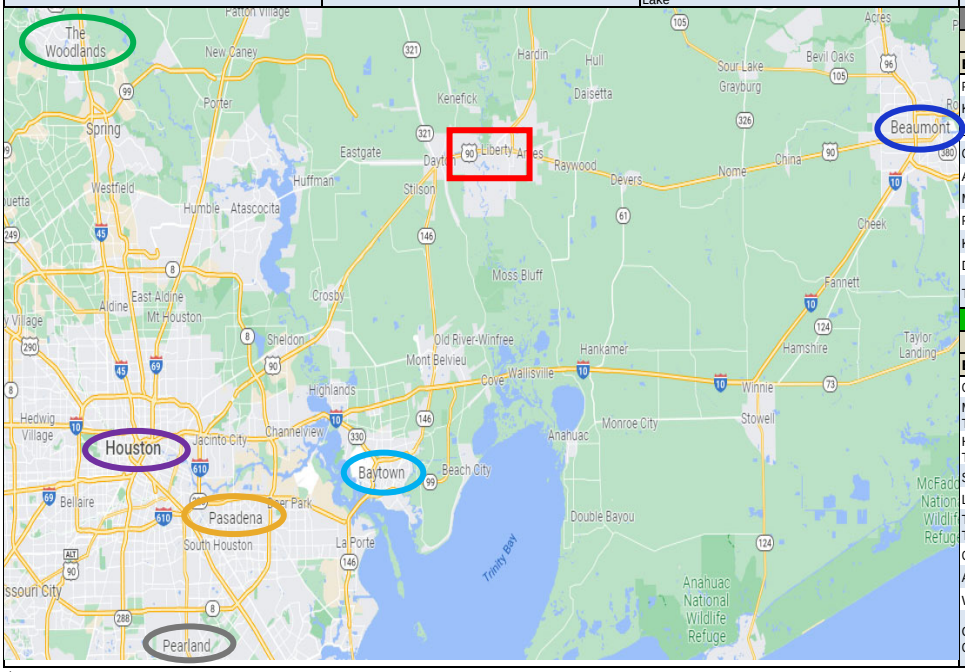
The major employers of municipalities near the City are set forth in the table below.

City of Baytown (2023)	
Approximately 31 Miles from Liberty	
Employer	**Employees**
Goose Creek Consolidated ISD	4,000
Exxon Mobil-Baytown Complex	3,785
Houston Methodist Baytown Hospital	1,975
Covestro	1,450
City of Baytown	1,133
Chevron Phillips	990
Lee College	700
Wal-Mart Distribution Center	600
Borusan Mannesmann	410
JSW Steel	330

City of Houston (2025) *	
Approximately 43 Miles from Liberty	
Employer	**Employees**
AT&T	
Baker Hughes	
CenterPoint Energy	
ConocoPhillips	
Enterprise Products Partners	
EOG Resources	
ExxonMobil	
Group 1 Automotive	
Halliburton	
Kinder Morgan	

City of Pasadena (2024)	
Approximately 42 Miles from Liberty	
Employer	**Employees**
Pasadena ISD	8,201
Turner Industries	3,364
San Jacinto College	2,958
The Boeing Co.	2,268
HCA Houston Healthcare	1,428
Mundy Company	1,342
Lyondell Chemical Co.	1,175
Kaneka North America	1,111
City of Pasadena	1,089
University of Houston – Clear Lake	858

City of Beaumont (2024)	
Approximately 42 Miles from Liberty	
Employer	**Employees**
ExxonMobil Corporation	3,472
Beaumont ISD	2,204
Memorial Hermann Baptist Hospital	1,705
Christus St. Elizabeth Hospital	1,530
City of Beaumont	1,342
Lamar University	1,332
Mark Stiles Unit	756
EN Global	545
Richard Construction	450
Beaumont Kidney Specialist	436



City of Pearland (2024)	
Approximately 54 Miles from Liberty	
Employer	**Employees**
Pearland ISD	2,700
Kelsey Seybold	1,221
Lonza	950
City of Pearland	850
Alvin ISD	753
Memorial Hermann	550
Pearland Medical Center	450
Kemlon	240
Dover Energy	240
Third Coast	225

The Woodlands (2023) †	
Approximately 50 Miles from Liberty	
Employer	**Employees**
Conroe ISD	4,831
Memorial Hermann Hospital, The Woodlands	3,218
Houston Methodist The Woodlands Hospital	2,5358
St. Luke's Health	2,164
Lone Star College	1,355
Texas Children's Hospital, The Woodlands	1,573
Chevron Phillips Chemical Co.	1,327
Alight Solutions	1,321
Woodforest National Bank	1,121
Occidental Petroleum Corporation	1,052

* Alphabetical list from *City of Houston, Texas, Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025*.

† Top 10 Non-Retail Employers of The Woodlands Area from *The Woodlands Township Annual Comprehensive Financial Report for the Fiscal Year Ended December 31, 2023*

Source: Municipal Advisory Council of Texas, unless otherwise footnoted

APPENDIX B

FORM OF INDENTURE

THIS PAGE IS LEFT BLANK INTENTIONALLY.

INDENTURE OF TRUST

By and Between

CITY OF LIBERTY, TEXAS

and

UMB BANK, N.A.,
AS TRUSTEE

DATED AS OF MARCH 1, 2026

SECURING

$6,572,000

CITY OF LIBERTY, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT)

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS, FINDINGS AND INTERPRETATION 4

Section 1.1. Definitions 4
Section 1.2. Findings 13
Section 1.3. Table of Contents, Titles and Headings. 13
Section 1.4. Interpretation. 14

ARTICLE II THE BONDS 14

Section 2.1. Security for the Bonds. 14
Section 2.2. Limited Obligations. 15
Section 2.3. Authorization for Indenture. 15
Section 2.4. Contract with Owners and Trustee. 15

ARTICLE III AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS 15

Section 3.1. Authorization. 15
Section 3.2. Date, Denomination, Maturities, Numbers and Interest. 16
Section 3.3. Conditions Precedent to Delivery of Bonds 16
Section 3.4. Medium, Method and Place of Payment. 17
Section 3.5. Execution and Registration of Bonds. 18
Section 3.6. Ownership. 19
Section 3.7. Registration, Transfer and Exchange. 19
Section 3.8. Cancellation. 20
Section 3.9. Temporary Bonds 20
Section 3.10. Replacement Bonds. 21
Section 3.11. Book-Entry Only System. 22
Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System. 23
Section 3.13. Payments to Cede & Co. 23

ARTICLE IV REDEMPTION OF BONDS SIMILARLY SECURED BEFORE MATURITY 24

Section 4.1. Limitation on Redemption 24
Section 4.2. Mandatory Sinking Fund Redemption 24
Section 4.3. Optional Redemption 25
Section 4.4. Extraordinary Optional Redemption 25
Section 4.5. Partial Redemption 25
Section 4.6. Notice of Redemption to Owners. 26
Section 4.7. Payment Upon Redemption 27
Section 4.8. Effect of Redemption 27

ARTICLE V FORM OF THE BONDS SIMILARLY SECURED 27

Section 5.1. Form Generally 27
Section 5.2. Form of the Bonds. 28
Section 5.3. CUSIP Registration 35
Section 5.4. Legal Opinion. 35

ARTICLE VI FUNDS AND ACCOUNTS 36

Section 6.1. Establishment of Funds and Accounts 36
Section 6.2. Initial Deposits to Funds and Accounts 37
Section 6.3. Pledged Revenue Fund 37
Section 6.4. Bond Fund 38
Section 6.5. Project Fund 38
Section 6.6. Redemption Fund 41
Section 6.7. Reserve Fund 41
Section 6.8. Rebate Fund: Rebatable Arbitrage 43
Section 6.9. Administrative Fund. 43
Section 6.10. Investment of Funds 44
Section 6.11. Security of Funds 44

ARTICLE VII COVENANTS 46

Section 7.1. Confirmation of Assessments. 46
Section 7.2. Collection and Enforcement of Assessments. 46
Section 7.3. Against Encumbrances. 46
Section 7.4. Records, Accounts, Accounting Reports. 47
Section 7.5. Covenants Regarding Tax Exemption of Interest on Bonds. 47

ARTICLE VIII LIABILITY OF CITY 50

Section 8.1. Liability of City 50

ARTICLE IX THE TRUSTEE 51

Section 9.1. Acceptance of Trust; Trustee as Registrar and Paying Agent. 51
Section 9.2. Trustee Entitled to Indemnity. 52
Section 9.3. Responsibilities of the Trustee. 52
Section 9.4. Property Held in Trust. 54
Section 9.5. Trustee Protected in Relying on Certain Documents. 54
Section 9.6. Compensation. 55
Section 9.7. Permitted Acts. 56
Section 9.8. Resignation of Trustee. 54
Section 9.9. Removal of Trustee. 57
Section 9.10. Successor Trustee 57
Section 9.11. Transfer of Rights and Property to Successor Trustee 58
Section 9.12. Merger, Conversion or Consolidation of Trustee. 58
Section 9.13. Trustee To File Continuation Statements. 59
Section 9.14. Offering Documentation 57
Section 9.15. Expenditure of Funds and Risk 57
Section 9.16. Environmental Hazards 57
Section 9.17. Accounts, Periodic Reports and Certificates. 60
Section 9.18. Construction of Indenture. 60

ARTICLE X MODIFICATION OR AMENDMENT OF THIS INDENTURE 58

Section 10.1. Amendments Permitted. 58
Section 10.2. Owners' Meetings. 59
Section 10.3. Procedure for Amendment with Written Consent of Owners. 59

Section 10.4. Procedure for Amendment Not Requiring Owner Consent. 60
Section 10.5. Effect of Supplemental Indenture. 63
Section 10.6. Endorsement or Replacement of Bonds Similarly Secured Issued After Amendments 64
Section 10.7. Amendatory Endorsement of Bonds Similarly Secured. 64
Section 10.8. Waiver of Default. 64
Section 10.9. Execution of Supplemental Indenture. 64

ARTICLE XI DEFAULT AND REMEDIES 64

Section 11.1. Events of Default. 64
Section 11.2. Immediate Remedies for Default. 65
Section 11.3. Restriction on Owner's Action. 66
Section 11.4. Application of Revenues and Other Moneys After Default 67
Section 11.5. Effect of Waiver 67
Section 11.6. Evidence of Ownership of Bonds Similarly Secured. 68
Section 11.7. No Acceleration. 68
Section 11.8. Mailing of Notice. 68
Section 11.9. Exclusion of Bonds Similarly Secured. 69
Section 11.10. Remedies Not Exclusive. 69
Section 11.11. Direction By Owners. 69

ARTICLE XII GENERAL COVENANTS AND REPRESENTATIONS 69

Section 12.1. Representations as to Trust Estate. 69
Section 12.2. General. 70

ARTICLE XIII SPECIAL COVENANTS 70

Section 13.1. Further Assurances; Due Performance. 70
Section 13.2. Other Obligations or Other Liens; Refunding Bonds. 70
Section 13.3. Books of Record. 71

ARTICLE XIV PAYMENT AND CANCELLATION OF THE BONDS SIMILARLY SECURED AND SATISFACTION OF THE INDENTURE 72

Section 14.1. Trust Irrevocable. 72
Section 14.2. Satisfaction of Indenture. 72
Section 14.3. Bonds Similarly Secured Deemed Paid. 69

ARTICLE XV MISCELLANEOUS 73

Section 15.1. Benefits of Indenture Limited to Parties. 73
Section 15.2. Successor is Deemed Included in All References to Predecessor. 73
Section 15.3. Execution of Documents and Proof of Ownership by Owners. 73
Section 15.4. No Waiver of Personal Liability. 74
Section 15.5. Notices to and Demands on City and Trustee 74
Section 15.6. Partial Invalidity 75
Section 15.7. Applicable Laws; Jurisdiction 76
Section 15.8. Payment on Business Day 76
Section 15.9. Counterparts. 76
Section 15.10. Boycotts and Foreign Business Engagements. 73

Section 15.11. Electronic Storage. 74

EXHIBIT A DESCRIPTION OF THE PROPERTY WITHIN THE LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT

EXHIBIT B FORM OF CERTIFICATION FOR PAYMENT

INDENTURE OF TRUST

THIS INDENTURE, dated as of March 1, 2026, is by and between the CITY OF LIBERTY, TEXAS (the "*City*"), and UMB Bank, N.A., a national banking association, as trustee (together with its successors, the "*Trustee*"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition was submitted and filed with the City Secretary of the City (the "*City Secretary*") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, 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 Liberty Ranch Public Improvement District; and

WHEREAS, the petition contained the signatures of the record owners of taxable real property representing more than 50% of the appraised value of the real property liable for assessments within the District, as determined by the then current ad valorem tax rolls of the Liberty Central Appraisal District, and the signatures of record property owners who own taxable real property that constitutes more than 50% of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, on May 10, 2022, after due notice, the City Council (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 May 10, 2022, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2022-40, 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; and

WHEREAS, on May 10, 2022, the City Council authorized the formation of the Liberty Ranch Public Improvement District (the "*District*") pursuant to Resolution No. 2022-40 (the "*Creation Resolution*"); and

WHEREAS, following the adoption of Resolution No. 2022-40, the City filed such resolution in the real property records of the County (as defined herein) on May 11, 2022; 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 the date of publication of such notice; and

WHEREAS, on April 8, 2025, the City Council adopted Resolution No. 2025-23 approving a development agreement by and between the City and the Developer (as defined herein) to establish the development and improvement standards for the District and whereby the City formally amended the name of the District to Liberty Ranch Public Improvement District; and

WHEREAS, on December 8, 2025, the City Council adopted a Resolution approving the execution of the Reimbursement Agreement (as defined herein); and

WHEREAS, the City, pursuant to Section 372.016(b) of the PID Act, published notice on [_____, 20__] of a public hearing in a newspaper of general circulation in the City to consider the proposed "*Assessment Roll*" and the "*Service and Assessment Plan*" and the levy of the "*Assessments*" in the amount of $6,572,000 on property in the District (all as defined herein); and

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

WHEREAS, the City Council convened the hearing on [_____, 20__], at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of Actual Costs, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, at the public hearing referenced in the preceding paragraph, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Actual Costs, the Assessment Roll, or 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, at a meeting held on [_____, 20__], respectively, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance, which Assessment Ordinance approved the Assessment Roll and levied the Assessments; 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 Improvements (as defined herein), (ii) paying capitalized interest on the Bonds during the period of construction and acquisition of Improvements, (iii) funding a reserve account for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs (as defined herein), and (v) paying the costs of issuance of the Bonds; and

WHEREAS, the City Council now desires to issue its revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Liberty, Texas, Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District)" (the "*Bonds*"), such Bonds being payable solely from the Assessments and other funds pledged under this Indenture to the payment of the Bonds and for the purposes set forth in this preamble; and

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

NOW, THEREFORE, the City, in consideration of the foregoing premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the Bonds Similarly Secured by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, CONVEY, PLEDGE, TRANSFER, ASSIGN, and DELIVER to the Trustee for the benefit of the Owners, a security interest in all of the moneys, rights and properties described in the Granting Clauses hereof, as follows (collectively, the "*Trust Estate*"):

FIRST GRANTING CLAUSE

The Pledged Revenues, as herein defined, including all moneys and investments held in the Pledged Funds and Accounts, and including 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

SECOND GRANTING CLAUSE

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; and

THIRD GRANTING CLAUSE

Any and all proceeds of the foregoing property and proceeds from the investment of the foregoing property;

TO HAVE AND TO HOLD the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors or assigns;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds Similarly Secured from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds Similarly Secured 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 the Bonds Similarly Secured at the times and in the manner stated in the Bonds Similarly Secured, 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 remain in full force and effect;

IN ADDITION, the Bonds Similarly Secured are special obligations of the City payable solely from the Trust Estate, as and to the extent provided in this Indenture. The Bonds Similarly Secured do not give rise to a charge against the general credit or taxing powers of the City and are not payable except as provided in this Indenture. Notwithstanding anything to the contrary herein, the Owners of the Bonds Similarly Secured shall never have the right to demand payment thereof out of any funds of the City other than the Trust Estate. The City shall have no legal or moral obligation to pay for the Bonds Similarly Secured out of any funds of the City other than the Trust Estate.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds Similarly Secured 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 Similarly Secured 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*", in the singular, means any of the accounts established pursuant to Section 6.1 of this Indenture, and "*Accounts*", in the plural, means, collectively, all of the accounts established pursuant to Section 6.1 of this Indenture.

"*Actual Cost(s)*" , with respect to the Public Improvements, the actual costs paid or incurred by or on behalf of the Developer of the District: (the costs for the design, planning, administration/management, acquisition, installation, construction and/or implementation and dedication of such Public Improvements; (2) the fees paid for obtaining permits, zoning, licenses, plan approvals, inspections or other governmental approvals for such Public Improvements; (3) the costs for external professional services, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) the costs for all labor, bonds, and materials, including equipment and fixtures, owing to contractors, builders, and materialmen engaged in connection with the acquisition, construction, or implementation of the Public Improvements; (5) all related permitting and public approval expenses, and architectural, engineering, legal, consulting, and other governmental fees, construction security, insurance premiums, directly related to the construction of the Public Improvements, and (6) charges and costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee not exceeding 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 up to an additional 0.50% interest charged on the Assessments as authorized by Section 372.018 of the PID Act.

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

"*Administrator*" means the City or the person or independent firm designated by the City who shall have the responsibility provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the City related to the duties and responsibility of the administration of the District.

"*Annual Collection Costs"* means the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) paying and redeeming the Bonds Similarly Secured; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan, the PID Act, and any Indenture, with respect to the Bonds Similarly Secured, including the City's continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with the Bonds Similarly Secured, 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 Similarly Secured in such Bond Year, assuming that the Outstanding Bonds Similarly Secured are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds Similarly Secured due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

"*Annual Installment*" means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

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

"*Applicable Laws*" means the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State 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.

"*Assessment*" means an assessment levied against a Parcel in the District imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"*Assessment Ordinance*" means Ordinance No. [_____] adopted by the City Council on [_____, 20__], that levied the Assessments, and any additional ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on Assessed Property within the District, as shown on any Assessment Roll.

"*Assessed Property*" or "*Assessed Properties*" means property within the District that benefits from an Authorized Improvement and on which Assessments have been levied as shown on an Assessment Roll (as the same may be updated each year by an update to a Service and Assessment Plan) and which includes any and all Parcels within the District other than Non-Benefitted Property.

"*Assessment Revenues*" means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

"*Assessment Roll(s)*" means any assessment roll for the Assessed Property within the District, including the Assessment Roll included in the Service and Assessment Plan as Exhibit F, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the levy of an Assessment, the issuance of the Bonds Similarly Secured, or in connection with any Annual Service Plan Update.

"*Attorney General*" means the Attorney General of the State.

"*Authorized Denomination*" means $100,000 and any integral multiple of $1,000 in excess thereof. The City prohibits any Bond to be issued in a denomination of less than $100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than $100,000, and, unless made pursuant to Section 4.5 herein, any attempt to accomplish either of the foregoing shall be void and of no effect.

"*Authorized Improvements*" means all costs to be paid with Assessments, including the Public Improvements, Bond Issuance Costs and District Formation Expenses.

"*Bond*" means any of the Bonds Similarly Secured.

"*Bond Counsel*" means McCall, Parkhurst & Horton L.L.P. or any other attorney or firm of attorneys designated by the City that are nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"*Bond Date*" means the date designated as the initial date of the Bonds by Section 3.2(a) of this Indenture.

"*Bond Fund*" means the Fund established pursuant to Section 6.1 and administered pursuant to Section 6.4.

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

"*Bond Ordinance*" means Ordinance No. [_____] adopted by the City Council on [_____, 20__], authorizing the issuance of the Bonds pursuant to this Indenture.

"*Bond Year*" means the one-year period beginning on October 1 in each year and ending on September 30 in the following year.

"*Bonds*" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Liberty, Texas, Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District)."

"*Bonds Similarly Secured*" means, collectively, any Outstanding Bonds and Refunding Bonds.

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

"*Certification for Payment*" means a certificate given pursuant to the Reimbursement Agreement executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the written approval of a City Representative, specifying the amount of work performed and the cost thereof, presented to the Trustee to request funding for Actual Costs from money on deposit in the Project Fund. The Form of Certification for Payment is attached hereto as Exhibit B.

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

"*City Representative*" means that official or agent of the City authorized by the City Council to undertake the action referenced herein as evidenced by a written incumbency certificate provided to the Trustee. Such certificate may designate alternates, each of whom shall be entitled to perform all duties of the City Representative.

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

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

"*Completion Agreement*" means that certain Completion Agreement entered into on February 10, 2026, by and between the Trustee, the City, and the Developer.

"*Comptroller*" means the Comptroller of Public Accounts of the State.

"*Continuing Disclosure Agreement of the Developer*" means the agreement executed between the Developer, Administrator and dissemination agent in connection with the issuance of the Bonds pursuant to which the Developer agrees to provide certain information regarding the development of the District and the Public Improvements for the benefit of the owners of the Bonds.

"*Continuing Disclosure Agreement of the City*" means the agreement executed between the City, Administrator and the dissemination agent for the benefit of the Owners of the Bonds (including owners of beneficial interests of the Bonds), to provide, by certain dates prescribed in the Continuing Disclosure Agreement of the City to provide periodic information and notices of material events regarding the City in accordance with Securities and Exchange Commission Rule 15c2-12.

"*County*" means Liberty County, Texas.

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

"*Delinquency & Prepayment Reserve Requirement*" means an amount equal to 6.0% of the principal amount of the then Outstanding Bonds Similarly Secured, which amount will be funded from Assessments and Annual Installments deposited to the Pledged Revenue Fund for subsequent transfer to the Delinquency & Prepayment Reserve Account of the Reserve Fund in accordance with the terms of this Indenture.

"*Delinquent Collection Costs*" means costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under the Service and Assessment Plan including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

"*Designated Payment/Transfer Office*" means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office designated by the Paying Agent/Registrar, initially Houston, Texas 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 Liberty Ranch, LLC, a Texas limited liability company.

"*District Formation Expenses*" means the costs associated with forming the District, including but not limited to 1st year Annual Collection Costs, and any other cost or expense directly associated with the establishment of the District.

"*DTC*" means The Depository Trust Company of New York, New York, or any successor securities depository.

"*DTC Participant*" means 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.

"*Foreclosure Proceeds*" means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Assessments, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

"*Fund*", in the singular, means any of the funds established pursuant to Section 6.1 of this Indenture, and "*Funds*", in the plural, means, collectively, all of the funds established pursuant to Section 6.1 of this Indenture.

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

"*Independent Financial Consultant*" means any consultant or firm of such consultants appointed by the City who, or each of whom: (i) is judged by the City, as the case may be, to have experience in matters relating to the issuance and/or administration of the Bonds; (ii) is in fact independent and not under the 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 Bonds*" means the Initial Bonds authorized by Section 5.2 of 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 1 and September 1 of each year, commencing September 1, 2026.

"*Investment Securities*" means those authorized investments determined by the City and described in the Public Funds Investment Act, Chapter 2256, Government Code, as amended, which investments are, at the time made, included in and authorized by the City's official investment policy as approved by the City Council from time to time.

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

"*Outstanding*" means, as of any particular date when used with reference to Bonds Similarly Secured, all Bonds Similarly Secured authenticated and delivered under this Indenture except (i) any Bond Similarly Secured that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond Similarly Secured for which

the payment of the principal or Redemption Price of and interest on such Bond Similarly Secured shall have been made as provided in Article IV, (iii) any Bond Similarly Secured in lieu of or in substitution for which a new Bond Similarly Secured shall have been authenticated and delivered pursuant to Section 3.10, and (iv) Bond Similarly Secured alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this Indenture.

"*Owner*" or "*Holder*" 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. The term "*Owner*" or "*Holder*", when used in connection with the Bonds Similarly Secured, shall also include the Person who is the registered owner of a Bond Similarly Secured under the terms of any indenture relating thereto.

"*Parcel*" or "*Parcels*" means a parcel or parcels within the District identified by either a tax map identification number assigned by the Liberty Central Appraisal District for real property tax purposes, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the real property records of the County or by any other means determined by the City.

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

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

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

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

"*Pledged Revenue Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.3.

"*Pledged Revenues*" means, collectively, the (i) Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds or other Bonds Similarly Secured.

"*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.

"*Prepayment Costs*" means interest and expenses to the date of Prepayment, plus any additional expenses related to the Prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any Prepayment.

"*Project Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5.

"*Property*" means that certain 50.993 acres of land more particularly described in Exhibit A attached hereto.

"*Public Improvements*" means the Authorized Improvements that benefit the District and on which the Developer may expend Actual Costs, as described in Section III.A of the Service and Assessment Plan.

"*Purchaser*" means the initial purchaser of the Bonds.

"*Quarter in Interest*" means as of any particular date of calculation, the Owners of no less than twenty-five percent (25%) of the principal amount of the then Outstanding Bonds Similarly Secured. In the event that two or more groups of Owners satisfy the percentage requirement set forth in the immediately preceding sentence and act (or direct the Trustee in writing to act) in a conflicting manner, only the group of Owners with the greatest percentage of then Outstanding Bonds Similarly Secured (as measured in accordance with the immediately preceding sentence) shall, to the extent of such conflict, be deemed to satisfy such requirement.

"*Rebatable Arbitrage*" means rebatable arbitrage as defined in Section 1.148-3 of the Treasury Regulations.

"*Rebate Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.8.

"*Record Date*" means the close of business on the 15th calendar day of the month next preceding an Interest Payment Date.

"*Redemption Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.6.

"*Redemption Price*" means, when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, plus accrued and unpaid interest on such Bond to the date fixed for redemption payable upon redemption thereof pursuant to this Indenture.

"*Refunding Bonds*" means bonds issued to refund all or any portion of the Bonds Similarly Secured and secured by a parity lien with the Bonds Similarly Secured on the Trust Estate, as more specifically described in the indenture authorizing such Refunding Bonds.

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

"*Reimbursement Agreement*" means the Liberty Ranch Public Improvement District Reimbursement Agreement between the City and the Developer, dated as of December 8, 2025, as may have been or may be further amended and supplemented from time to time.

"*Release Condition*" has the meaning assigned in Section 6.5(h).

"*Reserve Account Requirement*" means the least of: (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, and (iii) 10% of the proceeds of the Bonds Similarly Secured; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to Section 6.7(b); and provided further that as a result of (1) an optional redemption pursuant to Section 4.3 or (2) an extraordinary optional redemption pursuant to Section 4.4, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds Similarly Secured redeemed by such redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the date of delivery of the Bonds, the Reserve Account Requirement is $_____ which is an amount equal to Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance. The City Representative shall provide the Trustee with written confirmation of the Reserve Account Requirement and any modifications related thereto.

"*Reserve Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.7.

"*Service and Assessment Plan*" and "*SAP*" each mean the document, including the Assessment Roll, which is attached as Exhibit A to the Assessment Ordinance, as amended and restated, as may be updated, amended and supplemented from time to time.

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

"*Special Record Date*" means 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 that will be established by the Trustee, if and when funds for the payment of such interest have been received from the City.

"*State*" means the State of Texas.

"*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.

"*Subaccount*" means any of the subaccounts established pursuant to Section 6.1 of this Indenture.

"*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.

"*Treasury Regulations*" shall have the meaning assigned to such term in Section 7.5(c).

"*Trust Estate*" means the Trust Estate described in the granting clauses of this Indenture.

"*Trustee*" means UMB Bank, N.A., 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 Similarly Secured.

"*Value of Investment Securities*" means the amortized value of any Investment Securities, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the Holder shall be valued at the price at which such obligations are then redeemable. The computations shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value," when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (i) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price. The Trustee retains the ability and may rely upon the City's financial advisor to provide a determination as to the foregoing.

Section 1.2. **Findings.**

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

Section 1.3. **Table of Contents, Titles and Headings.**

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

Section 1.4. **Interpretation.**

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

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

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

(d) When used in Article XI of this Indenture in connection with the Bonds Similarly Secured, any reference to this Indenture, Article XI of this Indenture or any Section thereunder, and/or any events of default or remedies set forth therein, such terms and references shall be read and interpreted to include any indenture relating to any Bonds Similarly Secured, the related Article or Section in such indenture, and/or the events of default and remedies set forth therein.

(e) 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. **Security for the Bonds.**

(a) The Bonds Similarly Secured, 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.

(b) The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, which is the date of the delivery of this Indenture, without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under this 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 this Indenture is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, 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 Chapter 9, Texas Business and Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. **Limited Obligations.**

The Bonds Similarly Secured 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 Similarly Secured 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 2.3. **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 and/or convenient in order to better secure the Bonds Similarly Secured and is a contract or agreement necessary, useful and/or convenient to carry out and effectuate the purposes herein described.

Section 2.4. **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 Similarly Secured 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 Similarly Secured by those who shall purchase and hold the same from time to time, the provisions of this Indenture shall be a part of the contract of the City with the Owners, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. **Authorization.**

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of $6,572,000 for the purpose of (i) paying a portion of the Actual Costs of the Public Improvements, (ii) paying capitalized interest on the Bonds during the period of construction and acquisition of Public Improvements, (iii) funding a reserve account for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (v) paying the costs of issuance of the Bonds.

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

(a) The Bonds shall be dated the date of the initial delivery thereof (the "*Bond Date*") 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 Bond 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 1 and September 1 of each year, commencing September 1, 2026, computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest at the rates 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, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Section 5.2.

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

As a condition precedent to the delivery of the Bonds and for the benefit of the Owners of the Bonds, the Trustee is hereby instructed to execute the Completion Agreement and to deliver the same to the other party(s) thereto for execution, unless otherwise instructed by the City in a City Certificate.

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:

(a) a certified copy of the Assessment Ordinance;

(b) a certified copy of the Bond Ordinance;

(c) a copy of the executed Reimbursement Agreement and any amendments;

(d) a copy of a Continuing Disclosure Agreement of the City among the City, the Administrator and the dissemination agent thereunder and a Continuing Disclosure Agreement of the Developer among the Developer, the Administrator and the dissemination agent thereunder;

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

(f) an executed 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;

(g) an executed signature and no-litigation certificate of the City;

(h) a copy of the executed Completion Agreement;

(i) executed opinions of Bond Counsel and the City Attorney; and

(j) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate.

Section 3.4. **Medium, Method and Place of Payment.**

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

(b) Interest on the Bonds Similarly Secured shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date or Special Record Date, as applicable.

(c) Interest on the Bonds Similarly Secured shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each 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 Similarly Secured 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 Similarly Secured 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 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 Similarly Secured to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State, any such payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds Similarly Secured thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds Similarly Secured, 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 holders of such Bonds Similarly Secured for any further payment of such unclaimed moneys or on account of any such Bonds Similarly Secured, subject to any applicable escheat law or similar law of the State.

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

(a) The Bonds Similarly Secured shall be executed on behalf of the City by the Mayor, 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 Similarly Secured shall have the same effect as if each of the Bonds Similarly Secured had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds Similarly Secured shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds Similarly Secured.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds Similarly Secured ceases to be such officer before the authentication of such Bonds Similarly Secured 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 or in a Supplemental Indenture, 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 Similarly Secured. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date of each series of Bonds Similarly Secured shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein or in a Supplemental Indenture, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General, is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date of each series of Bonds Similarly Secured, one Initial Bond representing the entire principal amount of all Bonds of each series of Bonds Similarly Secured, payable in stated installments to the Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor, Mayor Pro-Tem and the City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and upon City order deliver to DTC on behalf of the Purchaser of such Bonds Similarly Secured one registered definitive Bond for each year of maturity of such series of the Bonds Similarly Secured, in the aggregate principal amount of all Bonds Similarly Secured of such series 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 Similarly Secured is registered as the absolute owner of such Bond Similarly Secured for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond Similarly Secured is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not such Bond Similarly Secured is overdue, and none of the City, the Trustee or 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will maintain a copy of the Register, upon written direction, will file 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 Similarly Secured 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 Similarly Secured shall be effective until entered in the Register.

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

to authenticate and deliver Bonds exchanged for other Bonds Similarly Secured in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds Similarly Secured transferred or exchanged in accordance with this Section. A new Bond Similarly Secured or Bonds Similarly Secured will be delivered by the Paying Agent/Registrar, in lieu of the Bond Similarly Secured 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 Similarly Secured 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 Similarly Secured or Bonds Similarly Secured in lieu of which such transferred Bond Similarly Secured is delivered.

(e) Each exchange Bond Similarly Secured 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 Similarly Secured or Bonds Similarly Secured in lieu of which such exchange Bond Similarly Secured 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 Similarly Secured. 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 Similarly Secured.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond Similarly Secured or portion thereof called for redemption prior to maturity within forty-five (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 Similarly Secured.

Section 3.8. **Cancellation.**

All Bonds Similarly Secured paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds Similarly Secured or replacement Bonds Similarly Secured 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. Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds Similarly Secured, at the City's written direction, the Trustee shall destroy such Bonds Similarly Secured and deliver a certificate of such destruction to the City.

Section 3.9. **Temporary Bonds.**

(a) Following the delivery and registration of the Initial Bond of each series of Bonds Similarly Secured and pending the preparation of definitive Bonds Similarly Secured, 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 Similarly Secured that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any Authorized Denomination, substantially of the tenor of the definitive Bonds Similarly Secured 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 Similarly Secured may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds Similarly Secured in definitive form, such Bonds Similarly Secured 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 Similarly Secured in definitive form; thereupon, upon the presentation and surrender of the Bond Similarly Secured or Bonds Similarly Secured in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds Similarly Secured in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond Similarly Secured or Bonds Similarly Secured of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond Similarly Secured or Bonds Similarly Secured 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 Similarly Secured, the City shall issue and the Trustee shall authenticate and deliver in exchange therefor a replacement Bond Similarly Secured 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 Similarly Secured 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 Similarly Secured is lost, apparently destroyed or wrongfully taken, the City shall issue and the Trustee, pursuant to the Applicable Laws of the State and in the absence of notice or knowledge that such Bond Similarly Secured has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond Similarly Secured 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 Similarly Secured, if a bona fide purchaser of the original Bond Similarly Secured in lieu of which such replacement Bond was issued presents for payment such original Bond Similarly Secured, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond Similarly Secured 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 Similarly Secured has become or is about to become due and payable, the Paying Agent/Registrar, instead of issuing a replacement Bond Similarly Secured, may pay such Bond Similarly Secured if it has become due and payable or may pay such Bond Similarly Secured when it becomes due and payable.

(e) Each replacement Bond Similarly Secured 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 Similarly Secured or Bonds Similarly Secured in lieu of which such replacement Bond Similarly Secured is delivered.

Section 3.11. **Book-Entry Only System.**

(a) The Bonds Similarly Secured 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 Similarly Secured 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.

(b) With respect to Bonds Similarly Secured 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 Similarly Secured. 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 Similarly Secured, (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 Similarly Secured, 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 Similarly Secured. 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

Similarly Secured is registered in the Register as the absolute owner of such Bond Similarly Secured for the purpose of payment of principal of, premium, if any, and interest on Bonds Similarly Secured, for the purpose of giving notices of redemption and other matters with respect to such Bond Similarly Secured, for the purpose of registering transfer with respect to such Bond Similarly Secured, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds Similarly Secured 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 Similarly Secured to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond Similarly Secured 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 Record Date or Special Record Date, as applicable, 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 17(a) 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 Similarly Secured to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds Similarly Secured and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds Similarly Secured to DTC Participants having Bonds Similarly Secured credited to their DTC accounts. In such event, the Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds Similarly Secured, and all notices with respect to such Bonds Similarly Secured 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 SIMILARLY SECURED 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. Each series of Bonds Similarly Secured, other than the Bonds, shall be subject to mandatory sinking fund redemption and optional redemption as provided in the Supplemental Indenture authorizing the issuance of such series of Bonds Similarly Secured.

Section 4.2. **Mandatory Sinking Fund Redemption.**

(a) The Bonds maturing on September 1 in the years 20__ and 20__ (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the redemption price equal to the principal amount of the Term Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption 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 _____, 20__†

Redemption Date	Principal Amount

†Final Maturity

Term Bonds Maturing _____, 20__†

Redemption Date	Principal Amount

†Final Maturity

(b) At least thirty (30) days prior to each mandatory sinking fund redemption date, the Trustee shall select, in accordance with Section 4.5, randomly by lot, a principal amount of Term Bonds of such maturity equal to the Sinking Fund Installment amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of Term Bonds required to be redeemed on any 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 Term Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the

principal amount of such Term Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Term Bonds required to be redeemed on any 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 Term Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in Section 4.3 hereof or the extraordinary optional redemption provisions in Section 4.4 hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. **Optional Redemption.**

The Bonds may be redeemed prior to their scheduled maturities on any date on or after September 1, 20___, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for 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 forty-five (45) days prior to the date fixed for redemption.

Section 4.4. **Extraordinary Optional Redemption.**

The City reserves the right and option to redeem Bonds Similarly Secured before their respective scheduled maturity dates, in whole or in part, on any date, at a redemption price equal to the principal amount of the Bonds Similarly Secured called for redemption, plus accrued and unpaid interest to the date fixed for redemption, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in Section 6.7(c)) or any other transfers to the Redemption Fund under the terms of this Indenture. The Trustee shall receive written notice from the City of the City's intention to conduct an optional redemption of Bonds not less than forty-five (45) days prior to the date fixed for redemption.

Section 4.5. **Partial Redemption.**

(a) If less than all of the Bonds Similarly Secured are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4, Bonds Similarly Secured shall be redeemed in increments of $1,000 randomly by lot, provided that no redemption shall cause the principal amount of any Bond Similarly Secured to be less than the minimum Authorized Denomination for such Bond except as provided in the following sentence. Notwithstanding the foregoing, if any Bonds Similarly Secured are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond Similarly Secured in an amount less than the Authorized Denomination in effect at the time, a Bond Similarly Secured in the principal amount equal to the unredeemed portion, but not less than $1,000, may be issued. Each Bond Similarly Secured shall be treated as representing the number of Bonds Similarly Secured that is obtained by dividing the principal amount of such Bond Similarly Secured by the minimum Authorized Denomination for such Bond Similarly Secured.

(b) If less than all of a series of Bonds Similarly Secured are called for optional redemption pursuant to Section 4.3 hereof, the City shall, pursuant to a City Certificate, determine the Bond Similarly Secured or Bonds Similarly Secured or the amount thereof within a Stated Maturity to be redeemed and direct the Trustee in writing to call by random lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

(c) If less than all Bonds Similarly Secured are called for extraordinary optional redemption, the Bonds Similarly Secured or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds Similarly Secured. If less than all Bonds Similarly Secured within a Stated Maturity are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Trustee shall call by random lot the Bonds Similarly Secured, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

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

Section 4.6. **Notice of Redemption to Owners.**

(a) Upon written notification by the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds Similarly Secured by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond Similarly Secured or portion thereof to be redeemed, at the address shown in the Register.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds Similarly Secured are to be surrendered for payment, and, if less than all the Outstanding Bonds Similarly Secured are to be redeemed, and subject to Section 4.5, an identification of the Bonds Similarly Secured 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 Similarly Secured 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 on the date fixed for redemption for the payment in full of the Bonds Similarly Secured then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. Upon receipt of a City Certificate directing recission, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Section 4.7. **Payment Upon Redemption.**

(a) The Trustee shall make provision for the payment of the Bonds Similarly Secured 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 Similarly Secured being redeemed.

(b) Upon presentation and surrender of any Bond Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 principal amount plus accrued unpaid interest on such Bonds Similarly Secured to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds Similarly Secured or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds Similarly Secured are presented and surrendered for payment on such date.

ARTICLE V

FORM OF THE BONDS SIMILARLY SECURED

Section 5.1. **Form Generally.**

(a) The Bonds Similarly Secured, 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, with respect to the Bonds, substantially in the form set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and, with respect to any Refunding Bonds, substantially in the form set forth in a Supplemental Indenture with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by the Supplemental 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 Bond 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 Similarly Secured may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds Similarly Secured.

(c) The definitive Bonds Similarly Secured 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 Similarly Secured, as evidenced by their execution thereof.

(d) The Initial Bond of each series of Bonds Similarly Secured submitted to the Attorney General may be typewritten and photocopied or otherwise reproduced.

Section 5.2. **Form of the Bonds.**

(a) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE CITY, LIBERTY COUNTY, TEXAS OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

REGISTERED	United States of America	REGISTERED
NO. __	State of Texas	$_____

CITY OF LIBERTY, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
%	September 1, 20__	_____, 2026	

The City of Liberty, 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 September 1 and March 1 of each year, commencing September 1, 2026.

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 Houston, Texas (the "*Designated Payment/Transfer Office*"), of UMB Bank, N.A., a national banking association, as trustee and paying agent/registrar (the "*Trustee*"), 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 15th 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 (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 as of the Date of Delivery and issued in the aggregate principal amount of $6,572,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of March 1, 2026 (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 Public Improvements, (ii) paying capitalized interest on the Bonds during the period of construction and acquisition of the Public Improvements, (iii) funding a reserve account for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (v) paying the costs of issuance of the Bonds;

The Bonds are special, limited obligations of the City payable solely from the Trust Estate. 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.

The City has reserved the right to issue Refunding Bonds and other obligations on the terms and conditions specified in 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 denominations of $100,000 and any multiple of $1,000 in excess thereof ("*Authorized Denominations*"). The City prohibits the breaking up or allocation of CUSIP numbers to any Bond or Bonds in denominations of less than $100,000, and any attempt to do so will be void and of no effect, except as may be the result of a partial redemption of a single Bond as provided in the Indenture.

The Bonds maturing on September 1 in the years 20__ and 20__ (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the redemption price equal to the principal amount of the Term Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption 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 _____, 20__†

Redemption Date	Principal Amount

_____

†Final Maturity

Term Bonds Maturing _____, 20__†

Redemption Date	Principal Amount

†Final Maturity

At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select for redemption randomly by lot a principal amount of Term Bonds of such maturity equal to the sinking fund installments of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Term Bonds required to be redeemed on any sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Term Bonds of such maturity which, at least 30 days prior to the 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 Term Bonds required to be redeemed on any sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Term Bonds which, at least 30 days prior to the 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.

The Bonds may be redeemed prior to their scheduled maturities on any date on or after September 1, 20__, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

The Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any date, 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 from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture. If less than all Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, 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.

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 on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, LIBERTY COUNTY, OR 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.

City Secretary, City of Liberty, Texas	Mayor, City of Liberty, 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 _____.

_____
Acting 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.

DATED: _____, 20__

UMB Bank, N.A., as Trustee

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (print or typewrite name and address, including 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 register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

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 section, 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) the Initial Bond shall be numbered T-1; and

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of "SIX MILLION FIVE HUNDRED SEVENTY TWO THOUSAND DOLLARS" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Year of Maturity	Principal Amount	Interest Rate

Section 5.3. **CUSIP Registration.**

The City may secure identification numbers through CUSIP Global Services, managed by FactSet Research Systems, Inc. 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 Similarly Secured. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds Similarly Secured shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds Similarly Secured as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds Similarly Secured. The City prohibits any Bond Similarly Secured to be issued in a denomination of less than $100,000 and further prohibits the assignment of a CUSIP number to any Bond Similarly Secured with a denomination of less than $100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect, except as provided in Section 4.5 hereof. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds Similarly Secured have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 5.4. **Legal Opinion.**

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

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. **Establishment of Funds and Accounts.**

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

(i) Pledged Revenue Fund;

(ii) Bond Fund;

(iii) Project Fund;

(iv) Reserve Fund;

(v) Redemption Fund;

(vi) Rebate Fund;

(vii) Administrative Fund; and

(b) Creation of Accounts and Subaccounts.

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

(A) Principal and Interest Account; and

(B) Capitalized Interest Account.

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

(A) Reserve Account; and

(B) Delinquency & Prepayment Reserve Account.

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

(A) Improvement Account; and

(B) Costs of Issuance Account.

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

(A) Bond Pledged Revenue Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds Similarly Secured. Amounts on deposit in the Funds, Accounts and Subaccounts shall be used solely for the purposes set forth herein.

(d) 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.

(e) The Trustee may, from time to time, upon written direction from the City pursuant to a City Certificate, create additional Funds or Accounts hereunder as may be necessary for the receipt and application of Assessment Revenues to account properly for the payment of the Actual Costs of the Authorized Improvements or to facilitate the payment or redemption for the Bonds Similarly Secured.

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

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

(i) to the Reserve Account of the Reserve Fund $_____ which is equal to the initial Reserve Account Requirement;

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

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

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

(v) to the Administrative Fund: $_____.

Section 6.3. **Pledged Revenue Fund.**

(a) Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues. Specifically, the City hereby directs the Trustee to deposit or cause to be deposited the foregoing amounts 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 Similarly Secured next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) third to pay other Actual Costs of the Public Improvements as identified in a City Certificate directed to the Trustee, and (iv) fourth to pay other costs permitted by the PID Act as identified in a City Certificate directed to the Trustee. Notwithstanding the

foregoing, the Additional Interest of the Annual Installments shall only be utilized for the purposes set forth in Section 6.7(a-1) hereof and, on each March 1, beginning March 1, 2027, and on any other day set forth in a City Certificate, the amount of Additional Interest of the Annual Installments confirmed by the City pursuant to a City Certificate, will be deposited into the Delinquency & Prepayment Reserve Account and/or the Redemption Fund, as applicable.

(b) From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account of the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account 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 Similarly Secured on the next Interest Payment Date.

(c) The Trustee shall transfer the amounts determined in writing by the City as Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(d) Upon receipt of Foreclosure Proceeds, the Trustee shall transfer such amount of Foreclosure Proceeds determined in writing by the City, first to the Reserve Fund to restore any transfers from the Reserve Fund made to which the Foreclosure Proceeds relate, second, to replenish the Delinquency & Prepayment Reserve Requirement, and third, to the Redemption Fund.

(e) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, at the written request of the City, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which monies may be used for any lawful purpose for which Assessments may be used under the PID Act. The Trustee may rely upon any such request of the City and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Section 6.4. **Bond Fund.**

(a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds Similarly Secured 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. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

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

(d) 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 ($)
_____, 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 Improvement Account of the Project Fund, or if the Improvement Account of the Project Fund has been closed as provided herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Section 6.5. **Project Fund.**

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

(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. Each such City Certificate shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such written request and the Trustee may rely on such payment instructions though given by the City with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein. Disbursements from the Improvement Account of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. The execution by the City or its designee of such Certification for Payment shall constitute conclusive evidence upon which the Trustee may rely that the disbursement of funds from the Improvement Account is pursuant to and in accordance with the disbursement procedures described in the Reimbursement Agreement or as provided in such written direction from the City. The Trustee shall be permitted to conclusively rely on any Certification for Payment, City Certificate, or other written direction received pursuant to this Indenture without investigation, and Trustee shall not be responsible for receiving or reviewing any backup or attachments thereto.

(c) Except as provided in Section 6.5(d) and (f), money on deposit in the Improvement Account shall be used solely to pay Actual Costs provided the Trustee shall have no responsibility for the application of any funds disbursed from the Improvement Account in reliance upon a Certification for Payment approved by the City.

(d) If the City Representative determines in the City Representative's reasonable discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Public Improvements such that, in the reasonable opinion of the City Representative, it is unlikely that the amounts in the Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

(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 of the Public Improvements have been completed and that all Actual Costs have been paid, or that any Actual Costs of the Public Improvements are not required to be paid from the Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

(g) Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the applicable series of Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvement Account of the Project Fund and used to pay Actual Costs of the Public Improvements or (ii) if no Public Improvements remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Certificate filed with the Trustee and the Costs of Issuance Account shall be closed.

(h) (1) Notwithstanding the above sections, the aggregate amount of funds that the Trustee may disburse from the Improvement Account shall not exceed $_____ (the "Authorized Amount") except and until the City determines the Release Condition (as defined in Section 6.5(h)(2) below) has been satisfied, after which the Trustee may resume disbursements. The first Certification for Payment that requests funds in excess of the Authorized Amount from the Improvement Account after satisfaction of the Release Condition shall be submitted to the City, the City's financial advisor, Bond Counsel and the Administrator for review and confirmation. The Trustee may make disbursements from the Improvement Account that exceed the Authorized Amount only when the City provides written certification to the Trustee that the Release Condition has been satisfied.

(2) Money may be disbursed from the Improvement Account in excess of the Authorized Amount only if the City has performed and approved the final inspections of at least ___ homes

within the District and issued certificates of occupancy on each such home in accordance with its customary residential building inspection practices (the "Release Condition"). The City may not approve a Certification for Payment for payment from the Improvement Account for any amounts that exceed the Authorized Amount until the Release Condition has been satisfied.

(3) Notwithstanding anything in this Indenture to the contrary, in the event the Developer has not provided the certificate confirming the Release Condition has been satisfied on or before March 5, 2029, then the Trustee shall transfer any funds remaining in the Improvement Account to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 of this Indenture.

Section 6.6. **Redemption Fund.**

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee, pursuant to a City Certificate, shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

Section 6.7. **Reserve Fund.**

(a) The City agrees with the Owners of the Bonds Similarly Secured to accumulate and, when accumulated, maintain in the Reserve Account, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund or the Redemption Fund as provided in this Indenture.

(a-1) Subject to 6.3(a) herein, the Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency & Prepayment Reserve Account on March 1 of each year, commencing March 1, 2027, and on any other day set forth in a City Certificate, an amount equal to the Additional Interest until the Delinquency & Prepayment Reserve Requirement has been accumulated in the Delinquency & Prepayment Reserve Account. Once the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account, any amounts in excess of the Delinquency & Prepayment Reserve Requirement shall be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured as provided in Article IV provided, however, that at any time the amount on deposit in the Delinquency & Prepayment Reserve Account is less than Delinquency & Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency & Prepayment Reserve Account until the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account. In determining the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer.

(b) Whenever a transfer is made from 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.

(c) In the event of an extraordinary optional redemption of Bonds Similarly Secured pursuant to Section 4.4, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds Similarly Secured to be redeemed 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 Similarly Secured 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 Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall and/or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of $1,000, from the Delinquency & Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

(d) Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with Section 6.4, unless prior to the next Interest Payment Date, 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 the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured or (iii) to the Project Fund to pay Actual Costs of the Public Improvements if such application and the expenditure of funds is expected to occur within three years of the date hereof.

(d-1) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Delinquency & Prepayment Reserve Account exceeds the Delinquency & Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall transfer such excess pursuant to Section 6.7(a-1) hereof.

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

(f) At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account and the Delinquency & Prepayment Reserve Account shall be transferred to the Redemption Fund and applied to the payment of the principal of the Bonds Similarly Secured.

(g) If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

(h) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds Similarly Secured on the next date the Bonds Similarly Secured may be optionally redeemed by the City at a redemption price of par, together with the unpaid interest accrued on such Bonds Similarly Secured as of such date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds Similarly Secured on such date.

Section 6.8. **Rebate Fund: Rebatable Arbitrage.**

(a) The Rebate Fund is 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 due the United States Government in accordance with the Code. The Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

(b) In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and 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 in the absence of instructions from the City.

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

Section 6.9. **Administrative Fund.**

(a) Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Certificate

solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs or may be withdrawn by the Trustee without further authorization for the payment of the fees, expenses, advances and indemnities owed to the Trustee in accordance with Section 9.6. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

Section 6.10. **Investment of Funds.**

(a) Money in any Fund or Account, other than the Reserve Account, shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Account shall be invested in such Investment Securities as directed by the City pursuant to a City Certificate filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Certificate shall be a certification that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence and the Trustee shall not be responsible for determining such requirements. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and 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, in order to make the disbursements required or permitted by this Indenture, to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee shall invest and re-invest cash balances in the Morgan Stanley Institutional Liquidity Funds Government Portfolio, CUSIP No. 61747C889, until directed otherwise by the City Certificate; provided, however, if such fund is no longer available the Trustee shall hold such funds uninvested in the absence of written direction.

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

(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 may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may

charge its ordinary and customary fees for such trades. The Trustee shall not incur any liability for losses (including depreciation of value) arising from any investments made or sold pursuant to this Section. The Trustee shall not be required to determine the legality of any investments and shall have no discretion for investing funds or advising any parties on investing funds. The Trustee is not providing investment supervision, recommendation, or advice in acting pursuant to the provisions hereof.

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

(e) The Trustee will furnish to the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Such statements will be delivered via the Trustee's online service and paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after an annual calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatable Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Certificate, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatable Arbitrage owed by the City. The City Certificate shall specify the amount to the transferred and the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

Section 6.11. **Security of Funds.**

All Funds heretofore created or reaffirmed, 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 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, in the Assessment Ordinance, it has levied the Assessments against the property in the District from which the Assessment Revenues will be collected and received.

Section 7.2. **Collection and Enforcement of Assessments.**

(a) For so long as any Bonds Similarly Secured are Outstanding and amounts are due to the Developer under the Reimbursement Agreement to reimburse it for its funds it has contributed to pay Actual Costs of the Public Improvements, the City covenants, agrees and warrants that it will take and pursue all reasonable actions pemissib1e 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.

(b) 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.

(c) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessments or the corresponding property.

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

Section 7.3. **Against Encumbrances.**

(a) The City shall not create and shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

(b) So long as Bonds Similarly Secured are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds Similarly Secured, (including, any Refunding Bonds, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

Section 7.4. **Records, Accounts, Accounting Reports.**

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

Section 7.5. **Covenants Regarding Tax Exemption of Interest on Bonds.**

(a) The City covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as an obligation described in section 103 of the Code, the interest on which is not includable in the "gross income" of the Holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Article or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as a "private activity bond" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, for a period of 90 days or less until such proceeds are needed for the purpose for which the Bonds is issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code;

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds has been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and,

(9) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code.

(b) In order to facilitate compliance with the above covenant (a)(8), the Rebate Fund is established by the City pursuant to Section 6.1 for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the Registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto (the "*Treasury Regulations*"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor or Mayor Pro-Tem to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for Actual Costs of the Authorized Improvements on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Public Improvements are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds is retired. The City agrees to obtain the advice of nationally recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) The City covenants that the projects funded with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax proposes from gross income of the interest.

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. **Liability of City.**

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds Similarly Secured, and no City taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds Similarly Secured or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds Similarly Secured or other obligations relating to the District, other than as specifically provided for in this Indenture.

(b) The City shall not incur any responsibility in respect of the Bonds Similarly Secured or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds Similarly Secured 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 Similarly Secured, or as to the existence of a default or event of default thereunder.

(c) 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.

(d) No provision of this Indenture, the Bonds Similarly Secured, 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 Similarly Secured (collectively, the "Bond Documents"), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the amounts collected to pay Annual Collection Costs deposited in the Administrative Fund) 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.

(e) 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 Trust Estate and the amounts collected to pay Annual Collection Costs deposited 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 Similarly Secured by mandamus or other proceeding at law or in equity.

(f) 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 or City Manager or other independent 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 deem reasonable.

(g) 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. **Acceptance of Trust; Trustee as Registrar and Paying Agent.**

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds Similarly Secured agree. The Trustee undertakes to perform such duties and only such duties as are specifically and expressly set forth herein. No implied covenants or obligations shall be read into this Indenture against the Trustee. These duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except in connection with its performance of such duties.

(b) The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and in respect to the Bonds Similarly Secured.

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 by the Owners 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, so long as no Event of Default has occurred and is continuing in no event shall the Trustee request or require indemnification as a condition to making scheduled debt service payments prior to the occurrence of a default, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Administrative Fund to pay all fees, costs, 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 Similarly Secured Outstanding hereunder on amounts held within the Administrative Fund.

Section 9.3. **Responsibilities of the Trustee.**

(a) The recitals contained in this Indenture and in the Bonds Similarly Secured shall be taken as the statements of the City and the Trustee assumes no responsibility and undertakes no duty to verify the correctness of the same. 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 the offering documents, this Indenture or the Bonds Similarly Secured, 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 Assessments or the compliance of the Assessments with the PID Act, or the tax-exempt status of the Bonds Similarly Secured, 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 Similarly Secured 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) any loss suffered in connection with any investment of funds in accordance with this Indenture, or (vi) to undertake any other action unless specifically authorized pursuant to a written direction by the City pursuant to this Indenture. 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 and expressly set forth in this Indenture.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for such losses, damages, or expenses which have been finally adjudicated by a court of competent jurisdiction to have directly resulted from the Trustee's own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special, punitive or consequential or damages of any kind whatsoever (including, but not limited to, loss of profit), irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action, in connection with or arising from this Indenture for the existence, furnishing or use of the Project. If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs. 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.

(d) The Trustee shall not be liable for any action taken, or errors of judgment made in good faith by any one of its officers, agents, or employees unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts.

(e) 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 a Quarter in Interest of the Bonds Similarly Secured 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.

(f) With the exception of an Event of Default described in Section 11.1(iv) hereof, the Trustee shall not be required to take notice, and shall not be deemed to have notice, of any events or information, default or Event of Default unless the Trustee has actual knowledge thereof or shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of at least Quarter in Interest of the Bonds Similarly Secured at that time. The Trustee may assume conclusively that there is no Event of Default, except as noted above.

(g) 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 Similarly Secured.

(h) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and, with respect to such permissive rights, the Trustee shall not be answerable for other than its negligence or willful misconduct.

(i) The Trustee may act through attorneys or agents and shall not be responsible for the acts or omissions of any such attorney or agent appointed with due care.

(j) Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the City, the Developer, or any of their directors, members, officers, agents, affiliates or employees, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all such Persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(k) In the event that any of the Trust Estate shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the such assets, the Trustee is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Trustee obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

(l) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; pandemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility; it being understood that the Trustee shall use its best efforts to resume performance as soon as practicable under the circumstances.

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.**

(a) The Trustee, at the expense of the City, may conclusively rely and shall be protected in acting or refraining from acting upon any order, judgment, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, debenture, note ,other evidence of indebtedness, e-mail, electronic transmission, resolution, direction, report or other document or instrument provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or

accountant believed by the Trustee to be qualified in relation to the subject matter, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein, and the Trustee shall be under no duty to make any investigation or inquiry into, or verify any calculations in connection therewith, and shall not be deemed to have knowledge of any statements contained or matters referred to in any such instrument. Subject to Section 9.1 and 9.3, the Trustee may, at the expense of the City, consult with counsel selected by the Trustee with due care, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

(b) 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, the Trustee may request a City Certificate, and such matter may be deemed to be conclusively proved and established by such City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative. The Trustee shall be entitled to conclusively rely upon the foregoing as sufficient evidence of the facts set forth herein. The execution of any City Certificate shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent thereto have occurred.

(c) 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.

Section 9.6. **Compensation.**

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, which, with respect to ordinary fees and expenses incurred prior to an Event of Default hereunder, shall be transferred pursuant to a City Certificate and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Certificate, and the Trustee shall have a lien therefor on any and all funds at any time held by it (other than the Rebate Fund) prior to any Bonds Similarly Secured Outstanding. Following an Event of Default, the foregoing limitation on expenses shall not apply, however any such fees or expenses must be reasonable. 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 and adequate indemnity against such risk or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession in the Administrative Fund and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder. In the event that the Trustee renders any service not contemplated in this Indenture, or if any material controversy arises hereunder, or the Trustee is made a party to any litigation pertaining to this Indenture or the subject matter hereof, then the Trustee shall be compensated for such extraordinary services and any services or work performed by the Trustee in connection with any delay, controversy, litigation or event, and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event. The right of the Trustee to compensation, fees, expenses, and indemnification shall survive the release, discharge, and satisfaction of the Indenture, and the resignation or removal of the Trustee.

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 Similarly Secured and may join in any action that any Owner of Bonds Similarly Secured 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 Similarly Secured or to effect or aid in any reorganization growing out of the enforcement of the Bonds Similarly Secured or this Indenture, whether or not such committee shall represent the holders of a Quarter in Interest of the Bonds Similarly Secured.

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' notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bonds Similarly Secured. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9. **Removal of Trustee.**

The Trustee may be removed by giving not fewer than 30 days' notice, specifying the date when such removal shall take effect at any time by (i) the Owners of at least a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the aggregate principal amount of Bonds Similarly Secured then Outstanding.

Section 9.10. **Successor Trustee.**

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

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

(c) Until such successor Trustee shall have been appointed by the Owners of the Bonds Similarly Secured, 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 Similarly Secured 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 Similarly Secured.

(d) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds Similarly Secured 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 Similarly Secured, notice of its appointment to any rating agency which, at the time of such appointment, is providing a rating on the Bonds Similarly Secured and each of the Owners of the Bonds Similarly Secured.

(g) The Trustee shall not be responsible or liable for the acts or omissions of any successor trustee, nor shall it be responsible or liable for any costs of appointment or transition of such successor trustee.

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 and upon receipt of its outstanding charges, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and, upon the receipt of payment of any outstanding charges, shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. **Merger, Conversion or Consolidation of Trustee.**

Any corporation or association into which the Trustee may be converted or 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 and will have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national

banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. **Trustee To File Continuation Statements.**

The City will cause to be filed all appropriate financing statements. If necessary, the Trustee, as directed in writing by the City, shall file or cause to be filed, at the City's expense, such continuation statements as may be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "*UCC*"), in order to continue perfection of the security interest and rights of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC. Unless otherwise notified in writing by the City or an Owner, the Trustee may conclusively rely upon the initial financing statements in filing any continuation statements hereunder. The Trustee shall have no responsibility to file financing statements or continuation statements other than to file continuation statements that are delivered to it.

If applicable, but immediately upon its receipt thereof, the City, or an authorized third-party representative thereof, shall deliver to the Trustee file-stamped copies of each UCC initial financing statement recorded in the jurisdictions applicable thereto.

The Trustee's UCC filing requirements are limited to those responsibilities as set forth in this Section 9.13.

Section 9.14 **Offering Documentation.**

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

Section 9.15 **Expenditure of Funds and Risk.**

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

Section 9.16 **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 the Bonds Similarly Secured 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 Similarly Secured. 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 Similarly Secured may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds Similarly Secured, or with the written consent without a meeting, of the Owners of the Bonds Similarly Secured of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time and City approval of such modification or amendment. No such modification or amendment shall (i) extend the maturity of any Bond Similarly Secured 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 Similarly Secured, without the express consent

of the Owner of such Bond Similarly Secured, 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 Similarly Secured (except as otherwise permitted by Applicable Laws and this Indenture), or reduce the percentage of Bonds Similarly Secured required for the amendment hereof. Any such amendment shall not modify any of the rights, immunities, indemnities or obligations of the Trustee without its prior written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of qualified counsel addressed and delivered to the Trustee stating that (a) the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture, (b) the execution and delivery of will not adversely affect the exclusion from federal gross income of the interest on the Bonds Similarly Secured, and (c) such Supplemental Indenture will, upon the execution and delivery thereof, to be a valid and binding obligation of the City.

(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 Applicable Laws, and only for anyone 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 Similarly Secured 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 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 Similarly Secured; and

(iv) 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 Similarly Secured.

(c) Notwithstanding anything to the contrary herein, no Supplemental Indenture entered into in accordance with Section 10.1(b) above shall be effective unless the City first delivers to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted by and in compliance with this Indenture and will not adversely affect the: (i) interests of the Owners in any material respect, or (ii) exclusion of interest on any Bond Similarly Secured 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 Similarly Secured. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

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

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1, 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, if such consent is required pursuant to Section 10.1, shall be mailed by first class mail, by the Trustee to each Owner of Bonds Similarly Secured 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.

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds Similarly Secured for which such consent is given, which proof shall be such as is permitted by Section 11.6. Any such consent shall be binding upon the Owner of the Bonds Similarly Secured 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.

(c) After the Owners of the required percentage of Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4. **Procedure for Amendment Not Requiring Owner Consent.**

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, shall be mailed by first class mail by the Trustee to each Owner of Bonds Similarly Secured, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Owners of all Bonds Similarly Secured as of the date of such execution and delivery.

Section 10.5. **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 Bonds Similarly Secured Outstanding 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 10.6. **Endorsement or Replacement of Bonds Similarly Secured Issued After Amendments.**

The City may determine that Bonds Similarly Secured 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 Bonds Similarly Secured Outstanding at such effective date and presentation of his Bond Similarly Secured 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 Similarly Secured. The City may determine that new Bonds Similarly Secured, 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 Similarly Secured then Outstanding, such new Bonds Similarly Secured shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds Similarly Secured then Outstanding, upon surrender of such Bonds Similarly Secured.

Section 10.7. **Amendatory Endorsement of Bonds Similarly Secured.**

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

Section 10.8. **Waiver of Default.**

Subject to the second and third sentence of Section 10.1(a), with the written consent of the Owners of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time, the Owners may waive compliance by the City with certain past defaults under this 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 10.9. **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 or immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. **Events of Default.**

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 Pledged Revenue Fund;

(ii) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2;

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture other than a default under (i) above or (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of

at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured then Outstanding; and

(iv) The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter.

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, then and in every such case the Trustee may proceed, and upon the written request of the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding hereunder and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce 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 Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that any action for money damages against the City shall be limited to recovery from the Trust Estate may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SIMILARLY SECURED SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) 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. The Trustee shall sell Trust Estate assets, according to the appraised value thereof, beginning with the asset of the highest value and continuing such sales in the order of next succeeding most valuable asset until satisfaction of debts pertaining to the Outstanding Bonds Similarly Secured. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

(d) In an Event of Default shall have occurred and be continuing, the City, upon demand of the Trustee, shall surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers, and accounts of the City pertaining thereto, and including the rights and the position of the City, and to hold, operate, and manage the same, and from time to time make all needed repairs and improvements, as well as set up proper reserve for the payment of all proper costs and expenses, holding and managing the same, including (i) reasonable compensation to the Trustee, its agents, and counsel, (ii) any reasonable charges of the Trustee hereunder, (iii) any taxes and assessments and other charges prior to the lien of this of Indenture, and (iv) all expenses of such repairs and improvements. After payment in full of the foregoing, the Trustee shall surrender possession of the Trust Estate to the City, its successors or assigns.

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 actual knowledge thereof or has been notified in writing as provided in Section 9.3(f), or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in Section 9.2, (iv) the Trustee has for 60 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 60-day period by the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; however, 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 Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, as advised by counsel, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured 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 Similarly Secured.

(c) In case the Trustee or any Owners of Bonds Similarly Secured 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 of Bonds Similarly Secured, then and in every such case the City, the Trustee and the Owners of

Bonds Similarly Secured 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 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, liabilities, advances and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel fees, costs and expenses), 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, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, 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 Similarly Secured, or Redemption Price of any Bonds Similarly Secured 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 Similarly Secured 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 thirty (30) days of receipt of such good and available funds, the Trustee may fix a record date and a payment date for any payment to be made to Owners of Bonds Similarly Secured 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 Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured 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.**

The Trustee may, with the prior written consent of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time, waive an Event of Default occurring hereunder. 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 Similarly Secured.**

(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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 any Bond Similarly Secured shall bind all future Owners of the same Bond Similarly Secured 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, 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 Similarly Secured.**

Bonds Similarly Secured owned or held by or for the account of the City will not be deemed Outstanding for any purpose. The City shall promptly deliver any such Bonds Similarly Secured to the Trustee for cancellation.

Section 11.10. **Remedies Not Exclusive.**

Subject to Section 11.2, 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 a Quarter in Interest of the Bonds Similarly Secured 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 any 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 law 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, (iii) that the Trustee may still require satisfactory indemnity prior to taking such action; and (iv) 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. The Trustee shall be entitled to request and receive such directions in writing and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Trustee in accordance with such written 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 Similarly Secured, 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 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) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate and will provide written direction to 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 Similarly Secured to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. **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. **Other Obligations or Other Liens; Refunding Bonds**

(a) The City reserves the right to issue obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on any portion of the Trust Estate and are not payable from the Trust Estate.

(b) Other than Refunding Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be done 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; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the Trust Estate; provided, however, that nothing in this Section shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the

opinion of counsel to the Trustee, the same would endanger the security for the Bonds Similarly Secured.

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

(d) 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, and in accordance with the conditions set forth below:

(i) Notwithstanding anything to the contrary herein, no Refunding Bonds may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds is scheduled to mature on September 1 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture; and

(ii) Upon their authorization by the City, the Refunding Bonds of a Series issued under this Section 13.2 shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee (1) a copy, certified by the City Secretary, of the ordinance or ordinances of the City authorizing the issuance, sale, execution and delivery of the Refunding Bonds and the execution and delivery of a Supplemental Indenture establishing, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Refunding Bonds, and (2) an original executed counterpart of the Supplemental Indenture for such Refunding Bonds.

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 dealings, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds, and the Bonds Similarly Secured.

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

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS SIMILARLY SECURED 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 Similarly Secured that are 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 Similarly Secured, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds Similarly Secured 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 Similarly Secured, 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 Similarly Secured has been paid so that the City may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds and Accounts held hereunder as directed in writing by the City.

Section 14.3. **Bonds Similarly Secured Deemed Paid.**

(a) Any Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of this Indenture (a "*Defeased Debt*"), and particularly this Article XIV, when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds Similarly Secured with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. 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 Similarly Secured. 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 Similarly Secured 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.

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

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 exhibits 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.**

(a) 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.

(b) Except as otherwise expressly provided herein, 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.

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

(d) Any request, declaration or other instrument or writing of the Owner of any Bond Similarly Secured shall bind all future Owners of such Bond Similarly Secured 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. **No 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 Similarly Secured; 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 herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, and addressed as follows:

If to the City	City of Liberty, Texas 1829 Sam Houston Street Liberty, Texas 77575 Attn: City Manager Telephone: (936) 336-3684
If to the Trustee Or the Paying Agent/Registrar	UMB Bank, N.A. 5555 San Felipe Street, Suite 870 Houston, Texas 77056 Attn: Nicholas McArthur, Assistant Vice President Telephone: (713) 300-0589 Fax: (214) 389-5949 Email: nicholas.mcarthur@umb.com

(b) 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.

(c) 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.

(d) The Trustee shall mail to each Owner of a Bond Similarly Secured notice of (1) any substitution of the Trustee; or (2) the redemption or defeasance of all Outstanding Bonds Similarly Secured.

(e) The Trustee agrees to accept and act upon instructions or directions, including funds transfer instructions ("Instructions") given pursuant to the governing documents sent in writing by Electronic Means. "Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers"), which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees (i) to assume all risks arising out of the use of such Electronic Means to submit instructions and directions in writing 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 Similarly Secured pursuant thereto irrespective of the fact that anyone or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. **Applicable Laws; Jurisdiction.**

THIS INDENTURE SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS AND THE OBLIGATIONS OF THE PARTIES HERETO ARE AND SHALL BE PERFORMABLE IN THE COUNTY WHEREIN THE PROPERTY IS LOCATED, AND IF LEGAL ACTION IS NECESSARY BY EITHER PARTY WITH RESPECT TO THE ENFORCEMENT OF ANY TERM OF THIS INDENTURE, EXCLUSIVE VENUE FOR SAME SHALL LIE IN THE COURTS OF THE COUNTY. BY EXECUTING THIS INDENTURE, EACH PARTY HERETO EXPRESSLY (a) CONSENTS AND SUBMITS TO PERSONAL JURISDICTION AND VENUE CONSISTENT WITH THE PREVIOUS SENTENCE, (b) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL CLAIMS AND DEFENSES THAT SUCH JURISDICTION AND VENUE ARE NOT PROPER OR CONVENIENT, AND (c) CONSENTS TO THE SERVICE OF PROCESS IN ANY MANNER AUTHORIZED BY TEXAS LAW. 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 Similarly Secured or the date fixed for redemption of any Bonds Similarly Secured 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.

Section 15.10. **Boycotts and Foreign Business Engagements.**

The Trustee makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this 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. Notwithstanding anything in this Indenture to the contrary, the City reserves and retains all rights and remedies at law and in equity for pursuit and recovery of damages, if any.

(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.

Section 15.11. **Electronic Storage.**

The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF LIBERTY, TEXAS

By: _____
Mayor

Attest:

_____
City Secretary

(CITY SEAL)

UMB BANK, N.A.,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

DESCRIPTION OF THE PROPERTY WITHIN THE LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT

EXHIBIT B

FORM OF CERTIFICATION FOR PAYMENT

(Certification for Payment – Liberty Ranch)

CERTIFICATION FOR PAYMENT FORM NO. _____

The undersigned _____ (the "**Construction Manager**") requests payment from Improvement Account of the Project Fund from the City of Liberty (the "**City**") in the amount of $_____ for labor, design, materials, fees, and/or other general costs related to the acquisition or construction of certain Authorized Improvements providing a special benefit to property within the Liberty Ranch Public Improvement District (the "**District**"). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Liberty Ranch Public Improvement District Reimbursement Agreement between the Owner and the City (the "**PID Financing Agreement**").

In connection with the above referenced payment, the Construction Manager represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Construction Manager, is qualified to execute this Certification for Payment Form No. _____ on behalf of the Construction Manager, and is knowledgeable as to the matters set forth herein.

2. The work described in Attachment A has been completed in the percentages stated therein.

3. The Certification for Payment for the below referenced Public Improvements has not been the subject of any prior Certification for Payment submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.

4. The amounts listed for Actual Costs of the Public Improvements, as set forth in Attachment A, is a true and accurate representation of the Actual Costs associated with the acquisition, design or construction of said Public Improvements, and such costs (i) are in compliance with the PID Financing Agreement, and (ii) are consistent with the Service and Assessment Plan.

5. The Construction Manager is in compliance with the terms and provisions of the PID Financing Agreement and the Service and Assessment Plan.

6. The Construction Manager has timely paid all ad valorem taxes and annual installments of Special Assessments it owes or an entity under common control with the

Construction Manager owes, located in the District and has no outstanding delinquencies for such taxes and assessments.

7. The work with respect to the Public Improvements referenced below (or its Segment) has been completed, and the City has inspected [and accepted] such Public Improvements (or its completed Segment). ***[Include bracketed language if final progress payment for such Authorized Improvement]***

8. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for the Public Improvements identified may be paid until the work with respect to such Public Improvements (or Segment thereof) has been completed and the City has accepted such Public Improvements (or Segment thereof). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Public Improvements (or Segment thereof).

9. [Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.][***Include bracketed language if final progress payment for such Authorized Improvement]***

10. Attached hereto as Attachment C are invoices, receipts, purchase orders, change orders, and similar instruments, which are in sufficient detail to allow the City to verify the Actual Costs for which payment is requested.

11. Also attached hereto as Attachment D are any lender consents or approvals that the Construction Manager may be required to obtain under any loan documents relating to the District.

Pursuant to the PID Financing Agreement, after receiving this Certification for Payment, the City has inspected [and accepted] the Completed Public Improvements and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations. ***[Include bracketed language if final progress payment for such Authorized Improvement*]**

With respect to this Certification for Payment, the Construction Manager (i) certifies it has reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, (ii) agrees to indemnify and hold harmless UMB Bank, N.A., from and against any and all claim, demand, loss, liability, or expense sustained, including but not limited to attorney fees, and expenses resulting directly or indirectly as a result of making the disbursement requested hereunder, and (iii) agrees it will not seek recourse from UMB Bank, N.A., as a result of losses incurred by it for making the disbursement in accordance with its instructions herein.

(Signature pages follow)

I hereby declare that the above representations and warranties are true and correct.

_____
a Texas _____
as _____

By: _____
Name:_____
Title: _____

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification for Payment solely for the purposes of certifying that the representations made by Construction Manager in Paragraph 2 above are true and correct in all material respects.

_____

By:
Name:_____
Title: _____

APPROVAL OF CERTIFICATION FOR PAYMENT

The City is in receipt of the attached Certification for Payment Form No. ____, acknowledges the Certification for Payment, acknowledges that the Public Improvements (or its Segment) covered by the certificate have been inspected by the City, and otherwise finds the Certification for Payment Form No. ____ to be in order. After reviewing the Certification for Payment Form, the City approves the Certification for Payment Form No. ____ and shall direct the Trustee to make payment from the Improvement Account of the Project Fund to the Construction Manager or to any person designated by the Construction Manager.

CITY OF LIBERTY, TEXAS

By: _____
Name: _____
Title: _____

Date: _____ **ATTACHMENT A**

TO CERTIFICATION FOR PAYMENT FORM NO. ____

Segment	Description of Work Completed under this Certification for Payment	Actual Costs

ATTACHMENT B

TO CERTIFICATION FOR PAYMENT FORM NO. _____

[***Include Attachment B bracketed if final progress payment for such Authorized Improvement***]

[bills paid affidavit and release of liens - attached]

ATTACHMENT C

TO CERTIFICATION FOR PAYMENT FORM NO. ___

INVOICE LEDGER

Invoice Ledger
Entity: Continental Homes of Texas, L.P.
Project: Liberty Ranch Public Improvement District

Certification of Payment Form No. ___	Date	Vendor	Invoice #	Invoice Amount	Requested Amount	Approved Amount	Budget Sub-Category	Budget Description

[INVOICES AND/OR RECEIPTS - ATTACHED]

ATTACHMENT D

TO CERTIFICATION FOR PAYMENT FORM NO. _____

[lender consents or approvals - attached]

THIS PAGE IS LEFT BLANK INTENTIONALLY.

APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

THIS PAGE IS LEFT BLANK INTENTIONALLY.

Liberty Ranch Public Improvement District

PRELIMINARY SERVICE AND ASSESSMENT PLAN

JANUARY 13, 2026

TABLE OF CONTENTS

Table of Contents 2
Introduction 3
Section I: Definitions 4
Section II: The District 9
Section III: Authorized Improvements 9
Section IV: Service Plan 11
Section V: Assessment Plan 12
Section VI: Terms of the Assessments 14
Section VII: Assessment Roll 20
Section VIII: Additional Provisions 21
Exhibits 23
Appendices 24
Exhibit A – District Boundary Map 25
Exhibit B – Authorized Improvements 26
Exhibit C – Service Plan 27
Exhibit D – Sources and Uses of Funds 28
Exhibit E – Maximum Assessment and Tax Rate Equivalent 29
Exhibit F-1 – Assessment Roll 30
Exhibit F-2 – Annual Installments 34
Exhibit G – Maps of Public Improvements 35
Exhibit H – Liberty Ranch Section 1 Plat 42
Exhibit I – Form of Notice of PID Assessment Termination 46
Exhibit J – District Boundary Description 49
Appendix A – Engineer's Report 51
Appendix B – Buyer Disclosures 88
Liberty Ranch Public Improvement District Buyer Disclosure – Initial Parcel 89
Liberty Ranch Public Improvement District Buyer Disclosure – Lot Type 1 95

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", "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 May 10, 2022, the City Council passed and approved a Resolution authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon adoption as required by the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 50.993 acres located within the corporate limits of the City, as described by the legal description on **Exhibit J** and depicted on **Exhibit A**.

The PID Act requires a Service Plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements and including a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan is contained in **Section IV**.

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

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City Council. The Assessment against the Assessed Property must be sufficient to pay the share of the Actual Costs apportioned to the Assessed Property and cannot exceed the special benefit conferred on the Assessed Property by the Authorized Improvements. The Assessment Roll is contained in **Exhibit F-1**.

SECTION I: DEFINITIONS

"Actual Costs" mean, with respect to Public Improvements, the actual costs paid or incurred by or on behalf of the Developer[s], (either directly or through affiliates), including : (1) the costs for the design, planning, administration/management, acquisition, installation, construction and/or implementation and dedication of such Authorized Improvements; (2) the fees paid for obtaining permits, zoning, licenses, plan approvals, inspections or other governmental approvals for such Authorized Improvements; (3) the costs for external professional services, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) the costs for all labor, bonds, and materials, including equipment and fixtures, owing to contractors, builders, and materialmen engaged in connection with the acquisition, construction, or implementation of the Public Improvements; (5) all related permitting and public approval expenses, and architectural, engineering, legal, consulting, and other governmental fees, construction security, insurance premiums, directly related to the construction of the Public Improvements, and (6) charges and costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee not exceeding 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 additional interest rate, not to exceed 0.50%, 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) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) paying and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan, the PID Act, and any Indenture, with respect to the PID Bonds, including the City's continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs

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

"Annual Installment" means the annual installment payment on an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest related to the 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, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Assessed Property or reduction according to the provisions herein and in the PID Act.

"Assessment Ordinance" means Ordinance No._____ adopted by the City Council on February 10, 2026, 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 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 levy of an Assessment, the issuance of PID Bonds, or in any Annual Service Plan Updates. The Assessment Roll is included in this Service and Assessment Plan as **Exhibit F-1**.

"Authorized Improvements" means the improvements authorized by Section 372.003 of the PID Act, including the Public Improvements, Bond Issuance Costs, and First Year Annual Collection Costs, as described in **Section III**.

"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 directly associated with the issuance of any series of PID Bonds.

"County" means Liberty County, Texas.

"Delinquent Collection Costs" mean costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

"Developer" means Liberty Ranch, LLC, a Texas limited liability company, and any successors or assigns thereof that intends to develop the property in the District.

"Development Agreement" means that certain Liberty Ranch Development Agreement entered into on April 24, 2025, by and between the Developer and the City.

"District" means the Liberty Ranch Public Improvement District containing approximately 50.993 acres located within the corporate limits of the City, as generally depicted on **Exhibit A**, and described on **Exhibit J**.

"District Formation Expenses" means costs associated with forming the District, including, but not limited to, attorney fees, consultant fees, and any other cost or expense directly associated with the establishment of the District.

"Engineer's Report" means the report provided by a licensed professional engineer that describes the Public Improvements, including their costs, location, and benefit, which is attached hereto as **Appendix A.**

"Estimated Buildout Value" means the estimated value of an Assessed Property with fully constructed buildings, as provided by the Developer and confirmed by the City Council, by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other factors that, in the judgment of the City, may impact value. The Estimated Buildout Value for each Lot Type is shown on **Exhibit E.**

"First Year Annual Collection Costs" means the Annual Collection Costs associated with the first year of the District.

"Indenture" means an Indenture of Trust entered into between the City and the Trustee in connection with the issuance of each series of PID Bonds, as amended from time to time, setting forth the terms and conditions related to a series of PID Bonds.

"Initial Parcel" means all of the Assessed Property within the District against which the entire Assessment is initially levied, as shown on the Assessment Roll**.**

"Lot" means (1) for any portion of the District for which a final subdivision plat has been recorded in the 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 Official Public Records of the County, a tract of land anticipated to be described as a "lot" in a final recorded subdivision plat as shown on a concept plan or a preliminary plat. A "Lot" shall not include real property owned by a government entity, even if such property is designated as a separate described tract or lot on a recorded subdivision plat.

"Lot Type" means a classification of final building Lots with similar characteristics (e.g., lot size, home product, Estimated Buildout Value, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as provided by the Developer, and confirmed by the City Council, as shown on **Exhibit E.**

"Lot Type 1" means a Lot within the District marketed to homebuilders as a 50' Lot. The buyer disclosure for Lot Type 1 is attached as **Appendix B.**

"Maximum Assessment" means, for each Lot, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section V.A**, or (2) the amount shown on **Exhibit E**.

"Non-Benefited Property" means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council.

"Notice of PID Assessment Termination" means a document that shall be recorded in the Official Public Records of the County evidencing the termination of an Assessment lien, a form of which is attached as **Exhibit I.**

"Offsite Improvements" means offsite water and sewer utility extensions located outside the Property and improvements to Highway 146 as described in Section 12.11 of the Development Agreement.

"Parcel" or **"Parcel(s)"** means a specific property within the District identified by either a tax parcel identification number assigned by the Liberty County Central Appraisal District for real property tax purposes, by legal description, or by lot and block number in a final subdivision plat recorded in the Official Public Records of the County, or by any other means determined by the City.

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

"PID Bonds" means those certain "City of Liberty, Texas, Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District)", to finance the Authorized Improvements, and secured in whole or in part by the Assessments.

"Prepayment" means the payment of all or a portion of an Assessment before the due date of the final Annual Installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an

Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment.

"Prepayment Costs" means interest, including Additional Interest and Annual Collection Costs, to the date of Prepayment.

"**Public Improvements**" means the Authorized Improvements to be constructed by the Developer and that are specifically described in **Section III.A** and depicted on **Exhibit G.**

"Reimbursement Agreement" means that certain "Liberty Ranch Public Improvement District Reimbursement Agreement" effective _____, 2025 entered into by and between the City and the Developer, whereby all or a portion of the Actual Costs as set forth herein will be paid to the Developer from the Assessments to reimburse the Developer for Actual Costs paid by the Developer, that are eligible to be paid with the Assessments plus interest

"Service and Assessment Plan" means this Liberty Ranch Public Improvement District Service and Assessment Plan, as updated, amended, or supplemented from time to time.

"**Service Plan**" means the plan that defines the annual indebtedness and projected costs of the Authorized Improvements, and covers a period of at least five years, more specifically described in **Section IV**.

"Trustee" means the trustee or successor trustee under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 50.993 contiguous acres located within the corporate limits of the City. The boundaries of the District are more particularly described by the legal description on **Exhibit J** and depicted on the boundary map attached as **Exhibit A**. Development of the District is anticipated to include approximately 216 Lots developed with single-family homes.

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with the City's standards and specifications and will be operated and maintained by the City or the homeowner 's association unless otherwise noted. The project costs for the Authorized Improvements are shown on **Exhibit B**. Maps depicting the Public Improvements are included on **Exhibit G**.

A. Public Improvements

- *Roadways*

  Improvements include land acquisition for right-of-way, subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, and curbs. Intersections, streetlights and signage are included. Roadway improvements include streets that will provide street access to each Lot.

- *Drainage*

  Improvements include land acquisition for detention, and drainage, trench excavation and embedment, trench safety, reinforced concrete and PP piping, manholes, inlets, channels/swales, clearing, pond excavation and embankment, soil testing, channels, rock riprap, loose riprap walls, construction of outfall structures, silt fence, rock berms, construction entrances, inlet protection, topsoil, hydromulch, seeding, and irrigation sleeves, revegetation, and utility improvements. These will include the necessary appurtenances to be fully operational to convey stormwater to the limits of the improvement area and temporarily detain water as required by the City.

- *Water*

  Improvements include trench excavation and embedment, trench safety, PVC piping, fire hydrant assemblies, air release valves, gate valves, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission

lines extending water service to the District. The water improvements will be owned by the City.

- *Sewer*

  Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area. Sewer system will be owned by City of Liberty.

- *Parks and Landscaping*

  Improvements include community entry monument signs, landscape entry, land acquisition, street trees, play structures, basketball court, horseshoe pitches, fencing, perimeter walls, and planting and irrigation providing improvements to the public. Parks and Landscaping improvements will be owned by the City and maintained by the HOA.

- *Offsite Improvement Highway 146*

  Improvements include any improvement required by TXDOT to be made to Highway 146 as described in the Development Agreement.

- *Soft Costs*

  Costs related to District Formation Expense, mobilization, setup, and project overhead for all equipment, designing, constructing, and installing the Public Improvements including land planning and design, City fees, inspection fees, engineering, Geotechnical, Storm Water Pollution Prevention Plan, material testing and survey.

B. Offsite Improvements

- *Sewer*

  Improvements include utility extensions located outside the Property to extend sewer utility services to the Property as described in the Development Agreement.

- *Water*

  Improvements include utility extensions located outside the Property to extend water utility services to the Property as described in the Development Agreement

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.

- *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, which includes Underwriter's counsel fee.

- *Cost of Issuance*

  Includes costs of issuing a particular series of PID Bonds, including but not limited to issuer fees, attorney's fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City's costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

D. Other Costs

- *Initial Administrative Fund Deposit*

  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. The Service Plan is also required to include a copy of the buyer disclosure notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C** summarizes the initial Service Plan for the District. Per the PID Act and Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The form of buyer disclosures is attached hereto as **Appendix B.**

Exhibit D summarizes the sources and uses of funds required to construct the Public Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in an Annual Service Plan Update to show any budget revisions and the amount required to fund the required reserves and issue the PID Bonds at the time the PID Bonds are issued.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the City Council may establish by ordinance 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 Assessed Property within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments 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 owner and all future owners of the Assessed Property.

A. Assessment Methodology

Acting within its legislative authority and based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City Council has determined that the costs related to the Authorized Improvements shall be allocated as follows:

- The costs of the Authorized Improvements shall be allocated to each Parcel within the District based on the ratio of the Estimated Buildout Value of each Parcel designated as an Assessed Property to the Estimated Buildout Value of all Assessed Property. Currently the Initial Parcel is allocated 100% of the Assessment levied for the Authorized Improvements.

B. Assessments

The Assessment will be levied on the Assessed Property in the amount shown on the Assessment Roll, attached hereto as **Exhibit F-1**. The projected Annual Installments are shown on **Exhibit F-2**,

subject to revisions made during any Annual Service Plan Update. Upon division or subdivision of the Initial Parcel, the Assessments will be reallocated pursuant to **Section VI**.

The Maximum Assessment for Lot Type 1 is shown on **Exhibit E**. In no case will the Assessment for Lots classified as Lot Type 1 exceed the corresponding Maximum Assessment for Lot Type 1.

C. Findings of Special Benefit

Acting in its legislative capacity and based on information provided by the Developer and its engineer and reviewed by City staff and by third-party consultants retained by the City, the City Council has found and determined the following:

- The costs of the Authorized Improvements equal $7,471,583 as shown on **Exhibit B**;
- The Assessed Property receives special benefit from the Authorized Improvements equal to or greater than the Actual Cost of the Authorized Improvements;
- The Assessed Property will be allocated 100% of the Assessment levied for the Authorized Improvements, which equals $6,572,000 as shown on the Assessment Roll attached hereto as **Exhibit F-1**;
- The special benefit ($\geq$ $7,471,583) received by the Assessed Property from the Authorized Improvements is equal to or greater than the amount of the Assessment ($6,572,000) levied on the Assessed Property for the Authorized Improvements; and
- At the time the City Council initially approved this Service and Assessment Plan, the Developer owned 100% of the Assessed Property. In a landowner consent certificate executed by the Developer, the Developer acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and consented to the imposition of the Assessment to pay for the Actual Costs associated therewith. The Developer ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the Assessment Ordinance; (2) the Service and Assessment Plan and the Assessment Ordinance; and (3) the levying of the Assessment on the Assessed Property.

D. Annual Collection Costs

The Annual Collection Costs shall be paid annually by the owner of each Assessed Property pro rata based on the ratio of the amount of outstanding Assessment remaining on such 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 and shall be deposited pursuant to the applicable Indenture.

SECTION VI: TERMS OF THE ASSESSMENTS

Any reallocation of Assessments as described in this **Section VI** shall be considered an administrative action of the City and will not be subject to the notice or public hearing requirements under the PID Act.

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of a subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property
B = the Assessment for the Assessed Property prior to division
C = the Estimated Buildout Value of the newly divided Assessed Property
D = the sum of the Estimated Buildout Value for all of the newly divided Assessed Properties

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, as provided by the Developer, relying on information from homebuilders, market studies, appraisals, Official Public Records of the County, and any other relevant information regarding the Assessed Property. The Estimated Buildout Value for each Lot Type within the District are shown on **Exhibit E** and will not change in future Annual Service Plan Updates but **Exhibit E** may be updated in future Annual Service Plan Updates

to account for additional Lot Types. The calculation as confirmed by the City Council shall be conclusive and binding.

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

2. Upon Subdivision by a Recorded Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot
B = the Assessment for the Parcel prior to subdivision
C = the sum of the Estimated Buildout Value of all newly subdivided Lots with 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 an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the Developer, homebuilders, third party consultants, and/or the Official Public Records of the County regarding the Lot. The Estimated Buildout Value for Lot Type 1 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 Annual Service Plan Update immediately following such reallocation.

3. Upon Consolidation

If two or more Lots or Parcels are consolidated into a single Lot or Parcel, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update immediately following such consolidation. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.B.**

B. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments under applicable law or any portion of Assessed Property becomes Non-Benefited Property, the owner transferring the Assessed Property or causing the portion to become Non-Benefited Property shall pay to the City or the Administrator on behalf of the City the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Assessed Property, prior to the transfer; provided that, however, such mandatory Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City, a homeowner association, any other governmental entity or utility provider for use as internal roads, utilities, parks, drainage and detention facilities, and other similar Authorized Improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel. If a reallocation to the remainder of the Parcel as provided in the foregoing sentence causes the Assessment for such remainder to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

C. True-Up of Assessments if Maximum Assessment Exceeded at Time of Platting

Prior to the City approving a final subdivision plat, the Administrator will verify 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 such Lot Type shall be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City or cause to be paid to the City the amount the Assessment was reduced, plus

Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

D. Reduction of Assessments

If the Actual Costs of completed Authorized Improvements are less than the Assessments, then (1) in the event PID Bonds have not been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (2) in the event that PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds as directed by the City pursuant to the terms of such Indenture. Such excess PID Bond proceeds may be used for any purpose authorized by such Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

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

E. Prepayment of Assessments

The owner of any Assessed Property may, at any time, pay all or any part of an Assessment in accordance with the PID Act. Prepayment Costs, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed, or the Annual Service Plan Update has been approved by the City Council prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment on an Assessed Property is prepaid in full, with Prepayment Costs, (1) the Administrator shall cause the Assessment to be reduced to zero on said Assessed Property and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate with respect to said Assessed Property; and (4) the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form which is included as **Exhibit I**.

If an Assessment on an Assessed Property is prepaid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced to the extent of the Prepayment made on said Assessed Property and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made; and (4) the City shall provide the owner with a recordable "Notice of PID Assessment Termination", a form of which is included as **Exhibit I**.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit F-2** shows the estimated Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the Parcel not including any Non-Benefited Property, as shown by the Liberty County Central Appraisal District for each tax parcel identification number.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. The Annual Collection Costs for a given Assessment shall be paid by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes due and owing to the City. To the extent permitted by the PID Act or other applicable law, the City Council may provide for other means of collecting Annual Installments, but in no case shall the City take any action, or fail to take any action, that would cause it to be in default under any Indenture. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay any of the remaining unpaid Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with applicable law, including the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of the Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2027.

Failure of the owner of an Assessed Property to receive an invoice for an Annual Installment shall not relieve said owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs.

G. Prepayment as a Result of an Eminent Domain Proceeding or Taking

Subject to applicable law, if any portion of any Parcel of Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a "Taking"), the portion of the Assessed Property that was taken or transferred (the "Taken Property") shall be reclassified as Non-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, pursuant to the terms of this Service and Assessment Plan, as updated, and the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the applicable Maximum Assessment, the owner of the Remaining Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in

lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Assessment on the Remaining Property.

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a $100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefited Property and the remaining 90 acres constituting the Remaining Property shall be subject to the $100 Assessment (provided that this $100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the $100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment, as applicable, on the Remaining Property by $10, then the owner shall be required to pay $10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to $90.

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

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

SECTION VII: ASSESSMENT ROLL

The Assessment Roll is attached as **Exhibit F-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Assessment Roll and Annual Installments for each Parcel as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council's approval of the calculation. Otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. The Administrator shall provide a written response to the City Council and the owner not later than 30 days after receipt of such 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 hearing 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 their successors and assigns.

D. Form of Buyer Disclosure; Filing in Real Property Records

Within seven days of approval by the City Council, the City Secretary shall file and record in the real property records of the County the executed Assessment Ordinance approving this Service and Assessment Plan. In addition, the City Secretary shall similarly file each Annual Service Plan Update approved by the City Council, with each such filing to occur within seven days of the date each respective Annual Service Plan Update is approved.

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	District Boundary Map
Exhibit B	Authorized Improvements
Exhibit C	Service Plan
Exhibit D	Sources and Uses of Funds
Exhibit E	Maximum Assessment and Tax Rate Equivalent
Exhibit F-1	Assessment Roll
Exhibit F-2	Annual Installments
Exhibit G	Maps of Public Improvements
Exhibit H	Liberty Ranch Section 1 Plat
Exhibit I	Form of Notice of PID Assessment Termination
Exhibit J	District Boundary 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 – DISTRICT BOUNDARY MAP

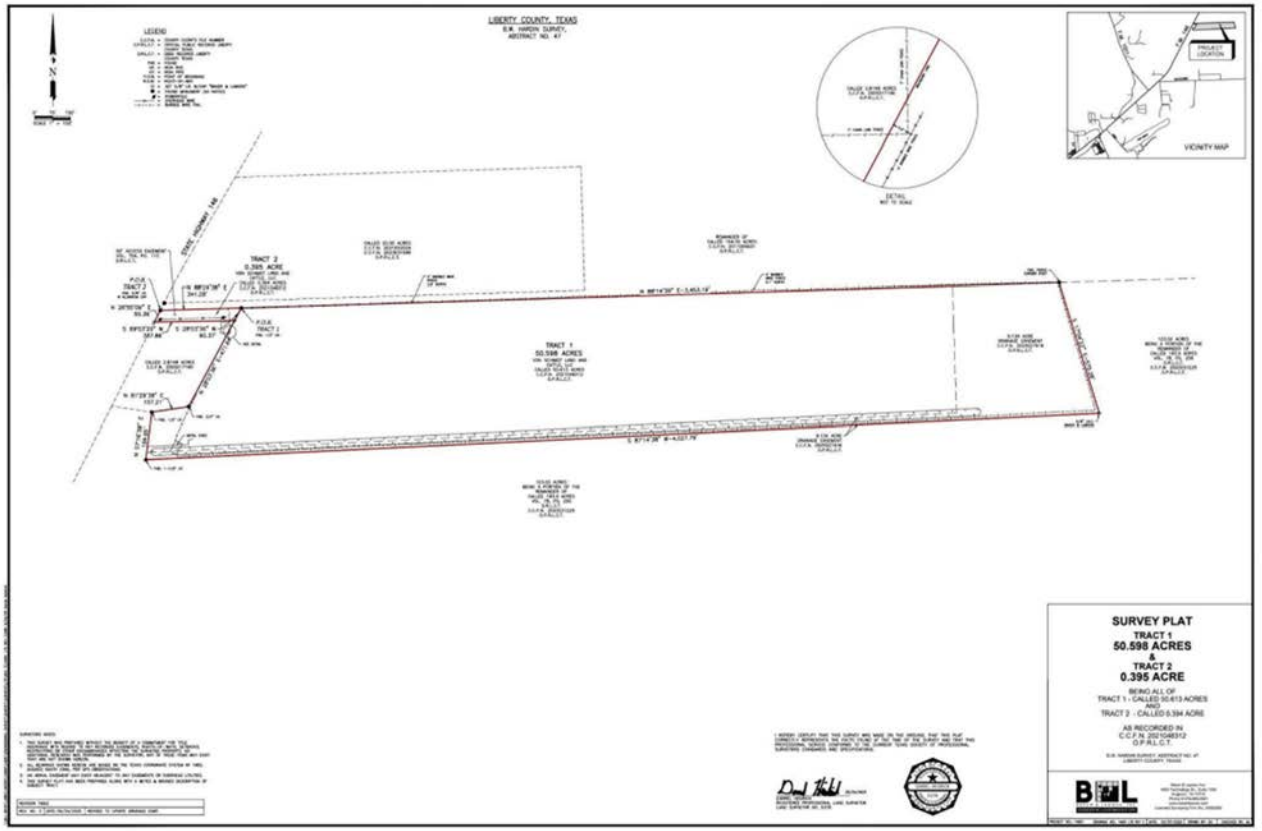


EXHIBIT B – AUTHORIZED IMPROVEMENTS

	Total Costs[a]	District		Non-District	
		%	Cost	%	Cost
Public Improvements					
Roadways	$ 1,596,015	100.00%	$ 1,596,015	0.00%	$ -
Water	671,233	100.00%	671,233	0.00%	-
Sewer	883,973	100.00%	883,973	0.00%	-
Drainage	1,122,911	100.00%	1,122,911	0.00%	-
Parks and Landscaping	56,140	100.00%	56,140	0.00%	-
Offsite Improvement - Highway 146[c]	675,000	64.74%	437,000	35.26%	238,000
Soft Costs[b]	1,338,195	100.00%	1,338,195	0.00%	-
	$ 6,343,467		$ 6,105,467		$ 238,000
Offsite Improvements [c]					
Water	$ 400,000	0.00%	$ -	100.00%	$ 400,000
Sewer	362,000	0.00%	$ -	100.00%	$ 362,000
	$ 762,000		$ -		$ 762,000
Bond Issuance Costs [d]					
Debt Service Reserve Fund	$ 492,750	100.00%	$ 492,750	0.00%	$ -
Capitalized Interest	241,886	100.00%	241,886	0.00%	-
Underwriter Discount[e]	197,160	100.00%	197,160	0.00%	-
Cost of Issuance	394,320	100.00%	394,320	0.00%	-
	$ 1,326,116		$ 1,326,116		$ -
Other Costs					
Deposit to Administrative Fund	40,000	100.00%	40,000	0.00%	-
	$ 8,471,583		**$ 7,471,583**		**$ 1,000,000**

Footnotes:

[a] Per Engineer's Report dated 10/12/2025.

[b] Soft costs include engineering, staking, surveying, and contingency.

[c] Per the Development Agreement, the City will reimburse the Developer up to $1,000,000 for Offsite Improvements from funds other than Assessments or PID Bond proceeds. Costs incurred by Developer in excess of $1,000,000 for Offsite Improvements shall be considered an Authorized Improvement and funded by proceeds of Assessments or PID Bonds.

[d] Preliminary estimates only and subject to change upon the issuance of PID Bonds.

[e] Includes the fee of counsel to the Underwriter.

EXHIBIT C – SERVICE PLAN

District						
Annual Installment Due		**1/31/2027**	**1/31/2028**	**1/31/2029**	**1/31/2030**	**1/31/2031**
Principal		$ 82,000.00	$ 87,000.00	$ 92,000.00	$ 97,000.00	$ 103,000.00
Interest		$ 410,750.00	$ 405,625.00	$ 400,187.50	$ 394,437.50	$ 388,375.00
Capitalized Interest		$ -	$ -	$ -	$ -	$ -
	(1)	$ 492,750.00	$ 492,625.00	$ 492,187.50	$ 491,437.50	$ 491,375.00
Additional Interest	(2)	$ 32,860.00	$ 32,450.00	$ 32,015.00	$ 31,555.00	$ 31,070.00
Annual Collection Costs	(3)	$ 40,800.00	$ 41,616.00	$ 42,448.32	$ 43,297.29	$ 44,163.23
Total Annual Installment Due	(4) = (1) + (2) + (3)	$ 566,410.00	$ 566,691.00	$ 566,650.82	$ 566,289.79	$ 566,608.23

EXHIBIT D – SOURCES AND USES OF FUNDS

	District	Non-District	Total
Sources of Funds			
Bond Par Amount	$ 6,572,000	$ -	$ 6,572,000
Developer Contribution[a]	899,583	$ -	899,583
Non-District Sources - Offsite Improvements[b]	-	1,000,000	1,000,000
Total Sources of Funds	**$ 7,471,583**	**$ 1,000,000**	**$ 8,471,583**
Uses of Funds			
Public Improvements	$ 6,105,467	$ 238,000	$ 6,343,467
Offsite Improvements	-	762,000	$ 762,000
	$ 6,105,467	$ 1,000,000	$ 7,105,467
Bond Issuance Costs[c]			
Debt Service Reserve Fund	$ 492,750	$ -	$ 492,750
Capitalized Interest	241,886	-	241,886
Underwriter Discount[d]	197,160	-	197,160
Cost of Issuance	394,320	-	394,320
	$ 1,326,116	$ -	$ 1,326,116
Other Costs			
Deposit to Administrative Fund	$ 40,000	$ -	$ 40,000
	$ 40,000	$ -	$ 40,000
Total Uses of Funds	**$ 7,471,583**	**$ 1,000,000**	**$ 8,471,583**

Footnotes:

[a] Not reimbursable to the Developer through Assessments or the issuance of PID Bonds.
[b]Non-District sources are lawfully available revenue of the City, other than the Assessments or proceeds of the Bonds, to be contributed by the City to pay or reimburse the Developer for the costs of certain Offsite Improvements. The sources are to be paid as a direct reimbursement to the Developer for costs
[c] Preliminary estimates only and subject to change upon the issuance of PID Bonds.
[d] Includes the fee of counsel to the Underwriter.

EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units[a]	Finished Lot Value[a]		Estimated Buildout Value[a]		Assessment		Average Annual Installment		PID TRE
		Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	
District										
Lot Type #1	216	$ 55,463	$ 11,980,000	$ 265,000	$ 57,240,000	$ 30,426	$ 6,572,000	$ 2,623	$ 566,661	$ 0.989973
Total	**216**		**$ 11,980,000**		**$ 57,240,000**		$ 6,572,000		**$ 566,661**	**$ 0.989973**

Footnotes:

[a] As provided by the appraisal dated December 16, 2025.

EXHIBIT F-1 – ASSESSMENT ROLL

		District[d]	
Property ID[a]	Lot Type	Outstanding Assessment [b]	Annual Installment Due 1/31/2027 [b],[c]
15087	Initial Parcel	$ 6,572,000.00	$ 566,410.00
Total		**$ 6,572,000.00**	**$ 566,410.00**

Footnotes:

[a] Property IDs are preliminary and subject to change prior to billing.

[b] The Assessment and Annual Installment have initially been allocated between all Property IDs within the District pro rata based on acreage as reported by Liberty Central Appraisal District. Future allocation of the Assessment will be done in accordance with Section VI of this Service and Assessment Plan.

[c] Annual Installment due may not match Service Plan or Annual Installment schedule due to rounding.

[d] For a version of the Assessment Roll broken out on a per lot basis by legal description per the Final Plat Liberty Ranch Section 1 Plat submitted by the Developer, see below. Note, Property ID numbers will be added when assigned by Liberty County.

Property ID[a]	Lot	Block	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b]
TBD	1	1	1	$ 30,425.93	$ 2,622.27
TBD	2	1	1	$ 30,425.93	$ 2,622.27
TBD	3	1	1	$ 30,425.93	$ 2,622.27
TBD	4	1	1	$ 30,425.93	$ 2,622.27
TBD	5	1	1	$ 30,425.93	$ 2,622.27
TBD	6	1	1	$ 30,425.93	$ 2,622.27
TBD	7	1	1	$ 30,425.93	$ 2,622.27
TBD	8	1	1	$ 30,425.93	$ 2,622.27
TBD	9	1	1	$ 30,425.93	$ 2,622.27
TBD	10	1	1	$ 30,425.93	$ 2,622.27
TBD	1	2	1	$ 30,425.93	$ 2,622.27
TBD	2	2	1	$ 30,425.93	$ 2,622.27
TBD	3	2	1	$ 30,425.93	$ 2,622.27
TBD	4	2	1	$ 30,425.93	$ 2,622.27
TBD	5	2	1	$ 30,425.93	$ 2,622.27
TBD	6	2	1	$ 30,425.93	$ 2,622.27
TBD	7	2	1	$ 30,425.93	$ 2,622.27
TBD	8	2	1	$ 30,425.93	$ 2,622.27
TBD	9	2	1	$ 30,425.93	$ 2,622.27
TBD	10	2	1	$ 30,425.93	$ 2,622.27
TBD	11	2	1	$ 30,425.93	$ 2,622.27
TBD	12	2	1	$ 30,425.93	$ 2,622.27
TBD	13	2	1	$ 30,425.93	$ 2,622.27
TBD	14	2	1	$ 30,425.93	$ 2,622.27
TBD	15	2	1	$ 30,425.93	$ 2,622.27
TBD	16	2	1	$ 30,425.93	$ 2,622.27
TBD	17	2	1	$ 30,425.93	$ 2,622.27
TBD	18	2	1	$ 30,425.93	$ 2,622.27
TBD	19	2	1	$ 30,425.93	$ 2,622.27
TBD	20	2	1	$ 30,425.93	$ 2,622.27
TBD	21	2	1	$ 30,425.93	$ 2,622.27
TBD	22	2	1	$ 30,425.93	$ 2,622.27
TBD	23	2	1	$ 30,425.93	$ 2,622.27
TBD	24	2	1	$ 30,425.93	$ 2,622.27
TBD	25	2	1	$ 30,425.93	$ 2,622.27
TBD	26	2	1	$ 30,425.93	$ 2,622.27
TBD	27	2	1	$ 30,425.93	$ 2,622.27
TBD	1	3	1	$ 30,425.93	$ 2,622.27
TBD	2	3	1	$ 30,425.93	$ 2,622.27
TBD	3	3	1	$ 30,425.93	$ 2,622.27
TBD	4	3	1	$ 30,425.93	$ 2,622.27
TBD	5	3	1	$ 30,425.93	$ 2,622.27
TBD	6	3	1	$ 30,425.93	$ 2,622.27
TBD	7	3	1	$ 30,425.93	$ 2,622.27
TBD	8	3	1	$ 30,425.93	$ 2,622.27
TBD	9	3	1	$ 30,425.93	$ 2,622.27
TBD	10	3	1	$ 30,425.93	$ 2,622.27
TBD	11	3	1	$ 30,425.93	$ 2,622.27
TBD	12	3	1	$ 30,425.93	$ 2,622.27
TBD	13	3	1	$ 30,425.93	$ 2,622.27

Property ID[a]	Lot	Block	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b]
TBD	14	3	1	$ 30,425.93	$ 2,622.27
TBD	15	3	1	$ 30,425.93	$ 2,622.27
TBD	16	3	1	$ 30,425.93	$ 2,622.27
TBD	17	3	1	$ 30,425.93	$ 2,622.27
TBD	18	3	1	$ 30,425.93	$ 2,622.27
TBD	19	3	1	$ 30,425.93	$ 2,622.27
TBD	20	3	1	$ 30,425.93	$ 2,622.27
TBD	21	3	1	$ 30,425.93	$ 2,622.27
TBD	22	3	1	$ 30,425.93	$ 2,622.27
TBD	23	3	1	$ 30,425.93	$ 2,622.27
TBD	24	3	1	$ 30,425.93	$ 2,622.27
TBD	25	3	1	$ 30,425.93	$ 2,622.27
TBD	26	3	1	$ 30,425.93	$ 2,622.27
TBD	27	3	1	$ 30,425.93	$ 2,622.27
TBD	28	3	1	$ 30,425.93	$ 2,622.27
TBD	29	3	1	$ 30,425.93	$ 2,622.27
TBD	30	3	1	$ 30,425.93	$ 2,622.27
TBD	1	4	1	$ 30,425.93	$ 2,622.27
TBD	2	4	1	$ 30,425.93	$ 2,622.27
TBD	3	4	1	$ 30,425.93	$ 2,622.27
TBD	4	4	1	$ 30,425.93	$ 2,622.27
TBD	5	4	1	$ 30,425.93	$ 2,622.27
TBD	6	4	1	$ 30,425.93	$ 2,622.27
TBD	7	4	1	$ 30,425.93	$ 2,622.27
TBD	8	4	1	$ 30,425.93	$ 2,622.27
TBD	9	4	1	$ 30,425.93	$ 2,622.27
TBD	10	4	1	$ 30,425.93	$ 2,622.27
TBD	11	4	1	$ 30,425.93	$ 2,622.27
TBD	12	4	1	$ 30,425.93	$ 2,622.27
TBD	13	4	1	$ 30,425.93	$ 2,622.27
TBD	14	4	1	$ 30,425.93	$ 2,622.27
TBD	15	4	1	$ 30,425.93	$ 2,622.27
TBD	16	4	1	$ 30,425.93	$ 2,622.27
TBD	17	4	1	$ 30,425.93	$ 2,622.27
TBD	18	4	1	$ 30,425.93	$ 2,622.27
TBD	19	4	1	$ 30,425.93	$ 2,622.27
TBD	20	4	1	$ 30,425.93	$ 2,622.27
TBD	21	4	1	$ 30,425.93	$ 2,622.27
TBD	1	5	1	$ 30,425.93	$ 2,622.27
TBD	2	5	1	$ 30,425.93	$ 2,622.27
TBD	3	5	1	$ 30,425.93	$ 2,622.27
TBD	4	5	1	$ 30,425.93	$ 2,622.27
TBD	5	5	1	$ 30,425.93	$ 2,622.27
TBD	6	5	1	$ 30,425.93	$ 2,622.27
TBD	7	5	1	$ 30,425.93	$ 2,622.27
TBD	8	5	1	$ 30,425.93	$ 2,622.27
TBD	9	5	1	$ 30,425.93	$ 2,622.27
TBD	10	5	1	$ 30,425.93	$ 2,622.27
TBD	11	5	1	$ 30,425.93	$ 2,622.27
TBD	12	5	1	$ 30,425.93	$ 2,622.27

Property ID[a]	Lot	Block	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b]
TBD	13	5	1	$ 30,425.93	$ 2,622.27
TBD	14	5	1	$ 30,425.93	$ 2,622.27
TBD	15	5	1	$ 30,425.93	$ 2,622.27
TBD	16	5	1	$ 30,425.93	$ 2,622.27
TBD	17	5	1	$ 30,425.93	$ 2,622.27
TBD	18	5	1	$ 30,425.93	$ 2,622.27
TBD	19	5	1	$ 30,425.93	$ 2,622.27
TBD	20	5	1	$ 30,425.93	$ 2,622.27
TBD	Reserve A		Non-Benefited	$ -	$ -
TBD	Reserve B		Non-Benefited	$ -	$ -
TBD	Reserve C		Non-Benefited	$ -	$ -
TBD	Reserve D		Non-Benefited	$ -	$ -
TBD	Remainder Parcel		Remainder Parcel	$ 3,286,000.00	$ 283,205.00
Total				**$ 6,572,000.00**	**$ 566,410.00**

Footnotes:

[a] Property IDs are preliminary and subject to change prior to billing.

[b] Totals may not match the Service Plan or Annual Installment Schedule due to rounding.

EXHIBIT F-2 – ANNUAL INSTALLMENTS

	District Bonds					
Installment Due 1/31	Principal	Interest[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2026	$ -	$ 241,886	$ (241,886)	$ -	$ -	$ -
2027	$ 82,000	$ 410,750	$ -	$ 32,860	$ 40,800	$ 566,410
2028	$ 87,000	$ 405,625	$ -	$ 32,450	$ 41,616	$ 566,691
2029	$ 92,000	$ 400,188	$ -	$ 32,015	$ 42,448	$ 566,651
2030	$ 97,000	$ 394,438	$ -	$ 31,555	$ 43,297	$ 566,290
2031	$ 103,000	$ 388,375	$ -	$ 31,070	$ 44,163	$ 566,608
2032	$ 109,000	$ 381,938	$ -	$ 30,555	$ 45,046	$ 566,539
2033	$ 116,000	$ 375,125	$ -	$ 30,010	$ 45,947	$ 567,082
2034	$ 122,000	$ 367,875	$ -	$ 29,430	$ 46,866	$ 566,171
2035	$ 130,000	$ 360,250	$ -	$ 28,820	$ 47,804	$ 566,874
2036	$ 138,000	$ 352,125	$ -	$ 28,170	$ 48,760	$ 567,055
2037	$ 146,000	$ 343,500	$ -	$ 27,480	$ 49,735	$ 566,715
2038	$ 155,000	$ 334,375	$ -	$ 26,750	$ 50,730	$ 566,855
2039	$ 164,000	$ 324,688	$ -	$ 25,975	$ 51,744	$ 566,407
2040	$ 174,000	$ 314,438	$ -	$ 25,155	$ 52,779	$ 566,372
2041	$ 185,000	$ 303,563	$ -	$ 24,285	$ 53,835	$ 566,682
2042	$ 196,000	$ 292,000	$ -	$ 23,360	$ 54,911	$ 566,271
2043	$ 209,000	$ 279,750	$ -	$ 22,380	$ 56,010	$ 567,140
2044	$ 222,000	$ 266,688	$ -	$ 21,335	$ 57,130	$ 567,152
2045	$ 235,000	$ 252,813	$ -	$ 20,225	$ 58,272	$ 566,310
2046	$ 250,000	$ 238,125	$ -	$ 19,050	$ 59,438	$ 566,613
2047	$ 266,000	$ 222,500	$ -	$ 17,800	$ 60,627	$ 566,927
2048	$ 283,000	$ 205,875	$ -	$ 16,470	$ 61,839	$ 567,184
2049	$ 300,000	$ 188,188	$ -	$ 15,055	$ 63,076	$ 566,318
2050	$ 319,000	$ 169,438	$ -	$ 13,555	$ 64,337	$ 566,330
2051	$ 340,000	$ 149,500	$ -	$ 11,960	$ 65,624	$ 567,084
2052	$ 361,000	$ 128,250	$ -	$ 10,260	$ 66,937	$ 566,447
2053	$ 384,000	$ 105,688	$ -	$ 8,455	$ 68,275	$ 566,418
2054	$ 409,000	$ 81,688	$ -	$ 6,535	$ 69,641	$ 566,863
2055	$ 435,000	$ 56,125	$ -	$ 4,490	$ 71,034	$ 566,649
2056	$ 463,000	$ 28,938	$ -	$ 2,315	$ 72,454	$ 566,707
Total	**$ 6,572,000**	**$ 8,364,699**	**$ (241,886)**	**$ 649,825**	**$ 1,655,178**	**$ 16,999,815**

Footnotes:

[a] Interest is calculated at 6.25 % for illustrative purposes.

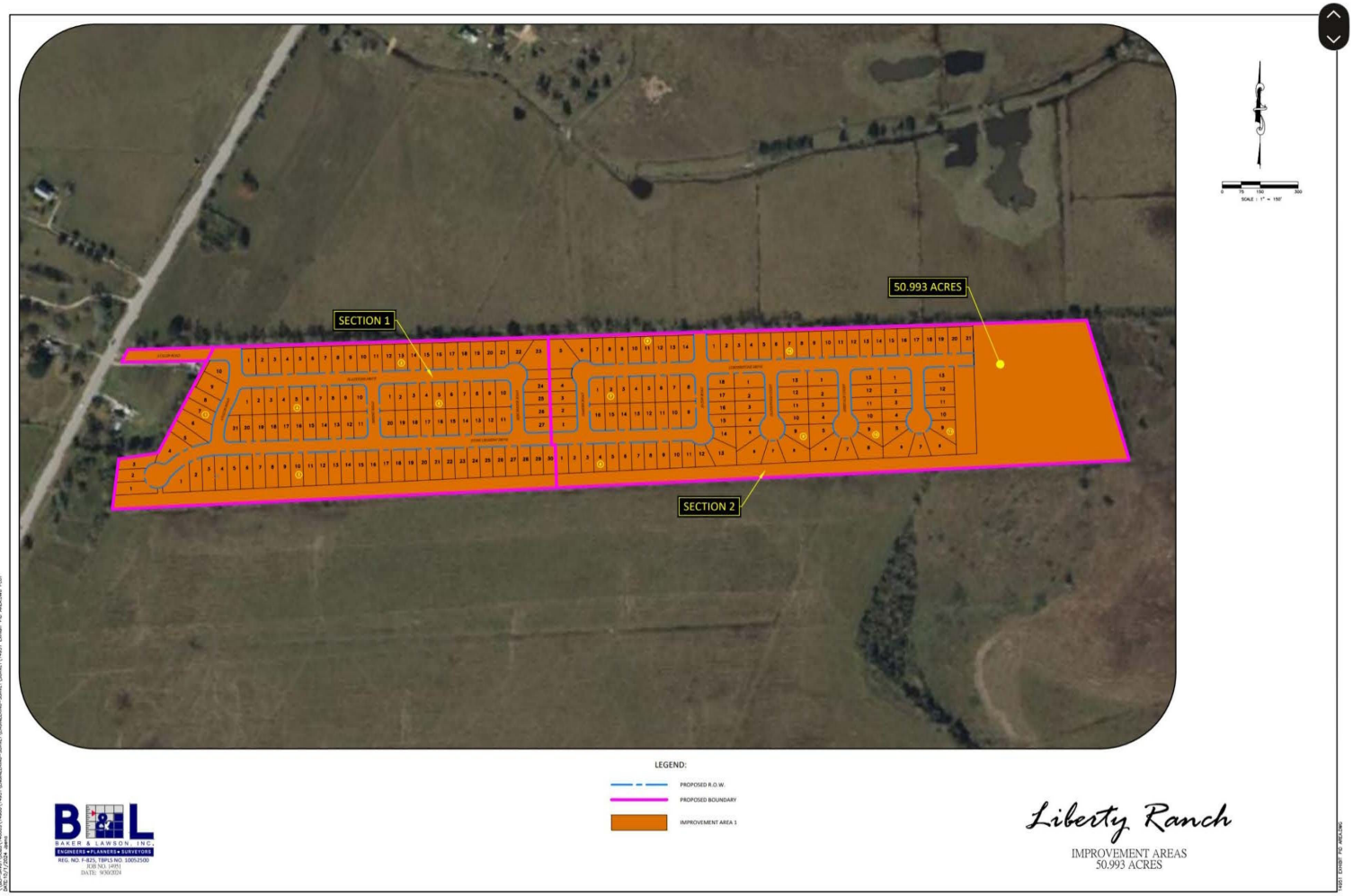
[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

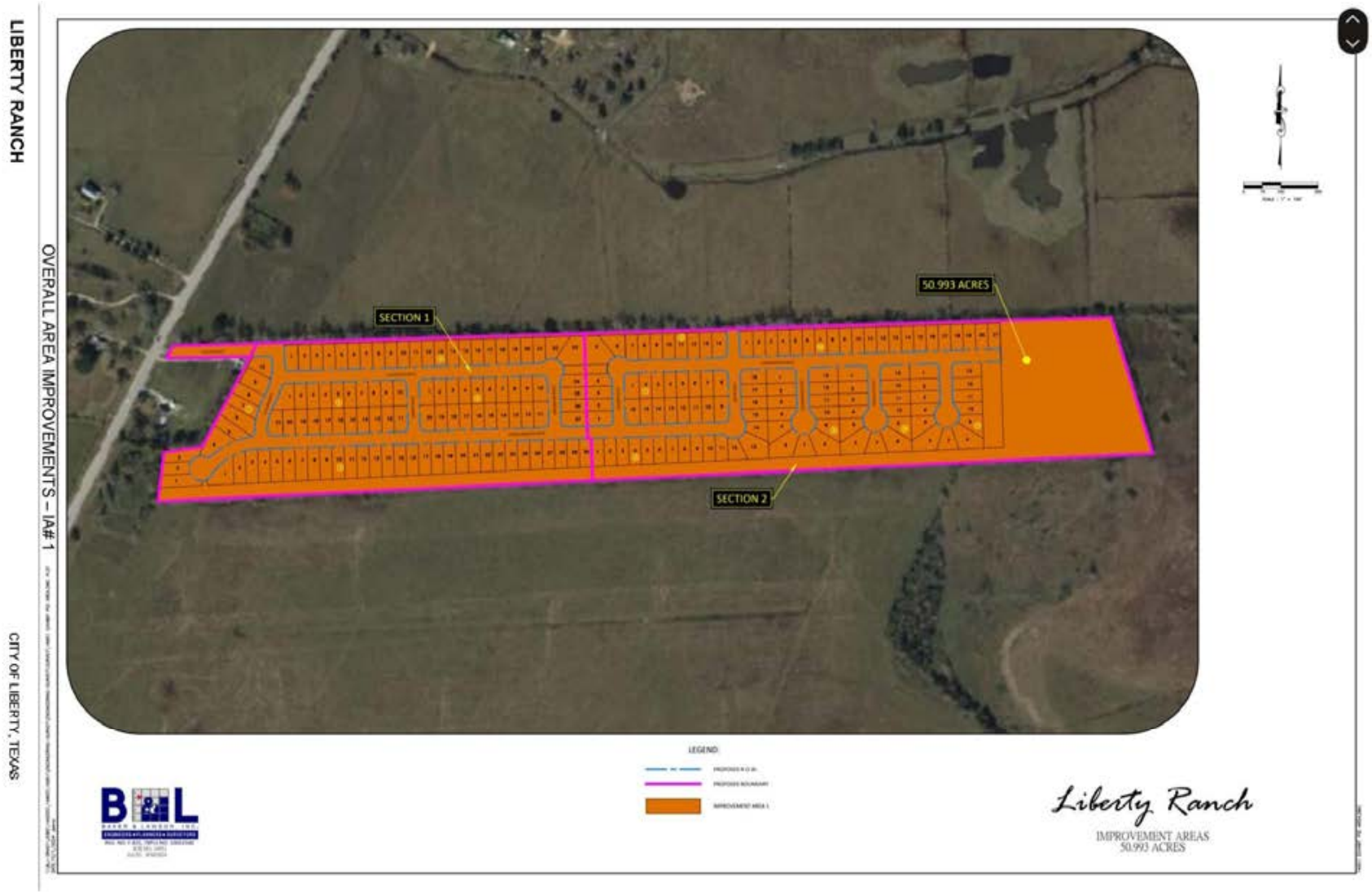
EXHIBIT G – MAPS OF PUBLIC IMPROVEMENTS

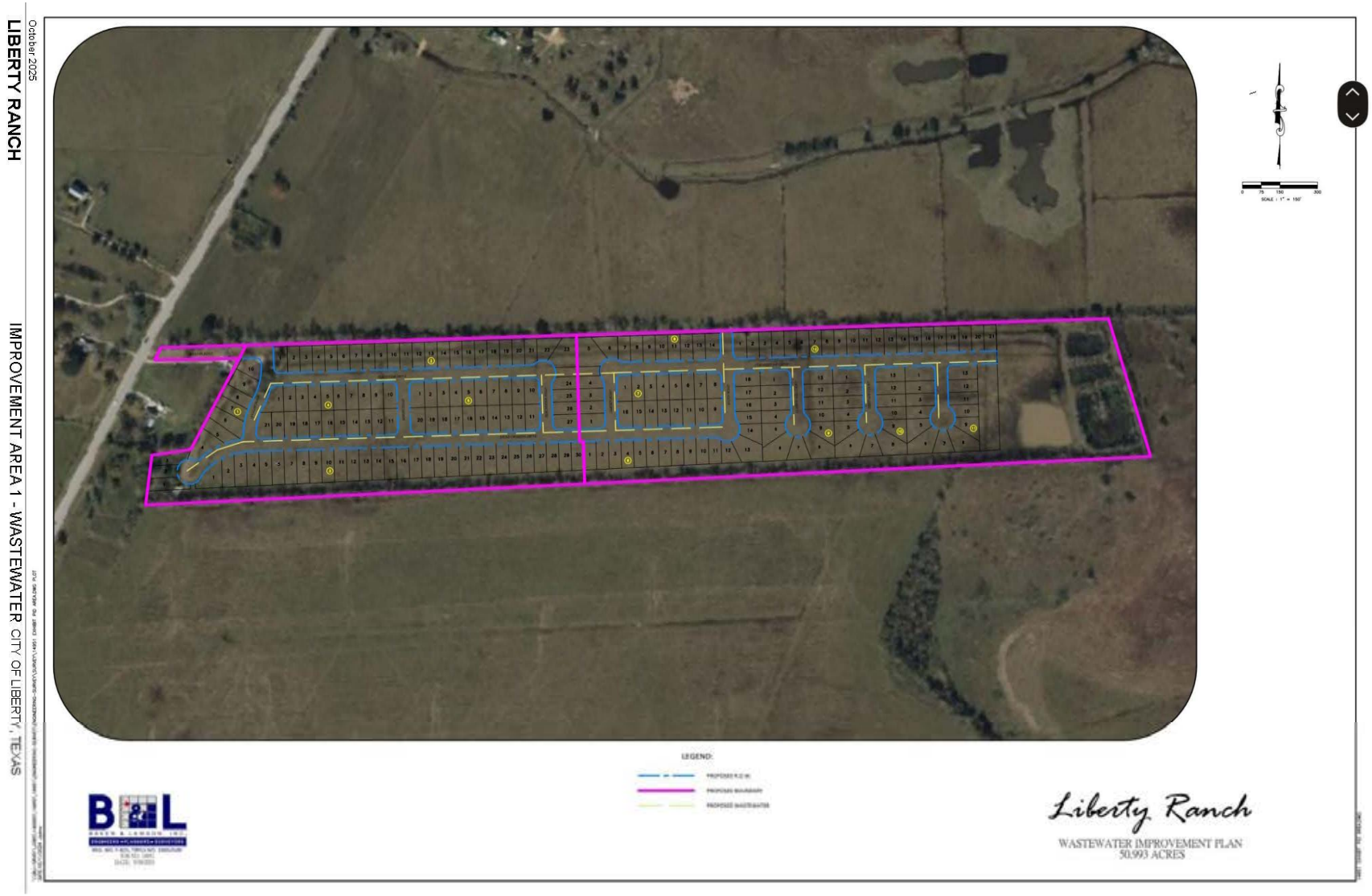
LIBERTY RANCH

OVERALL AREA IMPROVEMENTS – IA#1 & IA#2

LIBERTY, TEXAS

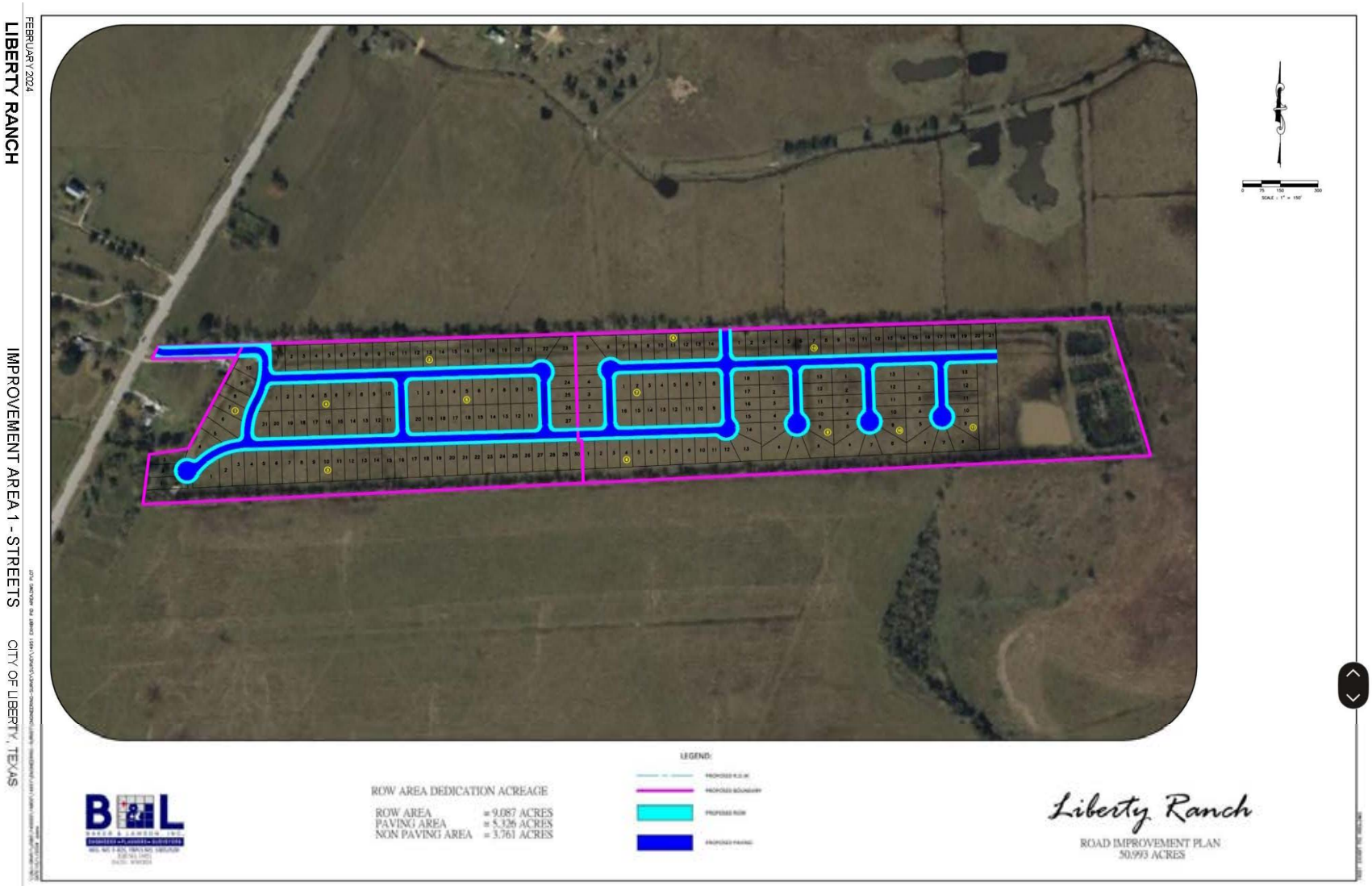



LIBERTY RANCH
OVERALL AREA IMPROVEMENTS – IA# 1
CITY OF LIBERTY, TEXAS
SECTION 1
50.993 ACRES
SECTION 2
LEGEND:
Liberty Ranch
IMPROVEMENT AREAS
50.993 ACRES


October 2025
LIBERTY RANCH
IMPROVEMENT AREA 1 - WASTEWATER CITY OF LIBERTY, TEXAS
LEGEND:
Liberty Ranch
WASTEWATER IMPROVEMENT PLAN
50.993 ACRES

LIBERTY RANCH
FEBRUARY 2026
IMPROVEMENT AREA 1 - DRAINAGE
CITY OF LIBERTY, TEXAS
LEGEND:
DRAINAGE AREA DEDICATION ACREAGE
21.246 ACRES
Liberty Ranch
DRAINAGE IMPROVEMENT PLAN
50.993 ACRES

LIBERTY RANCH
IMPROVEMENT AREA 1 - WATER
CITY OF LIBERTY, TEXAS
LEGEND:
Liberty Ranch
WATER IMPROVEMENT PLAN
50.993 ACRES


LIBERTY RANCH
FEBRUARY 2024
IMPROVEMENT AREA 1 - STREETS
CITY OF LIBERTY, TEXAS
ROW AREA DEDICATION ACREAGE
ROW AREA = 9.087 ACRES
PAVING AREA = 5.326 ACRES
NON PAVING AREA = 3.761 ACRES
LEGEND:
Liberty Ranch
ROAD IMPROVEMENT PLAN
50.993 ACRES

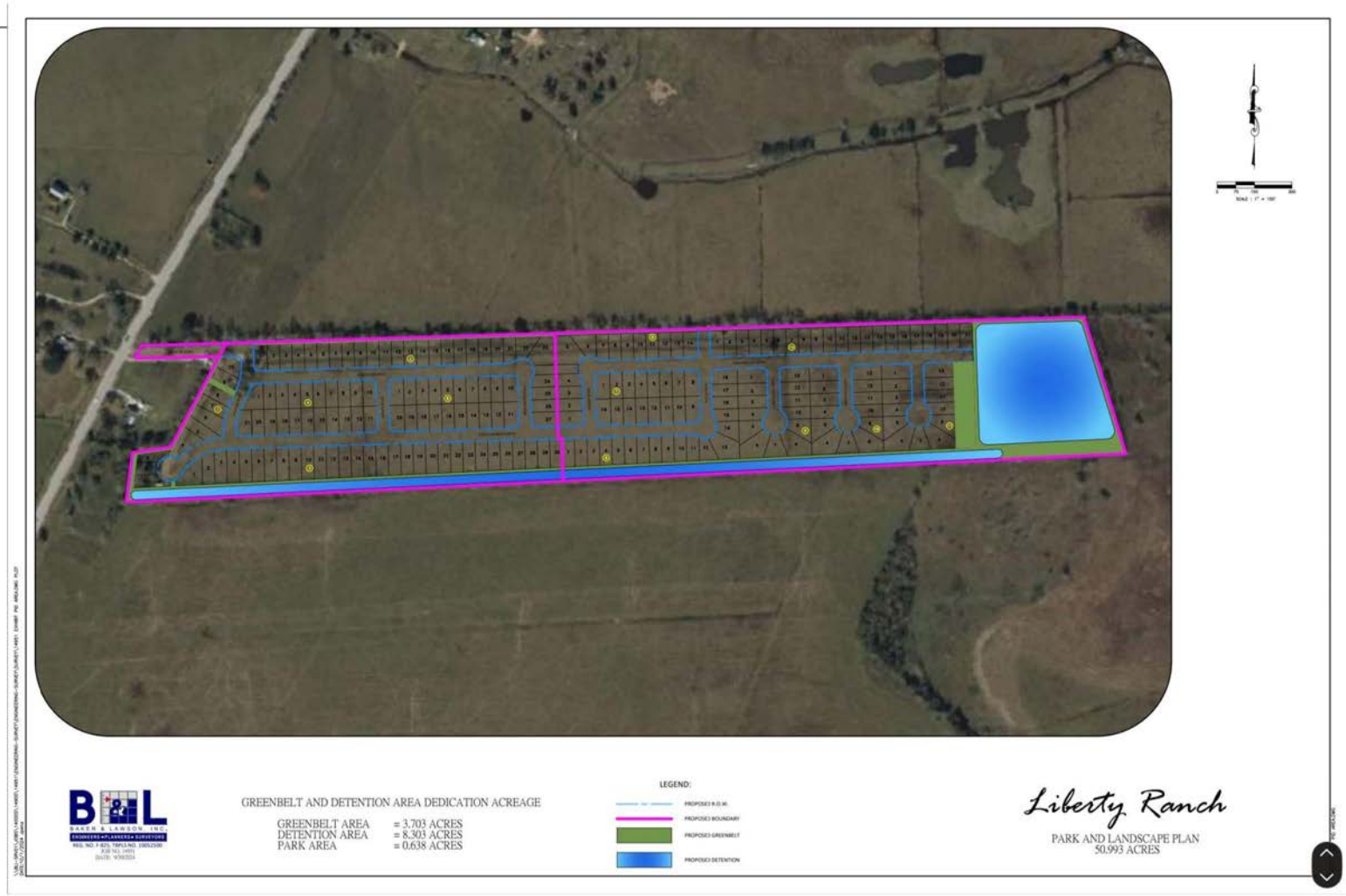
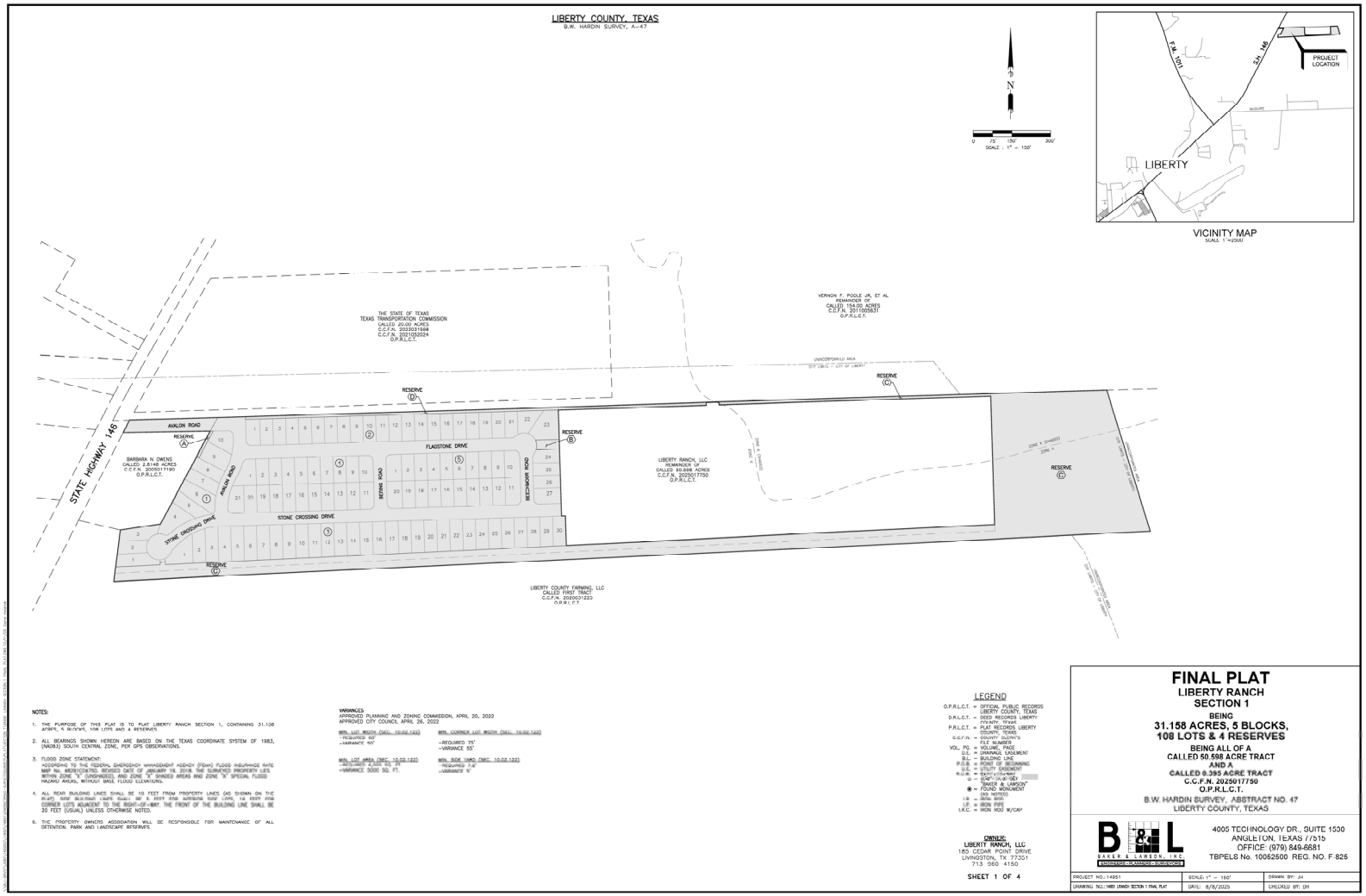

GREENBELT AND DETENTION AREA DEDICATION ACREAGE
GREENBELT AREA = 3.703 ACRES
DETENTION AREA = 8.303 ACRES
PARK AREA = 0.638 ACRES
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED GREENBELT
PROPOSED DETENTION
Liberty Ranch
PARK AND LANDSCAPE PLAN
50.993 ACRES

EXHIBIT H – LIBERTY RANCH SECTION 1 PLAT



NOTES:

1. THE PURPOSE OF THIS PLAT IS TO PLAT LIBERTY RANCH SECTION 1, CONTAINING 31.158 ACRES, 5 BLOCKS, 108 LOTS AND 4 RESERVES.
2. ALL BEARINGS SHOWN HEREON ARE BASED ON THE TEXAS COORDINATE SYSTEM OF 1983, (NAD83) SOUTH CENTRAL ZONE, PER GPS OBSERVATIONS.
3. FLOOD ZONE STATEMENT:
   ACCORDING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FLOOD INSURANCE RATE MAP No. 48291C0175D, REVISED DATE OF JANUARY 19, 2018, THE SUBJECTED PROPERTY LIES WITHIN ZONE "X" (UNSHADED), AND ZONE "X" SHADED AREAS AND ZONE "A" SPECIAL FLOOD HAZARD AREAS, WITHOUT BASE FLOOD ELEVATIONS.
4. ALL REAR BUILDING LINES SHALL BE 10 FEET FROM PROPERTY LINES (AS SHOWN ON THE PLAT). SIDE BUILDING LINES SHALL BE A FIFTY (FIFTEEN FOOT) LOTS, 10 FEET FOR CORNER LOTS ADJACENT TO THE RIGHT-OF-WAY. THE FRONT OF THE BUILDING LINE SHALL BE 20 FEET (USUAL) UNLESS OTHERWISE NOTED.
6. THE PROPERTY OWNERS ASSOCIATION WILL BE RESPONSIBLE FOR MAINTENANCE OF ALL DETENTION, PARK AND LANDSCAPE RESERVES.

VARIANCES
APPROVED PLANNING AND ZONING COMMISSION, APRIL 20, 2022
APPROVED CITY COUNCIL APRIL 26, 2022

MIN. LOT WIDTH (SEC. 10.02.122)
-REQUIRED 60'
-VARIANCE NO'

MIN. CORNER LOT WIDTH (SEC. 10.02.122)
-REQUIRED 75'
-VARIANCE 55'

MIN. LOT AREA (SEC. 10.02.122)
-REQUIRED 7,200 SQ. FT.
-VARIANCE 5000 SQ. FT.

MIN. SIDE YARD (SEC. 10.02.122)
-REQUIRED 7.5'
-VARIANCE 5'

LEGEND

O.P.R.L.C.T.	= OFFICIAL PUBLIC RECORDS LIBERTY COUNTY, TEXAS
D.R.L.C.T.	= DEED RECORDS LIBERTY COUNTY, TEXAS
P.R.L.C.T.	= PLAT RECORDS LIBERTY COUNTY, TEXAS
C.C.F.N.	= COUNTY CLERK'S FILE NUMBER
VOL. PG.	= VOLUME, PAGE
D.E.	= DRAINAGE EASEMENT
B.L.	= BUILDING LINE
P.O.B.	= POINT OF BEGINNING
U.E.	= UTILITY EASEMENT
R.O.W.	= RIGHT-OF-WAY
⊙	= 5/8" CAP STAMPED "BAKER & LAWSON"
⊕	= FOUND MONUMENT (AS NOTED)
I.R.	= IRON ROD
I.P.	= IRON PIPE
I.R.C.	= IRON ROD W/CAP

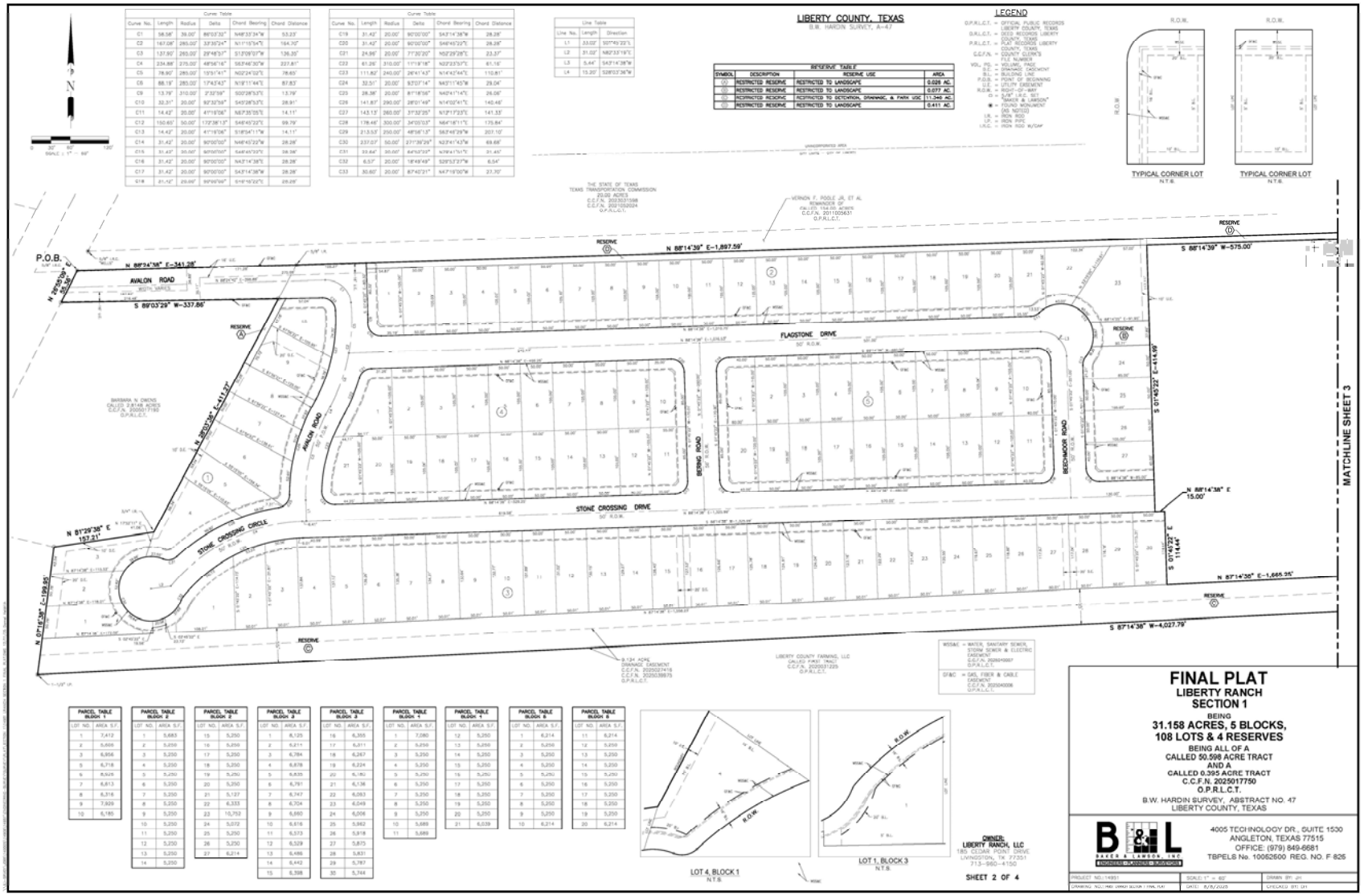
OWNER:
LIBERTY RANCH, LLC
183 CEDAR POINT DRIVE
LIVINGSTON, TX 77351
713 560 4150

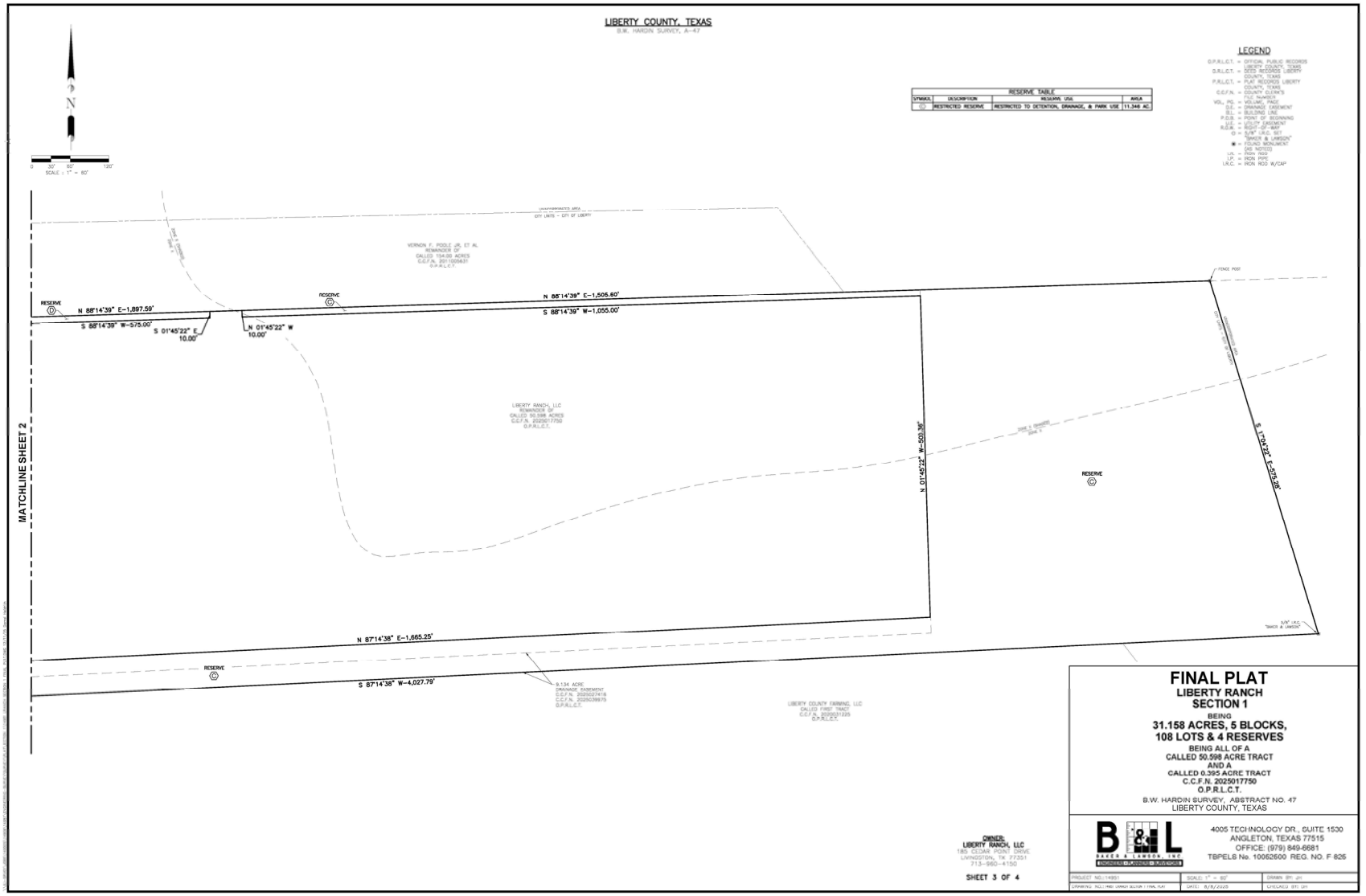
SHEET 1 OF 4

FINAL PLAT
LIBERTY RANCH
SECTION 1
BEING
31.158 ACRES, 5 BLOCKS,
108 LOTS & 4 RESERVES
BEING ALL OF A
CALLED 50.598 ACRE TRACT
AND A
CALLED 0.395 ACRE TRACT
C.C.F.N. 2025017750
O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS

BAKER & LAWSON, INC.
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS / 7515
OFFICE: (979) 849-6681
TBPELS No. 10052500 REG. NO. F-825

PROJECT NO.: 14951	SCALE: 1" = 150'	DRAWN BY: JH
DRAWING NO.: 14951 LIBERTY SECTION 1 FINAL PLAT	DATE: 8/8/2025	CHECKED BY: DH


LIBERTY COUNTY, TEXAS
B.W. HARDIN SURVEY, A-47
LEGEND
RESERVE TABLE
TYPICAL CORNER LOT
N.T.S.
TYPICAL CORNER LOT
N.T.S.
P.O.B.
AVALON ROAD
FLAGSTONE DRIVE
STONE CROSSING DRIVE
STONE CROSSING CIRCLE
BERING ROAD
BEECHMOOR ROAD
MATCHLINE SHEET 3
LOT 4, BLOCK 1
N.T.S.
LOT 1, BLOCK 3
N.T.S.
OWNER:
LIBERTY RANCH, LLC
185 CEDAR POINT DRIVE
LIVINGSTON, TX 77351
713-960-4150
SHEET 2 OF 4
FINAL PLAT
LIBERTY RANCH
SECTION 1
BEING
31.158 ACRES, 5 BLOCKS,
108 LOTS & 4 RESERVES
BEING ALL OF A
CALLED 50.598 ACRE TRACT
AND A
CALLED 0.395 ACRE TRACT
C.C.F.N. 20250017750
O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-6681
TBPELS No. 10062600 REG. NO. F 826


LIBERTY COUNTY, TEXAS
B.W. HARDIN SURVEY, A-47
LEGEND
RESERVE TABLE
RESTRICTED RESERVE
RESTRICTED TO DETENTION, DRAINAGE, & PARK USE
11.346 AC.
SCALE : 1" = 60'
MATCHLINE SHEET 2
N 88°14'39" E-1,897.59'
S 88°14'39" W-575.00'
S 01°45'22" E
10.00'
N 01°45'22" W
10.00'
N 88°14'39" E-1,505.60'
S 88°14'39" W-1,055.00'
N 01°45'22" W-503.36'
S 01°45'22" E-573.36'
N 87°14'38" E-1,665.25'
S 87°14'38" W-4,027.79'
RESERVE
OWNER:
LIBERTY RANCH, LLC
185 CEDAR POINT DRIVE
LIVINGSTON, TX 77351
713-960-4150
SHEET 3 OF 4
FINAL PLAT
LIBERTY RANCH
SECTION 1
BEING
31.158 ACRES, 5 BLOCKS,
108 LOTS & 4 RESERVES
BEING ALL OF A
CALLED 50.598 ACRE TRACT
AND A
CALLED 0.395 ACRE TRACT
C.C.F.N. 2025017750
O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-6681
TBPELS No. 10062500 REG. NO. F 825

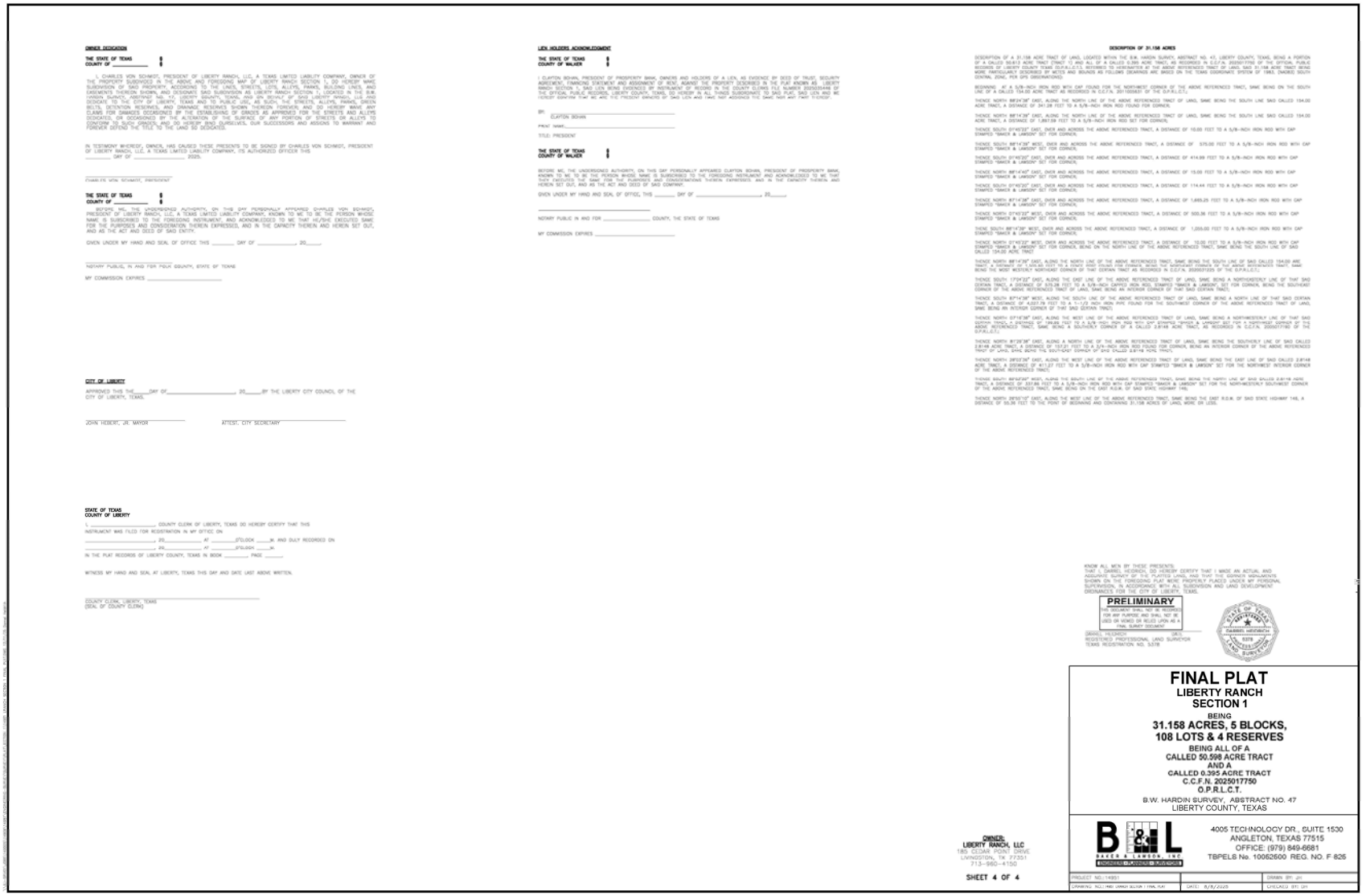

OWNER DEDICATION
THE STATE OF TEXAS
COUNTY OF _____
I, CHARLES VON SCHMIDT, PRESIDENT OF LIBERTY RANCH, LLC, A TEXAS LIMITED LIABILITY COMPANY, OWNER OF THE PROPERTY SUBDIVIDED IN THE ABOVE AND FOREGOING MAP OF LIBERTY RANCH SECTION 1, DO HEREBY MAKE SUBDIVISION OF SAID PROPERTY, ACCORDING TO THE LINES, STREETS, LOTS, ALLEYS, PARKS, BUILDING LINES, AND EASEMENTS THEREON SHOWN, AND DESIGNATE SAID SUBDIVISION AS LIBERTY RANCH SECTION 1, LOCATED IN THE B.W. HARDIN SURVEY, ABSTRACT NO. 47, LIBERTY COUNTY, TEXAS, AND ON BEHALF OF SAID LIBERTY RANCH, LLC AND DEDICATE TO THE CITY OF LIBERTY, TEXAS AND TO PUBLIC USE, AS SUCH, THE STREETS, ALLEYS, PARKS, GREEN BELTS, DETENTION RESERVES, AND DRAINAGE RESERVES SHOWN THEREON FOREVER, AND DO HEREBY MAKE ANY DEDICATION, OR DEDICATIONS BY PLAT OR BY SEPARATE INSTRUMENT, INCLUDING BUT NOT LIMITED TO STREETS AND ALLEYS DEDICATED, OR DEDICATIONS BY THE ALTERATION OF THE SURFACE OF ANY PORTION OF STREETS OR ALLEYS TO CONFORM TO THE GRADES SHOWN, AND DO HEREBY BIND OURSELVES, OUR SUCCESSORS AND ASSIGNS TO WARRANT AND FOREVER DEFEND THE TITLE TO THE LAND SO DEDICATED.
IN TESTIMONY WHEREOF, OWNER, HAS CAUSED THESE PRESENTS TO BE SIGNED BY CHARLES VON SCHMIDT, PRESIDENT OF LIBERTY RANCH, LLC, A TEXAS LIMITED LIABILITY COMPANY, ITS AUTHORIZED OFFICER THIS _____ DAY OF _____, 2025.
CHARLES VON SCHMIDT, PRESIDENT
THE STATE OF TEXAS
COUNTY OF _____
BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED CHARLES VON SCHMIDT, PRESIDENT OF LIBERTY RANCH, LLC, A TEXAS LIMITED LIABILITY COMPANY, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE/SHE EXECUTED SAME FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED, AND IN THE CAPACITY THEREIN AND HEREIN SET OUT, AND AS THE ACT AND DEED OF SAID ENTITY.
GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ DAY OF _____, 20____.
NOTARY PUBLIC, IN AND FOR POLK COUNTY, STATE OF TEXAS
MY COMMISSION EXPIRES _____
CITY OF LIBERTY
APPROVED THIS THE _____ DAY OF _____, 20____, BY THE LIBERTY CITY COUNCIL, OF THE CITY OF LIBERTY, TEXAS.
JOHN HEBERT, JR. MAYOR
ATTEST: CITY SECRETARY
STATE OF TEXAS
COUNTY OF LIBERTY
I, _____, COUNTY CLERK OF LIBERTY, TEXAS DO HEREBY CERTIFY THAT THIS INSTRUMENT WAS FILED FOR REGISTRATION IN MY OFFICE ON _____, 20____ AT _____O'CLOCK ____M. AND DULY RECORDED ON _____, 20____ AT _____O'CLOCK ____M. IN THE PLAT RECORDS OF LIBERTY COUNTY, TEXAS IN BOOK _____, PAGE _____.
WITNESS MY HAND AND SEAL AT LIBERTY, TEXAS THIS DAY AND DATE LAST ABOVE WRITTEN.
COUNTY CLERK, LIBERTY, TEXAS
(SEAL OF COUNTY CLERK)
LIEN HOLDERS ACKNOWLEDGMENT
THE STATE OF TEXAS
COUNTY OF WALKER
I, CLAYTON BOHAN, PRESIDENT OF PROSPERITY BANK, OWNERS AND HOLDERS OF A LIEN, AS EVIDENCE BY DEED OF TRUST, SECURITY AGREEMENT, FINANCING STATEMENT AND ASSIGNMENT OF RENT AGAINST THE PROPERTY DESCRIBED IN THE PLAT KNOWN AS LIBERTY RANCH SECTION 1, SAID LIEN BEING EVIDENCED BY INSTRUMENT OF RECORD IN THE COUNTY CLERKS FILE NUMBER 2025035446 OF THE OFFICIAL PUBLIC RECORDS, LIBERTY COUNTY, TEXAS, DO HEREBY IN ALL THINGS SUBORDINATE TO SAID PLAT, SAID LIEN AND WE HEREBY CONFIRM THAT WE ARE THE PRESENT OWNERS OF SAID LIEN AND THAT NOT ASSIGNED THE SAME NOR ANY PART THEREOF.
BY: _____ CLAYTON BOHAN
PRINT NAME: _____
TITLE: PRESIDENT
THE STATE OF TEXAS
COUNTY OF WALKER
BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED CLAYTON BOHAN, PRESIDENT OF PROSPERITY BANK, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED SAME FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED AND IN THE CAPACITY THEREIN AND HEREIN SET OUT, AND AS THE ACT AND DEED OF SAID COMPANY.
GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS _____ DAY OF _____, 20____.
NOTARY PUBLIC IN AND FOR _____ COUNTY, THE STATE OF TEXAS
MY COMMISSION EXPIRES _____
DESCRIPTION OF 31.158 ACRES
DESCRIPTION OF A 31.158 ACRE TRACT OF LAND, LOCATED WITHIN THE B.W. HARDIN SURVEY, ABSTRACT NO. 47, LIBERTY COUNTY, TEXAS, BEING A PORTION OF A CALLED 50.613 ACRE TRACT (TRACT 1) AND ALL OF A CALLED 0.395 ACRE TRACT, AS RECORDED IN C.C.F.N. 2025017750 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS (O.P.R.L.C.T.), SAID 31.158 ACRE TRACT BEING ALSO A PORTION OF A CALLED 154.00 ACRE TRACT, AS RECORDED IN C.C.F.N. 2005027750 OF THE O.P.R.L.C.T., SAID 31.158 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS (BEARINGS ARE BASED ON THE TEXAS COORDINATE SYSTEM OF 1983, (NAD83) SOUTH CENTRAL ZONE, PER GPS OBSERVATIONS):
BEGINNING AT A 5/8-INCH IRON ROD WITH CAP FOUND FOR THE NORTHWEST CORNER OF THE ABOVE REFERENCED TRACT, SAME BEING ON THE SOUTH LINE OF A CALLED 154.00 ACRE TRACT AS RECORDED IN C.C.F.N. 2017005631 OF THE O.P.R.L.C.T.;
THENCE NORTH 88°24'36" EAST, ALONG THE NORTH LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE SOUTH LINE SAID CALLED 154.00 ACRE TRACT, A DISTANCE OF 341.28 FEET TO A 5/8-INCH IRON ROD FOUND FOR CORNER;
THENCE NORTH 88°14'39" EAST, ALONG THE NORTH LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE SOUTH LINE SAID CALLED 154.00 ACRE TRACT, A DISTANCE OF 1,887.59 FEET TO A 5/8-INCH IRON ROD SET FOR CORNER;
THENCE SOUTH 01°45'20" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 10.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;
THENCE SOUTH 88°14'39" WEST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 575.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;
THENCE SOUTH 01°45'20" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 414.99 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;
THENCE NORTH 88°14'40" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 15.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;
THENCE SOUTH 01°45'20" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 114.44 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;
THENCE NORTH 87°14'39" EAST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 1,665.25 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;
THENCE NORTH 01°45'20" WEST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 500.36 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER;
THENCE SOUTH 88°14'39" WEST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 1,055.60 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER, BEING ON THE NORTH LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE SOUTH LINE OF SAID CALLED 154.00 ACRE TRACT;
THENCE NORTH 01°45'20" WEST, OVER AND ACROSS THE ABOVE REFERENCED TRACT, A DISTANCE OF 12.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR CORNER, BEING ON THE NORTH LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE SOUTH LINE OF SAID CALLED 154.00 ACRE TRACT;
THENCE NORTH 88°14'39" EAST, ALONG THE NORTH LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE SOUTH LINE OF SAID CALLED 154.00 ACRE TRACT, A DISTANCE OF 1,924.65 FEET TO A 5/8-INCH IRON ROD FOUND FOR CORNER, BEING THE NORTHEAST CORNER OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE NORTHWEST CORNER OF THAT SAID CERTAIN TRACT AS RECORDED IN C.C.F.N. 2005027255 OF THE O.P.R.L.C.T.;
THENCE SOUTH 17°04'23" EAST, ALONG THE EAST LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING A NORTHWESTERLY LINE OF THAT SAID CERTAIN TRACT, A DISTANCE OF 575.28 FEET TO A 5/8-INCH CAPPED IRON ROD, STAMPED "BAKER & LAWSON", SET FOR CORNER, BEING THE SOUTHEAST CORNER OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING AN INTERIOR CORNER OF THAT SAID CERTAIN TRACT;
THENCE SOUTH 87°14'39" WEST, ALONG THE SOUTH LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING A NORTH LINE OF THAT SAID CERTAIN TRACT, A DISTANCE OF 4,557.79 FEET TO A 1-1/2 INCH IRON PIPE FOUND FOR THE SOUTHWEST CORNER OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING AN INTERIOR CORNER OF THAT SAID CERTAIN TRACT;
THENCE NORTH 01°16'36" EAST, ALONG THE WEST LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING A NORTHWESTERLY LINE OF THAT SAID CERTAIN TRACT, A DISTANCE OF 784.86 FEET TO A 5/8 INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR A NORTHWEST CORNER OF THE ABOVE REFERENCED TRACT, SAME BEING A SOUTHEAST CORNER OF A CALLED 2.8148 ACRE TRACT, AS RECORDED IN C.C.F.N. 2005027750 OF THE O.P.R.L.C.T.;
THENCE NORTH 87°29'38" EAST, ALONG A NORTH LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE SOUTHERLY LINE OF SAID CALLED 2.8148 ACRE TRACT, A DISTANCE OF 157.21 FEET TO A 3/4-INCH IRON ROD FOUND FOR CORNER, BEING AN INTERIOR CORNER OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE SOUTHEAST CORNER OF SAID CALLED 2.8148 ACRE TRACT;
THENCE NORTH 28°03'39" EAST, ALONG THE WEST LINE OF THE ABOVE REFERENCED TRACT OF LAND, SAME BEING THE EAST LINE OF SAID CALLED 2.8148 ACRE TRACT, A DISTANCE OF 417.27 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR THE NORTHWESTERLY SOUTHWEST CORNER OF THE ABOVE REFERENCED TRACT, SAME BEING ON THE EAST R.O.W. OF SAID STATE HIGHWAY 146;
THENCE SOUTH 84°54'26" WEST, ALONG THE SOUTH LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE NORTH LINE OF SAID CALLED 2.8148 ACRE TRACT, A DISTANCE OF 237.86 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BAKER & LAWSON" SET FOR THE NORTHWESTERLY SOUTHWEST CORNER OF THE ABOVE REFERENCED TRACT, SAME BEING ON THE EAST R.O.W. OF SAID STATE HIGHWAY 146;
THENCE NORTH 28°03'12" EAST, ALONG THE WEST LINE OF THE ABOVE REFERENCED TRACT, SAME BEING THE EAST R.O.W. OF SAID STATE HIGHWAY 146, A DISTANCE OF 55.36 FEET TO THE POINT OF BEGINNING AND CONTAINING 31.158 ACRES OF LAND, MORE OR LESS.
KNOW ALL MEN BY THESE PRESENTS:
THAT I, DARREL HEDRICH, DO HEREBY CERTIFY THAT I MADE AN ACTUAL AND ACCURATE SURVEY OF THE PLATTED LAND, AND THAT THE CORNER MONUMENTS SHOWN ON THE FOREGOING PLAT WERE PROPERLY PLACED UNDER MY PERSONAL SUPERVISION, IN ACCORDANCE WITH ALL SUBDIVISION AND LAND DEVELOPMENT ORDINANCES OF LIBERTY COUNTY, TEXAS.
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
DARREL HEDRICH DATE
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 5378
STATE OF TEXAS
DARREL HEDRICH
5378
REGISTERED PROFESSIONAL LAND SURVEYOR
OWNER:
LIBERTY RANCH, LLC
185 CEDAR POINT DRIVE
LIVINGSTON, TX 77351
713-960-4150
SHEET 4 OF 4
FINAL PLAT
LIBERTY RANCH
SECTION 1
BEING
31.158 ACRES, 5 BLOCKS,
108 LOTS & 4 RESERVES
BEING ALL OF A
CALLED 50.598 ACRE TRACT
AND A
CALLED 0.395 ACRE TRACT
C.C.F.N. 2025017750
O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS
BAKER & LAWSON, INC
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-6681
TBPELS No. 10062600 REG. NO. F 826
PROJECT NO.: 14951
DRAWN BY: JH
DRAWING NO.: I:\960 LIBERTY RANCH\FINAL PLAT
DATE: 8/8/2025
CHECKED BY: DH

EXHIBIT I – FORM OF NOTICE OF PID ASSESSMENT TERMINATION

P3Works, LLC
9284 Huntington Square,
North Richland Hills, TX 76182

[Date]
Liberty County Clerk's Office
Honorable _____
1923 Sam Houston
Liberty, TX 77575

Re: City of Liberty Lien Release documents for filing

Dear Ms./Mr. _____,

Enclosed is a lien release that the City of Liberty 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 Liberty
Attn: [City Secretary]
1829 Sam Houston St.
Liberty, TX 77575

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]
[City Secretary Address]

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

STATE OF TEXAS §
§ **NOW ALL MEN BY THESE PRESENTS:**
COUNTY OF LIBERTY §

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Liberty, Texas, a Texas home rule municipality (the “City).

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City of Liberty, Texas (hereinafter referred to as the "City"), is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the City; and

WHEREAS, on or about May 10, 2022, the City Council for the City, approved a Resolution, creating the Liberty Ranch Public Improvement District; and

WHEREAS, the Liberty Ranch Public Improvement District consists of approximately 50.993 contiguous acres within the corporate limits of the City; and

WHEREAS, on or about, February 10, 2026, the City Council, approved Ordinance No. [xxx-2026], (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property (defined herein) within the Liberty Ranch Public Improvement District; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of [amount] (hereinafter referred to as the "Lien Amount") for the following property: [legal description], a subdivision in Liberty County, Texas, according to the map or plat of record in Document/Instrument No. _____ of the Plat Records of Liberty County, Texas (hereinafter referred to as the "Property"); and

WHEREAS, the property Developers of the Property have paid unto the City the Lien Amount.

RELEASE

NOW THEREFORE, the City, the owner and holder of the Lien, Instrument No. _____, in the Real Property Records of Liberty County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said Lien held by the undersigned securing said indebtedness.

EXECUTED to be **EFFECTIVE** this the _____ day of _____, 20__.

CITY OF LIBERTY, TEXAS,

By: _____
[City Manager Name], City Manager

ATTEST:

_____
[City Secretary Name], City Secretary

STATE OF TEXAS **§**
§
COUNTY OF LIBERTY **§**

This instrument was acknowledged before me on the ____ day of _____, 20__, by [City Manager], for the City of Liberty, Texas, on behalf of said City.

_____
Notary Public, State of Texas

EXHIBIT J – DISTRICT BOUNDARY DESCRIPTION

County: Liberty County
Project: 50.598 Acres
Job No.: 14951

TRACT 1
DESCRIPTION OF 50.598 ACRES

Description of a 50.598 acre tract of land, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas, being all of a called 50.613 acre tract (Tract 1) as recorded in County Clerk's File No. (C.C.F.N.) 2021048312 of the Official Public Records of Liberty County Texas (O.P.R.L.C.T.), referred to hereinafter at the above referenced tract of land, said 50.598 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) South Central Zone, per GPS observations):

BEGINNING at a 1/2-inch iron rod found for corner, being the Northwest corner of the above referenced tract, same being on the South line of a called 154.00 acre tract as recorded in C.C.F.N. 2011005631 of the O.P.R.L.C.T., same being the Northeast corner of a called 0.394 acre tract, as recorded in C.C.F.N. 2021048312 of the O.P.R.L.C.T.

THENCE North 88°14'39" East, along the North line of the above referenced tract of land, same being the south line said called 154.00 acre tract, a distance of 3,453.19 feet to a fence post found for corner, being the Northeast corner of the above referenced tract, same being the most Westerly Northeast corner of a that certain tract as recorded in C.C.F.N. 2020031225 of the O.P.R.L.C.T.;

THENCE South 17°04'22" East, along the East line of the above referenced tract of land, same being a Northeasterly line of that said certain tract, a distance of 575.28 feet to a 5/8-inch iron rod with cap, stamped "Baker & Lawson", found for corner, being the Southeast corner of the above referenced tract of land, same being an interior corner of that said certain tract;

THENCE South 87°14'38" West, along the South line of the above referenced tract of land, same being a North line of that said certain tract, a distance of 4,027.79 feet to a 1-1/2 inch iron pipe found for the Southwest corner of the above referenced tract of land, same being an interior corner of that said certain tract;

THENCE North 07°16'38" East, along the West line of the above referenced tract of land, same being a Northwesterly line of that said certain tract, a distance of 199.95 feet to a 1/2-inch pipe found for a Northwest corner of the above referenced tract, same being a Southerly corner of a called 2.8148 acre tract, as recorded in C.C.F.N. 2005017190 of the O.P.R.L.C.T.;

THENCE North 81°29'38" East, along a North line of the above referenced tract of land, same being the Southerly line of said called 2.8148 acre tract, a distance of 157.21 feet to a 3/4-inch iron rod found for corner, being an interior corner of the above referenced tract of land, same being the Southeast corner of said called 2.8148 acre tract;

THENCE North 28°03'36" East, along the West line of the above referenced tract of land, same being the East line of said called 2.8148 acre tract, a distance of 471.64 feet to the **POINT OF BEGINNING** of the above referenced tract of land, containing 50.598 acres of land, more or less.

A boundary survey of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

09/24/2025
Darrel Heidrich
Registered Professional Land Surveyor
Texas Registration No. 5378

STATE OF TEXAS
REGISTERED
DARREL HEIDRICH
5378
PROFESSIONAL
LAND SURVEYOR

County: Liberty County
Project: 0.395 Acre
Job No.: 14951

TRACT 2
DESCRIPTION OF 0.395 ACRE

Description of a called 0.395 acre tract of land, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas, being all of a called 0.394 acre tract as recorded in County Clerk's File No. (C.C.F.N.) 2021048312 of the Official Public Records of Liberty County Texas (O.P.R.L.C.T.), referred to hereinafter as the above referenced tract, said 0.395 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) South Central Zone, per GPS observations):

BEGINNING at a 5/8-inch iron rod with aluminum cap, found for corner, being the Northwest corner of the above referenced tract, same being on the East Right-of-Way (R.O.W.) of State Highway 146;

THENCE North 88°24'38" East, along the North line of the above referenced tract of land, same being the South line of a called 154.000 acre tract, as recorded in 2011005631 of the O.P.R.L.C.T., a distance of 341.28 feet to a 1/2-inch iron rod found for corner, being the Northeast corner of the above referenced tract, same being the Northwest corner of a called 50.613 acre tract, as recorded in C.C.F.N. 2021048312 of the O.P.R.L.C.T.;

THENCE South 28°03'36" West, along the East line of the above referenced tract of land, same being the West line of said called 50.613 acre tract, a distance of 60.37 feet to a 5/8-inch capped iron rod, stamped "Baker & Lawson", set for corner, being the Southeast corner of the above referenced tract of land, same being the Northeast corner of a called 2.8148 acre tract, as recorded in C.C.F.N. 2005017190 of the O.P.R.B.C.T.;

THENCE South 89°03'29" West, along the South line of the above referenced tract of land, same being the North line of said called 2.8148 acre tract, a distance of 337.86 feet to a 5/8-inch capped iron rod, stamped "Baker & Lawson", set for corner, being the Southwest corner of the above referenced tract of land, same being in the East R.O.W. line of said State Highway 146;

THENCE North 26°55'09" East, along the West line of the above referenced tract of land, same being the East R.O.W. line of said State Highway 146, a distance of 55.36 feet to the **POINT OF BEGINNING** of the above referenced tract of land, containing 0.395 of an acre of land, more or less.

A boundary survey of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

09/24/2025
Darrel Heidrich
Registered Professional Land Surveyor
Texas Registration No. 5378

APPENDIX A – ENGINEER'S REPORT

[Remainder of page intentionally left blank.]

ENGINEERING REPORT
Liberty Ranch
Public Improvement District

Improvement Area #1

City of Liberty, Texas

Prepared For:

Liberty Ranch, LLC

And **City of Liberty, Texas**

4005 Technology Drive Suite 1530

Angleton, TX 77515

Firm #: F-825

October 12, 2025

Table of Contents

Introduction 1
Development Costs 1
Development Improvements 1-2
Landscape and Amenities Improvements for IA#1 2-3
Development Schedule 3
Design Stage 3
Construction Stage 4

List of Appendices

Appendix 1 Site Location Map
Appendix 2 Engineer's Opinion of Probable Cost
Appendix 3 Overall Improvements Map: IA#1 & IA#2
Appendix 4 Overall Improvements Map: IA#1
Appendix 5 Improvement Area #1 Map: Wastewater
Appendix 6 Improvement Area #1 Map: Drainage
Appendix 7 Improvement Area #1 Map: Potable Water
Appendix 8 Improvement Area #1 Map: Streets
Appendix 9 Improvement Area #1 Map: Parks, Open Space, & Landscaping
Appendix 10 Legal Description Improvement Area #1 Tracts 1, and 2

Introduction

The Liberty Ranch development is a single-family residential development tract currently under development located in the City of Liberty, Texas. A site location map has been included in ***Appendix 1***. As part of this development, the Liberty Ranch Public Improvement District ("PID") was created May 10th of 2022 to fund future expenditures associated with the Development. The Liberty Ranch PID is comprised of 51 acres and will consist of ONE improvement area which will include Liberty Ranch, Sections 1, and 2. These two sections will include 216 50 ft lots.

This report includes supporting documentation for costs of construction of reimbursable items within PID Improvement Area #1.

Development Costs

An engineer's opinion of probable cost (Engineer's OPC) has been prepared for all on and off-site infrastructure. The Engineer's OPC has been provided as ***Appendix 2***. Dry utilities including Fiber, Electrical, Phone have been excluded from the OPC and total construction costs.

Development Improvements

Development improvements have been defined as Improvement Area #1 for this report.

Improvement Area #1 consists of Liberty Ranch, Sections 1, and 2 containing 216 50ft lots and is depicted in ***Appendix 5 – 10***.

Development improvements will be designed and constructed in accordance with City of Liberty standards and specifications and will be owned and operated by the City, Home Owners Association, or public utility company unless otherwise indicated.

Development improvements include:

Streets

Improvements include land acquisition for right-of-way, subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, and curbs. Intersections, Streetlights (HOA Responsibility) and signage are included. These roadway improvements include streets that will provide street access to each Lot. These projects provide access to community roadways and State Highway 146.

Drainage

Improvements include land acquisition for Detention, and Drainage, trench excavation and embedment, trench safety, reinforced concrete and PP piping, manholes, inlets, channels/swales. These will include

the necessary appurtenances to be fully operational to convey stormwater to the limits of the improvement area and temporarily detain water as required by the City of Liberty.

Water

Improvements include trench excavation and embedment, trench safety, PVC piping, fire hydrant assemblies, air release valves, gate valves, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of the improvements. Water system will be owned by City of Liberty.

Wastewater

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area. Sewer system will be owned by City of Liberty.

Erosion Control & Miscellaneous

Includes silt fence, rock berms, construction entrances, inlet protection, topsoil, hydromulch and seeding, and irrigation sleeves for the limits of the improvement area.

Clearing

Includes clear and grub, excavation, and embankment for the limits of the improvement area.

Project Detention

Includes land acquisition, clearing, pond excavation and embankment, soil testing, channels, rock riprap, loose riprap walls, construction of outfall structures. Erosion controls, revegetation, and utility improvements are also included.

Landscape and Amenities Improvements for IA#1

Neighborhood will contain unique street designs, pedestrian/bike circulation routes, landscaping, and recreational activities. A focus on public spaces combines with these to form a cohesive community. Neighborhood park areas, public places and multi-use paths promote meaningful connections to the public and residents. Land for greenbelts and parks are included in costs.

Entry Monument and Neighborhood Entries

Community entry monument signs, perimeter walls, and landscape entry are intended to identify the character of the community by expressing distinctive qualities and/or features of the neighborhoods.

Common Area and Pocket Parks

Common Areas include land acquisition, landscaped areas along the collector streets, including street trees, trails, and planting and irrigation. Pocket Parks are open space areas within neighborhood which are landscaped, providing outdoor landscape improvements open to the public and residents of the community.

Main Amenities Area

Located in IA#1, this area will include high quality Play Structures, Basketball court, Horseshoe pitches.

Trails

Trails consist of multi-use paths, greenbelt pedestrian paths, and walkways located in public corridors that serve origin and destination points.

Fencing for Common Areas

Fencing for Common Areas includes perimeter walls and adjacent to pocket parks.

Development Schedule

Design Stage

Sections 1 and 2 are approved, Section 1 is in final stages of construction with final inspection by City of Liberty projected for January 2026. Section 1 Final Plat planned approval date is January 2026 and section 2 submission Q1 2027. There is sufficient water and sewer capacity for the entire project. Contracts have been entered into for 162 of the 216 lots within IA# 1.

Offsite wastewater interceptor ties in at Texas State Highway 146 and is being extended as part of this project to the Liberty Ranch property. Offsite utility extension to the existing Liberty Infrastructure under construction with completion anticipated Q4 2025 prior to final plat.

The 10" offsite water transmission line ties in at Texas State Highway 146 and has been extended to the Liberty Ranch property. Offsite utility extension to the existing Liberty Infrastructure under construction with completion anticipated Q4 2025 prior to final plat.

The Liberty Ranch Project Detention pond and drainage areas are located throughout the community as part of the subdivision improvements and are located east of Hwy 146. These will serve Improvement Area #1.

Construction Stage

Section 1, consisting of 108 50 x 105' lots which is a portion of Improvement Area #1, and Section 2 consisting of 108 lots representing the final portion of IA#1 and the PID are currently under construction. The entirety of IA#1 is scheduled for Completion 2026, with inspections for Section 1 at the end of December 2025 by City of Liberty and anticipated acceptance into the 1 year maintenance program in January of 2026.

Liberty Ranch Sections 1&2																	
TASK	PID AREA	SECTION	2024				2025				2026				2027			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Plan Design and Approval	1	1																
Construction of Improvements																		
Lot Delivery																		
Plan Design and Approval	1	2																
Construction of Improvements																		
Lot Delivery																		
Plan Design and Approval																		
Construction of Improvements																		
Lot Delivery																		
Plan Design and Approval																		
Construction of Improvements																		
Lot Delivery																		
Plan Design and Approval																		
Construction of Improvements																		
Lot Delivery																		

APPENDIX

APPENDIX 1
SITE LOCATION MAP

VICINITY MAP
SCALE 1"=1200'

N.T.S.

LOCATION MAP

LIBERTY RANCH
PUBLIC IMPROVEMENT DISTRICT
LOCATION MAP

APPENDIX 2
ENGINEER'S OPINION OF PROBABLE COST

Liberty Ranch Sections 1&2			
OVERALL SUMMARY			
	Improvement Area #1	Improvement Area #2	Totals
Section1: Hard Construction Costs			
Hard Costs:			
WATER	$671,233	$0	$671,233
SANITARY SEWER	$883,973	$0	$883,973
STORM DRAINAGE	$609,111	$0	$609,111
STREET	$1,384,840	$0	$1,384,840
MISC STREET	$29,125	$0	$29,125
EROSION CONTROL	$50,800	$0	$50,800
GRADING	$182,050	$0	$182,050
FINE GRADING/DITCH STREET RESTORATION	$109,500	$0	$109,500
PERMANENT PONDS	$353,500	$0	$353,500
PARK LAND / EQUIPMENT	$35,440	$0	$35,440
SUBDIVISION GATE SIGNS AND ENTRANCE	$20,700	$0	$20,700
STREAM CROSSINGS	$0	$0	$0
OFFSITE ROAD IMPROVEMENTS	$675,000	$0	$675,000
OFFSITE WATER	$0	$0	$0
OFFSITE SEWER	$0	$0	$0
Total Construction Costs +/- 1.00 Rounding	$5,005,271	$0	$5,005,271
Section 2: Soft Costs			
Soft Costs			
EXTERNAL OVERHEAD/PERMITS/CAPACITY FEES	$128,200	$0	$128,200
SURVEY/STUDIES	$152,750	$0	$152,750
Engineering, Inspections and Testing	$422,898	$0	$422,898
Bond Fees			$0
Total Soft Costs +/- 1.00 Rounding	$703,848	$0	$703,848
Subtotal	$5,709,119	$0	$5,709,119
Contingency Civil 12.00%	$634,347	$0	$634,347
Contingency Landscape			$0
Total Contingency	$634,347	$0	$634,347
Total Qualified PID Costs	$6,343,466	$0	$6,343,466
		0	

Liberty Ranch Sections 1&2			ENGINEERING SUMMARY	
IMPROVEMENT AREA	CONSTRUCTION COST (W/CONTINGENCY)	FEES	TOTAL	
IMPROVEMENT AREA # 1	$5,639,618	$703,848	$6,343,466	
IMPROVEMENT AREA # 2	$0	$0	$0	
TOTAL	$5,639,618	$703,848	$6,343,466	

Liberty Ranch IA#1 Sec 1-2

Subdivision	Liberty Ranch Sections 1&2
Total Units	216
Length of Street	6780
Number of Intersections	5
Width of streets	28
Number of Cul-de-Sacs	2

Legend		
Empty	User Input Lines	With Values
	Calculated Cells (DO NOT EDIT)	
	Optional Items (remove 0 in front of formula to include)	

10.12.25

Infrastructure Budget

Description					
EXTERNAL OVERHEAD/PERMITS/CAPACITY FEES	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Mobilization/ General Conditions	0	LS	25,830.00	$0	Comments
Bonds Letter of Credit to County	4.50	%	20,000.00	$90,000	
Insurance	0.00	per 1 M	9,000.00	$0	
City County Fees	1	Per	35,000.00	$35,000	
Permitting /Review	0	Ea.	8,000.00	$0	
Capacity Fee	0	Lot	5,000.00	$0	
Impact Fee		Lot	0.00	$0	
Development Permit Fee	0	Lot	250.00	$0	
Site Work Permit Fee	1.00	Ea.	3,200.00	$3,200	
Development Cost Alocation	0	Lot	2,250.00	$0	
Subtotal					$128,200
SURVEY/STUDIES	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Construction Staking	216	Lot	350.00	$75,600	Comments
Elevation Surveys	1.00		9,250.00	$9,250	
Subdivision Platting	1.00		14,500.00	$14,500	
Market Study	1.00		3,000.00	$3,000	
Environmental Phase 1	1.00		4,500.00	$4,500	
Soils Testing	2.00		11,000.00	$22,000	
Traffic Study	1		13,000.00	$13,000	
Wetlands Study	0.00		18,590.00	$0	
Boundary Survey	2.00	Open	5,450.00	$10,900	
Subtotal					$152,750
EROSION CONTROL	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Construction Entrance	1	EA	4,800.00	$4,800	Comments
Clear & Grub	7	AC	5,500.00	$38,500	
Erosion Control Measures (Silt Fence etc...)	5	AC	650.00	$3,250	
Erosion Control Basins	0	EA	10,000.00	$0	
Temporary Erosion Control Seeding	5	AC	850.00	$4,250	
Open	1	Open	0.00	$0	
Subtotal					$50,800

GRADING	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Strip Topsoil - Waste Onsite	0	CY	1.25	$0	Comments
Swap/ Borrow Topsoil Onsite	0	CY	2.75	$0	
Cut/ Fill Excavation	34,000	CY	5.20	$176,800	
Retaining Wall	0	SF	37.00	$0	
Pad Set	0	EA	350.00	$0	
Install Culvert 12-18" Driveway w fill	1	EA	5,250.00	$5,250	
Remove Temporary Sediment Basins	0	EA	4,800.00	$0	
Open	0	Open	0.00	$0	
Subtotal					$182,050
FINE GRADING/DITCH STREET RESTORATION	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Fine Grading (pads, COS)	216	LOT	350.00	$75,600	Comments
Fine Grade ROW after dry utilities	6,780	LF	2.50	$16,950	
Fine Grade/ Backfill Curb & Gutter	13,560	LF	1.25	$16,950	
Swale Grade	0	LF	3.00	$0	
Re Grade Exterior Streets	0	LF	3.00	$0	
Ditch Restoration	0	LF	6.50	$0	
Open		Open	0.00	$0	
Subtotal					$109,500
SANITARY SEWER	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Tie to Existing Manhole	1	EA	4,200.00	$4,200	Comments
8" PVC Sanitary Sewer (Depth 6'-18')	3,249	LF	49.00	$159,201	
8" DIP Sanitary Sewer	0	LF	48.00	$0	
8" C900 Sanitary Sewer (Depth 6'-18')	0	LF	49.00	$0	
10" PVC Sanitary Sewer (Depth 6'-18')	0	Lf	67.00	$0	
12" SDR-26, PVC Sanitary Sewer All Depths	0	LF	84.00	$0	
15" SDR-26, PVC Sanitary Sewer All Depths	0	LF	0.00	$0	
18" SDR-26, PVC Sanitary Sewer All Depths	0	LF	0.00	$0	
Long Single 4" PVC Sanitary Sewer Lateral w/ CO	10	LOT	2,200.00	$22,000	

Description					
Long Double 4" PVC Sanitary Sewer Lateral w/ CO	46	EA	2,800.00	$128,800	
Short Single 4" PVC Sanitary Sewer Lateral w/ CO	10	LOT	1,200.00	$12,000	
Short Double 4" PVC Sanitary Sewer Lateral w/ CO	46	EA	1,800.00	$82,800	
Jack & Bore	0	LF	285.00	$0	
Sanitary Sewer Manhole	37	EA	4,406.00	$163,022	
Large Sanitary Sewer Manhole (5 Foot)	0	EA	0.00	$0	
4" PVC Force Main line w/fittings	1,770	LF	35.00	$61,950	
6" PVC Force Main line w/fittings	0	LF	40.00	$0	
8" PVC Force Main line w/fittings	0	LF	45.00	$0	
Pump Station	0.00	LS	115,000.00	$0	
Trenchless Construction SAN (additional cost)	0	LF	135.00	$0	
Trenchless Construction SA (Steel Casing)	0	LF	240.00	$0	
Trench Safety	0	LF	1.00	$0	
Lift Station Public	1	EA	250,000.00	$250,000	
Lift Station Private	0	EA	90,000.00	$0	
Stabilized sand	0	Ea.	250.00	$0	
Open		Open			
Move in, Startup, and Bonds (5%)	0	LS	44,198.65	$0	
As Built Topo (1%)	0	LS	8,839.73	$0	
Construction Materials Testing (3%)	0	LS	26,519.19	$0	
SWPPP (3%)	0	LS	26,519.19	$0	
Domestic Sewer Service	0	EA	1,100.00	$0	
Pressure Test	0	LF	1.75	$0	
Open	0	Open	0.00	$0	
Subtotal					$883,973
STORM DRAINAGE	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
15" RCP Class III	58	LF	66.00	$3,828	Comments
18" RCP Class III	728	LF	74.00	$53,872	
24" RCP Class III	1,919	LF	75.00	$143,925	
30" RCP Class III	589	LF	87.50	$51,538	
36" RCP Class III	540	LF	120.00	$64,800	
42" RCP Class III	540	LF	144.00	$77,760	
48" RCP Class III	0	LF	165.00	$0	
54" RCP Class III	0	LF	250.00	$0	
60" RCP Class III	0	LF	288.00	$0	
66" RCP Class III	0	LF	324.00	$0	
72" RCP Class III	0	LF	372.00	$0	
30" RCP Class III Inlet	0	LF	100.00	$0	
24 " RCP Class III Inlet	0	LF	75.00	$0	
HDPE Storm Sewer 12	0	LF	34.00	$0	
HDPE Storm Sewer 15	0	LF	42.00	$0	
HDPE Storm Sewer 18	0	LF	48.00	$0	
HDPE Storm Sewer 24	0	LF	61.00	$0	
HDPE Storm Sewer 30	0	LF	0.00	$0	
HDPE Storm Sewer 36	0	LF	0.00	$0	
HDPE Storm Sewer 48	0	LF	0.00	$0	
HDPE Storm Sewer 60	0	LF	0.00	$0	
RCP Storm Sewer 24" Culvert	0	LF	160.00	$0	
8" Brick Blag	0	EA	300.00	$0	
4'x7' PC RCB Culvert	0	LF	0.00	$0	
5'x5' PC RCB Culvert	0	LF	0.00	$0	
5'x10' RCB Culvert	0	LF	1,140.00	$0	0.00
5'x12' RCB Culvert	0	LF	1,550.00	$0	
6'x7' RCB Culvert	0	LF	0.00	$0	
6'x8' RCB Culvert	0	LF	0.00	$0	
9'x9' PC RCB Culvert	0	LF	1,500.00	$0	
Headwalls	0	SF	62.00	$0	0.00
Headwalls	0	EA	62,500.00	$0	
Decorative Facing	0	SF	0.00	$0	
Standard Type "C" Manhole 24-42"	0	EA	3,200.00	$0	
Type "C" Manhole (48" Larger)	0	EA	0.00	$0	
Storm Water Pump Station	0	EA	112,000.00	$0	
4- Inch Concrete Slope Paving	0	SY	110.00	$0	
5- Inch Concrete Slope Paving	0	SY	116.00	$0	
6- Inch Concrete Slope Paving	0	SY	139.00	$0	0.00
6- Inch Concrete for Wier	0	CY	139.00	$0	
Rip Rap		SY	101.00	$0	
Control Structure	0	EA	0.00	$0	
Flared End Sections w/ rip rap	0	EA	0.00	$0	
Type "A" Curb Inlet	23	EA	3,700.00	$83,620	
Double Curb Inlet	5	EA	4,200.00	$18,984	
Drop Inlet	27	EA	2,700.00	$72,900	
5' x 5' Junction Box	5	EA	7,000.00	$37,884	
5'x8' Junction Box	0	EA	0.00	$0	
Storm Plug	0	EA	0.00	$0	
Hydro Seeding	0	AC	2,400.00	$0	
Turf Establishment Via Dry Application (Ponds)	0	AC	2,700.00	$0	
Trench Safety	0	EA	1.00	$0	
Open	0	Open	0.00	$0	

Description					
Move in, Startup, and Bonds (5%)	0	LS	30,455.53	$0.00	
As Built Topo (1%)	0	LS	6,091.11	$0.00	
Construction Materials Testing (3%)	0	LS	18,273.32	$0.00	
SWPPP (3%)	0	LS	18,273.32	$0.00	
Subtotal	4,374				$609,111
PERMANENT PONDS	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Dry Pond BMP	0.00	EA	30,000.00	$0	Comments
Sand Filter BMP	0.00	EA	40,000.00	$0	
Wet Pond BMP	0.00	EA	115,000.00	$0	
Outflow Systems	1.00	Ea.	78,500.00	$78,500	
Excavation	50000.00	Open	5.50	$275,000	
Drainage Land	0.000	Ac	52,000.00	$0	
Subtotal					$353,500
Park Lands, Improvements, and Equipment	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Land	0.000	Ac.	52,000.00	$0	Comments
Equipment	1.00	Ea.	30,000.00	30,000.00	
Improvements	0.00	Ea.	20,000.00	0.00	
Central Mail Facilities	216	Ea.	0.00	0.00	
3' 6' WIDE Granite Walkway	0	LF	30.00	0.00	
BUTTERFLY GARDEN	0	Ea.	4,250.00	0.00	
WOOD DOCK POND AMENITY	0	Ea.	8,450.00	0.00	
FOUNTAIN POND AMENITY	0.00	Ea.	12,500.00	0.00	
3" DIAMETER FLOWING TREE	0	Ea.	325.00	0.00	
SHRUB	20	Ea.	52.00	1,040.00	
AQUATIC HABITAT POND AMENITY	0	Ea.	8,750.00	0.00	
COASTAL HABITAT POND AMENITY	0	Ea.	4,500.00	0.00	
Walking Trails	0	LF	9.00	0.00	
Horseshoe Ct	2	Ea.	2,200.00	4,400.00	
Disk Golf Holes	0	Ea.	545.00	0.00	
Soccer Fields Youth	0	Ea.	14,500.00	0.00	
Softball Field Youth	0	Ea.	18,000.00	0.00	
Pool	0.00	Ea.	105,000.00	0.00	
Clubhouse/ Joint Work Center	0.00	SF	150.00	0.00	
Birdhouse Village	0	Ea.	105.00	0.00	
Relaxation Garden	0	Ea.	5,650.00	0.00	
Fire Pits	0	Ea.	2,585.00	0.00	
Park In Lieu Fees	0	Lot	540.00	0.00	
Open	0.00	Open	0.00	0.00	
Open	0.00	Open	0.00	0.00	
					$35,440
WATER	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
Tie to Existing Water Main	1	EA	1,950.00	$1,950	Comments
Number of Cul-de-Sacs	0	NA	0.00	NA	
Jack & Bore	0	LF	285.00	$0	
2" PVC Water Main	0	LF	18.00	$0	
4" C900 Water Main	315	LF	21.00	$6,615	
6" C900 Water Main	2,712	LF	22.00	$59,664	
8" C900 Water Main	2000	LF	38.00	$76,000	
8" C900 Water Main W/ 16 inch Casing	350	LF	166.00	$58,100	
8" DIP Water Main	1,356	LF	48.00	$65,088	
12" C900 Water Main	0	LF	52.00	$0	
16" C900 Waterline	0	LF	52.00	$0	
6" Gate Valve w/Box	65	Ea.	1,300.00	$84,500	
8" Gate Valve/ w Box	15	EA	2,000.00	$30,000	
12" Gate Valve / w Box	0	Ea	2,500.00	$0	
Blow off and Box 2"	24	EA	731.00	$17,544	
Water Line Service Short Single	10	Ea.	660.00	$6,600	
Water Line Service Short Double	46	Ea.	932.00	$42,872	
Water Line Service Long Single	10	Ea.	1,820.00	$18,200	
Water Line Service Long Double	46	Ea.	1,960.00	$90,160	
6X6 Wet Connection	0	EA	600.00	$0	
8x6 Wet Connection	0	EA	700.00	$0	
12" wet Connection	1	EA	1,000.00	$1,000	
Plug and Clamp 4"	0	EA	160.00	$0	
Plug and Clamp 6"	22	EA	50.00	$1,100	
Plug and Clamp 8"	7	EA	400.00	$2,800	
Plug and Clamp 10"	0	EA	410.00	$0	
Plug and Clamp 12"	2	EA	420.00	$840	

Description					
Trenchless Construction WTR additional cost	0	LF	165.00	$0	
Trenchless Construction WTR Steel Casing	0	LF	265.00	$0	
Flushing Valve	16	EA	3,600.00	$57,600	
Flushing / air relief Valve w Manhole		EA	4,000.00	$0	
Ductile Iron Fittings	0	Ton	6,500.00	$0	
PVC Fittings	3	Ton	5,000.00	$15,000	
Trench Safety	0	LF	1.00	$0	
Fire Hydrant Assembly	8	EA	4,450.00	$35,600	
3/4 " Meters	0	EA	250.00	$0	
Move in, Startup, and Bonds (5%)	0	LS	33,464.15	$0.00	
As Built Topo (1%)	0	LS	6,692.83	$0.00	
Construction Materials Testing (3%)	0	LS	20,078.49	$0.00	
SWPPP (3%)	0	LS	20,078.49	$0.00	
Domestic Water Service	0	EA	1,000.00	$0	
Pressure Test & Chlorinate	0	LF	1.00	$0	
Open	0	Open	0.00	$0	
Open	0	Open	0.00	$0	
Subtotal					$671,233
STREET	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
Roadway Excavation& Spread and Compact Onsite	9,741	CY	5.60	$54,549	Comments
Curb & Gutter Streets	1	1 or 0	1.00	$1	
Subgrade Preparation	16,450	SY	7.25	$119,263	
Lime for Subgrade 20#/SY	139	TON	220.00	$30,565	
Fly Ash for Sub grade 40 #/SY	278	TON	0.00	$0	
6" Reinforced Concrete Pavement	16,450	SY	62.50	$1,028,125	
7" Reinforced Concrete Pavement	0	SY	48.00	$0	
8" Reinforced Concrete Pavement	0	SY	56.00	$0	
6x12 Rollover Curb & Gutter	13,560	LF	5.85	$79,326	
Tie to Existing Reinforced Concrete Paving	0	EA	1.00	$0	
Asphalt Paving (8" ABC+1.5"S9.5)	21,093	SY	0.00	$0	
Asphalt Paving (1.5" Final Surface)	21,093	SY	0.00	$0	
8" Compacted Base	21,093	SY	0.00	$0	
Asphalt Transitions	0	EA	110.00	$0	
Asphalt Trail	0	SY	11.00	$0	
Handicap Ramps Type 7 ADA	20	EA	1,408.30	$28,166	
Handicap Ramps Type 12 ADA	0	EA	1,100.00	$0	
Sign Street with Stop	6	EA	410.00	$2,460	
Street Signs	0	EA	400.00	$0	
Type III Barricade	2	EA	997.00	$1,994	
Traffic Control Plan	1	EA	3,200.00	$3,200	
Striping and Pavement Markings	1	EA	3,500.00	$3,500	
Open		Open	0.00	$0	
Move in, Startup, and Bonds (5%)	0.5	LS	67,382.43	$33,691	
As Built Topo (1%)	0	LS	13,476.49	$0	
Construction Materials Testing (3%)	0	LS	40,429.46	$0	
SWPPP (3%)	0	LS	40,429.46	$0	
ROW	0.000	Open	52,000.00	$0	
Subtotal					$1,384,840
MISC STREET	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
5' Sidewalk	250	LF	31.00	$7,750	Comments
Street Trees	45	EA	325.00	$14,625	
Conc. D/W	0	SY	3.00	$0	
Mailbox Pads	3	Open	2,250.00	$6,750	
Subtotal					$29,125
ELECTRICAL/PHONE/FIBER GRID	Quantity	Unit	Unit Price	2	Pricing Type 0 for None 1,2,3
Mobilization	0	EA	0.00	$0	Comments
Main/Lift Transformer	0	EA	0.00	$0	
Individual Lots/Transformers	216	EA	0.00	$0	
Fiber	216	EA			
Telephone	216	EA			
Surcharge	0	EA	0.00	$0	
Rebate at 24	216	EA	0.00	$0	
	6780	LF	0.00	$0	
Sub Total					$0
STREAM CROSSINGS	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Wetland/Stream Impact Mitigation Fee	0.00	LF	0	$0	Comments
Onsite Mitigation in lieu of fee	0.00	LS	0	$0	

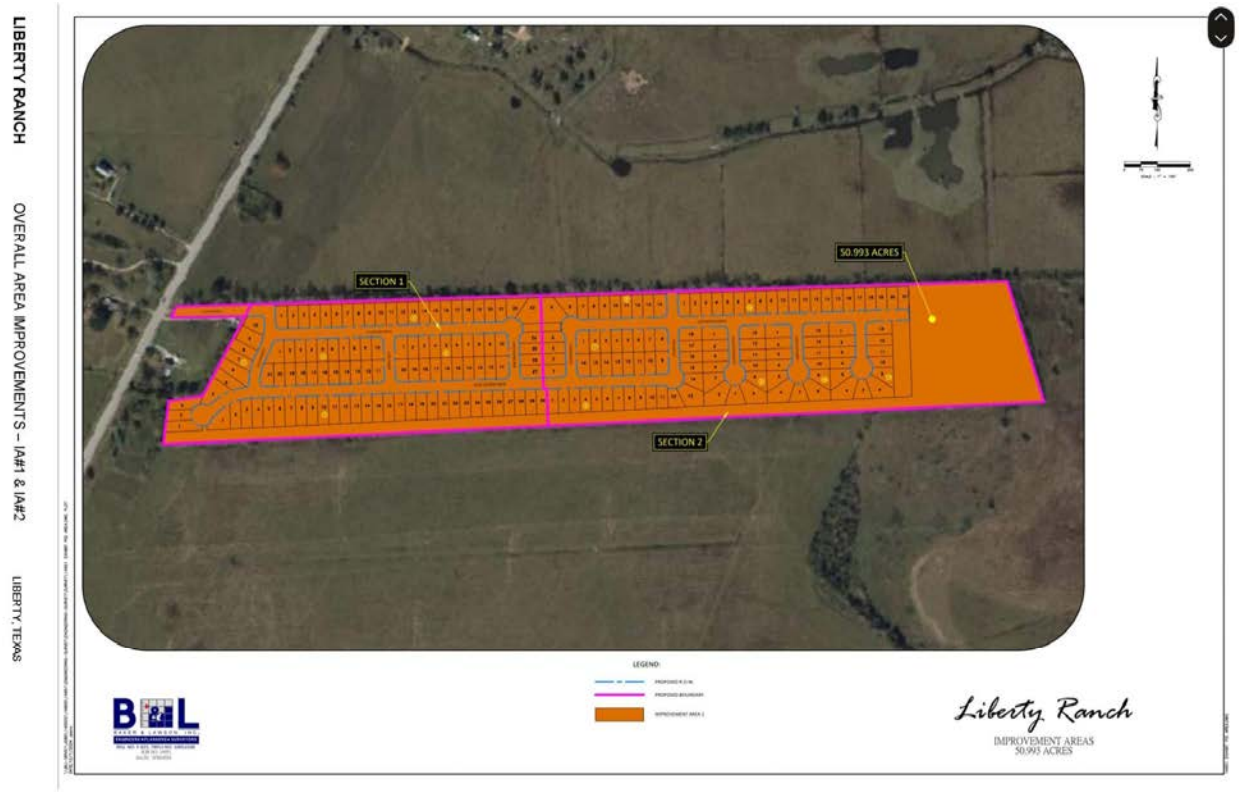
Description					
Pipe Stream Crossing (Turnkey inc walls)	0.00	EA	75,000	$0	
Bottomless Culvert (Turnkey inc walls)	0.00	EA	0	$0	
Bridge Construction	0.00	SECTION	500,000	$0	
Open	0.00	Open	0	$0	
Subtotal					$0
OFFSITE ROAD IMPROVEMENTS	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
Build new Left Turn lane DOT Road	1.00	LF	350,000.00	$350,000	Comments
Stop Light	0.00	EA	587,000.00	$0	
Cross Walk	0.00	EA	2,500.00	$0	
Public Road Signage	0.00	EA	875.00	$0	
Turn lanes Right (Turnkey)	1.00	EA	325,000.00	$325,000	
Open	0.00	Open	250,000.00	$0	
Subtotal					$675,000
SUBDIVISION ENTRY	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Entry Gate House	0.00	EA	0.00	$0	Comments
Entry Gate System	0.00	EA	0.00	$0	
Entry signage	0.60	EA	19,500.00	$11,700	
Entry Landscaping and Lighting	0.50	Open	18,000.00	$9,000	
Entry Irrigation System	0.00	Open	9,500.00	$0	
Subtotal					$20,700
OFFSITE WATER	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
8" Water Main with Fittings	0.00	LF	42.00	$0	Comments
12" Water Main with Fittings	0.00	LF	135.00	$0	0.00
Blow Off Valves	0.00	Ea.	450.00	$0	
Main shutoff Valves	0.00	Ea.	2,250.00	$0	
Trenchless Construction WTR additional cost	0.00	LF	165.00	$0	0.00
Trenchless Construction WTR Steel Casing	0.00	LF	122.00	$0	0.00
Open	0.00	Ea.	283,484.44	$0	
Subtotal					$0
OFFSITE SEWER	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
4" Force Main Sewer	0.00	LF	22.00	$0	Comments
6" Force Main Sewer			0.00	$0	
			0.00	$0	
8" Gravity Sewer with Manholes/clearing/grading	0.00	LF	85.00	$0	
12" Gravity Sewer with Manholes/clearing/grading	0.00	LF	135.00	$0	0.00
Trenchless Construction SWR additional cost	0.00	LF	165.00	$0	
Trenchless Construction SWR Steel Casing	0.00	LF	122.00	$0	
Open cut roadway for tie-in	0.00	SY	118.00	$0	
Traffic Control for roadway open cut	0.00	LS	2,500.00	$0	
Open	0.00	Open	283,484.44	$0	
Subtotal					$0
LAND DEDICATIONS	1.00	$ 25,000		Total without contingency	$5,286,221
Greenbelt, Drainage, Detention	11.11			Contingency Percentage	12%
Parks	1.47			Contingency	$634,347
Non ROW Dedications	12.58	$314,500		Engineering, Inspections and Testing %	8%
ROW	9.09	$227,175		Engineering, Inspections and Testing	$422,898
		$541,675		Total	$6,343,466
				Construction ONLY Cost per Lot	$29,367.90
				Cost per LF of Street	$935.61
				Cost per LF of Lot	$592.85
				Land Dedication	$541,675
				Total Project Cost	$6,885,141

BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS

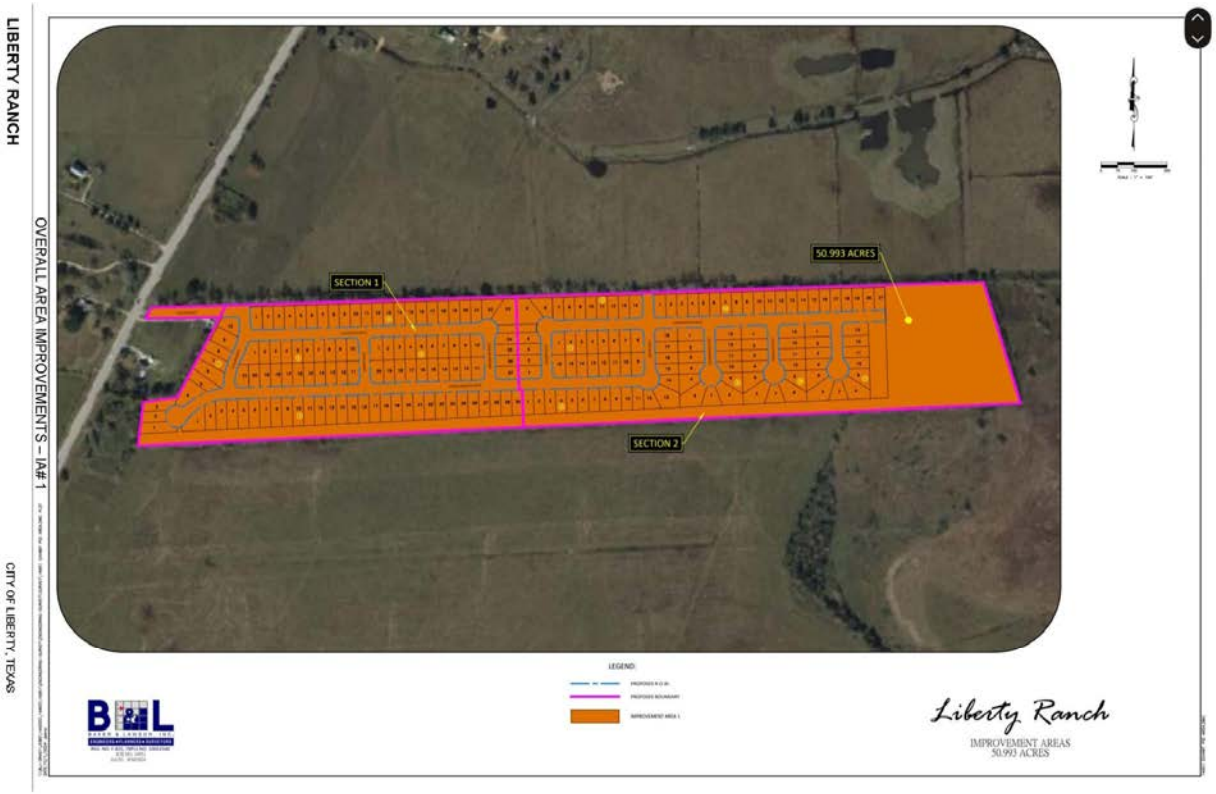
NOTES:

1. This Engineer's Opinion of Probable Cost (OPC) is not prepared by a contractor or professional cost estimator. Actual construction bids may vary significantly due to timing of construction, changing conditions, the competitive nature of the market, labor rate changes, or other factors.
2. Engineer's OPC is based on incomplete and unapproved construction plans.
3. Dry utility cost associated with electric, gas, and telecom is not included.
4. Hardscape and landscaping is limited to items listed.
5. Developer soft costs are not included
6. Unit prices were taken from Liberty Civil, 2024.
7. Geotech report available to verify pavement sections in sections 1&2. High P.I. areas requiring moisture barrier are excluded and are part of the contingency.
8. Homebuilder sidewalk not included.
9. Assumes spoils are stockpiled onsite for future phase use.

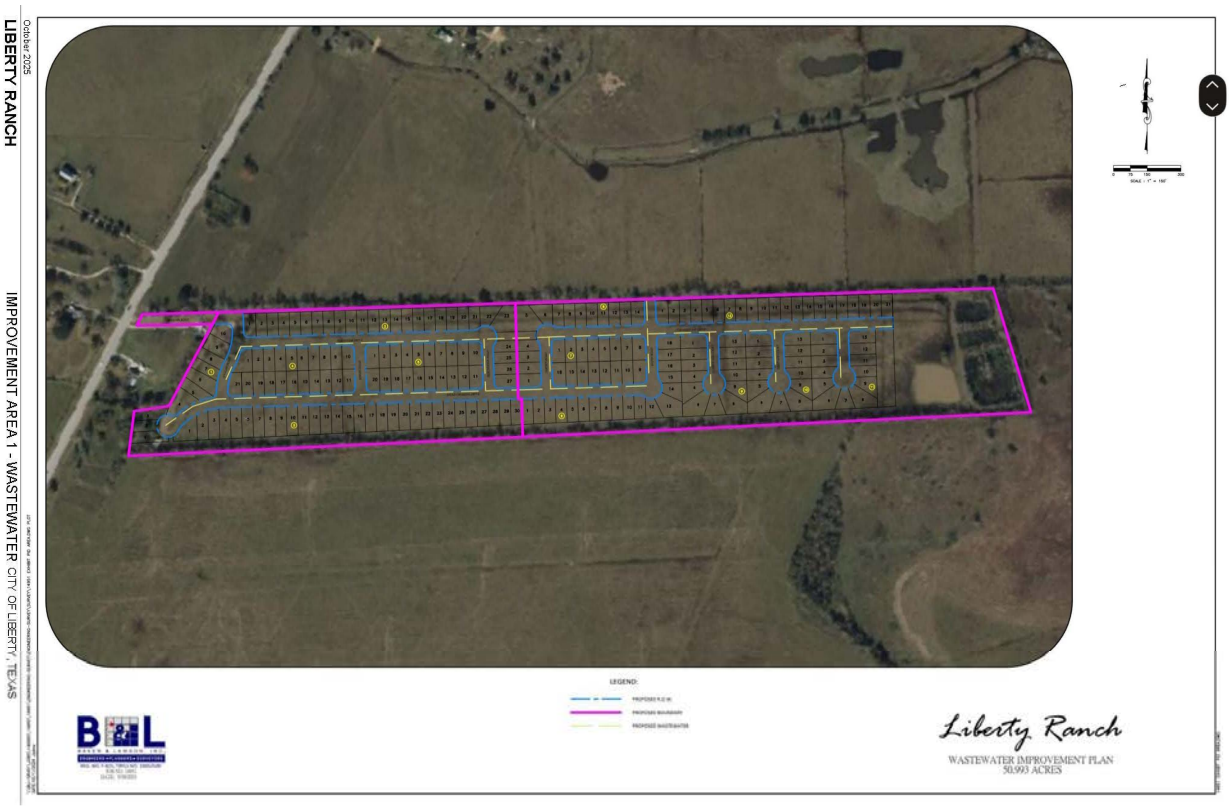
APPENDIX 3
OVERALL IMPROVEMENTS MAP: IA#1


LIBERTY RANCH
OVERALL AREA IMPROVEMENTS – IA#1 & IA#2
LIBERTY, TEXAS
SECTION 1
SECTION 2
50.993 ACRES
LEGEND:
Liberty Ranch
IMPROVEMENT AREAS
50.993 ACRES

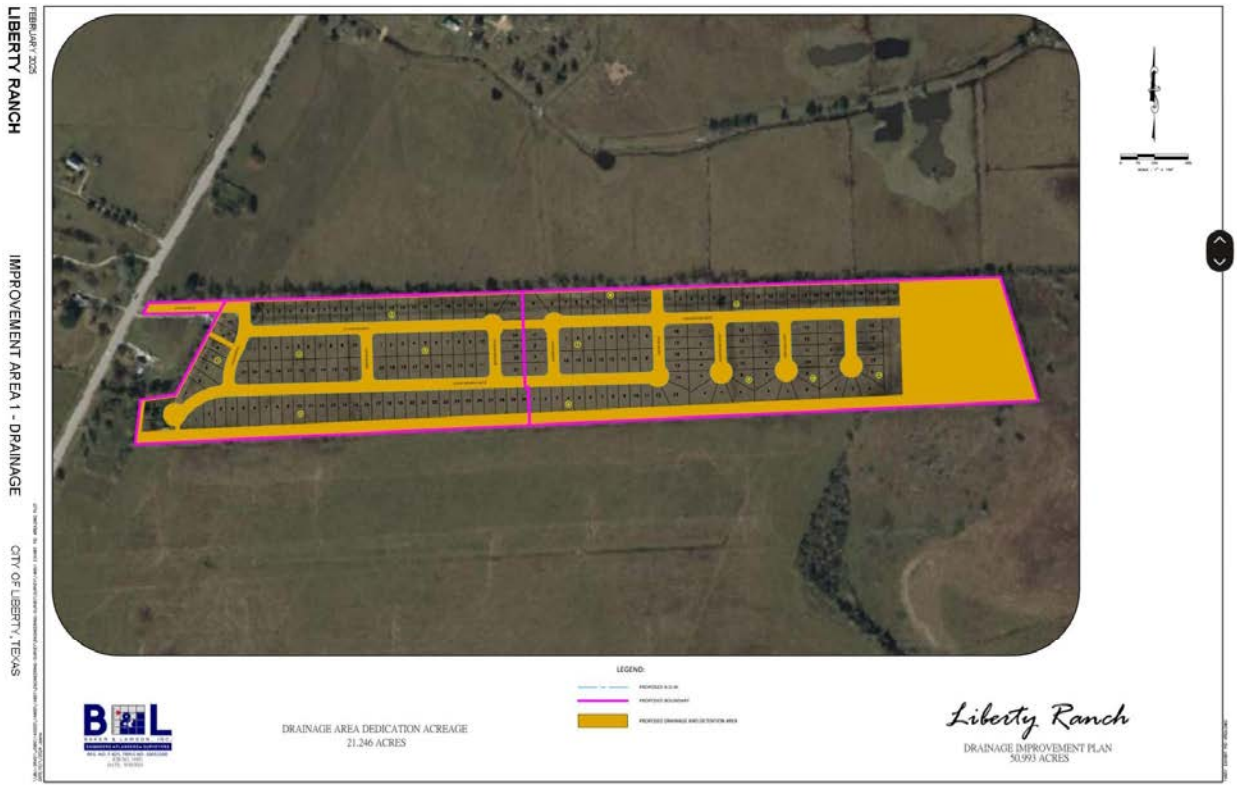
APPENDIX 4
OVERALL IMPROVEMENTS MAP:
IA# 1


LIBERTY RANCH
OVERALL AREA IMPROVEMENTS – IA# 1
CITY OF LIBERTY, TEXAS
SECTION 1
50.993 ACRES
SECTION 2
LEGEND:
Liberty Ranch
IMPROVEMENT AREAS
50.993 ACRES

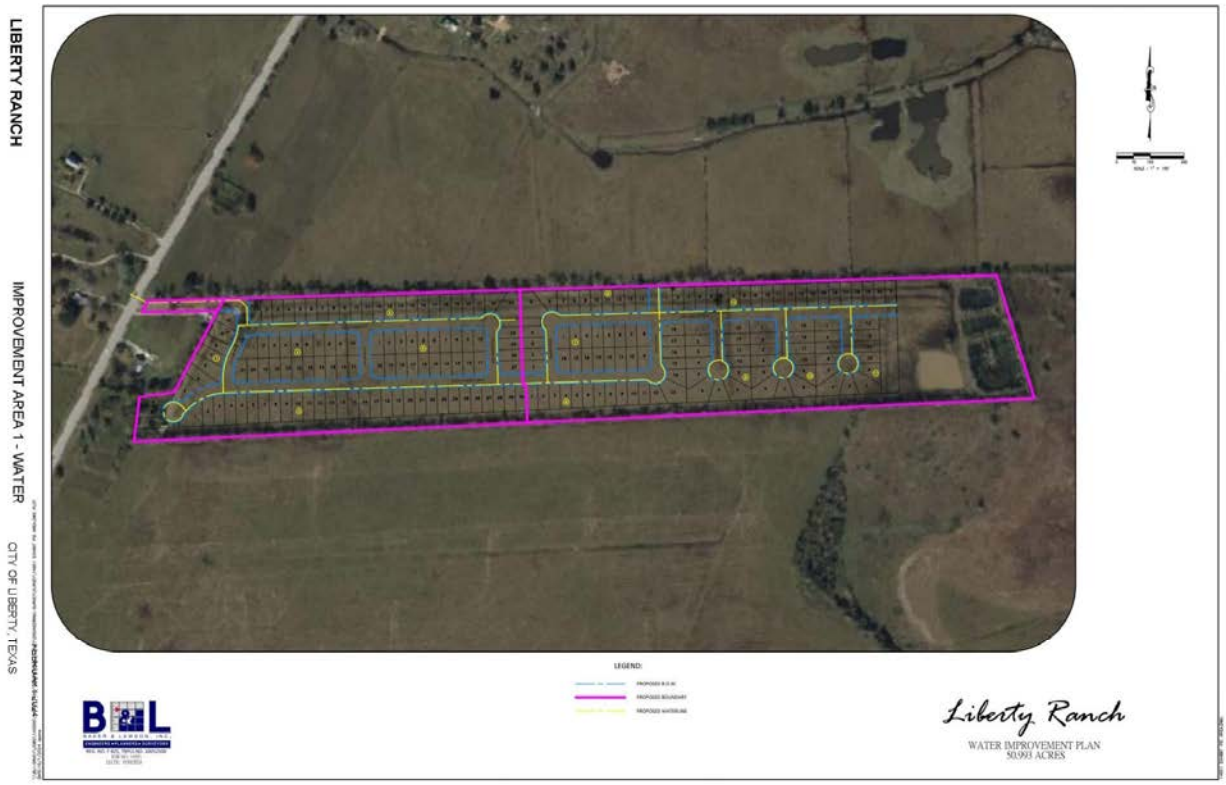
APPENDIX 5
IMPROVEMENT AREA #1 MAP: WASTEWATER


October 2025
LIBERTY RANCH
IMPROVEMENT AREA 1 - WASTEWATER CITY OF LIBERTY, TEXAS
LEGEND:
Liberty Ranch
WASTEWATER IMPROVEMENT PLAN
50.993 ACRES

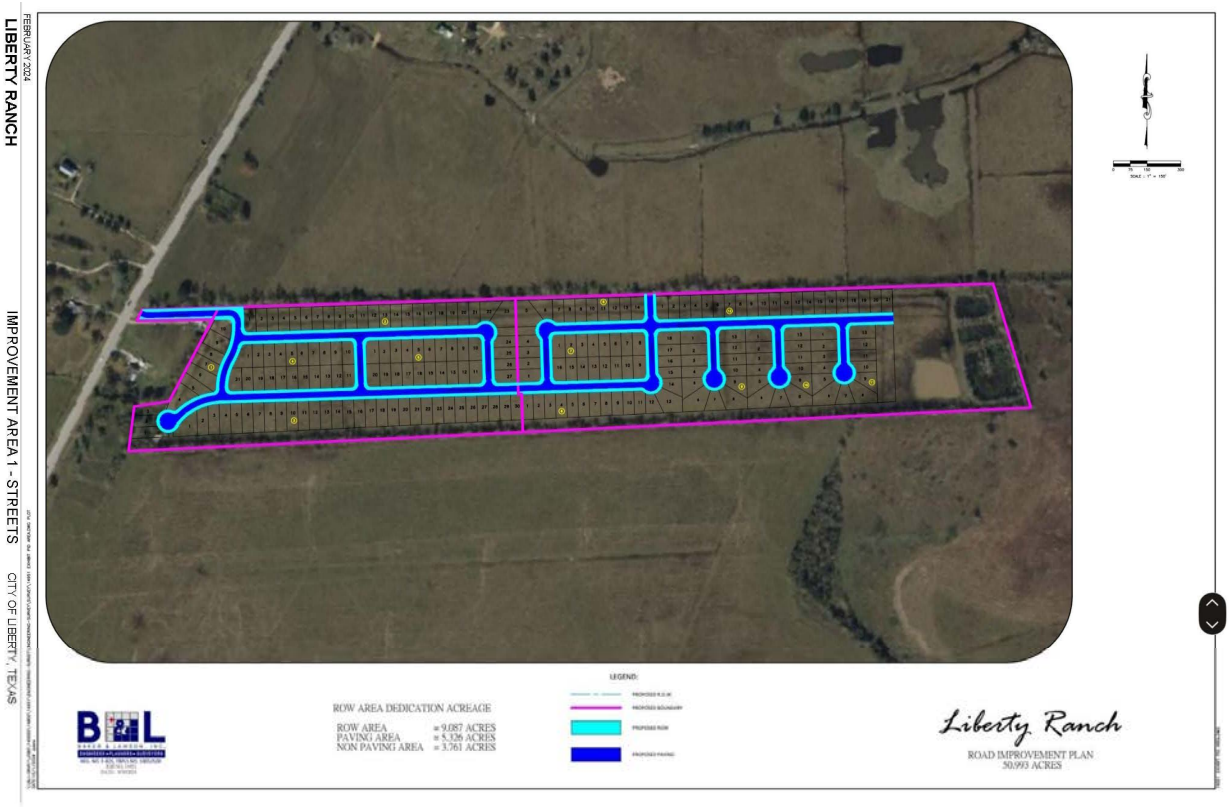
APPENDIX 6
IMPROVEMENT AREA #1 MAP: DRAINAGE


FEBRUARY 2025
LIBERTY RANCH
IMPROVEMENT AREA 1 - DRAINAGE
CITY OF LIBERTY, TEXAS
LEGEND:
DRAINAGE AREA DEDICATION ACREAGE
21.246 ACRES
Liberty Ranch
DRAINAGE IMPROVEMENT PLAN
50.993 ACRES

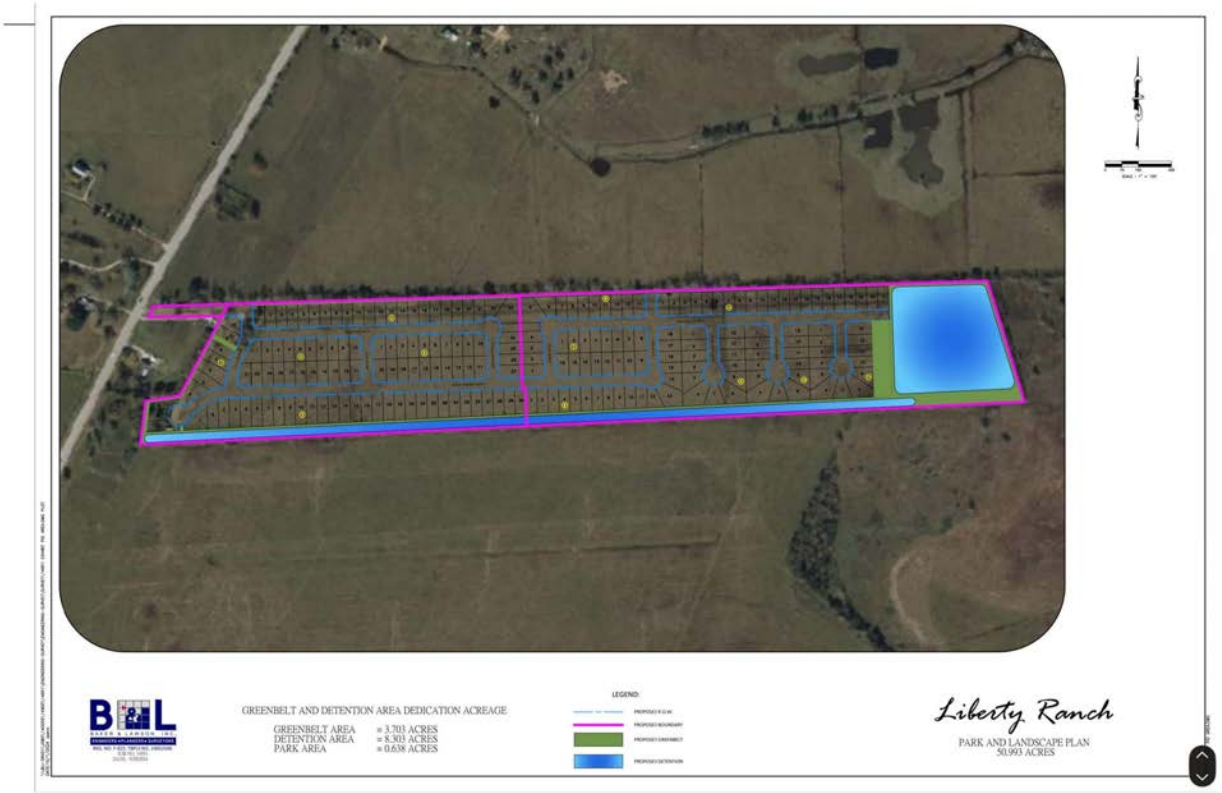
APPENDIX 7
IMPROVEMENT AREA #1 MAP:
POTABLE WATER


LIBERTY RANCH
IMPROVEMENT AREA 1 - WATER
CITY OF LIBERTY, TEXAS
LEGEND:
Liberty Ranch
WATER IMPROVEMENT PLAN
50.993 ACRES

APPENDIX 8
IMPROVEMENT AREA #1 MAP:
STREETS


LIBERTY RANCH
FEBRUARY 2024
IMPROVEMENT AREA 1 - STREETS
CITY OF LIBERTY, TEXAS
LEGEND:
ROW AREA DEDICATION ACREAGE
ROW AREA = 9.087 ACRES
PAVING AREA = 5.326 ACRES
NON PAVING AREA = 3.761 ACRES
Liberty Ranch
ROAD IMPROVEMENT PLAN
50.993 ACRES

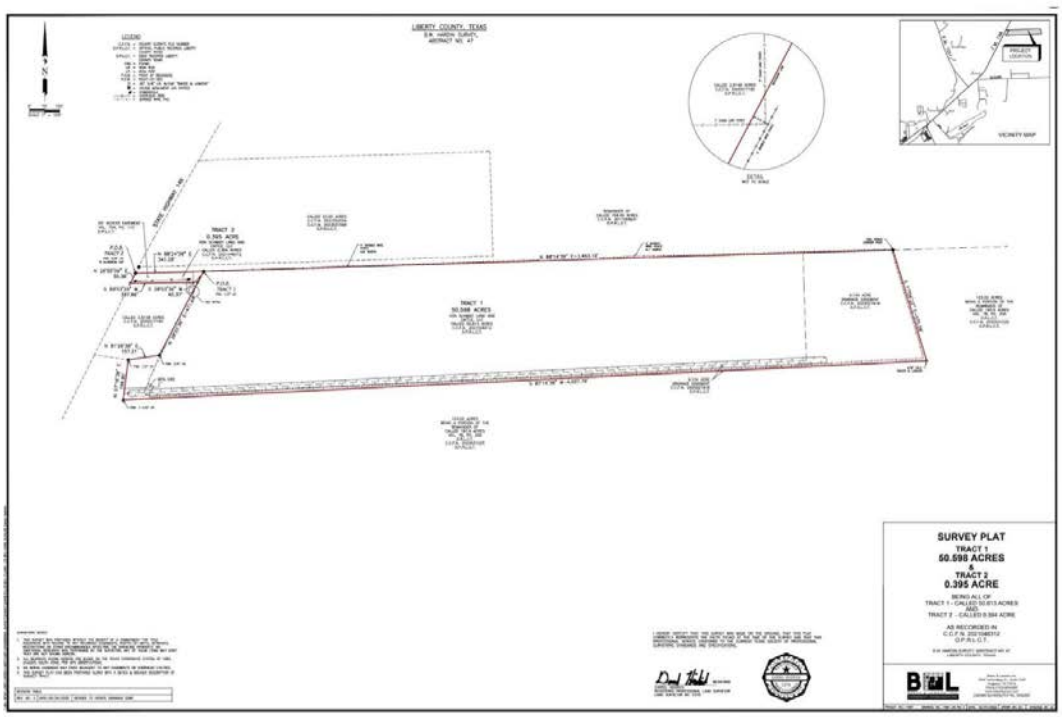
APPENDIX 9
IMPROVEMENT AREA #1 MAP:
PARKS, OPEN SPACE, & LANDSCAPING


GREENBELT AND DETENTION AREA DEDICATION ACREAGE
GREENBELT AREA = 3.703 ACRES
DETENTION AREA = 8.303 ACRES
PARK AREA = 0.638 ACRES
LEGEND:
Liberty Ranch
PARK AND LANDSCAPE PLAN
50.993 ACRES

APPENDIX 10

LEGAL DESCRIPTION:

IMPROVEMENT AREA #1
Tracts 1 & 2


LIBERTY COUNTY, TEXAS
SURVEY PLAT
TRACT 1
50.598 ACRES
&
TRACT 2
0.395 ACRE

County: Liberty County
Project: 50.598 Acres
Job No.: 14951

TRACT 1
DESCRIPTION OF 50.598 ACRES

Description of a 50.598 acre tract of land, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas, being all of a called 50.613 acre tract (Tract 1) as recorded in County Clerk's File No. (C.C.F.N.) 2021048312 of the Official Public Records of Liberty County Texas (O.P.R.L.C.T.), referred to hereinafter at the above referenced tract of land, said 50.598 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) South Central Zone, per GPS observations):

BEGINNING at a 1/2-inch iron rod found for corner, being the Northwest corner of the above referenced tract, same being on the South line of a called 154.00 acre tract as recorded in C.C.F.N. 2011005631 of the O.P.R.L.C.T., same being the Northeast corner of a called 0.394 acre tract, as recorded in C.C.F.N. 2021048312 of the O.P.R.L.C.T.

THENCE North 88°14'39" East, along the North line of the above referenced tract of land, same being the south line said called 154.00 acre tract, a distance of 3,453.19 feet to a fence post found for corner, being the Northeast corner of the above referenced tract, same being the most Westerly Northeast corner of a that certain tract as recorded in C.C.F.N. 2020031225 of the O.P.R.L.C.T.;

THENCE South 17°04'22" East, along the East line of the above referenced tract of land, same being a Northeasterly line of that said certain tract, a distance of 575.28 feet to a 5/8-inch iron rod with cap, stamped "Baker & Lawson", found for corner, being the Southeast corner of the above referenced tract of land, same being an interior corner of that said certain tract;

THENCE South 87°14'38" West, along the South line of the above referenced tract of land, same being a North line of that said certain tract, a distance of 4,027.79 feet to a 1-1/2 inch iron pipe found for the Southwest corner of the above referenced tract of land, same being an interior corner of that said certain tract;

THENCE North 07°16'38" East, along the West line of the above referenced tract of land, same being a Northwesterly line of that said certain tract, a distance of 199.95 feet to a 1/2-inch pipe found for a Northwest corner of the above referenced tract, same being a Southerly corner of a called 2.8148 acre tract, as recorded in C.C.F.N. 2005017190 of the O.P.R.L.C.T.;

THENCE North 81°29'38" East, along a North line of the above referenced tract of land, same being the Southerly line of said called 2.8148 acre tract, a distance of 157.21 feet to a 3/4-inch iron rod found for corner, being an interior corner of the above referenced tract of land, same being the Southeast corner of said called 2.8148 acre tract;

THENCE North 28°03'36" East, along the West line of the above referenced tract of land, same being the East line of said called 2.8148 acre tract, a distance of 471.64 feet to the **POINT OF BEGINNING** of the above referenced tract of land, containing 50.598 acres of land, more or less.

A boundary survey of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

09/24/2025

Darrel Heidrich
Registered Professional Land Surveyor
Texas Registration No. 5378

STATE OF TEXAS · REGISTERED · DARREL HEIDRICH · 5378 · PROFESSIONAL LAND SURVEYOR

County: Liberty County
Project: 0.395 Acre
Job No.: 14951

TRACT 2
DESCRIPTION OF 0.395 ACRE

Description of a called 0.395 acre tract of land, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas, being all of a called 0.394 acre tract as recorded in County Clerk's File No. (C.C.F.N.) 2021048312 of the Official Public Records of Liberty County Texas (O.P.R.L.C.T.), referred to hereinafter as the above referenced tract, said 0.395 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) South Central Zone, per GPS observations):

BEGINNING at a 5/8-inch iron rod with aluminum cap, found for corner, being the Northwest corner of the above referenced tract, same being on the East Right-of-Way (R.O.W.) of State Highway 146;

THENCE North 88°24'38" East, along the North line of the above referenced tract of land, same being the South line of a called 154.000 acre tract, as recorded in 2011005631 of the O.P.R.L.C.T., a distance of 341.28 feet to a 1/2-inch iron rod found for corner, being the Northeast corner of the above referenced tract, same being the Northwest corner of a called 50.613 acre tract, as recorded in C.C.F.N. 2021048312 of the O.P.R.L.C.T.;

THENCE South 28°03'36" West, along the East line of the above referenced tract of land, same being the West line of said called 50.613 acre tract, a distance of 60.37 feet to a 5/8-inch capped iron rod, stamped "Baker & Lawson", set for corner, being the Southeast corner of the above referenced tract of land, same being the Northeast corner of a called 2.8148 acre tract, as recorded in C.C.F.N. 2005017190 of the O.P.R.B.C.T.;

THENCE South 89°03'29" West, along the South line of the above referenced tract of land, same being the North line of said called 2.8148 acre tract, a distance of 337.86 feet to a 5/8-inch capped iron rod, stamped "Baker & Lawson", set for corner, being the Southwest corner of the above referenced tract of land, same being in the East R.O.W. line of said State Highway 146;

THENCE North 26°55'09" East, along the West line of the above referenced tract of land, same being the East R.O.W. line of said State Highway 146, a distance of 55.36 feet to the **POINT OF BEGINNING** of the above referenced tract of land, containing 0.395 of an acre of land, more or less.

A boundary survey of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

09/24/2025
Darrel Heidrich
Registered Professional Land Surveyor
Texas Registration No. 5378

STATE OF TEXAS
REGISTERED
DARREL HEIDRICH
5378
PROFESSIONAL
LAND SURVEYOR

APPENDIX B – BUYER DISCLOSURES

Forms of the buyer disclosures for the following Lot Types are found in this Appendix:

- District
  - Initial Parcel
  - Lot Type 1

[Remainder of page intentionally left blank.]

LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE – INITIAL PARCEL

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 CITY OF LIBERTY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

INITIAL PARCEL PRINCIPAL ASSESSMENT: $6,572,000.00

As the purchaser of the real property described above, you are obligated to pay assessments to City of Liberty, 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 ***Liberty Ranch Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Libety. The exact amount of each annual installment will be approved each year by the Liberty 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 City of Liberty.

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 Liberty County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____and _____ , known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this_____ , 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Liberty County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

_____ _____

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §
§
COUNTY OF _____ §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Liberty County.

ANNUAL INSTALLMENTS – INITIAL PARCEL

Installment Due 1/31	Principal	Interest[a]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ 82,000.00	$ 410,750.00	$ 32,860.00	$ 40,800.00	$ 566,410.00
2028	$ 87,000.00	$ 405,625.00	$ 32,450.00	$ 41,616.00	$ 566,691.00
2029	$ 92,000.00	$ 400,187.50	$ 32,015.00	$ 42,448.32	$ 566,650.82
2030	$ 97,000.00	$ 394,437.50	$ 31,555.00	$ 43,297.29	$ 566,289.79
2031	$ 103,000.00	$ 388,375.00	$ 31,070.00	$ 44,163.23	$ 566,608.23
2032	$ 109,000.00	$ 381,937.50	$ 30,555.00	$ 45,046.50	$ 566,539.00
2033	$ 116,000.00	$ 375,125.00	$ 30,010.00	$ 45,947.43	$ 567,082.43
2034	$ 122,000.00	$ 367,875.00	$ 29,430.00	$ 46,866.38	$ 566,171.38
2035	$ 130,000.00	$ 360,250.00	$ 28,820.00	$ 47,803.70	$ 566,873.70
2036	$ 138,000.00	$ 352,125.00	$ 28,170.00	$ 48,759.78	$ 567,054.78
2037	$ 146,000.00	$ 343,500.00	$ 27,480.00	$ 49,734.97	$ 566,714.97
2038	$ 155,000.00	$ 334,375.00	$ 26,750.00	$ 50,729.67	$ 566,854.67
2039	$ 164,000.00	$ 324,687.50	$ 25,975.00	$ 51,744.27	$ 566,406.77
2040	$ 174,000.00	$ 314,437.50	$ 25,155.00	$ 52,779.15	$ 566,371.65
2041	$ 185,000.00	$ 303,562.50	$ 24,285.00	$ 53,834.73	$ 566,682.23
2042	$ 196,000.00	$ 292,000.00	$ 23,360.00	$ 54,911.43	$ 566,271.43
2043	$ 209,000.00	$ 279,750.00	$ 22,380.00	$ 56,009.66	$ 567,139.66
2044	$ 222,000.00	$ 266,687.50	$ 21,335.00	$ 57,129.85	$ 567,152.35
2045	$ 235,000.00	$ 252,812.50	$ 20,225.00	$ 58,272.45	$ 566,309.95
2046	$ 250,000.00	$ 238,125.00	$ 19,050.00	$ 59,437.90	$ 566,612.90
2047	$ 266,000.00	$ 222,500.00	$ 17,800.00	$ 60,626.65	$ 566,926.65
2048	$ 283,000.00	$ 205,875.00	$ 16,470.00	$ 61,839.19	$ 567,184.19
2049	$ 300,000.00	$ 188,187.50	$ 15,055.00	$ 63,075.97	$ 566,318.47
2050	$ 319,000.00	$ 169,437.50	$ 13,555.00	$ 64,337.49	$ 566,329.99
2051	$ 340,000.00	$ 149,500.00	$ 11,960.00	$ 65,624.24	$ 567,084.24
2052	$ 361,000.00	$ 128,250.00	$ 10,260.00	$ 66,936.72	$ 566,446.72
2053	$ 384,000.00	$ 105,687.50	$ 8,455.00	$ 68,275.46	$ 566,417.96
2054	$ 409,000.00	$ 81,687.50	$ 6,535.00	$ 69,640.97	$ 566,863.47
2055	$ 435,000.00	$ 56,125.00	$ 4,490.00	$ 71,033.79	$ 566,648.79
2056	$ 463,000.00	$ 28,937.50	$ 2,315.00	$ 72,454.46	$ 566,706.96
Total	**$ 6,572,000.00**	**$ 8,364,698.50**	**$ 649,825.00**	**$ 1,655,177.63**	**$ 16,999,815.13**

Footnotes:

[a] Interest is calculated at a 6.125% for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE – LOT TYPE 1

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF LIBERTY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: $30,425.93

As the purchaser of the real property described above, you are obligated to pay assessments to City of Liberty, 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 ***Liberty Ranch Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Libety. The exact amount of each annual installment will be approved each year by the Liberty 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 City of Liberty.

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 Liberty County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____and _____ , known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this_____ , 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Liberty County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

_____ _____

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §
§
COUNTY OF _____ §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Liberty County.

ANNUAL INSTALLMENTS – LOT TYPE 1

Installment Due 1/31	Principal	Interest[a]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ 379.63	$ 1,901.62	$ 152.13	$ 188.89	$ 2,622.27
2028	$ 402.78	$ 1,877.89	$ 150.23	$ 192.67	$ 2,623.57
2029	$ 425.93	$ 1,852.72	$ 148.22	$ 196.52	$ 2,623.38
2030	$ 449.07	$ 1,826.10	$ 146.09	$ 200.45	$ 2,621.71
2031	$ 476.85	$ 1,798.03	$ 143.84	$ 204.46	$ 2,623.19
2032	$ 504.63	$ 1,768.23	$ 141.46	$ 208.55	$ 2,622.87
2033	$ 537.04	$ 1,736.69	$ 138.94	$ 212.72	$ 2,625.38
2034	$ 564.81	$ 1,703.13	$ 136.25	$ 216.97	$ 2,621.16
2035	$ 601.85	$ 1,667.82	$ 133.43	$ 221.31	$ 2,624.42
2036	$ 638.89	$ 1,630.21	$ 130.42	$ 225.74	$ 2,625.25
2037	$ 675.93	$ 1,590.28	$ 127.22	$ 230.25	$ 2,623.68
2038	$ 717.59	$ 1,548.03	$ 123.84	$ 234.86	$ 2,624.33
2039	$ 759.26	$ 1,503.18	$ 120.25	$ 239.56	$ 2,622.25
2040	$ 805.56	$ 1,455.73	$ 116.46	$ 244.35	$ 2,622.09
2041	$ 856.48	$ 1,405.38	$ 112.43	$ 249.23	$ 2,623.53
2042	$ 907.41	$ 1,351.85	$ 108.15	$ 254.22	$ 2,621.63
2043	$ 967.59	$ 1,295.14	$ 103.61	$ 259.30	$ 2,625.65
2044	$ 1,027.78	$ 1,234.66	$ 98.77	$ 264.49	$ 2,625.71
2045	$ 1,087.96	$ 1,170.43	$ 93.63	$ 269.78	$ 2,621.81
2046	$ 1,157.41	$ 1,102.43	$ 88.19	$ 275.18	$ 2,623.21
2047	$ 1,231.48	$ 1,030.09	$ 82.41	$ 280.68	$ 2,624.66
2048	$ 1,310.19	$ 953.13	$ 76.25	$ 286.29	$ 2,625.85
2049	$ 1,388.89	$ 871.24	$ 69.70	$ 292.02	$ 2,621.84
2050	$ 1,476.85	$ 784.43	$ 62.75	$ 297.86	$ 2,621.90
2051	$ 1,574.07	$ 692.13	$ 55.37	$ 303.82	$ 2,625.39
2052	$ 1,671.30	$ 593.75	$ 47.50	$ 309.89	$ 2,622.44
2053	$ 1,777.78	$ 489.29	$ 39.14	$ 316.09	$ 2,622.31
2054	$ 1,893.52	$ 378.18	$ 30.25	$ 322.41	$ 2,624.37
2055	$ 2,013.89	$ 259.84	$ 20.79	$ 328.86	$ 2,623.37
2056	$ 2,143.52	$ 133.97	$ 10.72	$ 335.44	$ 2,623.64
Total	**$ 30,425.93**	**$ 38,725.46**	**$ 3,008.45**	**$ 7,662.86**	**$ 78,702.85**

Footnotes:

[a] Interest is calculated at 6.25 % for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

THIS PAGE IS LEFT BLANK INTENTIONALLY.

[An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.]

CITY OF LIBERTY, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT)
IN THE PRINCIPAL AMOUNT OF $_____

AS BOND COUNSEL for the City of Liberty, in Liberty County, Texas (the "Issuer"), we have examined into the legality and validity of the issue of the bonds described above (the "Bonds"), which bear interest from the dates and mature on the dates stated on the face of the Bonds, all in accordance with the Ordinance authorizing the issuance of the Bonds (the "Bond Ordinance") and the Trust Indenture (as defined below).

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, and have examined and relied upon a transcript of certified proceedings of the Issuer and other pertinent instruments furnished by the Issuer relating to the authorization, issuance and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the Issuer upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, and have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to governmental immunity, bankruptcy, reorganization, and other similar matters affecting creditors' rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of the Issuer which are payable as to principal and interest from the sources provided in the Bond Ordinance and the Indenture of Trust between the Issuer and UMB Bank, N.A., dated as of March 1, 2026, (the "Trust Indenture"), (ii) the covenants and agreements in the Trust Indenture constitute valid and binding obligations of the Issuer, (iii) the Bonds constitute valid and legally binding special obligations of the Issuer secured as Bonds under the Trust Indenture, and (iv) the Bonds are payable in accordance with the priorities established in the Trust Indenture from the sources provided therein.

THE ISSUER has reserved the right, subject to the restrictions stated in the Trust Indenture, to amend the Trust Indenture in the manner provided therein; and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in principal amount of all outstanding bonds affected by such amendment and secured by the Trust Indenture.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to

be raised by taxation, or from any source whatsoever other than specified in the Trust Indenture.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual or corporate alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance by the Issuer with certain covenants, regarding the use and investment of the proceeds of the Bonds and the use of the property financed, and refinanced, therewith. In expressing the aforementioned opinions, we have relied on certain representations and covenants regarding the use and investment of the proceeds of the Bonds. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

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 (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering our opinions with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds. Our role in connection with the Issuer's Limited Offering Memorandum prepared for use in connection with the sale of the Bonds has been limited as described therein.

THE FOREGOING OPINIONS represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

Respectfully,

THIS PAGE IS LEFT BLANK INTENTIONALLY.

APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER

THIS PAGE IS LEFT BLANK INTENTIONALLY.

CITY OF LIBERTY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer, dated as of March 1, 2026 (this "Disclosure Agreement"), is executed and delivered by and among the City of Liberty, Texas (the "Issuer"), P3Works, LLC, a Delaware limited liability company (the "Administrator"), and UMB Bank, N.A., acting solely in its capacity as dissemination agent (the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District Project)" (the "Bonds"). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of March 1, 2026, 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 mean, initially, P3Works, as the current Administrator, and any person or independent firm designated by the Issuer as a successor Administrator who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District.

"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 Financial Statements" shall mean audited or unaudited financial statements of the Issuer prepared in accordance with generally accepted accounting principles for governmental units as

prescribed by the Government Accounting Standards Board from time to time, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

"Annual Financials Filing Date" shall mean, for each Fiscal Year, the date on which the Annual Financial Statements must be filed with the MSRB, which date is twelve (12) months after the end of the Issuer's Fiscal Year. The Annual Financials Filing Date is currently September 30.

"Annual Information Filing Date" shall mean, for each Fiscal Year, the date on which the Annual Financial Information must be filed with the MSRB, which date is six (6) months after the end of the Issuer's Fiscal Year. The Annual Information Filing Date is currently March 31.

"Collections Reporting Date" shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

"Delinquency Date" shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

"Disclosure Agreement of Developer" shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of March 1, 2026, executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

"Disclosure Representative" shall mean the Finance Director or City Manager of the Issuer or his or her designee or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean UMB Bank, N.A., a national banking association, 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 have the meaning assigned to such term in the Indenture.

"EMMA" shall mean the Electronic Municipal Market Access System currently available on the internet at http://emma.msrb.org.

"Filing Date" means any one or all of the Annual Financials Filing Date, Annual Information Filing Date, and Annual Collections Report Filing Date.

"Final Assessment Payment Date" shall mean the calendar day preceding the Delinquency Date.

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the Issuer's fiscal year, currently the twelve-month period from October 1 through September 30."Listed Events" shall mean any of the events listed in subsection 6(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SAP Update" shall have the meaning assigned to such term in subsection 4(a)(iii) of this Disclosure Agreement.

"SEC" shall mean the United States Securities and Exchange Commission.

"Tax Year" means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

SECTION 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2026, 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, the Annual Financial Information and the Annual Financial Statements, as follows:

(i) The Issuer shall provide or caused to be provided the Annual Financial Information to the MSRB not later than the Annual Information Filing Date; and

(ii) The Issuer shall provide or caused to be provided audited Annual Financial Statements to the MSRB not later than the Annual Financials Filing Date, or if audited Annual Financial Statements are not available by the Annual Financials Filing Date, unaudited Annual Financial Statements, provided to the Dissemination Agent which is consistent with the requirements specified in Section 4 of this Disclosure Agreement.

In each case, the Annual Financial Information and Annual Financial Statements 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 Information Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Not later than ten (10) days prior to the applicable Filing Date, the Issuer shall provide the Annual Financial Information or Annual Financial Statements, as the case may be, to the Dissemination Agent together with written direction to file such Annual Financial Information and Annual Financial Statements with the MSRB. The Dissemination Agent shall provide such Annual Financial Information or Annual Financial Statements to the MSRB not later than ten (10) days from the

date such documents are received by the Dissemination Agent from the Issuer, but in no event later than the applicable Filing Date for such Fiscal Year.

If by the fifth (5^{th}) day before the applicable Filing Date, the Dissemination Agent has not received a copy of the Annual Financial Information or Annual Financial Statements, as applicable, 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 Financial Information or Annual Financial Statements pursuant to subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Financial Information or Annual Financial Statements, as applicable, no later than two Business Days prior to the applicable Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Financial Information by the Annual Information Filing Date or the Annual Financial Statements by the Annual Financials Filing Date, as applicable, state the date by which the Annual Financial Information or Annual Financial Statements for such year will be provided and instruct the Dissemination Agent in writing 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 Financial Information, Annual Financial Statements, or the notice of failure to file, as applicable, to the MSRB, no later than the applicable Filing Date; provided further, 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 applicable Filing Date.

(c) The Dissemination Agent, pursuant to written direction, shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information and the Annual Financial Statements on the dates required in subsection (a);

(ii) on behalf of the Issuer, file the Annual Financial Information and the Annual Financial Statements containing or incorporating by reference the information set forth in Section 4 hereof; and

(iii) if the Issuer has provided the Dissemination Agent with the completed Annual Financial Information and the Annual Financial Statements, as applicable, and the Dissemination Agent has filed such Annual Financial Information or Annual Financial Statements with the MSRB, then the Dissemination Agent shall provide written confirmation to the Issuer stating that the Annual Financial Information or Annual Financial Statements 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 Financial Information and Annual Financial Statements.

(a) *Annual Financial Information.* The Annual Financial Information 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 Information Filing Date, the following Annual Financial Information (any or all of which may be unaudited):

(i) Information regarding the Bonds and the Trustee in substantially similar form to that shown in the tables provided under Sections 4(a)(i) of Exhibit B attached hereto. Such information shall be provided as of the end of the Fiscal Year to which the information being reported relates.

(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 (collectively, a "SAP Update").

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) *Annual Financial Statements*. The Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Financials Filing Date the audited Annual 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. If the audited Annual Financial Statements of the Issuer are not available by the Annual Financials Filing Date, the Issuer shall provide unaudited Annual Financial Statements of the Issuer no later than the Annual Financials Filing Date and audited Annual Financial Statements when and if available.

(c) The Issuer has designated P3Works, LLC as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Financial Information under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference. The Dissemination Agent has no duty or obligation to determine whether or not the information contained in any completed forms containing financial information and operating data as shown in Exhibit B provided to it has been accurately completed and shall only be required to file the forms as completed and provided to it by either the Administrator or the Issuer, pursuant to written direction.

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 Financial Information, if such Annual Collections Report is

available when the Annual Financial Information 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 5(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 on the last Business Day prior to the Annual Collections Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Collections Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Collections Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2^{nd}) Business Day prior to the Annual Collections Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the applicable 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 Issuer shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections Report. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

SECTION 6. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 6, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform

6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Owners, if material.

8. Bond calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

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 District 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 issuance of Refunding 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 in writing to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than one (1) Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written direction of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information.

In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written

instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, any Owner or beneficial owner of any interests in the Bonds, or any other party as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within 30 days of such discharge. The Dissemination Agent may resign at any time with 30 days' written notice to the Issuer. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer.

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 Fiscal Year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 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 Financial Information, Annual Financial Statements, 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 Financial Information, Annual Financial Statements, 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 Financial Information, Annual Financial Statements, 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 against all costs, fees, expenses and liabilities for such actions) 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) Notwithstanding anything to the contrary contained herein, 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 District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable 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; 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 Financial Information or Annual Financial Statements 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 Annual Financial Information, Annual Financial Statements, 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 fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean the Dissemination Agent has actual knowledge of any event described in Section 6 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement. 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.

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 or refraining from 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 District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in

enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds, or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of the Issuer, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent, or employee of the Issuer, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act, or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in the District, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications. The Dissemination Agent and the Administrator, each individually, make the following representations 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 the Administrator, as the

case may be, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

(a) *Not a Sanctioned Company*. The Dissemination Agent and the Administrator, each individually, represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent and the Administrator and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) *No Boycott of Israel*. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) *No Discrimination Against Firearm Entities*. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) *No Boycott of Energy Companies*. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator's participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information

contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 21. Governing Law and Venue. This Disclosure Agreement shall be governed by the laws of the State of Texas. Any action to enforce the terms of this Disclosure Agreement shall be brought in the State district court of Liberty County, 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 LIBERTY, TEXAS

By: _____
City Manager

UMB Bank, N.A.
(as Dissemination Agent)

By: _____
Authorized Officer

P3Works, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE [ANNUAL FINANCIAL INFORMATION][ANNUAL FINANCIAL STATEMENTS][ANNUAL COLLECTIONS REPORT]

Name of Issuer:	City of Liberty, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District Project) (the "Bonds")
CUSIP Nos.	[insert CUSIP Nos.]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that the City of Liberty, Texas (the "Issuer"), has not provided the [Annual Financial Information][Annual Financial Statements][Annual Collections Report] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of March 1, 2026, by and among the Issuer, P3Works, LLC, as "Administrator," and UMB Bank, N.A., as "Dissemination Agent." The Issuer anticipates that the [Annual Financial Information] [audited][unaudited] [Annual Financial Statements] [Annual Collections Report] will be filed by _____.

Dated: _____

UMB Bank, N.A., on behalf of the City of Liberty, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Liberty, Texas

EXHIBIT B

CITY OF LIBERTY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT PROJECT)

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: UMB Bank, N.A.
Address: 5555 San Felipe Street, Suite 870
Houston, Texas 77056
Telephone: (713) 300-0589
Contact Person: Attn: Nicholas McArthur

Section 4(a)(i)

BONDS OUTSTANDING

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
				–
				–
		Total		

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

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 District [(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 District

The [YEAR] certified total assessed value for the Assessed Property of the District is approximately $[AMOUNT] according to the Liberty 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__					

[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 Annual Installments Collected[(2)]
	$		$	%	$	%	$
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__				

[insert any necessary footnotes]

ITEMS REQUIRED BY SECTION 4(a)(iii) - (iv)
[Insert a line item for each applicable listing]

EXHIBIT C

CITY OF LIBERTY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT PROJECT)

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: UMB Bank, N.A.
Address: 5555 San Felipe Street, Suite 870
Houston, Texas 77056
Telephone: (713) 300-0589
Contact Person: Attn: Nicholas McArthur

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 20__	Delinquent Annual Installment Amount not in Foreclosure Proceedings $	Parcels in Foreclosure Proceedings	Delinquent Annual Installment Amount in Foreclosure Proceedings $	Foreclosure Sales	Foreclosure Proceeds Received $

(i) Period covered includes October 1, 20__ through March 1, 20__.

Collection and Delinquency of Annual Installments [(1)]

Succeeding Fiscal Year 20__	Total Annual Installments Levied $	Parcels Levied[(2)]	Delinquent Amount as of 3/1 $	Delinquent % as of 3/1 %	Total Annual Installments Collected[(3)] $

[(1)] Period covered includes October 1, 20__ through March 1, 20__.
[(2)] Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.
[(3)] [Does/does not] include interest and penalties.

Prepayment of Assessments[1]

Succeeding Fiscal Year	Number of Prepayments	Amount of Prepayments $	Bond Call Date	Amount of Bonds Redeemed $

[1] Period covered includes October 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 20	20	Immediately upon receipt, but in no event later than February 20, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies. Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Trustee and Dissemination Agent should be immediately notified in writing 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 1	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.

[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.

		Issuer, or the Trustee on behalf of and at the written direction of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.
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 Financial Information.** **Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures, and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.** If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer. If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, 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.

THIS PAGE IS LEFT BLANK INTENTIONALLY.

APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

THIS PAGE IS LEFT BLANK INTENTIONALLY.

CITY OF LIBERTY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer, dated as of March 1, 2026 (this "Disclosure Agreement"), is executed and delivered by and among Liberty Ranch, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC, a Delaware limited liability company (the "Administrator"), and UMB Bank, N.A., 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 March 1, 2026, 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 mean, initially, P3Works, as the current Administrator, and any person or independent firm designated by the Issuer as a successor Administrator who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District.

"Affiliate" shall mean an entity that is controlled by, controls, or is under common control with another entity.

"Amenities" means a children's play area, grass and concrete sport courts, horseshoe pits, multi-use paths, 20,0000 square feet of greenbelt pedestrian paths, and sitting areas and structures..

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Certification Letter" shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

"Completion Agreement" means that certain Completion Agreement entered into on February 10, 2026, by and between the Trustee, the City, and the Developer.

"Developer" shall mean Liberty Ranch, LLC, a Texas limited liability company, its successors and assigns, including any Affiliate of the Developer who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Public Improvements or the Amenities.

"Developer Listed Event" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"Disclosure Agreement of Issuer" shall mean the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of even date herewith, executed and delivered by and among the Issuer, the Administrator, and the Dissemination Agent.

"Dissemination Agent" shall mean UMB Bank, N.A., a national banking association, 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 have the meaning assigned to such term in the Indenture.

"EMMA" shall mean the Electronic Municipal Market Access system administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at http://emma.msrb.org.

"Homebuilder" shall mean Developer and any homebuilder who enters into a Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

"Issuer" shall mean the City of Liberty, Texas.

"Listed Events" shall mean, collectively, Developer Listed Events, and Significant Homebuilder Listed Events.

"Lot Purchase Agreement" shall mean, with respect to lots or land within the District, any lot purchase agreement between a Homebuilder and the Developer to purchase lots or to purchase land.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

"Public Improvements" shall have the meaning assigned to such term in the Indenture.

"Quarterly Ending Date" shall mean each March 31, June 30, September 30, and December 31, beginning June 30, 2026.

"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, and November 15.

"Quarterly Information" shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

"Quarterly Report" shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and containing the information listed in Exhibit A attached hereto.

"Reporting Party" shall mean, collectively, the Developer and any Significant Homebuilder who has acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Significant Homebuilder" shall mean a Homebuilder that owns 11 or more single-family residential lots in the District, which represents five percent (5%) of the single-family residential lots in the District.

"Significant Homebuilder Listed Events" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder that is a Reporting Party shall, at its cost and expense, provide or cause to be provided to the Administrator not more than 10 days after each Quarterly Ending Date, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to subsection 3(d) hereof (with respect to each Reporting Party, the "Quarterly Information"). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such Reporting Party's obligations terminate pursuant to Section 7 of this Disclosure Agreement. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above, and (ii) no later than 20 days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any necessary changes to such Person's Quarterly Information, or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any necessary changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than 30 days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly Information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Party pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than 20 days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than 30 days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and authorize and direct the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, no later than 35 days after each Quarterly Ending Date, the Quarterly Report containing the information described in subsection 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. Pursuant to the written direction of the Administrator, the Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within 10 days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party, file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Each Quarterly Report shall consist of the information listed in Exhibit A attached hereto.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied on the Assessed Property owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within the District to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be

considered a Developer Listed Event under this Section 4 nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within the District, including the Public Improvements and the Amenities;

(iii) Material default by the Developer or any of the Developer's Affiliates on any loan with respect to the acquisition, development, or permanent financing of the Public Improvements undertaken by the Developer or any of the Developer's Affiliates;

(iv) Material default by the Developer or any of Developer's Affiliates on any loan secured by property within the District owned by the Developer or any of the Developer's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, or the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages in excess of $1,000,000 against the Developer or any of the Developer's Affiliates that may adversely affect the completion of the Public Improvements, or litigation that may materially and adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any material change in the legal structure, chief executive officer, or controlling ownership of the Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 hereof.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied the Assessed Property owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within the District to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, or the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer, or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Lot Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 hereof.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator, and the Dissemination Agent in writing and the Reporting Party shall provide written direction to the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within 10 Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if such Reporting Party is providing Quarterly Information on behalf of any other Reporting Party. Additionally, if a Significant Homebuilder does not execute the assignment and assumption of disclosure obligations pursuant to Section 6 hereof, and, therefore, the Developer is reporting on behalf of the Significant Homebuilder, the Developer shall not be required to conduct an independent investigation of the occurrence of a Significant Homebuilder Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written direction of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the applicable Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within 10 Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party, or any Owner or beneficial owner of any interests in the Bonds, or any party, 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 instructed 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, unless an Affiliate of the Developer, who, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Public Improvements or the Amenities to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement with respect thereto. The Developer shall deliver to the Dissemination Agent, Administrator and the Issuer, a written acknowledgement and assumption from each Person, unless an Affiliate of the Developer, who assumes the obligations, requirements or covenants to construct one or more of the Public Improvements, or the 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 provide written direction to 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 construction of the Public Improvements or the Amenities, so assigned. Notwithstanding anything to the contrary elsewhere herein, after such assignment, 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 having the obligations, requirements or covenants to construct one or more of the Public Improvements or the Amenities in the future.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilder.

(a) As long as a Homebuilder is a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer's disclosure obligations under subsections 3(d)(iv) and 4(b) hereof with respect to such acquired real property until such party's disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement, or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the Developer's disclosure obligations, as described in clause (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer's disclosure obligations, as described in clause (a)(i) above, the Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit F (the "Significant Homebuilder Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to subsections 4(a)(ix) and 4(b)(vi) above, the Developer shall provide written direction to the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder's delivery of an executed Significant Homebuilder Acknowledgment assuming the Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Homebuilder until an executed Significant Homebuilder Acknowledgment with respect to such real property is delivered to the Dissemination Agent, the Administrator, the Issuer, and the MSRB, in accordance with this Section 6(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall use commercially reasonable efforts to require that any Significant Homebuilder comply with obligations of this Section 6 with respect to any subsequent transfers by such Significant Homebuilder to any individual or entity meeting the definition of a "Significant Homebuilder" in the future, including the requirement, pursuant to Section 4(b)(vi) above, to direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Section 4(e) above.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer or any Significant Homebuilder under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) when the Developer or such Significant Homebuilder, including their respective Affiliates and/or successors and assigns, owns fewer than 11 lots in the District, as of each Quarterly Ending Date; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with subsection 6(a) above, the reporting obligations of the Developer under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) when (x) the Developer, including its Affiliates and/or

successors and assigns, owns fewer than 11 lots in the District, and (y) such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective Affiliates and/or successors and assigns, owns fewer than 11 lots in the District, as of each Quarterly Ending Date.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, of the termination of the applicable Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and, pursuant to written direction by the Administrator, the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party, and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) and (b), if any, of this Section 7 and any Termination Notice required by subsection (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 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 UMB Bank, N.A.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator, and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Developer or any Significant Homebuilder, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into in accordance with this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Developer or any Significant Homebuilder from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If the Developer or Significant Homebuilder chooses to include any information in any Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, the Developer or the Significant Homebuilder, as applicable, shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided under this Disclosure Agreement.

SECTION 12. Default. In the event of a failure of any Reporting Party or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the written request of any Participating Underwriter or the Owners of at least 50% aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction against all costs, fees, expenses and liabilities for such actions, the Dissemination Agent shall, take such actions as may be necessary and appropriate to cause the Reporting Party and/or the Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of a Reporting Party or the Administrator to comply with this Disclosure Agreement shall be an action in mandamus or specific performance. A default under this Disclosure Agreement by a Reporting Party shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default

under the Disclosure Agreement of Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by a Reporting Party or the Administrator. Additionally, a default by a Reporting Party of its obligations under this Disclosure Agreement shall not be deemed a default by any other Reporting Party of such Reporting Party's obligations under this Disclosure Agreement. Additionally, a default by the Developer of its obligations under this Disclosure Agreement shall not be deemed a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement; and, likewise, a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement shall not be deemed a default of the Developer of the Developer's obligations under this Disclosure Agreement.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) Notwithstanding anything to the contrary contained herein, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by any Reporting Party and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding 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. If any Reporting Party or the Administrator does not provide the information required by Sections 3(a) or (b) in a timely manner or incomplete Quarterly Information is provided by any Reporting Party, the Dissemination Agent shall not be responsible for the failure to submit a complete Quarterly Information or Quarterly Report to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Developer or any person with whom the Developer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean the Dissemination Agent has actual knowledge of any event described in Section 4 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to indemnify and hold harmless the Administrator, its officers, directors, employees, and agents against any loss, expense, and liabilities

which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding (i) liabilities due to the Administrator's breach, negligence, or willful misconduct, and (ii) liabilities resulting from claims made by the Developer against the Administrator. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation, or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The Developer, the Administrator, and the Dissemination Agent agree that the legal expenses of the Dissemination Agent or the Administrator to which it is expressly entitled to be paid pursuant to this subsection 13(c) are Annual Collection Costs.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 12 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future officer, director, shareholder, member, managing partner, agent, or employee of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder, or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof, or any other section or

provision thereof or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act, or action, or part thereof, is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof, shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in the District, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of the District, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made hereunder among or between any of the Parties and/or Participating Underwriter, shall be given or made by e-mail, facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a 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:	Liberty Ranch, LLC Attn: Charles Von Schmidt 185 Cedar Point Drive Livingston, Texas, 77351 E-mail: c.vonschmidt@wdtexas.com
If to the Dissemination Agent:	UMB Bank, N.A. Attn: Nicholas McArthur 5555 San Felipe Street, Suite 870 Houston, Texas 77056 Email: Nicholas.Mcarthur@umb.com
If to Administrator:	P3Works, LLC 9284 Huntington Square, Ste 100 North Richland Hills, Texas 76182 E-mail: admin@p3-works.com
If to the Issuer:	City of Liberty, Texas Attn: Naomi Herrington City of Liberty, Texas 1829 Sam Houston St. Liberty, TX, 77575 E-mail: nherrington@cityofliberty.org
If to Participating Underwriter:	FMSbonds, Inc. 5 Cowboys Way, Suite 300-25 Frisco, Texas 75034 E-mail: tdavenport@fmsbonds.com
If to the Trustee	UMB Bank, N.A. Attn: Nicholas McArthur 5555 San Felipe Street, Suite 870 Houston, Texas 77056 Email: Nicholas.Mcarthur@umb.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 Section 7 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.

UMB Bank, N.A.,
Dissemination Agent

By: _____
Authorized Officer

DEVELOPER:

Liberty Ranch, LLC,
a Texas limited liability company

By: _____
Charles Von Schmidt, President

P3Works, LLC,
Administrator

By:_____
Name:_____
Title:_____

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

EXHIBIT A

CITY OF LIBERTY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT PROJECT)

DEVELOPER QUARTERLY REPORT
[*INSERT QUARTERLY ENDING DATE*]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: UMB Bank, N.A.
Address: 5555 San Felipe Street, Suite 870
Houston, Texas 77056
Telephone: (945) 300-0589
Contact Person: Nicholas McArthur

City: City of Liberty
1829 Sam Houston Street
Liberty, Texas 77575
Telephone: (936) 336-3684
Contact Person: Naomi Herrington

I. Unit Mix for Bond Assignment

Product Type	**Number of Units**
Lot Type 1	216

II. Ownership of Lots/Units in Improvement Area

PLANNED LOTS IN THE DISTRICT: 216

Of the 216 lots in the District:

1. Number of lots owned by the Developer: _____
2. If applicable, number of lots under contract but not closed to Homebuilder(s): _____
3. If applicable, number of lots owned by Homebuilder(s): _____
4. Number of units owned by homeowners: _____

III. Lot Status in Improvement Area

Of the 216 lots in the District, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 216
2. Planned lots as of the date of this Quarterly Report: ___
3. Lots developed: ___
4. Lots platted: ___
5. Expected/actual completion date of all lots in the District (if incomplete): _____

IV. Home Sales Information in Improvement Area

PLANNED HOMES IN THE DISTRICT: 216

Of the 216 homes planned for the District:

1. How many building permits were issued **during the current quarter**? _____
2. How many homes have closed with homebuyers **during the current quarter**? _____
3. How many homes have closed with homebuyers **cumulatively**? _____

V. Expenditures Paid from Accounts under Indenture

1. Total Budgeted Costs for the Public Improvements: $_____

2. Of the total budgeted costs, the total amount drawn from the Improvement Account[1]:
   a. Improvement Account: $ ___
   b. Improvement Area Major Improvements Account: $N/A
   c. Improvement Area Developer Improvement Account: $N/A

VI. Status of Improvements in Improvement Area

1. Projected/actual completion date of the Public Improvements: _____
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: N/A

VII. Amenities

TOTAL EXPECTED/ACTUAL COSTS OF AMENITIES: $[_____]

Of the $[_____] budgeted costs of the Amenities:

1. Amount spent as of Quarterly Ending Date: $_____
2. Actual/Expected completion date of Amenities: _____

[1] For purposes of this report, this refers to the "Improvement Account" of the Project Fund created in the Indenture.

VIII. Material Changes

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report?

2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgement pursuant to the Disclosure Agreement?

5. **Completion Agreement**. Is the Developer required to provide evidence of available funds, in addition to the amounts on deposit in the Project Fund, to complete the construction of the Public Improvements? If so, with each quarterly report filing, pursuant to the Reimbursement Agreement and the Completion Agreement, the Developer shall provide Evidence of Available Funds as defined in the Completion Agreement, as well as the timeline for completion of the Public Improvements.

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 Liberty, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District Project) (the "Bonds")
CUSIP Numbers:	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Developer[2]"] ["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 Liberty Ranch, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC, as Administrator, and UMB Bank, N.A., as Dissemination Agent. The [Developer][Significant Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

UMB Bank, N.A.,
on behalf of the Developer,
as Dissemination Agent

By: _____

Title: _____

cc: City of Liberty, Texas

[2] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer:	City of Liberty, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District Project) (the "Bonds")
CUSIP Numbers.	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

City of Liberty, Texas
1829 Sam Houston St.
Liberty, TX, 77575

UMB Bank, N.A.
5555 San Felipe Street, Suite 870
Houston, Texas 77056

Liberty Ranch, LLC
185 Cedar Point Drive
Livingston, Texas, 77351

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN 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 Liberty Ranch, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC, as Administrator, and UMB Bank, N.A., 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 Liberty, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District Project)
CUSIP Numbers:	[insert CUSIP Numbers]
Quarterly Ending Date:	_____, 20__

Re: Quarterly Report for Liberty Ranch Public Improvement District

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among Liberty Ranch, LLC, a Texas limited liability company[1] (the "Developer"), P3Works, LLC, as Administrator, and UMB Bank, N.A., 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 any questions or comments.

Liberty Ranch, LLC,
a Texas limited liability company

By: _____
Charles Von Schmidt, President

[OR

Significant Homebuilder
(as Significant Homebuilder)
By:_____
Title: _____]

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF DEVELOPER REPORTING OBLIGATIONS

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Liberty Ranch Public Improvement District – 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 Public Improvements or the Amenities (each as defined in the Disclosure Agreement of Developer) within the Liberty Ranch Public Improvement District (the "District").

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer dated as of March 1, 2026 (the "Disclosure Agreement of Developer"), by and among Liberty Ranch, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and UMB Bank, N.A., (the "Dissemination Agent") with respect to the "City of Liberty, Texas, Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District Project)," any person that, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Public Improvements or the 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 under Sections 3 and 4(a) of the Disclosure Agreement of Developer for the construction of the Public Improvements or the Amenities as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

Liberty Ranch, LLC,
a Texas limited liability company

By: _____
Charles Von Schmidt, President

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: Liberty Ranch Public Improvement District – Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you own ____ lots in the Liberty Ranch Public Improvement District (the "District"). Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer dated as of March 1, 2026 (the "Disclosure Agreement of Developer"), by and among Liberty Ranch, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and UMB Bank, N.A. (the "Dissemination Agent"), with respect to the "City of Liberty, Texas, Special Assessment Revenue Bonds, Series 2026 (Liberty Ranch Public Improvement District Project)," any entity that owns 11 or more of the single family residential lots in 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,

Liberty Ranch, LLC,
a Texas limited liability company

By: _____
Charles Von Schmidt, President

Acknowledged by:

[INSERT ASSIGNEE NAME]

By:_____
Title:_____

THIS PAGE IS LEFT BLANK INTENTIONALLY.

APPENDIX F

APPRAISAL

THIS PAGE IS LEFT BLANK INTENTIONALLY.

AN APPRAISAL REPORT OF

LIBERTY RANCH, SECTIONS 1 AND 2
PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA NO. 1

COMPRISED OF 216 UNDER-DEVELOPMENT LOTS ON 50.598 ACRES IN SECTIONS 1 AND 2, LOCATED ALONG THE EAST LINE OF S.H. 146, APPROXIMATELY 3.55 MILES NORTH OF U.S. 90, AND APPROXIMATELY 0.62 MILE SOUTH OF F.M. 2830, IN LIBERTY, LIBERTY COUNTY, TEXAS 77575

FOR

MR. R.R. "TRIPP" DAVENPORT, III
UNDERWRITER
FMSBONDS, INC.
5 COWBOY WAY, SUITE 300-25
FRISCO, TEXAS 75034

BY

BARLETTA & ASSOCIATES, INC.
1313 CAMPBELL ROAD, BUILDING C
HOUSTON, TEXAS 77055-6429

B&A FILE NUMBER: C8997-01

AS OF

DATE OF APPRAISAL TRANSMITTAL:	**DECEMBER 16, 2025**
DATE OF SITE VISIT:	**DECEMBER 15, 2025**
EFFECTIVE DATE OF "UPON COMPLETION" VALUE:	**DECEMBER 31, 2025 & MAY 1, 2026**

December 16, 2025

Mr. R.R. “Tripp” Davenport, III
Underwriter
FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Phone: 877-899-2220
Email: tdavenport@fmsbonds.com

RE: **An Appraisal Report of Liberty Ranch, Sections 1 and 2, being 216 under-development lots on 50.598 acres in Sections 1 and 2**, located along the east line of S.H. 146, approximately 3.55 miles north of U.S. 90, and approximately 0.62 mile south of F.M. 2830, in Liberty, Liberty County, Texas 77575. The subject lots have a typical lot size of 50’ x 100’, or 5,000 SF.

Client: FMSbonds, Inc.
B&A File No. C8997-01

Dear Mr. Davenport:

At your request, we have visited the above-referenced property, gathered comparable market data, and conducted a study of the market area for the purpose of providing our opinions of the **“Upon Completion” Bulk Market Values** of the property referenced above, in compliance with FMSbonds, Inc.’s Appraisal Instructions, the Uniform Standards of Professional Appraisal Practice, and the Appraisal Institute’s Code of Professional Ethics. This appraisal also complies with applicable fair lending and anti-defamation laws including the Equal Credit Opportunity Act (ECOA), the Fair Housing Act (FHAct), the Civil Rights Act of 1866, as well as other federal, state or local laws that prohibit discrimination.

At the request of the client, the “As Is” Market Value of the under-development lots in Sections 1 and 2 have not been valued herein.

It is our opinion that the **Prospective “Upon Completion” Bulk Market Values** of the fee simple interest in the subject property, as of the indicated dates, are as follows:

Description	No. of Lots	Avg. Lot FF	Value	Effective Date
"Upon Completion" Bulk Market Value, Section 1	108	50'	**$5,990,000**	12/31/2025
"Upon Completion" Bulk Market Value, Section 2	108	50'	**$5,960,000**	5/1/2026

The Bulk Market Values above are derived from a Sum of Retail Revenue of **$6,723,000**, or $62,250 per lot for Section 1; and **$6,922,800,** or $64,100 per lot for Section 2.

The estimated prospective **Marketing Period** and historic **Exposure Time** for the 216 under-development subject lots at the above concluded Prospective "Upon Completion" Market Values in Bulk is estimated within 3-6 months, based upon discussions with area builders, and the marketing period for comparable properties that have recently sold.

Extraordinary Assumptions:

1.) The 216-lot subdivision appraised herein is under-development, with prospective completion dates. In this Appraisal Report, we have projected market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, we have projected the retail valuation of the individual subject lots, absorption period and holding costs based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from that which are expected on the anticipated dates of completion that are reflected in this report. Because actual future market conditions may deviate from that which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sales data that will be available on the prospective date of completion.

2.) The valuation of the subject improvements "Upon Completion" require valuation of the various subject improvements as of the prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, we have relied upon surveys, plats and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value estimate is subject to revision.

3.) This appraisal is subject to all proposed improvements being completed in a timely and professional workmanlike manner and that the proposed improvements do not deviate significantly from those described herein.

4.) This appraisal is subject to final subdivision plat/s.

5.) This appraisal assumes that Starlight Homes and Hart Homes, or comparable production builder/s, will build upon the under-development subject lots, detached single-family units with a projected price from $265,000.

6.) If any of these assumptions and conditions prove to be false, it may have an effect on the Market Values contained herein.

Hypothetical Conditions: None

As referenced herein, **Market Value** is defined as follows:

> 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 are 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.
>
> (Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, September 300, 2010, page 394-395)

It has been a pleasure serving you. Please call if we may be of further assistance.

Sincerely,

BARLETTA & ASSOCIATES, INC.

Phillip F. Barletta, MAI, SRA
President
State Certified, 1320197-CG

David M. Baehr, MAI, SRA, AI-GRS
State Certified, 1380372-CG

CERTIFICATION

We certify, to the best of our knowledge and belief, the following:

USPAP Certifications

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 we have no personal interest with respect to the parties involved.
4. David M. Baehr, MAI, SRA, AI-GRS and Phillip F. Barletta, MAI, SRA have provided no other real estate 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 acceptance of 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 Appraisal Report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. David M. Baehr, MAI, SRA, AI-GRS made an unaccompanied visit to the site on December 15, 2025. Phillip F. Barletta, MAI, SRA did not inspect the property, but is familiar with the subject market area and the subject subdivision.
10. No one provided significant real property appraisal assistance to the signers of this appraisal report.
11. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
12. The appraisers have extensive experience in appraising subdivisions, subdivision lots, base master floor plans, and master-planned residential subdivisions, and are State General Certified; thus, they are well-qualified to appraise the subject property and fully satisfy the Competency Rule of the Uniform Standards of Professional Appraisal Practice.
13. Phillip F. Barletta, MAI, SRA and David M. Baehr, MAI, SRA, AI-GRS are State Certified General Real Estate Appraisers by the Texas Appraiser Licensing and

Certification Board for the State of Texas.

AI Certifications

1. The reported analyses, opinions and conclusions were developed, and this report has also been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
2. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
3. As of the date of this report, Phillip F. Barletta, MAI, SRA and David M. Baehr, MAI, SRA, AI-GRS have completed the continuing education program for Designated Members of the Appraisal Institute.

It is our opinion that the **Prospective "Upon Completion" Bulk Market Values** of the fee simple interest in the subject property, as of the indicated dates, are as follows:

Description	No. of Lots	Avg. Lot FF	Value	Effective Date
"Upon Completion" Bulk Market Value, Section 1	108	50'	**$5,990,000**	12/31/2025
"Upon Completion" Bulk Market Value, Section 2	108	50'	**$5,960,000**	5/1/2026

The estimated prospective **Marketing Period** and historic **Exposure Time** for the 216 under-development subject lots at the above concluded "Prospective "Upon Completion" Market Values in Bulk is estimated within 3-6 months, based upon discussions with area builders, and the marketing period for comparable properties that have recently sold.

Extraordinary Assumptions:

1.) The 216-lot subdivision appraised herein is under-development, with prospective completion dates. In this Appraisal Report, we have projected market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, we have projected the retail valuation of the individual subject lots, absorption period and holding costs based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from that which are expected on the anticipated dates of completion that are reflected in this report. Because actual future market conditions may deviate from that which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sales data that will be available on the prospective date of completion.

2.) The valuation of the subject improvements "Upon Completion" require valuation of the various subject improvements as of the prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing

this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, we have relied upon surveys, plats and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value estimate is subject to revision.

3.) This appraisal is subject to all proposed improvements being completed in a timely and professional workmanlike manner and that the proposed improvements do not deviate significantly from those described herein.

4.) This appraisal is subject to final subdivision plat/s.

5.) This appraisal assumes that Starlight Homes and Hart Homes, or comparable production builder/s, will build upon the under-development subject lots, detached single-family units with a projected price from $265,000.

6.) If any of these assumptions and conditions prove to be false, it may have an effect on the Market Values contained herein.

Hypothetical Conditions: None

Sincerely,

BARLETTA & ASSOCIATES, INC.

Phillip F. Barletta, MAI, SRA
President
State Certified, 1320197-CG

David M. Baehr, MAI, SRA, AI-GRS
State Certified, 1380372-CG

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following conditions:

1. This Appraisal Report is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice, Standards Rule 2-2 (a). As such, this report does, in fact, include narrative discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is included in this report. The appraiser is not responsible for unauthorized use of this report.

2. No responsibility is assumed for legal or title consideration. Title to the property is assumed to be good and marketable unless otherwise stated in this report.

3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.

4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.

5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.

9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in this appraisal report.

10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

13. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, lead contamination, or other potentially hazardous materials may affect the value of the property. The appraisers' value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans With Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.

16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with proper written qualification and only in its entirety.

18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are

connected) shall be disseminated to the public through advertising, public relations, new sales, or other media without prior written consent and approval of the appraisers.

19. Texas is a non-disclosure state. It is important that the intended user of the appraisal understand that, in Texas, there is no legal requirement for grantors or grantees to disclose any information relative to a transfer of real property. In Texas, deeds typically do not contain information about the transaction other than the legal description, the parties involved in the transaction and minimum consideration of $10.00. As a result, no data source provides absolute coverage of all transactions. It is possible that there are sales data in the market, of which the appraisers are unaware. Our sources provide the data typically available to appraisers in the ordinary course of business.

Extraordinary Assumptions:

1.) The 216-lot subdivision appraised herein is under-development, with prospective completion dates. In this Appraisal Report, we have projected market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, we have projected the retail valuation of the individual subject lots, absorption period and holding costs based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from that which are expected on the anticipated dates of completion that are reflected in this report. Because actual future market conditions may deviate from that which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sales data that will be available on the prospective date of completion.

2.) The valuation of the subject improvements “Upon Completion” require valuation of the various subject improvements as of the prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, we have relied upon surveys, plats and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value estimate is subject to revision.

3.) This appraisal is subject to all proposed improvements being completed in a timely and professional workmanlike manner and that the proposed improvements do not deviate significantly from those described herein.

4.) This appraisal is subject to final subdivision plat/s.

5.) This appraisal assumes that Starlight Homes and Hart Homes, or comparable production builder/s, will build upon the under-development subject lots, detached single-family units with a projected price from $265,000.

If any of these assumptions and conditions prove to be false, it may have an effect on the Market Values contained herein.

Hypothetical Conditions: None

TABLE OF CONTENTS

Certification i
Assumptions And Limiting Conditions iv
Summary Of Salient Facts And Conclusions 9
Identification of the Subject Property 12
History of the Subject Property 14
Intended Use/User of the Appraisal 14
Scope of Work of the Appraisal 14
Property Rights Appraised 16
Definition of Market Value 16
Dates of the Appraisal 17
Zoning & Restrictions 17
Ad Valorem Tax Data 17
Greater Houston Area Data 19
Houston Area Map 27
Market Area Analysis 28
Market Area Map 33
Location Map 34
Site Analyses 35
Survey 38
Preliminary Plat 39
Site Plan 44
LCAD Map 46
Flood Plain Map 47
Aerial Photos 48
Subject Property Photographs 49
Highest and Best Use 54
Sales Comparison Approach – Retail Lot Valuation 58
Location Map of Lot Sales Comparables 64
Lot Sales Analyses 65
Lot Sales Adjustment Grid 66
Absorption Analysis 69
Income Approach – "Upon Completion" Market Value 70
Discounted Cash Flow Assumptions 71
"Upon Completion" Bulk Market Value DCF Analysis 74
Reconciliation And Final Market Value Conclusions 77
ADDENDA 79
HOUSTON REGIONAL DATA 80
QUALIFICATIONS OF THE APPRAISERS 89

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Name:	**Liberty Ranch, Sections 1 and 2 – Liberty Ranch Public Improvement District**
Type of Property:	The subject consists of 216 under-development lots on 50.598 acres in Sections 1 and 2, located along the east line of S.H. 146, approximately 3.55 miles north of U.S. 90, and approximately 0.62 mile south of F.M. 2830, in Liberty, Liberty County, Texas 77575. The subject lots have a typical lot size of 50' x 100', or 5,000 SF.
Coordinates:	Latitude 30.105700; Longitude: -94.740878
Postal Address:	Liberty, Texas 77575
Location:	Located along the east line of S.H. 146, approximately 3.55 miles north of U.S. 90, and approximately 0.62 mile south of F.M. 2830, in Liberty, Liberty County, Texas 77575.
Tract Size:	50.598 acres (216 lots)
Density:	4.27 lots per acre

Subject Lot Mix:

No.	Description	Avg. FF	Avg. Size
216	Under-development	50'	5,000 SF

Appraisal Dates:

- Date of Report Transmittal:	December 16, 2025
- Date of Site Inspection:	December 15, 2025
- Upon Completion Date of Value:	December 1, 2025 (Section 1) May 1, 2026 (Section 2)
Purpose of the Appraisal:	To provide an opinion of the "Upon Completion" Bulk Market Values, per U.S.P.A.P.; FMSbonds, Inc.'s Appraisal Guidelines; and the Appraisal Institute's Code of Professional Ethics.
Rights Appraised:	Fee Simple Estate
Zoning/Restrictions:	The City of Liberty does not have a comprehensive zoning ordinance regulating land use for single-

family detached homes; however, the City of Liberty does require that residential lots be at least 5,000 SF. The subdivision will be subject to typical residential lot deed restrictions. Yet, we are aware of no restrictions that would adversely affect development of the subject lots' to their highest and best use.

Utilities/Services:

Utilities/Services	
Electricity:	Entergy
Water/Sanitary Sewer:	City Of Liberty
Gas:	CenterPoint Energy
Phone:	AT&T & others
Police Protection:	City of Liberty/Liberty County Sheriff's Dept.
Fire Protection:	City of Liberty
School District:	Hardin ISD

Floodplain:

FEMA Flood Map	
Flood Map No.:	48291C0475D
Flood Map Date:	1/19/2018
Flood Map Designation:	Zone X

Environmental: No adverse influences noted or known, such as endangered species, habitats, or wetlands.

Builder/s: Starlight Homes and Hart Homes

New Home Price Range: From $265,000+

Highest & Best Uses:

Highest & Best Use of Lots: Construction of starter single-family residential homes, as demand and market conditions warrant from $265,000 by Starlight Homes and Hart Homes or comparable builders.

CONCLUSIONS:

It is our opinion that the **Prospective "Upon Completion" Bulk Market Values** of the fee simple interest in the subject property, as of the indicated dates, are as follows:

Description	No. of Lots	Avg. Lot FF	Value	Effective Date
"Upon Completion" Bulk Market Value, Section 1	108	50'	**$5,990,000**	12/31/2025
"Upon Completion" Bulk Market Value, Section 2	108	50'	**$5,960,000**	5/1/2026

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject of this appraisal is Liberty Ranch, Sections 1 and 2, consisting of 216 under-development lots on 50.598 acres**,** located along the east line of S.H. 146, approximately 3.55 miles north of U.S. 90, and approximately 0.62 mile south of F.M. 2830, in Liberty, Liberty County, Texas 77575. The subject parent site can be legally identified by as follows:

BAKER & LAWSON INC
ENGINEERS · PLANNERS · SURVEYORS

County: Liberty County
Project: 51.000 Acre
Job No.: 14951

FIELD NOTES FOR 51.000 ACRES

Being a tract of land containing 51.000 acres, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas; Said 51.000 acre tract, being the same tract conveyed to Von Schmidt Land and Cattle LLC, as recorded in Liberty County Clerk's File No. (L.C.C.F.N.) 2021048312, said 51.000 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) Central Zone, per GPS observations):

BEGINNING at a point in the east right-of-way (R.O.W.) line of State Highway 146, for the southwest corner of a called 154.00 acre tract conveyed to Vernon F. Poole Jr., as recorded in L.C.C.F.N. 2011005631, for the most northerly northwest corner of the herein described tract;

THENCE North 88°24'40" East, along the south line of said 154.00 acre tract and the north line of the herein described tract, a distance of 341.19 feet to an angle point;

THENCE North 88°14'39" East, continuing along the south line of said 154.00 acre tract and the north line of the herein described tract, a distance of 3453.19 feet to a point in the northeasterly line of a called 123.02 acre tract conveyed to Liberty County Farming, LLC as recorded in L.C.C.F.N. 2020031225, for the northeast corner of the herein described tract;

THENCE South 17°04'22" East, along the east line of the herein described tract, a distance of 575.28 feet to a point for an interior corner of said 123.02 acre tract and the southeast corner of the herein described tract;

THENCE South 87°14'38" West, along the south line of the herein described tract, a distance of 4,027.79 feet to a point for an "ell" corner of said 123.02 acre tract the southwest corner of the herein described tract;

THENCE North 07°16'38" East, along the west line of the herein described tract, a distance of 199.95 feet to a point in the south line of a called 2.8148 acre tract conveyed to Barbara N. Owens, as recorded in L.C.C.F.N. 2005017190, for corner;

THENCE North 81°29'38" East, along the south line of said 2.8148 acre tract, a distance of 157.21 feet to a point for the southeast corner of said 2.8148 acre tract;

THENCE North 28°03'36" East, along the east line of said 2.8148 acre tract, a distance of 411.27 feet to a point for the northeast corner of said 2.8148 acre tract and an interior corner of the herein described tract;

THENCE South 88°50'50" West, along the north line of said 2.8148 acre tract, a distance of 340.45 feet to a point in the east R.O.W. line of said State Highway 146 for the most southerly northwest corner of the herein described tract;

THENCE North 28°41'36" East, along the east R.O.W. line of said State Highway 146, a distance of 57.75 feet to the **POINT OF BEGINNING**, containing 51.000 acres (2,221,539 square feet) of land, more or less.

An exhibit drawing of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

This document was prepared under 22 TAC §663.21, 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 except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

3/7/22

Phil Hammons
Registered Professional Land Surveyor
Texas Registration No. 5840

STATE OF TEXAS
REGISTERED
PHIL HAMMONS
5840
PROFESSIONAL
LAND SURVEYOR

4005 Technology Drive, Suite 1530, Angleton, Texas 77515 • Phone: (979) 849-6681
Texas Firm Registration No. 10052500

HISTORY OF THE SUBJECT PROPERTY

Per the requirements of the Appraisal Institute's Standards of Professional Practice and the U.S.P.A.P., the following are comments pertaining to the three-year sales history of the subject property.

The subject is owned by Liberty Ranch, LLC, has owned the property in excess of three years. The subject lots are under contract to Starlight Homes and Hart Homes on a takedown basis for $55,000 for $1,100 per FF for the initial takedowns, increasing to $60,000, or $1,200 per FF.

There are no other known contracts, listings, or offers pending with respect to the subject, and the appraisers are unaware of any other transactions involving the subject property during the past three years.

INTENDED USE/USER OF THE APPRAISAL

This appraisal is intended to offer our opinion of the **"Upon Completion" Bulk Market Values of the subject 216 under-development lots,** to the client, FMSbonds, Inc., for the underwriting of Liberty Ranch, Sections 1 and 2, Bond transaction. The use of the appraisal by anyone other than Mr. Tripp Davenport, III and Mr. Robert Rivera (c/o FMSbonds, Inc.), or the Liberty Ranch Public Improvement District (the "District") is prohibited, except as provided herein. Additionally, we confirm our permission to use the final Appraisal Report in the offer and sale of public securities, secured by the special assessments levied on property within the District, and we confirm that we will execute, subject to our approval of the same, a certificate related to the use of the appraisal for such purpose, as provided by the client. Any other party is an unintended unauthorized user.

SCOPE OF WORK OF THE APPRAISAL

Barletta & Associates, Inc. has an internal Quality Control Program. All appraisals are read a second time by an MAI who may or may not participate in the assignment. For this

assignment, Quality Control Oversight was provided by Phillip F. Barletta, MAI, SRA, who was an active appraiser participant.

The scope of work of the appraisal is the process to support our opinion of the "Upon Completion" Bulk Market Values of the 216 under-development lots that comprise Liberty Ranch, Sections 1 and 2, employing all applicable approaches to value in a comprehensive appraisal process and presented in this Appraisal Report. In preparing this appraisal, the appraisers:

- visited the subject property and surrounding market area, unaccompanied;
- contacted Mr. Ken Schott (713-206-8291) with Waterstone Development Group, who provided physical, financial and historical data for this valuation analysis;
- analyzed macro and micro market conditions of this region and market area;
- interviewed active market participants;
- gathered relevant available information on current comparable builder takedown lot sales and lot absorption data, referencing such publications as the Houston MLS, the Zonda Houston Metrostudy and the appraisers' extensive database;
- referenced other publications and services such as MapPro, Loop Net, Crexi, Google Earth, Realty Rates.com, the Liberty County Appraisal District, and the Liberty County Clerk's Office, among other services;
- confirmed and analyzed the data and applied the most applicable approaches to value; i.e. the Sales Comparison Approach-Retail Lot Sales; and the Income Approach-DCF analysis;
- the Cost Approach was not developed. At the request of the client, the "As Is" Market Value of the subject under-development lots in Sections 1 and 2 has not been valued herein. The absence of the Cost Approach does not affect the credibility of the Market Value conclusions in this appraisal;
- concluded the "Upon Completion" Bulk Market Values of the prospective "Upon Completion" Bulk Market Values of 216 under-development lots in Sections 1 and 2 to a single purchaser, and, as such, our report conforms to the reporting guidelines of the Appraisal Institute, the Texas Appraiser Licensing and Certification Board, the Appraisal Foundation's U.S.P.A.P., and Regulation 12 CFR Part 564; and
- concluded the "Upon Completion" Bulk Market Values of the under-development subject lots, as of the stated effective dates for a reasonable exposure period.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the ***Fee Simple Estate***. Fee Simple Estate is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, published in 2022, Page 73, as follows:

> 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.

DEFINITION OF MARKET VALUE

As referred to herein, ***Market Value*** is defined by as follows:

> 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 each 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.
>
> (Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, September 300, 2010, page 394-395)

DEFINITION OF "SUM OF THE RETAIL VALUES"

As referred to herein, ***Sum of Retail Values*** is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, published in 2022, Page 185, as follows:

> 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. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the

> prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the aggregate of the retail values or aggregate retail selling price.

DEFINITION OF "AS IS" MARKET VALUE ON APPRAISAL DATE

As referred to herein, ***"As Is" Market Value*** is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, published in 2022, Page 10, as follows:

> The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraised date.

DEFINITION OF "BULK VALUE"

As referred to herein, ***"Bulk Value"*** is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, revised 2022, by the Appraisal Institute, Page 22, as follows:

> The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction.

DATES OF THE APPRAISAL

The "Upon Completion" Bulk Market Value effective dates of value of this appraisal is December 31, 2025 (Section 1) and May 1, 2026 (Section 2). The date of transmittal of the report is December 16, 2025.

ZONING & RESTRICTIONS

The City of Liberty does not have a comprehensive zoning ordinance regulating land use for single-family detached homes; however, the City of Liberty does require that residential lots be at least 5,000 SF. The subject lots are assumed to be deed restricted, and we are unaware of any adverse deed restrictions which would preclude development to the subject's highest and best use.

AD VALOREM TAX DATA

All properties in the State of Texas are taxed at 100% of their assessed value, which are determined for all taxing jurisdictions within a county by a central county appraisal district, in this case, the Liberty County Appraisal District (LCAD). The under-development lots have not been individually assessed and are considered a portion of the Parent Tract,

under Account Number 15087 with a total assessed value of $50,750. The subject carries an agricultural exemption with three years of rollback taxes due upon development.

In most cases, the taxing entities typically assess lots at around 30% to 100% of the retail value. Within the discounted cash flow section of this report, the appraisers will utilize an average **35%** assessment-to-retail value ratio, which was derived from tax comparables from the subject's market area. See table below:

Property Tax Comps for Liberty Ranch			
LCAD Property ID	**Street Address**	**2025 Lot Value**	**% Tax Assessment**
203026	1071 Mulberry Ln.	$24,190	38.86%
284875	1989 Brookpointe Ln.	$20,160	32.39%
Average Tax Assessment-to-Total Value Ratio:			35.63%
Rounded:			**35%**

2025 Tax Rates: The 2025 property tax rates per $100, applicable to the subject, are summarized in the following table:

Taxing Authorities and 2025 Rates per $100	
Hardin ISD	$0.8637
City of Liberty	$0.5838
Liberty County	$0.4800
Hospital District 1	$0.0893
2025 Cumulative Tax Rate per $100:	**$2.0168**

GREATER HOUSTON AREA DATA

The subject property's regional area is the Houston-Galveston-Brazoria Consolidated Metropolitan Statistical Area (CMSA), which consists of Harris, Brazoria, Chambers, Liberty, Fort Bend, Montgomery, Waller, and Galveston counties. The total land area of the Houston CMSA consists of approximately 8,778.34 square miles. The following data was taken in most part from research material published by the City of Houston and the Greater Houston Partnership's Research Department, together with secondary sources cited where applicable, as of August 2025.

Economic/Employment Update: Metro Houston added 57,800 jobs in the 12 months ending in December 2024, down sharply from 102,900 jobs added during 2023. The area added just 2,300 jobs in June 2025, down from 3,600 jobs in May 2025, and a total of 31,100 jobs over the 12 months ending in June 2025. The region's payroll employment has increased by just 300 jobs thus far in 2025 and is down to 3.471M from the high recorded in December 2024.

Purchasing Manager's Index (PMI): The Houston PMI improved to 50.6 in June 2025, up sharply from 48.1 in May 2024, after declining for several months and is at its highest level so far in 2025. According to the Institute for Supply Management, readings above 45 indicate the local economy is expanding, below 45 indicate that it's contracting. Nationally, the GDP increased a healthy 2.9% in 2024 up slightly from 2.8% in 2023, and both over the 20-year average of 2.4%.

The year 2024 ended with GDP growing 2.3% in 4Q 2024, while the GDP declined 0.5% in 1Q 2025, due primarily to a downward spike in imports, in anticipation of tariffs later in 2025, however current estimates (July 25, 2025) are at a strong 3.0% growth in GDP, in the 2Q 2025.

Population Update: The U.S. Census Bureau data indicates that metro Houston's population grew by 139,789 residences (1.9%) in 2023. The 10-county metro area topped 7,370,000 residents in 2023, and now exceeds that of 37 states and the District of Columbia. Houston had the 2nd largest numeric gain, growing by 152,598 residents (also by 1.9%).

The nation's 3 most populous metros, New York, Los Angeles, and Chicago, declined in population. Just 5 of the nation's 20 largest major cities, Atlanta, Dallas-Fort Worth, Houston, Phoenix, and Tampa, had significant gains.

HOUSTON METRO POPULATION, CHANGE BY COUNTY, 7/1/22 to 7/1/23

County	'23 Population	'22 Population	# Change	% Change
Austin	31,070	31,677	607	2.0
Brazoria	388,234	398,938	10,704	2.8
Chambers	51,309	53,876	2,567	5.0
Fort Bend	888,919	916,778	27,859	3.1
Galveston	357,387	361,744	4,357	1.2
Harris	4,781,337	4,835,125	53,788	1.1
Liberty	102,462	108,272	5,810	5.7
Montgomery	679,554	711,354	31,800	4.7
San Jacinto	28,936	28,340	596	2.1
Waller	61,852	53,553	1,701	2.8
Total	7,372,486	7,512,276	139,790	1.9

Source: U.S. Census Bureau, Population Estimates

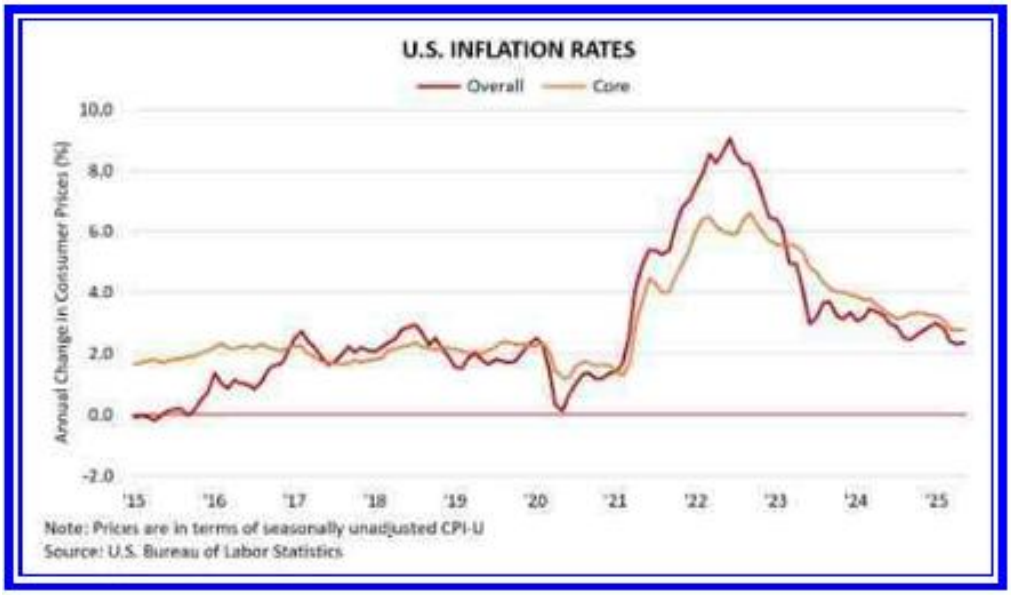
COMPONENTS OF POPULATION CHANGE, 7/1/22 TO 7/1/23

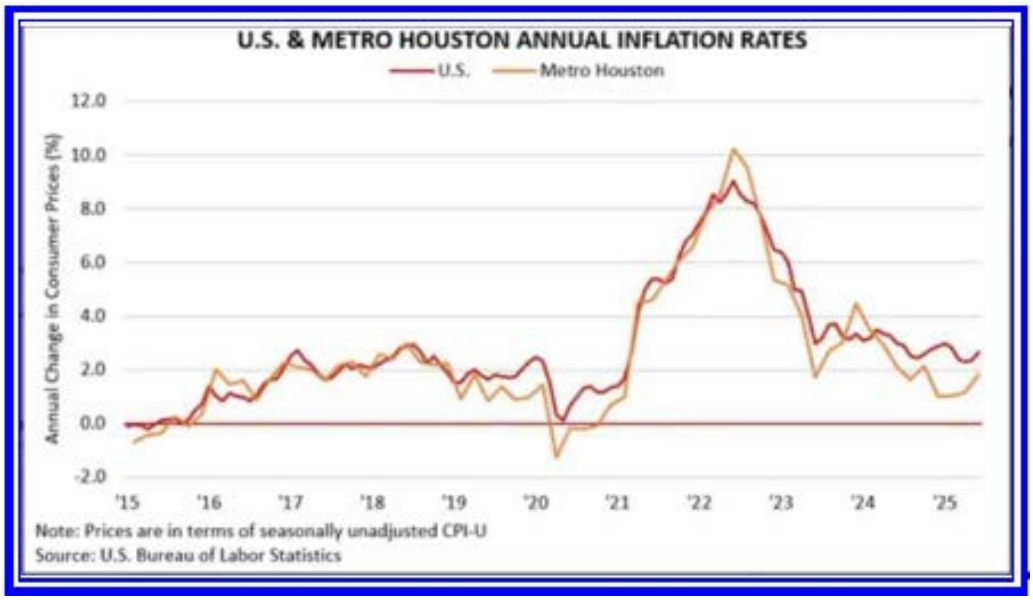
		Vital Events		Net Migration		
County	Total Change	Natural Change	Births	Deaths	Inmi-gration	Inter-national	Domestic
Austin	607	47	390	343	562	3	559
Brazoria	10,704	1,875	4,834	2,959	8,843	955	7,888
Chambers	2,567	217	611	394	2,362	89	2,273
Fort Bend	27,859	5,389	9,567	4,178	22,591	6,834	15,757
Galveston	4,357	882	4,053	3,171	3,493	505	2,988
Harris	53,788	34,695	65,450	30,755	18,873	41,665	-22,792
Liberty	5,810	400	1,415	1,015	5,447	52	5,395
Montgomery	31,800	4,011	8,570	4,559	27,866	2,365	25,501
San Jacinto	596	-142	307	449	740	3	737
Waller	1,701	279	761	482	1,421	83	1,338
Total	**139,789**	**47,653**	**95,958**	**48,305**	**92,198**	**52,554**	**39,644**

Source: U.S. Census Bureau, Population Estimates

Harris County led the nation in population growth, adding the most residents among the nation's 3,144 counties, however 2023 is the 8th consecutive year that Harris County experienced negative domestic migration (i.e., more people moved out of Harris County than moved in from elsewhere in the U.S.). Harris County lost 22,792 residents to domestic out-migration last year. That was the 13th worst performance in the nation. By comparison, Montgomery County had the 2nd highest level of domestic migration (+25,501 residents) and Fort Bend the 8th best (+15,757). If not for the high number of births inside Harris County, 65,450 last year, the county would have plummeted in the growth rankings.

Inflation: Inflation, as measured by the Consumer Price Index for all Urban Consumers (CPI-U), increased slightly to 2.7% nationwide in the 12 months ending in June 2025, up from 2.4% the prior month and may be a sign that the national economy is ramping up due to easing of government regulations and trillions in investments from private enterprise and foreign governments. In Houston, inflation has recently generally tracked under the national rate, but increased to 1.8% in June 2025, up from 1.2% in April 2025, and from 1.0% in February 2025.





Unemployment: The unemployment rate in Houston ticked up to 4.3% in June 2025, from 4.2% in May 2025, and up from 3.9% in April 2025, but down from 4.7% in June 2024. The unemployment rate in Texas ticked up to 4.1% in June 2025 from 4.0% in May 2025 and from 3.7% in April 2025. The U.S. unemployment also increased to 4.4% in June 2025, from 4.0% in May 2025, and from 3.7% in April 2025. The rates are not seasonally adjusted.

JUNE '25 UNEMPLOYMENT RATE*, CITIES IN METRO HOUSTON

City	Rate	City	Rate	City	Rate
Alvin	4.4	Houston	4.3	Pearland	3.8
Baytown	6.8	La Porte	4.8	Rosenberg	4.3
Conroe	3.8	Lake Jackson	5.0	Sugar Land	3.8
Deer Park	4.7	League City	3.6	Texas City	5.1
Friendswood	3.7	Missouri City	4.7		
Galveston	3.9	Pasadena	5.2	**Overall**	**4.3**

Source: Texas Workforce Commission

*Not seasonally adjusted

Crude Oil: The U.S. Energy Information Administration (EIA) estimates domestic crude production hit a record of 13.6M barrels per day (b/d) in December 2024. EIA reported a slight decrease to 13.3M barrels per day in April 2025, with production expected to remain in the range of 13.0 to 13.5 barrels per day in 2025. In Texas, crude oil production remained in the range of 172k to 180k barrels per day in the 2nd half or 2024. Producers expect a friendlier regulatory environment under President Trump's administration, which should help increase production.

Oil prices peaked in mid-2022, following Russia's invasion of Ukraine, but have fallen since. West Texas Intermediate (WTI), the U.S. benchmark for light sweet crude, averaged $69.95 in November 2024, down from $114.89 in June 2022. EIA projects WTI crude oil will average slightly less than $70 in 2025. West Texas Intermediate (WTI), the U.S. benchmark for light sweet crude, declined to about $60 per barrel in early April 2025 and averaged $62.17 per barrel in May 2025.

Global consumption of oil and other liquid fuels is largely unchanged from a year ago, at roughly 103M barrels per day. EIA projects consumption will grow slightly to 105M barrels per day by November 2025, driven by demand from developing countries. Increased crude production from non-OPEC countries is expected to push prices down even with growing consumption.

U.S. natural gas production slipped to 113.5B CF per day in November 2024 versus 115.6B in November 2023. Natural gas inventories were above the average for the preceding five years as of November 2024 but are expected to fall during the winter heating season, with spot prices rising from around $2.10 per million BTUs in November 2024 to more than $3.00. EIA projects prices will tick upward again in late summer 2025, after dropping in the spring of 2025.

Houston Area Existing Home Sales: Single-family sales totaled 85,163 in 2024, up 1.3% over 2023. This is much better than in 2022 and 2023, when annual sales declined 10.7% and 11.8%, respectively. From June 2024 to June 2025, sales totaled 43,795 homes, a healthy increase of 3.0% over the same time period in 2024.

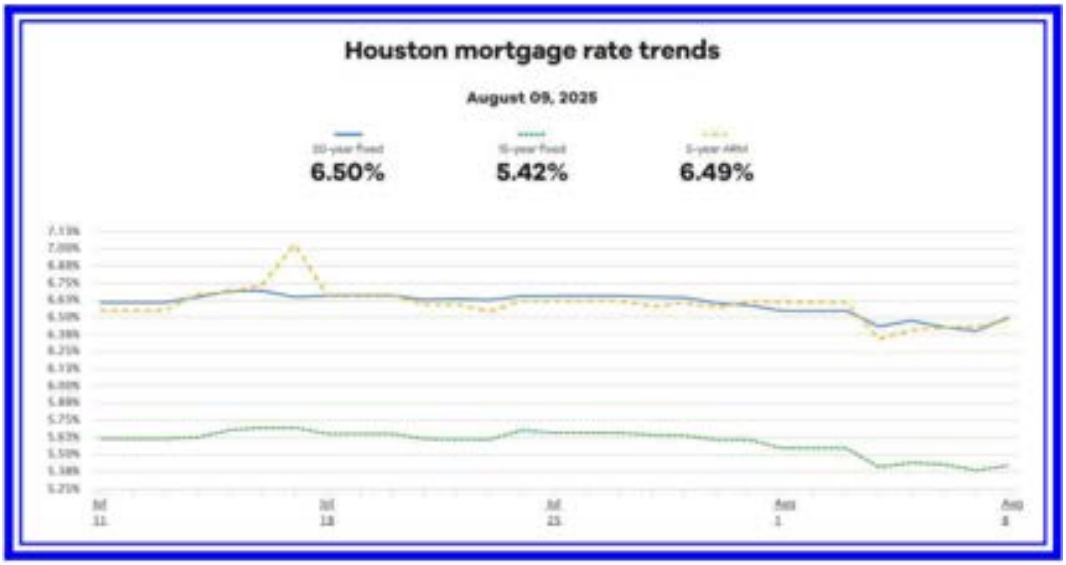
Overall, Houston is in a buyer's housing market, with minor price increases of 0.2% from June 2024 to June 2025, inventories at high levels of 5.4 months in June 2025, and a healthy increase in sales volume, up 3.0%, however the overall trend of decreasing interest rates reversed in April 2025, with 30-year fixed rates increasing from an average of 6.8%, which has stabilized into August July 2025.

Houston Area New Lot Development & Home Sales: The overall Houston Area had 9,866 closings and 11,066 starts in the 2nd Quarter of 2025, up 13.70% from 9,733 starts in the 1st Quarter of 2025, but down 0.89% from the 10,968 starts in the 2nd Quarter of 2024. The result is a stabilized new home inventory of 25,022 new homes, or 7.5 months for the overall Houston new home market.

In 2Q 2025, there was a total existing inventory of 63,776 vacant developed lots in the Houston area. This equates to **a moderate shortage supply level of 19.1 months**, down slightly from 19.2 months in 1Q 2025, but up from 17.1 months in 2Q 2024.

Housing starts continued at a steady pace in 2Q 2025 and are at levels similar before the spike in inflation and prior to the current higher mortgage interest rates. Historically, a 20-to-24-month supply of vacant developed lots indicated a stabilized condition. Historical new home closings, starts, inventory and vacant lot inventory for the overall Houston Area, are summarized on the following chart:

Market Area		2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	Annual Rates/ Inventory Supply (Mos)
Houston Area	Starts	10,196	10,112	8,058	9,876	10,968	9,890	9,342	9,733	11,066	40,031
	Closings	8,298	8,938	8,706	9,557	10,018	10,387	10,162	9,736	9,866	40,151
	Housing Inv.	22,407	23,581	22,933	23,396	25,142	24,645	23,825	23,822	25,022	7.5 Mos.
	VDL Inv.	51,641	51,431	52,497	54,101	55,723	56,721	63,099	63,981	63,776	19.1 Mos.



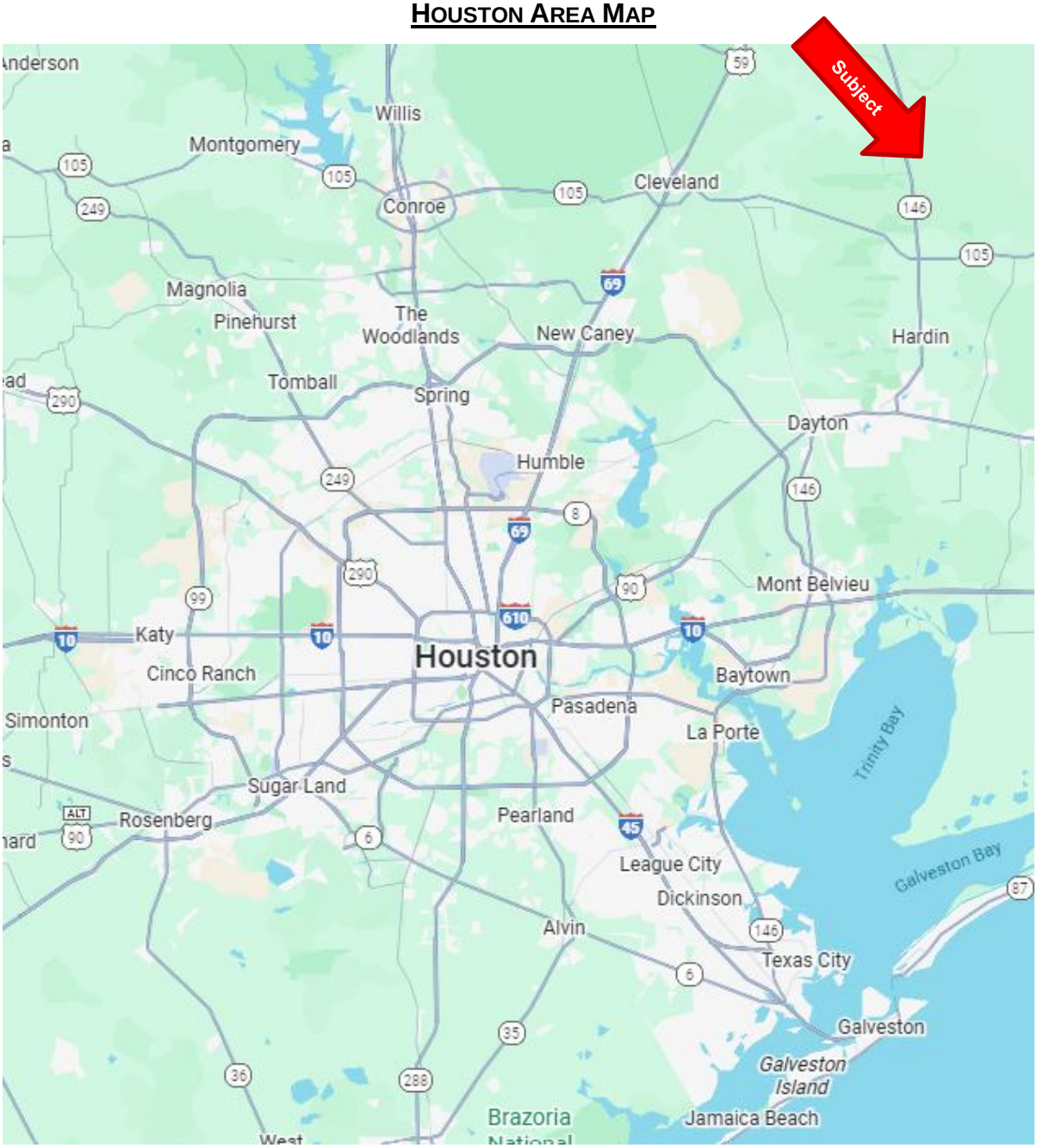
Mortgage interest rates have stabilized, ranging from 5.875% to 6.592% (7 lenders surveyed), in the Houston region, and averaging 6.500%, per Realtor.com, as of August 8, 2025, just under the national average of 6.63%.

Houston Commercial/Multifamily Real Estate: Per CoStar, overall rent and vacancy rates comparisons for end of year 2023, 2024, and year-to-date 2025 were as follows:

Property Type	Rent					Vacancy				
	2023	2024	% Change	YTD 2025	% Change	2023	2024	% Change	YTD 2025	% Change
Retail	**$23.59**	**$23.83**	1.0%	**$24.22**	1.6%	**4.9%**	**5.1%**	0.2%	**5.3%**	0.2%
Office	**$29.63**	**$30.46**	2.8%	**$28.42**	-6.7%	**18.9%**	**19.1%**	0.2%	**19.6%**	0.5%
Industrial	**$8.93**	**$9.10**	1.9%	**$9.35**	2.7%	**6.9%**	**6.6%**	-0.3%	**6.8%**	0.2%
Multifamily	**$1,316**	**$1,370**	4.1%	**$1,378**	0.6%	**10.9%**	**11.3%**	0.4%	**11.2%**	-0.1%
Hospitality	**$113.22**	**$120.47**	6.4%	**$123.39**	2.4%	**40.2%**	**35.6%**	-4.6%	**37.0%**	1.4%

Source: CoStar 8-3-2025

HOUSTON AREA MAP



MARKET AREA ANALYSIS

Market Area Defined: According to The Dictionary of Real Estate Appraisal, Seventh Edition, by the Appraisal Institute, 2022, page 116, a ***market area*** is defined as: "The geographic region from which a majority demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area."

Boundaries: In order to discuss a market area, the boundaries must be established in order to distinguish it from the rest of the community. The market area boundaries are generally delineated as follows:

North: Highway 105
South: I-10
East: F.M. 770
West: Trinity River

Access: S.H. 146, U.S. Highway 59/Interstate 69, S.H. 242, F.M. 1960 East, U.S. 90, and S.H. 105 are the major expressways serving the market area. U.S. Highway 59/Interstate 69 extends generally in a northeast/southwest direction, providing the most direct route from the subject market area to Houston's Central Business District to the southwest. Estimated drive time to downtown is typically about 45 minutes, up to about 60 minutes or more, during periods of heavy traffic.

F.M. 1960 East, S.H. 105, U.S. Highway 90 and S.H. 99 provide primary east/west access to and through the subject market area.

Land Uses: The subject market area is predominately residential and supportive commercial in nature. The majority of residential development has occurred in single-family residential subdivisions, ranging in age from new to 60+ years and older with a high concentration of SFRs on acreage lots. Several garden apartment complexes are distributed throughout the market area. Adequate retail, schools, and community facilities are also located throughout the market area. It is estimated that approximately 50% of

the immediate subject area is developed with predominantly residential uses and supportive commercial properties along the major thoroughfares, with scattered light industrial use, and scattered commercial/retail uses along S.H. 105, U.S. 90 and F.M. 1960 East.

Education: The majority of the market area is in the Hardin, Liberty, Dayton, Splendora and Cleveland ISDs, providing adequate schools from elementary through high school throughout the area. Lone Star College provides convenient classes for higher education in Kingwood, just to the west of the subject area. Numerous institutes of higher education are also within commuting distance of the market area.

Lone Star College (LSC) offers academic and occupational courses. LSC is the seventh-largest community college district in Texas and is growing. Since 1973, LSC has grown from 613 students to nearly 83,000 credit students each semester, and an additional 12,000 non-credit students. LSC currently has six colleges and 10 off-campus sites that are accessible to all students in all of the college district's neighborhoods. The University Center is a multi-university center that opened in the fall of 1997 near the Montgomery College campus in the 78,000-square-foot George P. Mitchell Building in the Woodlands.

The University Center is an alliance of six universities, the Lone Star College District and the private sector. The six Lone Star Colleges offer the freshman and sophomore course work. In addition to Lone Star College, The University Center partners include Prairie View A&M University, Sam Houston State University, Texas A&M University, Texas Southern University, University of Houston, and University of Houston-Downtown.

Recreation: Recreational amenities include green belts, ball fields, bowling lanes, golf courses, public libraries, cinemas, skating, swimming, tennis and area lakes provided by or in proximity thereto. Lake Houston is also a significant recreational draw for the region.

The Grand Texas Sports and Entertainment District is being developed in New Caney. Two parks have recently been added the development, Big Rivers Waterpark and Gator

Bayou Adventure Park, which opened in the Summer 2018. Both parks will occupy 80 acres of the 630 acre venue.

Services/Utilities: Police protection is provided by the local municipalities, local constables, Harris County, Liberty County and Montgomery County, while fire protection is provided by local volunteer fire departments, or ESD's. Public utilities (electricity, gas, sewer, water, and telephone) are available to most developed properties, with water and sanitary sewer services typically supplied by municipal utility districts (MUD's) within platted subdivisions, or the local municipalities. Properties that are outside of municipalities and MUDs are typically privately served by water wells and septic tanks.

Employment Centers: The market area is in proximity to one of Houston's major employers, Bush Intercontinental Airport. Most residents of this community must commute to downtown Houston or one of the other major employment centers in this region. Other area employment centers include Harding ISD, Dayton ISD, New Caney ISD, Humble ISD, Splendora ISD, Cleveland ISD, Reliant Energy or Bush Intercontinental Airport.

Single-Family Residential: The appraisers have referenced the Zonda Houston Metrostudy, 3rd Quarter 2025. The subject of this appraisal is located within the Lake Houston East Submarket and is located within the Northeast Market Area of the overall Houston region. The following chart summarizes the vital statistics for Lake Houston East Submarket, the Northeast Market Area, and the overall Houston region.

Zonda Houston Metrostudy 3Q 2025								% Change
Submarket/ Market Area		3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	Yrly. Rates/ Supply	12 Month
Lake Houston East Submarket	Starts	166	172	181	293	274	920	65.06%
	Closings	128	126	186	147	144	603	12.50%
	Housing Inv.	374	420	415	561	691	13.8 mos.	84.76%
	VDL Inv.	1,649	1,938	2,158	2,159	2,639	34.4 mos.	60.04%
Northeast Market Area	Starts	1,321	1,418	1,391	1,645	1,452	5,906	9.92%
	Closings	1,542	1,424	1,329	1,327	1,558	5,638	1.04%
	Housing Inv.	3,257	3,251	3,313	3,631	3,525	7.5 mos.	8.23%
	VDL Inv.	9,948	11,849	12,274	12,274	12,795	26.0 mos.	28.62%
Houston Total	Starts	9,493	9,045	9,449	10,809	8,618	37,921	-9.22%
	Closings	9,996	9,801	9,404	9,494	9,869	38,568	-1.27%
	Housing Inv.	23,744	22,988	23,033	24,348	23,097	7.2 mos.	-2.72%
	VDL Inv.	52,188	58,383	59,120	58,946	61,337	19.4 mos.	17.53%

For the 3rd Quarter 2025, the Lake Houston East Submarket had 920 housing starts (a 65.06% increase since 3rd Quarter 2024), and 603 closings, (a 12.50% increase since 3rd Quarter 2024). The Lake Houston East Submarket ended the quarter with a new home inventory of 691 units or a 13.8-month supply, which is inferior to the 7.5-month supply for the Northeast Market Area new home market. The Lake Houston East Submarket concluded the 3rd Quarter 2025 with 2,639 vacant developed lots in inventory. This lot inventory equates to a 34.4-month **oversupply**, which is inferior to the 26.0 VDL moderate oversupply for Northeast Market Area. A 20-to-24-month supply of lots is considered to be a market in equilibrium.

For the 3rd Quarter 2025, the overall Northeast Market Area had 1,452 starts (a 9.92% increase since 3rd Quarter 2024) and 1,558 closings (a 1.04% increase since 3rd Quarter 2024). The result is a new home inventory of 3,525 units, or a 7.5-month supply, which is similar to the 7.2-month supply for the overall Houston new home market. At the time of this Zonda Houston Metrostudy report, there was a total inventory of 12,795 vacant developed lots in the Northeast Market Area. This equates to a 26.0-month **moderate oversupply**, which is inferior to the 19.4-month stable supply for the overall Houston region. Again, a 20-to-24-month supply of lots is considered to be a market in equilibrium.

CONCLUSION:

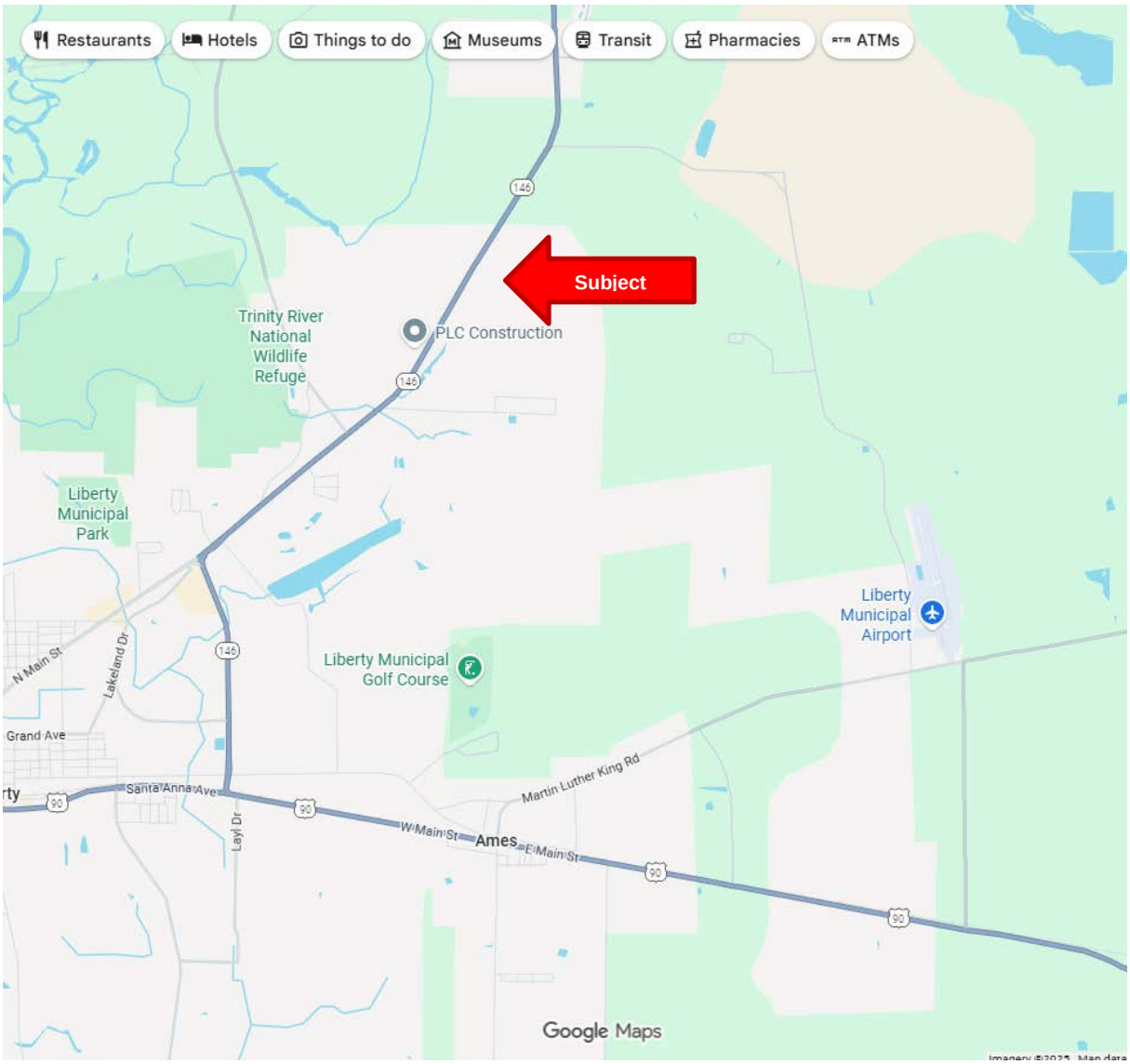
The subject market area, with its convenient location and rapidly growing population has experienced rapid growth since late 2012, after several years of slower, post-

recessionary growth. The majority of development has been a good balance of single-family residential and supportive commercial uses. Utilities are available to most properties in the area, and no adverse conditions were observed that would represent a negative influence for the market area. The commercial properties are generally located along the major thoroughfares and are considered to enhance rather than adversely affect the residential values.

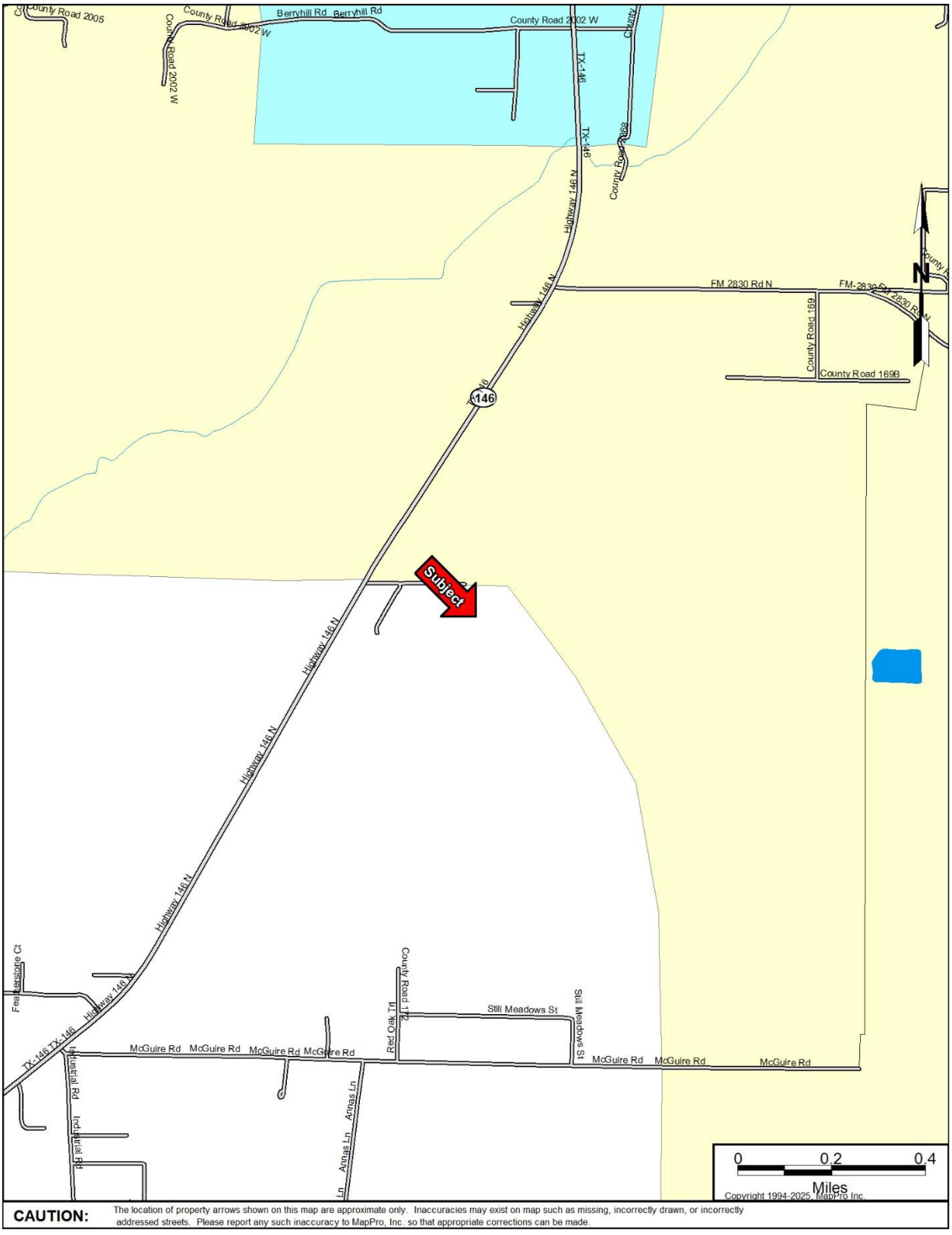
Inflation has greatly recovered from its 2022 peak of about 9%, settling to 2.3%, as of the end of April 2025. The overall impact to the local residential market is to be determined, as mortgage rates remain approximately 6.15%, but most experts expect continued steady activity throughout 2025 into 2026, with lower rates forthcoming by year-end and into 2026.

.

MARKET AREA MAP



LOCATION MAP



SITE ANALYSES

The subject consists of 216 under-development on 50.598 acres in Sections 1 and 2, located along the east line of S.H. 146, approximately 3.55 miles north of U.S. 90, and approximately 0.62 mile south of F.M. 2830, in Liberty, Liberty County, Texas 77575. The subject lots have a typical lot size of 50' x 100', or 5,000 SF.

Coordinates:	Latitude 30.105700; Longitude: -94.740878
Postal Address:	Liberty, Texas 77575
Location:	Located along the east line of S.H. 146, approximately 3.55 miles north of U.S. 90, and approximately 0.62 mile south of F.M. 2830, in Liberty, Liberty County, Texas 77575.
Tract Size:	50.598 acres (216 lots)
Density:	4.27 lots per acre

Subject Lot Mix:

No.	Description	Avg. FF	Avg. Size
216	Under-development	50'	5,000 SF

Zoning/Restrictions:	The City of Liberty does not have a comprehensive zoning ordinance regulating land use for single-family detached homes; however, the City of Liberty does require that residential lots be at least 5,000 SF. The subdivision will be subject to typical residential lot deed restrictions. Yet, we are aware of no restrictions that would adversely affect development of the subject lots' to their highest and best use.
Shape:	The subject lots are generally rectangular in shape.
Topography:	The topography of the subject lots are generally level.
Subdivision Improvements:	Site improvements will include public concrete-paved streets, water and sanitary sewer provided by public lines, electrical lines, natural gas lines,

cable/telephone lines, concrete curb and gutter drainage and offsite detention.

Easements: The appraisers know of no easements that would adversely affect development of the subject lots to their highest and best use.

Soil/Subsoil Conditions: A soil and subsoil report has not been provided to the appraisers; however, as evidenced by the existing and surrounding development, the soil conditions appear to be adequate in all respects for most types of construction.

Environmental: Upon physical inspection of the subject, no obvious environmental hazards or endangered species were observed. The appraisers are not environmental engineers and are not qualified to detect environmental hazards or endangered species. For a conclusive analysis of the lots, a study by qualified environmental experts would be necessary.

Subdivision Amenities: Walking trails

Utilities/Services:

Utilities/Services	
Electricity:	Entergy
Water/Sanitary Sewer:	City Of Liberty
Gas:	CenterPoint Energy
Phone:	AT&T & others
Police Protection:	City of Liberty/Liberty County Sheriff's Dept.
Fire Protection:	City of Liberty
School District:	Hardin ISD

Floodplain:

FEMA Flood Map	
Flood Map No.:	48291C0475D
Flood Map Date:	1/19/2018
Flood Map Designation:	Zone X

Subject Builders: Starlight Homes and Hart Homes

New Home Price Range: From $265,000+

Conclusion: All services and public utilities are available, and no detrimental zoning, encroachments, or restrictions were noted, which would represent an adverse influence to the subject lots for new residential construction with an average price point of the low $265,000+ by Starlight Homes and Hart Homes, or a comparable builder/s. Local employment and residential demand are anticipated to grow for the immediate market area and regional corridor. All services and public utilities are available, and the starter new home price range of the development is a good draw for the under-development subject single-family lots.

SURVEY

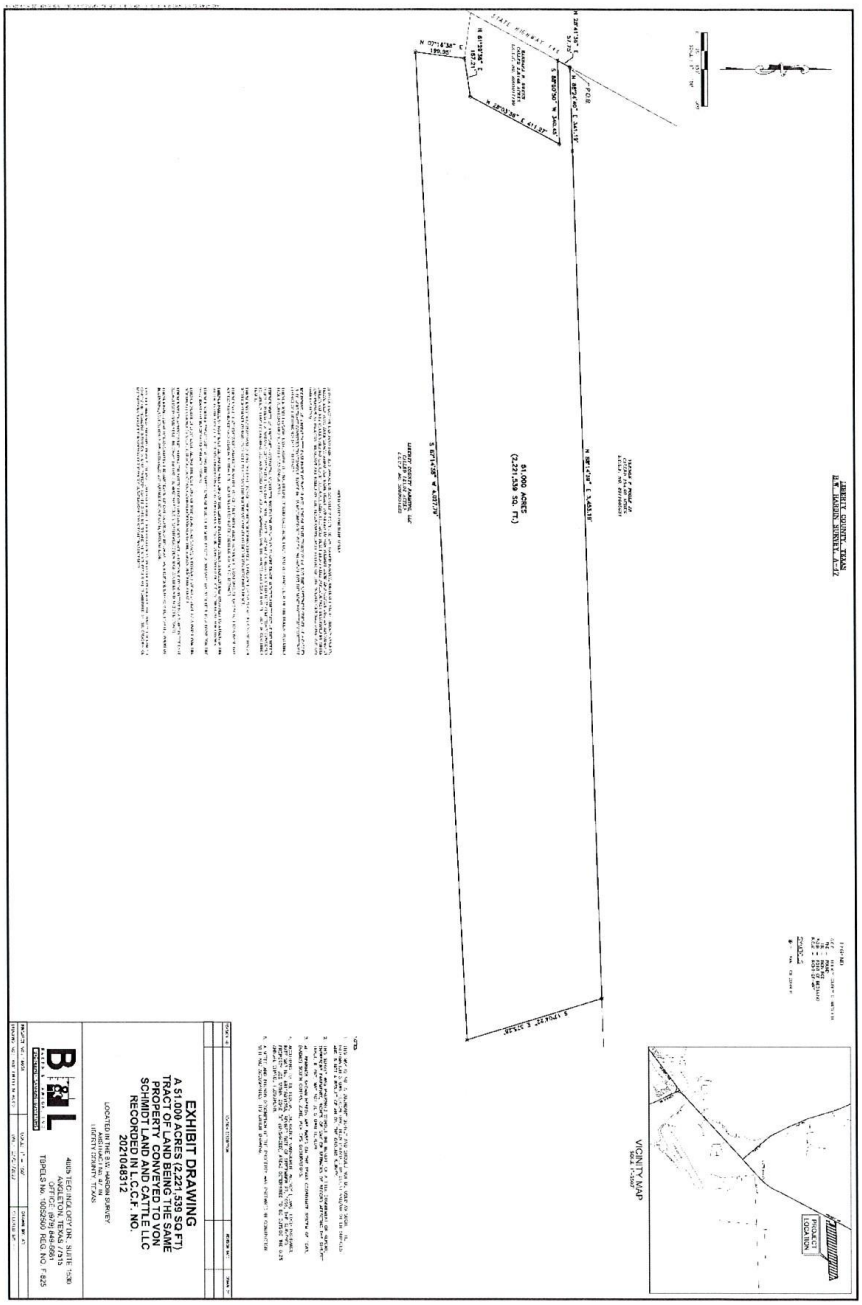
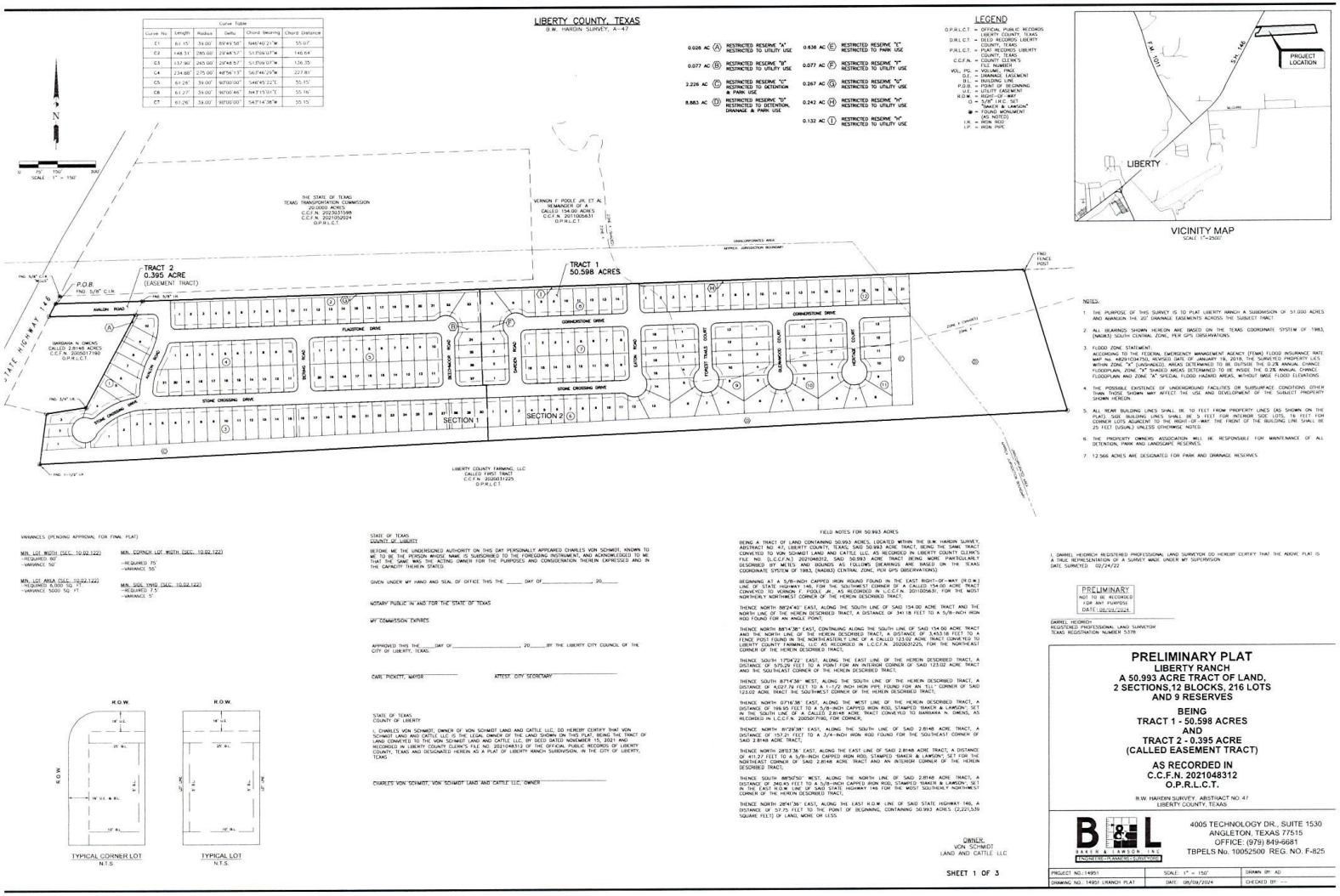
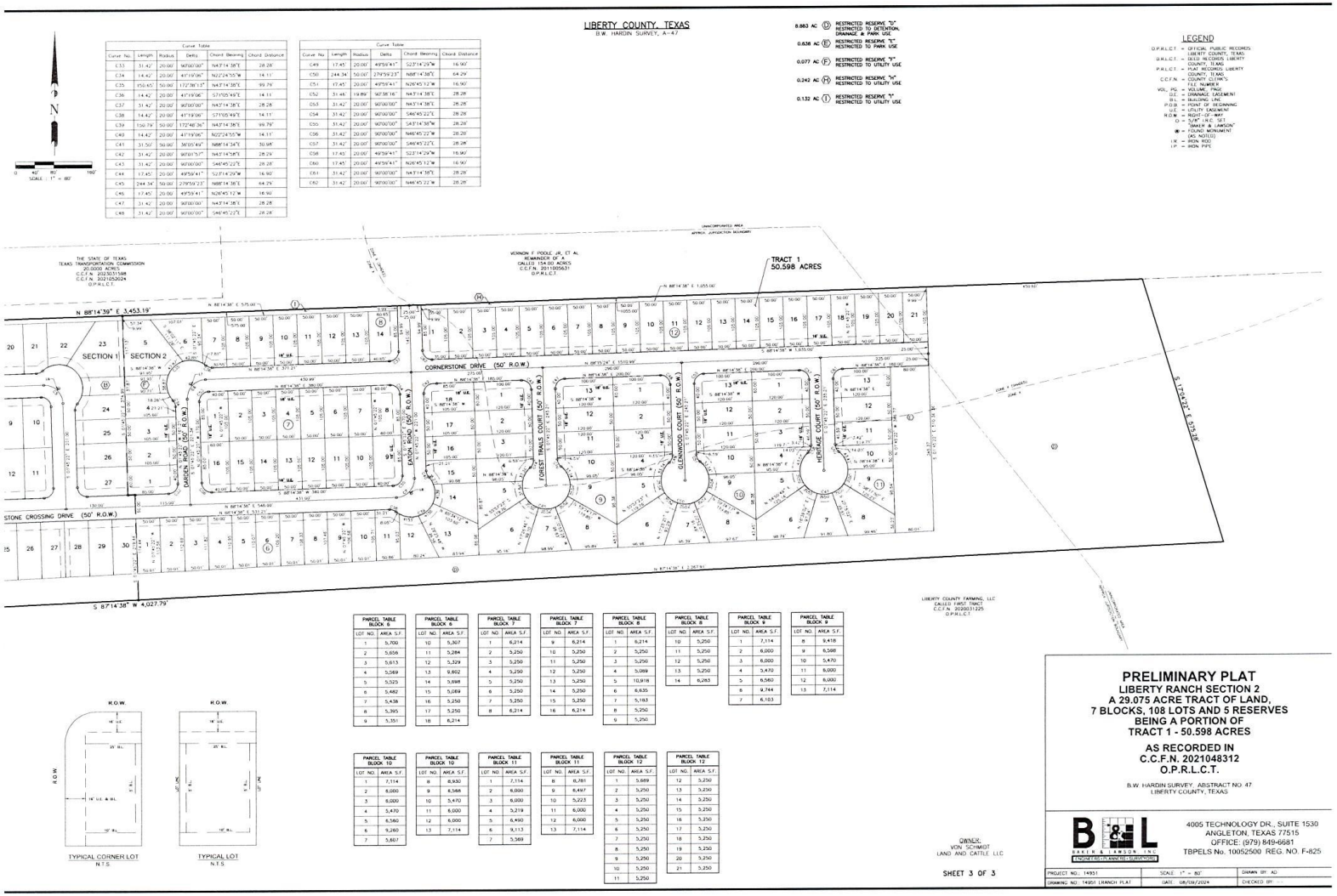
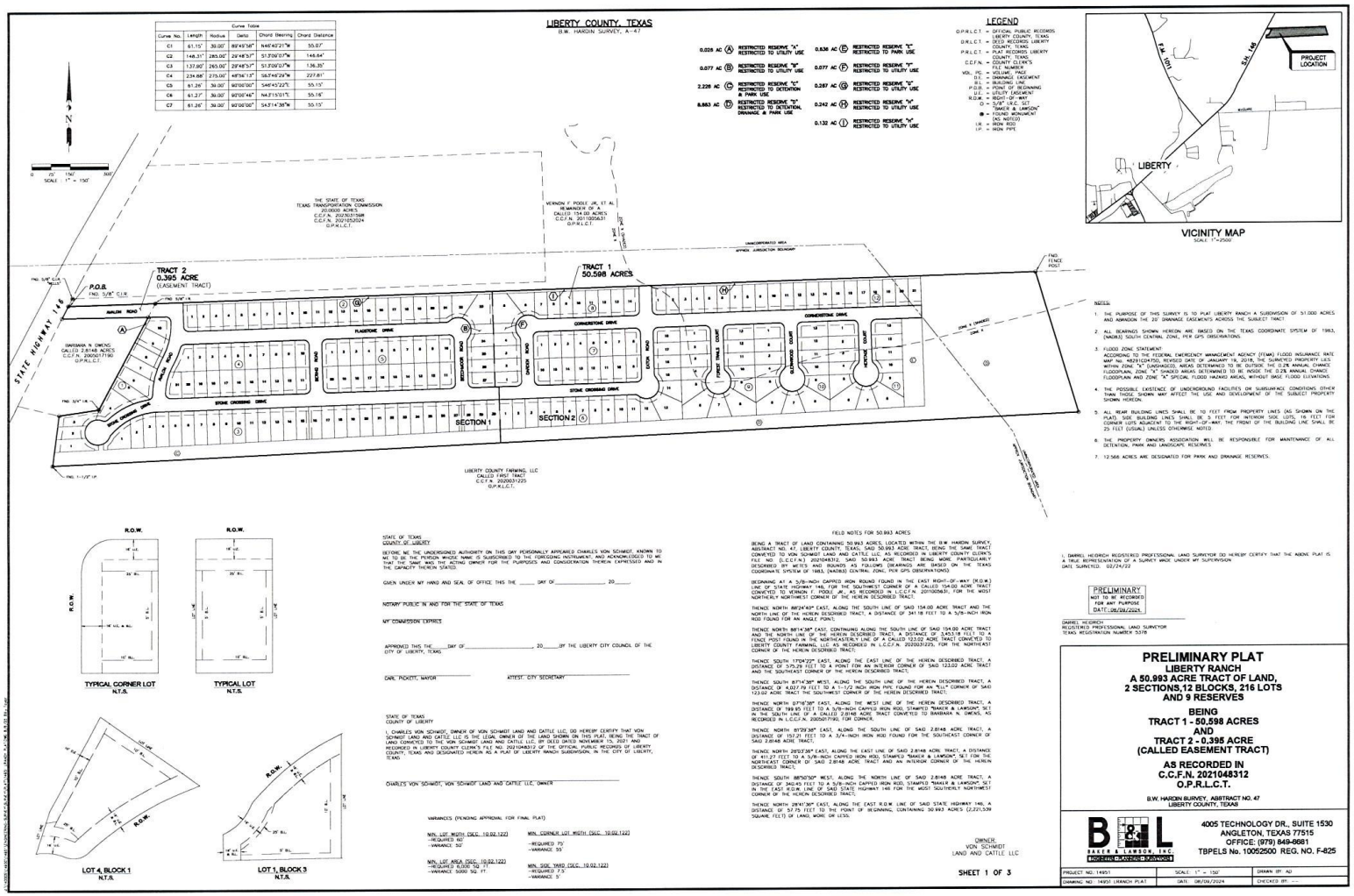


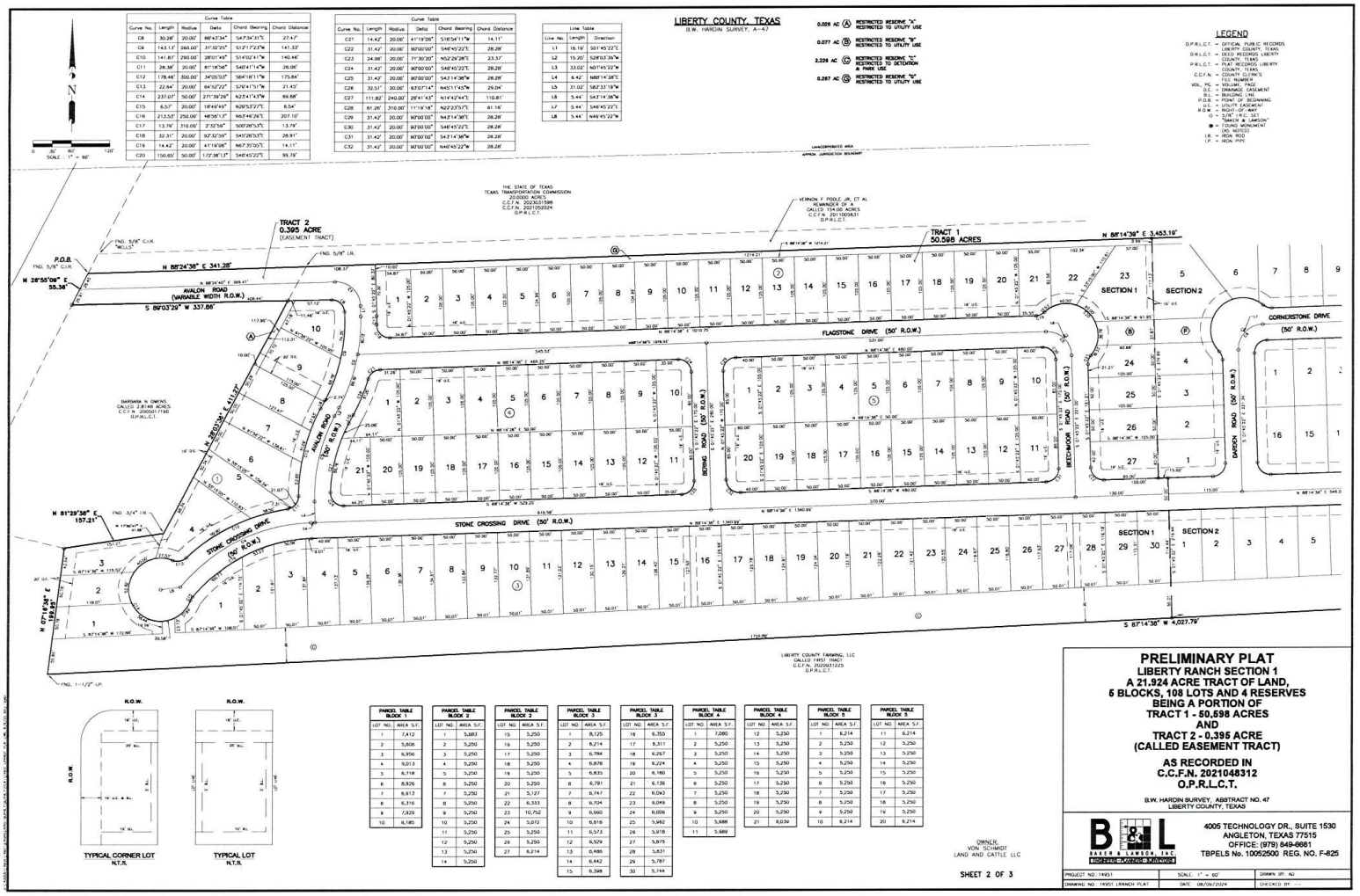
EXHIBIT DRAWING
A 51.009 ACRES (2,221,539 SQ FT)
TRACT OF LAND BEING THE SAME
PROPERTY CONVEYED TO VON
SCHMIDT LAND AND CATTLE LLC
RECORDED IN CLERK'S INSTR. NO.
20210048312
LOCATED IN THE P.G. HARDIN SURVEY
ABSTRACT NO. 1
DENTON COUNTY, TEXAS
4849 GREENVILLE AVE., SUITE 1590
DALLAS, TEXAS 75206
TBPELS No. 10025900
REG. NO. F-525
VICINITY MAP
PROJECT LOCATION
(2,221,539 SQ. FT.)

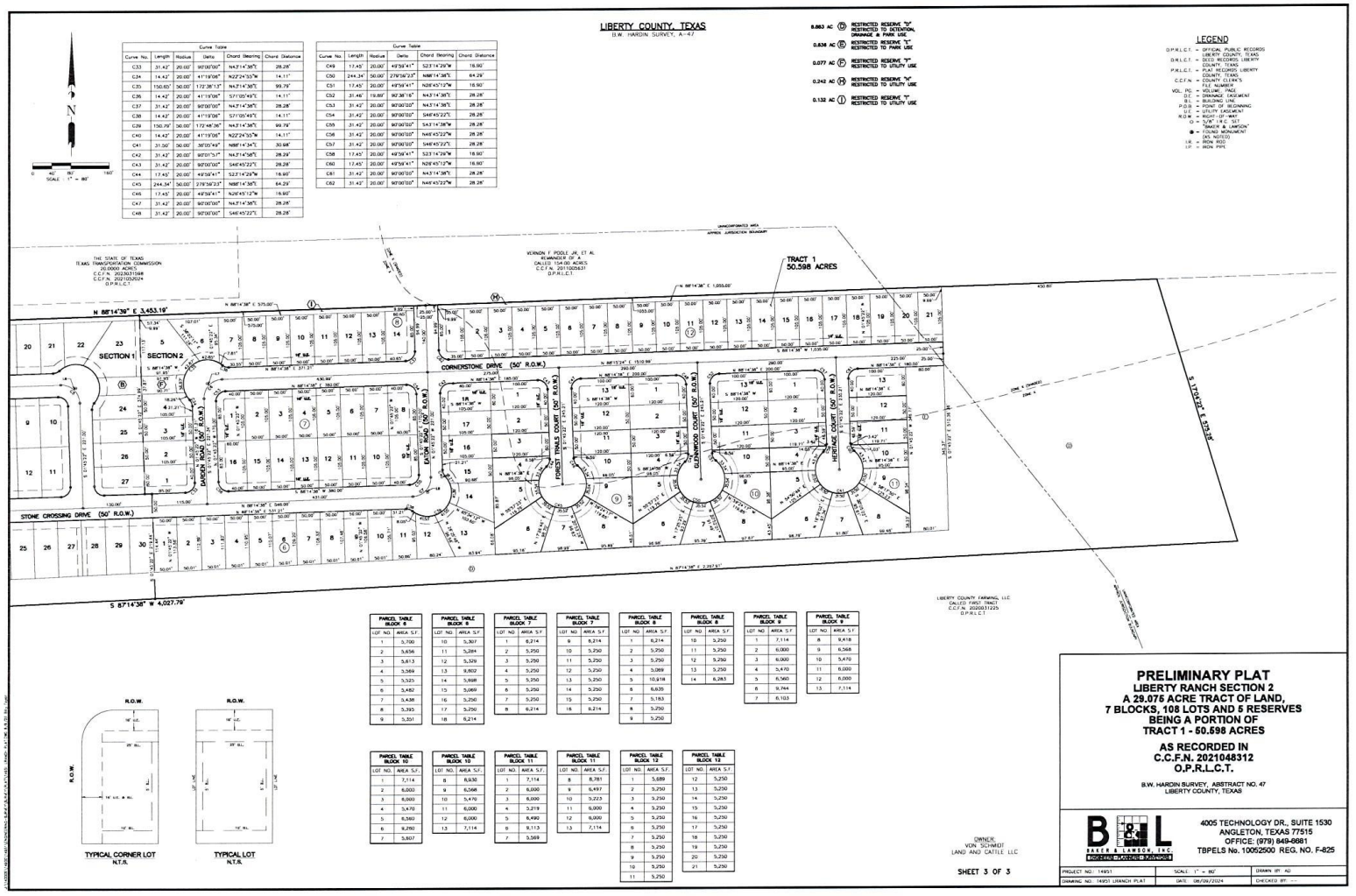
PRELIMINARY PLAT



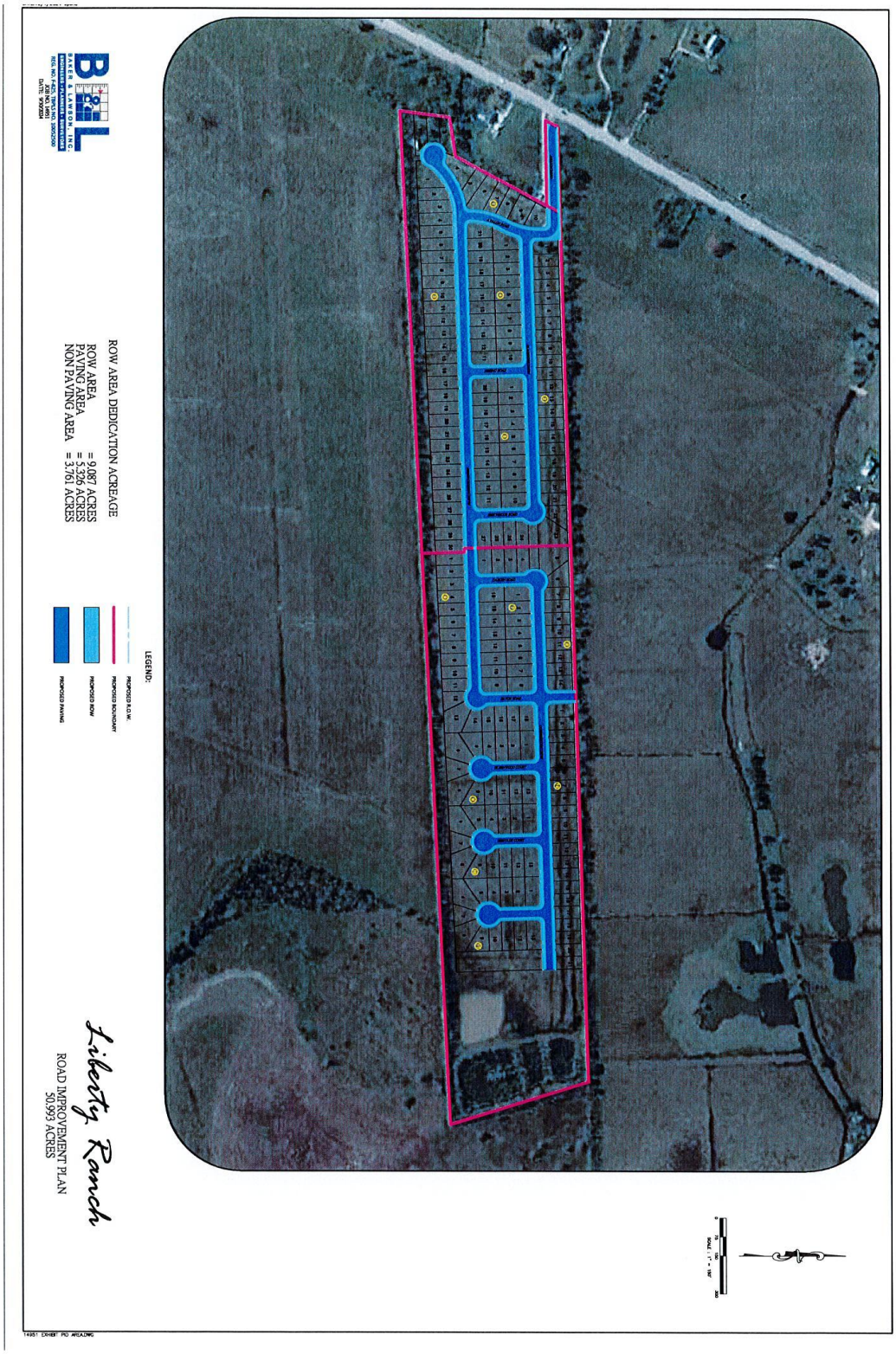

LIBERTY COUNTY, TEXAS
B.W. HARDIN SURVEY, A-47
LEGEND
TRACT 1
50.598 ACRES
SECTION 1
SECTION 2
CORNERSTONE DRIVE (50' R.O.W.)
STONE CROSSING DRIVE (50' R.O.W.)
N 88°14'39" E 3,453.19'
S 87°14'38" W 4,027.79'
PRELIMINARY PLAT
LIBERTY RANCH SECTION 2
A 29.075 ACRE TRACT OF LAND,
7 BLOCKS, 108 LOTS AND 5 RESERVES
BEING A PORTION OF
TRACT 1 - 50.598 ACRES
AS RECORDED IN
C.C.F.N. 2021048312
O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-6681
TBPELS No. 10052500 REG. NO. F-825
OWNER:
VON SCHMIDT
LAND AND CATTLE LLC
SHEET 3 OF 3
TYPICAL CORNER LOT
TYPICAL LOT

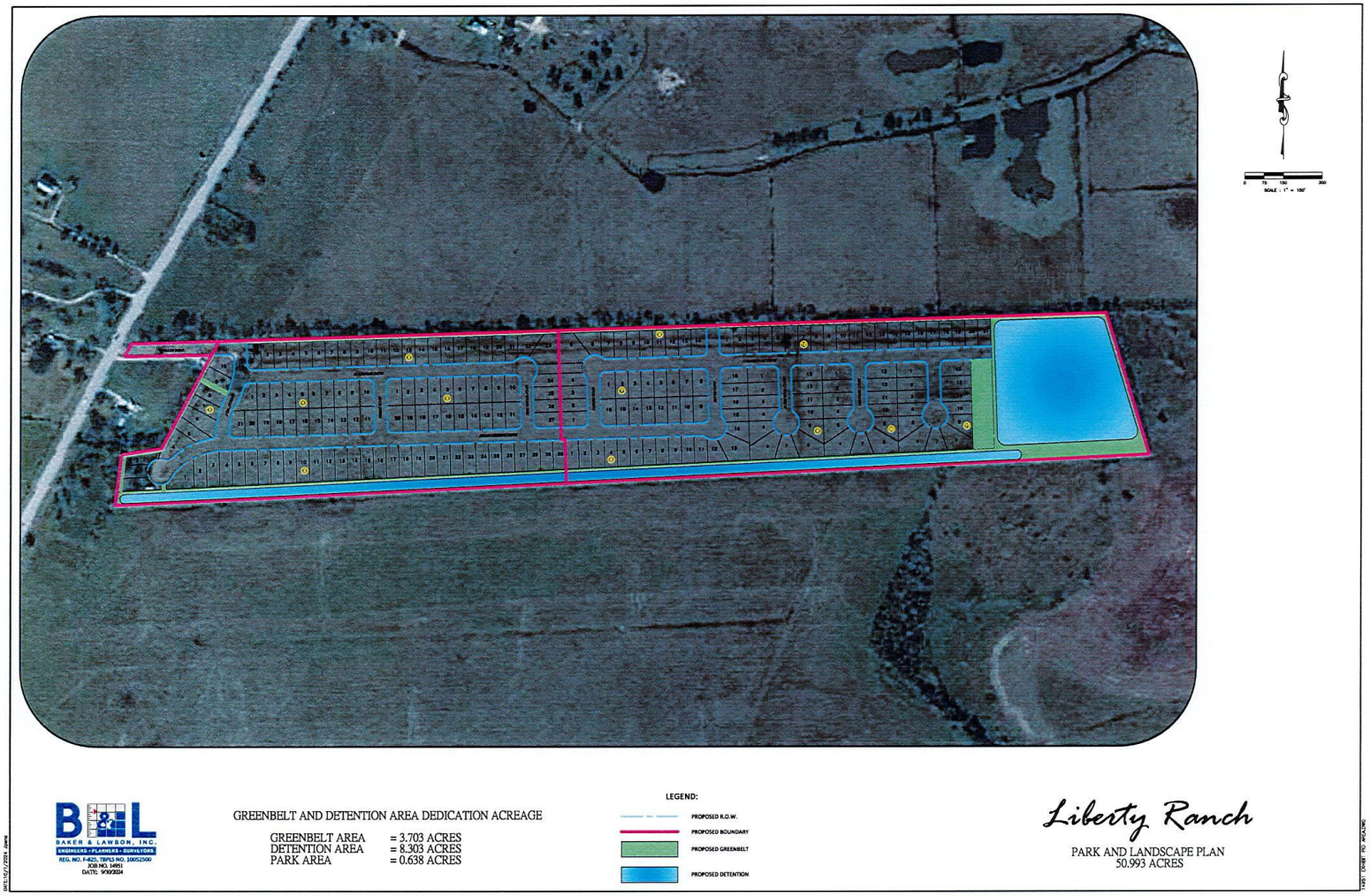

LIBERTY COUNTY, TEXAS
B.W. HARDIN SURVEY, A-47
LEGEND
VICINITY MAP
TRACT 1
50.598 ACRES
TRACT 2
0.395 ACRE
(EASEMENT TRACT)
P.O.B.
STATE HIGHWAY 146
SECTION 1
SECTION 2
TYPICAL CORNER LOT
N.T.S.
TYPICAL LOT
N.T.S.
LOT 4, BLOCK 1
N.T.S.
LOT 1, BLOCK 3
N.T.S.
NOTES:
FIELD NOTES FOR 50.993 ACRES
PRELIMINARY
NOT TO BE RECORDED FOR ANY PURPOSE
DATE: 06/24/2024
PRELIMINARY PLAT
LIBERTY RANCH
A 50.993 ACRE TRACT OF LAND,
2 SECTIONS,12 BLOCKS, 216 LOTS
AND 9 RESERVES
BEING
TRACT 1 - 50.598 ACRES
AND
TRACT 2 - 0.395 ACRE
(CALLED EASEMENT TRACT)
AS RECORDED IN
C.C.F.N. 2021048312
O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS
BAKER & LAWSON, INC
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-8681
TBPELS No. 10052500 REG. NO. F-825
SHEET 1 OF 3


LIBERTY COUNTY, TEXAS
B.W. HARDIN SURVEY, A-47
LEGEND
TRACT 1
50.598 ACRES
TRACT 2
0.395 ACRE
(EASEMENT TRACT)
AVALON ROAD
(VARIABLE WIDTH R.O.W.)
FLAGSTONE DRIVE (50' R.O.W.)
STONE CROSSING DRIVE (50' R.O.W.)
CORNERSTONE DRIVE
(50' R.O.W.)
SECTION 1
SECTION 2
P.O.B.
N 88°24'38" E 341.28'
S 88°03'29" W 337.88'
N 88°14'38" E 3,453.19'
S 87°14'38" W 4,027.79'
N 81°29'38" E
157.21'
TYPICAL CORNER LOT
N.T.S.
TYPICAL LOT
N.T.S.
PRELIMINARY PLAT
LIBERTY RANCH SECTION 1
A 21.924 ACRE TRACT OF LAND,
5 BLOCKS, 108 LOTS AND 4 RESERVES
BEING A PORTION OF
TRACT 1 - 50.598 ACRES
AND
TRACT 2 - 0.395 ACRE
(CALLED EASEMENT TRACT)
AS RECORDED IN
C.C.F.N. 2021048312
O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS
BAKER & LAWSON, INC
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-6681
TBPELS No. 10052500 REG. NO. F-825
OWNER:
VON SCHMIDT
LAND AND CATTLE LLC
SHEET 2 OF 3

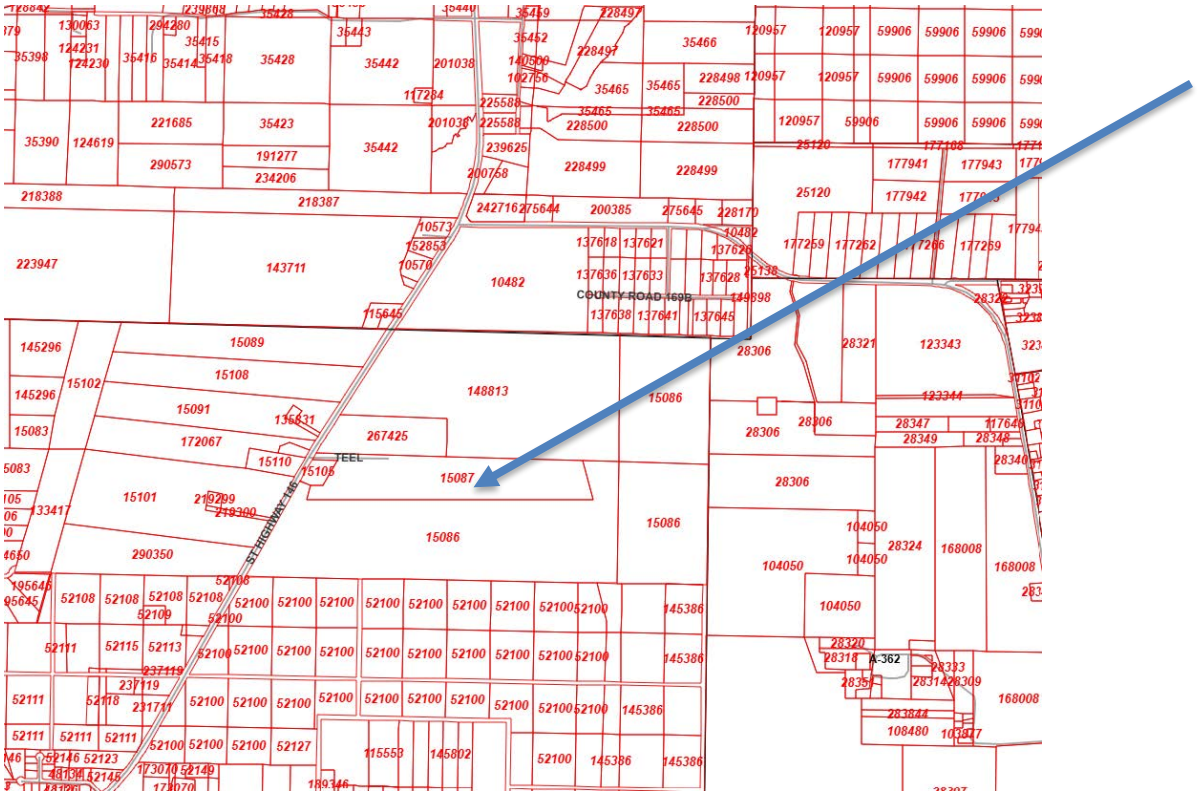

LIBERTY COUNTY, TEXAS
B.W. HARDIN SURVEY, A-47
LEGEND
TRACT 1
50.598 ACRES
SECTION 1
SECTION 2
CORNERSTONE DRIVE (50' R.O.W.)
STONE CROSSING DRIVE (50' R.O.W.)
PRELIMINARY PLAT
LIBERTY RANCH SECTION 2
A 29.076 ACRE TRACT OF LAND,
7 BLOCKS, 108 LOTS AND 5 RESERVES
BEING A PORTION OF
TRACT 1 - 50.598 ACRES
AS RECORDED IN
C.C.F.N. 2021048312
O.P.R.L.C.T.
B.W. HARDIN SURVEY, ABSTRACT NO. 47
LIBERTY COUNTY, TEXAS
BAKER & LAWSON, INC.
4005 TECHNOLOGY DR., SUITE 1530
ANGLETON, TEXAS 77515
OFFICE: (979) 849-8681
TBPELS No. 10052500 REG. NO. F-825
TYPICAL CORNER LOT
N.T.S.
TYPICAL LOT
N.T.S.
OWNER:
VON SCHMIDT
LAND AND CATTLE LLC
SHEET 3 OF 3

SITE PLAN

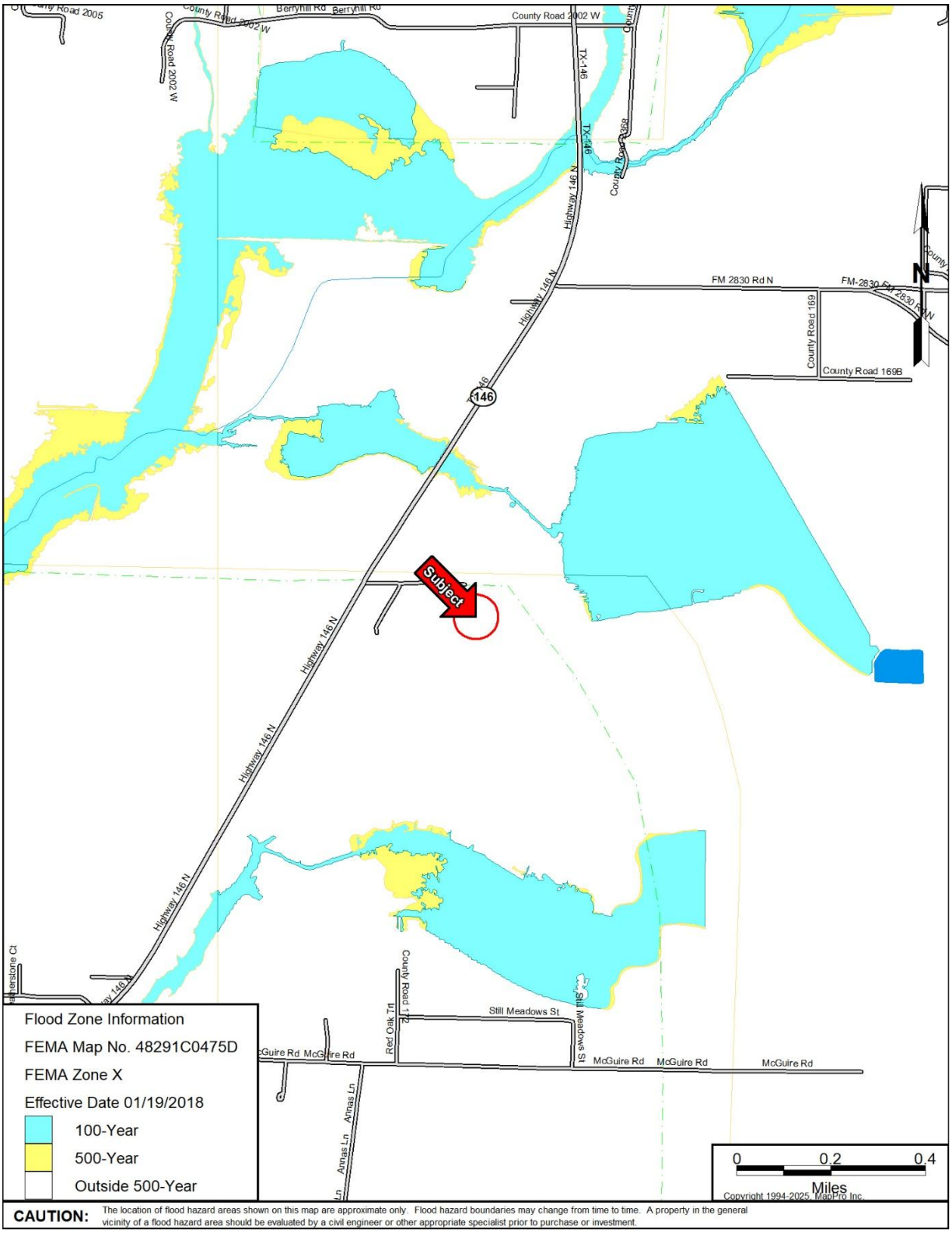

Liberty Ranch
ROAD IMPROVEMENT PLAN
50.993 ACRES
ROW AREA DEDICATION ACREAGE
ROW AREA = 9.087 ACRES
PAVING AREA = 3.526 ACRES
NON PAVING AREA = 3.761 ACRES
LEGEND:
PROPOSED R.O.W.
PROPOSED ROW
PROPOSED PAVING


0 75 150 300
SCALE : 1" = 150'
B&L
BAKER & LAWSON, INC.
ENGINEERS • PLANNERS • SURVEYORS
REG. NO. F-625, TBPLS NO. 10052500
JOB NO. 14951
DATE: 9/30/2024
GREENBELT AND DETENTION AREA DEDICATION ACREAGE
GREENBELT AREA = 3.703 ACRES
DETENTION AREA = 8.303 ACRES
PARK AREA = 0.638 ACRES
LEGEND:
PROPOSED R.O.W.
PROPOSED BOUNDARY
PROPOSED GREENBELT
PROPOSED DETENTION
Liberty Ranch
PARK AND LANDSCAPE PLAN
50.993 ACRES

LCAD MAP

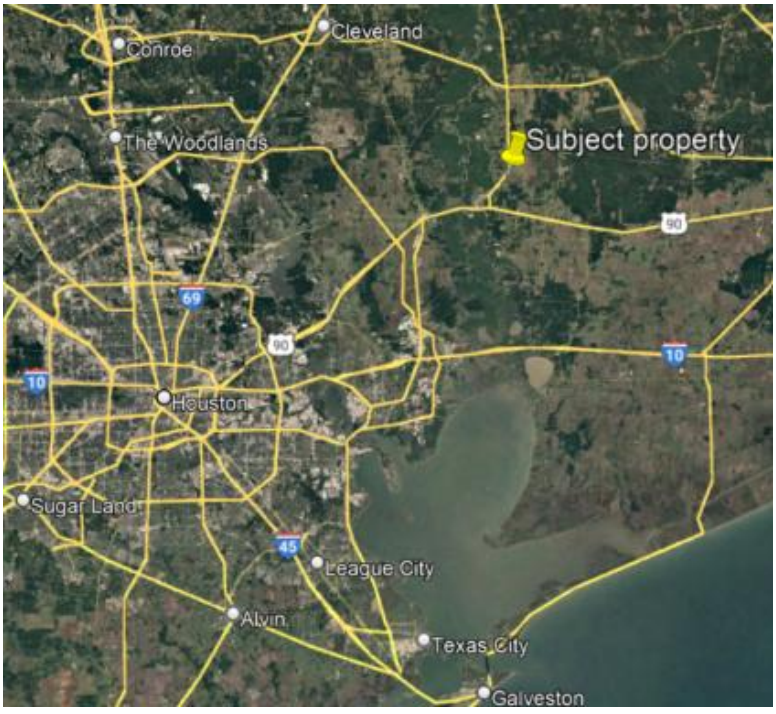


FLOOD PLAIN MAP



AERIAL PHOTOS

Micro Aerial



Macro Aerial

SUBJECT PROPERTY PHOTOGRAPHS

HIGHEST AND BEST USE

The **"Highest and Best Use"** is defined as:

> 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. (The Dictionary of Real Estate Appraisal, Seventh Edition, 2022, pages 88-89, Appraisal Institute).
>
> **Highest and Best Use of Land or a Site As Though Vacant:** Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, page 93, Appraisal Institute).
>
> **Highest and Best Use of Property As Improved**: The use that should be made of a property as it exists. A near-complete property should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the near-complete building and constructing a new one. (The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, page 94, Appraisal Institute).

The definition immediately above applies specifically to the highest and best use of land. In cases where a site has near-complete improvements, the highest and best use may be different from the near-complete use. The near-complete use will continue, however, unless or until land value in its highest and best use exceeds the total value of the property in its near-complete use.

Contribution of that specific use to community environment or to community development goals is implied within these definitions, in addition to wealth maximization. Also implied is that determination of the highest and best use is formulation of an opinion, not a fact, resulting from the appraiser's judgment and analysis. In appraisal practice, the concept of highest and best use is the premise on which value is based. In the context of most probable selling price (market value), another appropriate term to reflect highest and best use would be "most probable use." In the current context of investment value, an alternative term would be "most profitable use".

In order to reasonably determine the highest and best use of the subject lots, the legally permissible uses, physically possible uses, financially feasible uses and the maximally productive use are considered.

LEGALLY PERMISSIBLE

Zoning/Restrictions: Zoning regulations, deed restrictions, adverse easements, historical districts, building codes, and environmental regulations often limit the potential uses of a property. The City of Liberty does not have a comprehensive zoning ordinance regulating land use for single-family detached homes; however, the City of Liberty does require that residential lots be at least 5,000 SF. The subject properties are subject to Liberty Ranch, Sections 1 and 2 deed restrictions.

PHYSICALLY POSSIBLE

Site size, shape, topography, location, and the availability of utilities are generally held as the most important factors in determining uses by which land may be developed. Consistent with single-family residential lots located in the subject's market area, the 216 under-development 50' subject lots are well-suited for construction of starter-priced single-family homes, as proposed by Starlight Homes and Hart Homes.

FINANCIALLY FEASIBLE

Any use which produces a positive rate of return, is regarded as feasible from a financial point of view. Other important factors include the possible and legal uses as well as the location, size, shape and street frontage. The general character of the market area and adjacent land uses also provide indications of feasible use. This data along with other market data form the basis for analysis of various alternate investment returns.

The appraisers have referenced the Zonda Houston Metrostudy, 3rd Quarter 2025. The subject of this appraisal is located within the Lake Houston East Submarket and is located within the Northeast Market Area of the overall Houston region. The following chart summarizes the vital statistics for Lake Houston East Submarket, the Northeast Market Area, and the overall Houston region.

Zonda Houston Metrostudy 3Q 2025								% Change
Submarket/ Market Area		3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	Yrly. Rates/ Supply	12 Month
Lake Houston East Submarket	Starts	166	172	181	293	274	920	65.06%
	Closings	128	126	186	147	144	603	12.50%
	Housing Inv.	374	420	415	561	691	13.8 mos.	84.76%
	VDL Inv.	1,649	1,938	2,158	2,159	2,639	34.4 mos.	60.04%
Northeast Market Area	Starts	1,321	1,418	1,391	1,645	1,452	5,906	9.92%
	Closings	1,542	1,424	1,329	1,327	1,558	5,638	1.04%
	Housing Inv.	3,257	3,251	3,313	3,631	3,525	7.5 mos.	8.23%
	VDL Inv.	9,948	11,849	12,274	12,274	12,795	26.0 mos.	28.62%
Houston Total	Starts	9,493	9,045	9,449	10,809	8,618	37,921	-9.22%
	Closings	9,996	9,801	9,404	9,494	9,869	38,568	-1.27%
	Housing Inv.	23,744	22,988	23,033	24,348	23,097	7.2 mos.	-2.72%
	VDL Inv.	52,188	58,383	59,120	58,946	61,337	19.4 mos.	17.53%

For the 3rd Quarter 2025, the Lake Houston East Submarket had 920 housing starts (a 65.06% increase since 3rd Quarter 2024), and 603 closings, (a 12.50% increase since 3rd Quarter 2024). The Lake Houston East Submarket ended the quarter with a new home inventory of 691 units or a 13.8-month supply, which is inferior to the 7.5-month supply for the Northeast Market Area new home market. The Lake Houston East Submarket concluded the 3rd Quarter 2025 with 2,639 vacant developed lots in inventory. This lot inventory equates to a 34.4-month **oversupply**, which is inferior to the 26.0 VDL moderate oversupply for Northeast Market Area. A 20-to-24-month supply of lots is considered to be a market in equilibrium.

For the 3rd Quarter 2025, the overall Northeast Market Area had 1,452 starts (a 9.92% increase since 3rd Quarter 2024) and 1,558 closings (a 1.04% increase since 3rd Quarter 2024). The result is a new home inventory of 3,525 units, or a 7.5-month supply, which is similar to the 7.2-month supply for the overall Houston new home market. At the time of this Zonda Houston Metrostudy report, there was a total inventory of 12,795 vacant developed lots in the Northeast Market Area. This equates to a 26.0-month **moderate oversupply**, which is inferior to the 19.4-month stable supply for the overall Houston region. Again, a 20-to-24-month supply of lots is considered to be a market in equilibrium.

MAXIMALLY PRODUCTIVE HIGHEST & BEST USE CONCLUSIONS

Based on our analyses of the legally permissible, physically possible and financially feasible uses for the subject under-development lots, we conclude that their maximally productive uses, and therefore, their highest and best uses, are as follows:

Highest & Best Use of Lots: Lot development completion and construction of starter detached residential units, as demand and market conditions warrant from $265,000+ by Starlight Homes and Hart Homes or comparable builders.

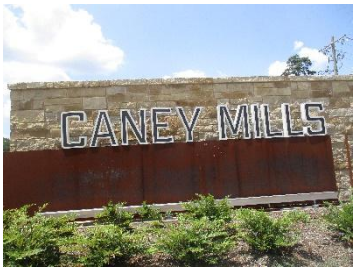
SALES COMPARISON APPROACH – RETAIL LOT VALUATION

The Sales Comparison Approach is “The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.” (The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, 2022, p. 170).

The rationale for this approach, based on the principle of substitution, is that a probable purchaser would not be justified in paying more for an individual retail lot than the cost of acquiring a substitute property of similar utility and characteristics, as that of the typical subject lot.

Again, knowledgeable individuals active in the area, which include real estate brokers, appraisers, developers, and builders, were consulted for information that would aid in the investigation. All of the data presented was confirmed for accuracy. On the following pages are details concerning the comparable takedown lot sales that have been used for the establishment of the subject's typical or base Retail Lot Value conclusion.

LOT SALE NUMBER ONE



Subdivision Name: Caney Mills, Section 7

Key Map: 158-M

Location: Located along the west line of Willis Waukegan Road, north of Highway 105, east of Rolling Hills Road, in Conroe, Montgomery County, Texas 77303.

Grantor: Caney Mills Development Company, LLC (Signorelli)

Grantee: Castlerock Communities

SFR Price Range: $210,990 to $288,990

Sales Data:

No. Lots	Avg FF	Base Lot Price	Esc. Lot Price	Per FF	Sale Date
105	45’	$49,500	$54,225	$1,205	6/3/2024

Financing: Cash to seller

Utilities: All available

School District: Conroe I.S.D.

Zoning/Restrictions: None/Caney Mills Deed Restrictions

Floodplain: None

Confirmation: Lot Contract

Recording Info: 2024-050343

Comments: This is the bulk purchase of 105 lots in Section 7 of Caney Mills. Castlerock Communities will be the exclusive builder in Section 7. Escalation of 6% commenced from initial 60-lot purchase in October 2022. No other fees are due to the developer.

LOT SALE NUMBER TWO

Subdivision: The Trails, Section 7

Key Map: 258-J

Location: Located along the west line of Plum Grove Road, just north of S.H. 99, in New Caney, Harris County, Texas 77357.

Sales Data:

No. Lots	Avg FF	Base Lot Price	Price Per FF	Sale Date
20	50’	$75,000	$1,568	10/28/2025

Grantor: CH-B Kingland

Grantee: DFH (McGuyer Land Holdings)

New Home Price Range: $334,990 - $363,990

Financing: Cash to seller

Utilities: All available

School District: Huffman I.S.D.

Zoning: None

Restrictions: Typical Deed Restrictions

Floodplain: None

Subdivision Amenities: Resort-style pool, splash pad, playground, amenity center, trails.

Confirmation: Confidential source with the builder

Clerk’s File No.: 2025-429552

Comments: This is the takedown of 20 lots McGuyer Land (Coventry Homes) is committed to in Section 7. Additional terms include $4,615 per lot in fees due to the developer.

LOT SALE NUMBER THREE

Subdivision: The Landing, Section 3

Key Map: 256-E

Location: Located along the south line of Gene Campbell Road, west of F.M. 1485, and east of F.M. 1314, in New Caney, Montgomery County, Texas 77357.

Lot Sales Data:

No. Lots	Avg FF	Base Lot Price	Esc. Lot Price	Per FF	Sale Date
20	40’	$43,000	$50,740	$1,269	5/23/2025

Grantor: The Landing I, LLC

Grantee: K. Hovnanian Homes

New Home Price Range: $226,990 to $277,990

Financing: Cash to seller

Utilities: All available

School District: New Caney I.S.D.

Zoning: None

Restrictions: Typical Deed Restrictions

Floodplain: No

Subdivision Amenities: Minimal

Confirmation: Developer/HUD Settlement Statement

Comments: This is the takedown of 30 lots by K. Hovnanian Homes. The base lot price was $43,000, subject to a 6% annual escalator from the initial purchase in 5/2022.

LOT SALE NUMBER FOUR

Subdivision Name: Granger Pines, Section 9

Key Map: 220-H

Location: Southwest side of F.M. 3083 at Granger Pines Way, about 1/2 mile west of F.M. 1485 (Old Houston Road), in the Conroe market area of Montgomery County, Texas 77302.

Sales Data:

No.	Lot Size	Purchase Price/Lot	Purchase Price/FF	Sales Date
20	50’	$61,000	$1,220	Pending

Grantor: Grangerland Development / Granger Pines Development Co. (Signorelli)

Grantee: Century Communities

SFR Price Range: $200,000 to $290,000

Financing: Cash to seller

Utilities: All available

School District: Conroe I.S.D.

Zoning/Restrictions: None/Granger Pines Deed Restrictions

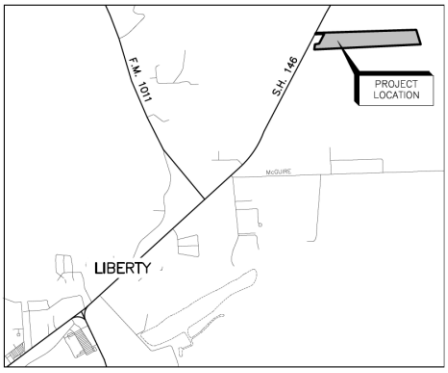
Floodplain: None

Confirmation: Lot Developer/Contracts

Recording Info: N/A

Comments: None

LOT SALE NUMBER FIVE



Subdivision: Liberty Ranch, Section 1

Key Map: Liberty County

Location: Located along the east line of S.H. 146, northeast of F.M. 1011, in Liberty, Liberty County, Texas 77575.

No. Lots	Avg FF	Base Lot Price	Escalated Lot Price	Per FF	Sale Date
74	50’	$55,000	N/A	$1,100	Pending

Grantor: Liberty Ranch, LLC (Waterstone Development Group)

Grantee: Starlight Homes

New Home Price Range: $265,000+

Financing: Cash to seller

Utilities: All available

School District: Hardin I.S.D.

Zoning: None

Restrictions: Typical Deed Restrictions

Floodplain: No

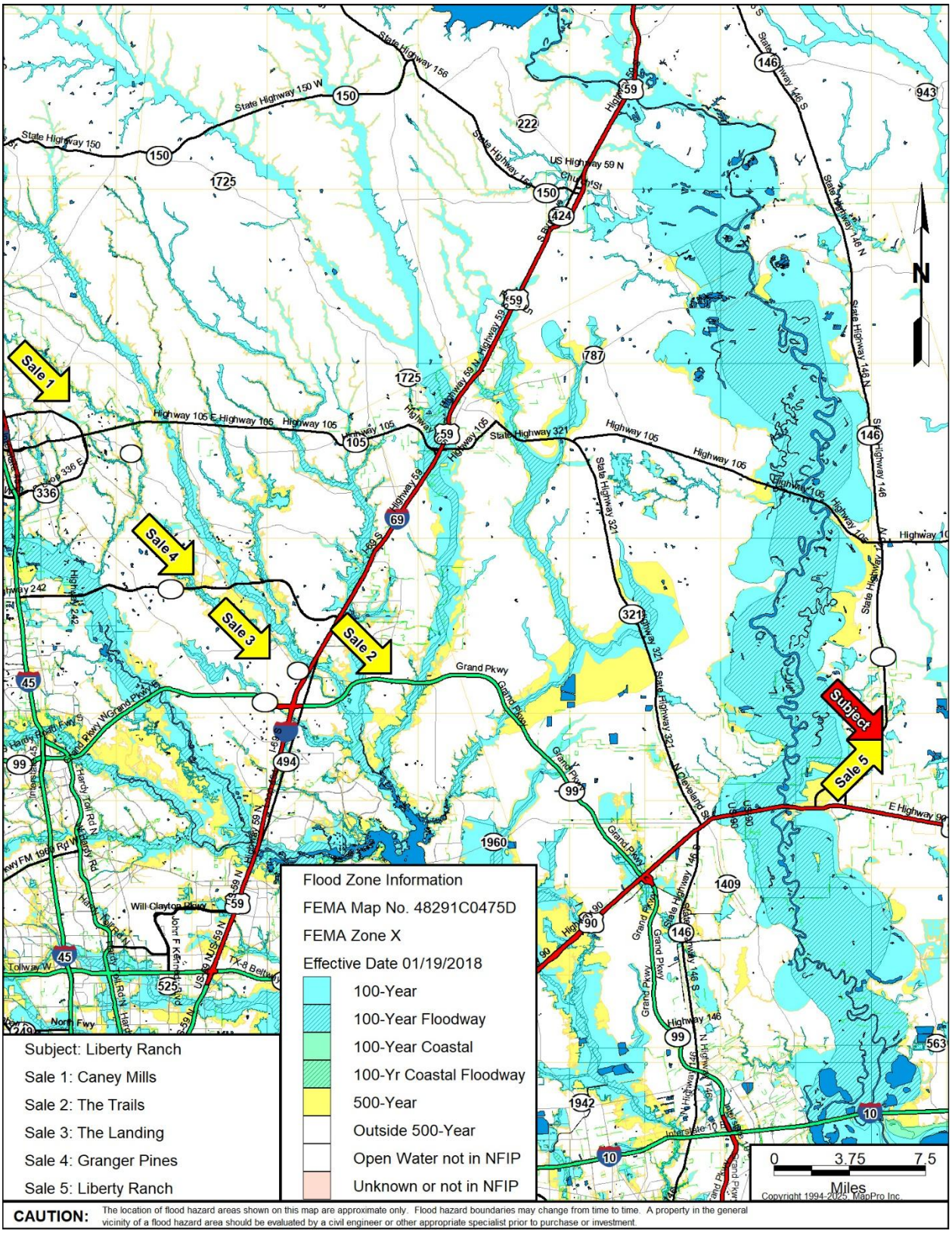
Subdivision Amenities: None

Confirmation: Developer/Contract

Clerk’s #: Pending

Comments: This is the pending initial takedown of 75 lots that Starlight Homes is committed to in Section 1. No lot fees are due to the developer. Hart Homes is a competing builder with similar terms.

LOCATION MAP OF LOT SALES COMPARABLES



LOT SALES ANALYSES

The Retail Takedown Lot Sales illustrated on the preceding pages are considered to be representative of the best available data for comparison to the subject lots, and are summarized on the following chart:

Lot Sales Summary							
Lot Sale	Sale Date	Subdivision	Sale Type	Description	Lot Size	Price PFF	Lot Price
1	6/3/2024	Caney Mills, Sec. 7	Bulk	105 Lots	45'	$1,205	$54,225
2	10/28/2025	The Trails, Sec. 7	Bulk	20 Lots	50'	$1,568	$78,375
3	5/23/2025	The Landing, Sec. 3	Bulk	20 Lots	40'	$1,269	$50,740
4	Pending	Granger Pines, Sec. 9	Bulk	20 Lots	50'	$1,220	$61,000
5	Pending	Liberty Ranch	Bulk	74 Lots	50'	$1,100	$55,000

CUMULATIVE ADJUSTMENTS

Market Conditions: A time adjustment is required if changes occur in market conditions between the time of sale of a comparable property, and the effective date of the appraisal of the subject property. Under such circumstances, the price of the comparable property would be different at the date of appraisal, and an adjustment is warranted to the cash equivalent sales price for the sale to be used as a comparable. Lot prices have been increasing in the subject market area at 5% to 8% per annum. Accordingly, where applicable, lot sales have been adjusted at a rate of **6%** per annum.

Financing/Cash Equivalent Considerations: Prior to adjusting for various categories applicable in the adjustment grid, each sale was reviewed with respect to financing terms and supplemental acquisition costs. When favorable financing occurred, the sale was adjusted to reflect the cash equivalent price in terms of U.S. dollars that the seller actually received. Generally cash equivalency is arrived at by applying present value factors to the stream of income generated by the seller offering favorable financing. All monies are brought back to the present value if the seller were to sell for cash or cash equivalency. No considerations for financing were required in this analysis.

Conditions of Sale: This category, as well as the previous two categories, is related to motivation of the parties in the transaction to agree on the sales price at the date of sale. The conditions and reasons for a sale are factors, which can have a direct impact on the

sales price. Buyers and sellers motivation for acquisition or disposition of a property can cause large differences in the actual sales price versus market value. Extraction of an appropriate adjustment for special sales conditions is generally difficult to ascertain. Pairing of sales is typically the best method in establishing an adjustment. However, when sales are scarce and/or significant differences in the properties are evident, additional considerations must be reviewed. Such considerations typically relate to additional information provided by the buyer and/or seller, which may be difficult to measure, but must be considered, analyzed, and reasonably adjusted. Due to holding costs, bulk lot takedowns which are significantly larger or smaller in lot totals will typically reflect discounted or higher lot sale prices, respectively. Lot Sales 1 thru 5 have been adjusted upward 20%; 5%; 5%; 5%; and 10% for higher bulk lot quantity compared to a typical takedown.

ADDITIVE ADJUSTMENTS

Location: Lot Sale 5 (Subject) has a generally similar location and has not been adjusted for this factor. Lot Sale 4 is considered generally similar to the subject and has not been adjusted for this element of comparison. Lot Sales 1 thru 3 have a superior location to the subject with a higher price point of housing compared to the subject, and have been adjusted downward -20%; -25%; and -15% each, respectively.

Lot Size: No adjustment was warranted for this factor as all lot sales have similar lot frontages of 40’ to 50’ and were analyzed on a per front foot basis methodology.

Amenities: Lot Sales 1 thru 5 have generally similar amenities compared to the subject single-family lots and have not been adjusted for this element of comparison.

LOT SALES ADJUSTMENT GRID

The following Lot Sales Adjustment Grid illustrates the adjustments that were extracted and applied in the analysis of the comparable lot sales to the typical subject lot.

Lot Sales Adjustment Grid						
Market Data	**Subject**	**Sale 1**	**Sale 2**	**Sale 3**	**Sale 4**	**Sale 5**
Sale Price/FF	-	$1,205	$1,568	$1,269	$1,220	$1,100
Sales Date	12/15/2025	6/3/2024	10/28/2025	5/23/2025	Pending	Pending
Adjustment	-	9.0%	1.0%	3.5%	0.0%	0.0%
Adjusted Sales Price/FF	-	$1,313	$1,583	$1,313	$1,220	$1,100
Financing	-	CTS	CTS	CTS	CTS	CTS
Adjustment	-	0%	0%	0%	0%	0%
Adjusted Sales Price/FF	-	$1,313	$1,583	$1,313	$1,220	$1,100
Conditions of Sale	Typical	105 Lots	20 Lots	20 Lots	20 Lots	74 Lots
Adjustment	-	20%	5%	5%	5%	10%
Adjusted Sale Price/FF	**-**	**$1,576**	**$1,662**	**$1,379**	**$1,281**	**$1,210**
Builder	-	Castlerock	Coventry Homes	K. Hovnanian	Century Communities	Starlight Homes
Location	Liberty Ranch	Caney Mills, Sec. 7	The Trails, Sec. 7	The Landing, Sec. 3	Granger Pines, Sec. 9	Liberty Ranch
Adjustment	-	-20%	-25%	-15%	0%	0%
Lot Size	50'	45'	50'	40'	50'	50'
Adjustment	-	0%	0%	0%	0%	0%
Amenities	Typical	Similar	Similar	Similar	Similar	Similar
Adjustment	-	0%	0%	0%	0%	0%
Net Adjustment	**-**	**-20%**	**-25%**	**-15%**	**0%**	**0%**
Adjusted Sale Price/FF	**-**	**$1,261**	**$1,247**	**$1,172**	**$1,281**	**$1,210**
Indicated Mean:	**$1,234**					
Indicated Median:	**$1,247**					
Concluded Value/FF:	**$1,245**					

Conclusion of Base Retail Lot Value

The lot sales used in this analysis are of typical base lot sales to which lot adjustments, due to premiums (if applicable) and applicable fees, will be applied to conclude an adjusted value PFF. Accordingly, the appraisers derived the following statistical parameters and the Base Retail Lot Value PFF.

Statistical Benchmarks	
Lowest	$1,172
Mean	$1,234
Median	$1,247
Highest	$1,281
Concluded Value/FF:	**$1,245**

The builder lot sales used in this analysis exhibit an adjusted price per front foot of $1,172 to $1,281 PFF, with a mean of $1,234 PFF and a median of $1,247 PFF. Based on the

preceding analysis, with credence given to each of the lot sales, the Highest and Best Use of the comparable sales, and the supply and demand of lots in the subject's market area, the appraisers' have concluded a Base Retail Market Value of **$1,245 PFF, or $62,250 per 50' lot, as of December 31, 2025 (Section 1).**

An upward adjustment was made to the "Upon Completion" Retail Value of the Section 1 lots to arrive at an "Upon Completion" Retail Value for the Section 2 lots: **$1,245 PFF x 1.03 = $1,282 PFF (Rounded), or $64,100 per 50' lot as of the effective date of May 1, 2026 for Section 2.**

LOT PREMIUMS AND FEES:

No lot premiums are noted in the lot purchase agreement and there are no fees due to the developer.

Thus, the Sum of the Retail Lot Values –"Upon Completion" can be summarized as follows:

Sum of the Retail Lot Values - "Upon Completion" Liberty Ranch, Section 1						
No. Lots	Average Lot FF	Concluded PFF	Base Lot Price	Base Lot Revenue	Sum of the Lot Revenues $ Total	$ / Lot
108	50'	$1,245	$62,250	$6,723,000	**$6,723,000**	**$62,250**

Sum of the Retail Lot Values - "Upon Completion" Liberty Ranch, Section 2						
No. Lots	Average Lot FF	Concluded PFF	Base Lot Price	Base Lot Revenue	Sum of the Lot Revenues $ Total	$ / Lot
108	50'	$1,282	$64,100	$6,922,800	**$6,922,800**	**$64,100**

ABSORPTION ANALYSIS

To determine the rates at which the subject single-family lots will be absorbed into the market, we have analyzed the recent absorption of lots in the following competing subdivisions in the vicinity of the subject.

Zonda Houston Metrostudy 3Q 2025									
Subdivision / Product ($1,000)		4Q 2024	1Q 2025	2Q 2025	3Q 2025	Past 4 Qtrs Total Absorb	Avg Absorb Per Qtr	No. of Builders	Avg Absorb Per Bldr/Qtr
Crosby Farms, Sec. 1 - Centex Homes	Starts	15	7	16	11	49	12.3	1	12.3
45' Lots	Closings	0	15	10	19	44	11.0		11.0
$258 - $315									
Granger Pines, Sec. 6 and 8 - Legend Homes	Starts	13	10	9	0	32	8.0	1	8.0
45' Lots	Closings	18	16	12	10	56	14.0		14.0
$238 - $272									
Hill and Dale Ranch, Sec. 1 - Lennar Homes	Starts	7	18	4	1	30	7.5	1	7.5
50' Lots	Closings	0	1	13	12	26	6.5		6.5
$236 - $270									
Ideloch, Sec. 1 - 3 - Starlight Homes	Starts	9	11	7	0	27	6.8	1	6.8
50' Lots	Closings	10	9	17	10	46	11.5		11.5
$248 - $275									
Vill. Of Westpointe, Sec. 1, 2 and 4 - Century Communities	Starts	5	8	9	2	24	6.0	1	6.0
50' Lots	Closings	9	12	10	4	35	8.8		8.8
$235 - 261									
Average Absorption Per Quarter Over Past 4 Quarters	Starts					Minimum:	6.0		6.0
						Average:	8.1		8.1
						Maximum:	12.3		12.3
	Closings					Minimum:	6.5		6.5
						Average:	10.4		10.4
						Maximum:	14.0		14.0

These absorption comparables indicate quarterly absorption of 6.0 to 12.3 lots, with an average of 8.1 starts per quarter per builder and 6.5 to 14.0 lots, with an average of 10.4 closings per quarter per builder. The comparable projects include a variety of builders and offer lot sizes which are generally similar to those of the subject lots, and new home pricing ranging from $235,000 up to $315,000+.

LOT ABSORPTION PROJECTION

All of the absorption comparables noted above are good indicators of absorption given their location and price point compared to the subject property. Based on the absorption comparables noted above, **we conclude that the subject 50' lots are projected to absorb at a rate of 20 lots per quarter, beginning in Period 0, given the two production builders contracted for the subject lots.**

INCOME APPROACH – "UPON COMPLETION" MARKET VALUE

The Bulk Market Value for the subject lots, or sold collectively to a single purchaser, is determined by discounting the net sales proceeds of the aggregate gross builder retail lot revenue arrived at previously. The discounting is necessary to reflect the absorption period, required yield, and related expenses incurred during the sell-out term. The following is a discussion of each of these categories and the assumptions applicable thereto:

YIELD RATE / IRR ANALYSIS

We referenced the developer's survey conducted by RealtyRates.com for the 3rd Quarter 2025 (2nd quarter 2025 data).

RealtyRates.com DEVELOPER SURVEY - 3rd Quarter 2025
Texas - Subdivisions & PUDs

	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	15.74%	34.19%	23.17%	15.11%	32.82%	22.24%
-100 Units	15.74%	29.47%	22.15%	15.11%	28.29%	21.27%
100-500 Units	16.13%	32.42%	23.30%	15.49%	31.12%	22.37%
500+ Units	16.52%	33.89%	23.70%	15.86%	32.54%	22.75%
Mixed Use	16.92%	34.19%	23.51%	16.24%	32.82%	22.57%
Manufactured Housing	16.24%	37.34%	24.85%	15.59%	35.84%	23.86%
-100 Units	16.24%	32.47%	23.87%	15.59%	31.17%	22.91%
100-500 Units	16.65%	35.71%	25.13%	15.98%	34.28%	24.13%
500+ Units	17.05%	37.34%	25.56%	16.37%	35.84%	24.54%
Business Parks	16.20%	35.71%	24.10%	15.55%	34.28%	23.14%
-100 Acres	16.20%	31.05%	23.15%	15.55%	29.81%	22.23%
100-500 Acres	16.61%	34.16%	24.37%	15.94%	32.79%	23.39%
500+ Acres	17.01%	35.71%	24.78%	16.33%	34.28%	23.79%
Industrial Parks	16.27%	30.17%	21.63%	15.62%	28.96%	20.77%
-100 Acres	16.27%	26.23%	20.83%	15.62%	25.18%	20.00%
100-500 Acres	16.68%	28.86%	21.86%	16.01%	27.70%	20.98%
500+ Acres	17.09%	30.17%	22.21%	16.40%	28.96%	21.32%

*2nd Quarter 2025 Data

Copyright 2025 RealtyRates.com™

Within the RealtyRates.com survey, developers and builders reported modeling pro-forma internal rates of return ranging from 15.11% to 28.29%, with an average of 21.27% for site-built residential >100 units. The developers and builders reported actual rates ranging from 15.74% to 29.47%, with an average of 22.15%. The above chart reflects surveyed rates for complete subdivision developments – from vacant land to lot development, to home construction, to home sellout. By contrast, the subject of this analysis represents finished lots. Therefore, entitlement and land development risk have occurred. Home construction, marketing, and home sales risk remains to be incurred. Based on the availability of alternative investment yields and considering the relative risk of the subject residential development investment; it is the appraiser's opinion that an overall **IRR of 17%** inclusive of profit, is appropriate for the projected short-term sellout period.

DISCOUNTED CASH FLOW ASSUMPTIONS

Sum of the Retail Values: The Sum of the Retail Values for the cash flows are predicated on a beginning lot value including any applicable lot fees and lot premiums, previously concluded as follows:

Sum of the Retail Lot Values - "Upon Completion" Liberty Ranch, Section 1						
No. Lots	Average Lot FF	Concluded PFF	Base Lot Price	Base Lot Revenue	Sum of the Lot Revenues $ Total	$ / Lot
108	50'	$1,245	$62,250	$6,723,000	**$6,723,000**	**$62,250**

Sum of the Retail Lot Values - "Upon Completion" Liberty Ranch, Section 2						
No. Lots	Average Lot FF	Concluded PFF	Base Lot Price	Base Lot Revenue	Sum of the Lot Revenues $ Total	$ / Lot
108	50'	$1,282	$64,100	$6,922,800	**$6,922,800**	**$64,100**

Absorption Period: The absorption period projected for the subject sell-out is based on the vacant lot inventory and absorption projection, previously concluded at 30 lots per quarter.

Sales Price Escalation: Per current market trends and market participants active in the subject's market area and greater Houston MSA, the subject lot prices are projected to

escalate at an annual rate equal to 6% per year, **or 1.5% per quarter**, beginning in the 1st period.

Beginning Lot Inventory: The Beginning Lot Inventory is the total number of lots in inventory on the first day of each quarterly period.

Lot Sales Per Period: The Lots Sales per Period is the total number of lots sold or absorbed during each quarterly period.

Ending Lot Inventory: The Ending Lot Inventory is the total number of lots in inventory on the last day of each quarterly period.

Average Lots Held Per Period: The Average Lots Held per Period is the average of Beginning Lot Inventory and Ending Lot Inventory.

Starting Inventory (Dollars): The Starting Inventory is expressed in terms of dollars by multiplying the Average Lot Value by the Beginning Lot Inventory and is a carry-over of the Ending Inventory balance.

Average Inventory Held (Dollars): The Average Inventory Held in Dollars is the average of the Starting Inventory (dollars) and the Ending Inventory (dollars).

Ending Inventory (Dollars: The Ending Inventory is expressed in terms of dollars by subtracting the periodic Sales (dollars) from the Starting Lot Inventory (dollars).

Lot Sales Income: The Total Quarterly Sales are the revenue generated during the period, before sales expense deductions.

SALES EXPENSES

Marketing/Closing Costs: The marketing expense is typically carried by the lot developer; however, in submarkets in which the lot supply is at shortage levels and in

quality developments, the marketing expense can and is occasionally passed through to the builders. In the case of the subject, the marketing expense is based on **1.0%** of lot sales, beginning in Period "0". Please note that the marketing expense is combined with commissions and closing costs expenses below.

Typical lot takedown contracts call for the developer to pay commissions and part or all of the closing costs. Thus, real estate commissions and closing costs are typical carrying expenses. The commissions/closing costs expense is based on **4.0% of the periodic sales**. This item is considered to be sufficient to cover broker commissions at 3.0%, plus 1.0% closing costs. Brokerage fees for this type of transaction typically range from 2% to 4%, due to the repetitive nature of lot takedown contracts. Closing costs also vary, but typically total 0.5% to 1.5% of the sales price of the lots. Again, the marketing expense of 1.0% is combined with the commissions and closing costs category. Thus, **total marketing/closing costs equate to 5.0% of periodic sales,** beginning in Period 0.

Taxes: We utilized a property tax rate of **$2.0168** per $100 in the cash flow. Estimated property taxes are based upon the average lot inventory (retail value) held per period, multiplied by **35%**, multiplied by the projected current tax rate noted above, and divided by 4 to reflect quarterly taxes, beginning in the 1st period.

Administrative Expense: This category reflects incidental expenses including bank charges, accounting and legal fees, office expenses, etc., which are typically incurred by the developer throughout the holding period. These expenses are often relatively minor; thus, we have projected this expense at **0.5% of periodic sales**, beginning in Period 0.

Homeowner's Association Fees: The HOA expense is calculated based on the average inventory held (Lots) by the developer multiplied by the quarterly HOA fee to reflect quarterly HOA fees. HOA fees within Liberty Ranch are projected to be $500 annually. While the builder is responsible for subsidizing the development HOA for inventory lots, the builder is typically only responsible for about 50% of the standard homeowner HOA

fee. For the purposes of this analysis, we assume that the builder will be responsible for an HOA fee of $250 per lot per year on inventory lots, or **$62.50 per lot held per quarter**.

"UPON COMPLETION" BULK MARKET VALUE DCF ANALYSIS

The discounted cash flows for each section are as follows:

Discounted Cash Flow Analysis **Bulk Market Value "Upon Completion"**						
Liberty Ranch, Section 1 - 50' Lots						
TOTAL NO. OF LOTS:	108	**December 31, 2025**	Date of Value			
AVERAGE INDIVIDUAL LOT VALUE:	$62,500					
GROSS RETAIL VALUE:	$6,750,000					
ABSORPTION PERIOD:	5 QUARTERS					
ANNUAL YIELD/IRR:	17.0%					
EFFECTIVE TAX RATE/$100:	$2.0168	$2.0168	$2.0168	$2.0168	$2.0168	$2.0168
AVG. HOA DUES per LOT ($220.00/Yr.)	$55.00	$55.00	$55.00	$55.00	$55.00	$55.00
QUARTERLY PERIOD:	**0**	**1**	**2**	**3**	**4**	**5**
STARTING LOT INVENTORY:	108.0	88.0	68.0	48.0	28.0	8.0
LOT SALES/PERIOD:	20.0	20.0	20.0	20.0	20.0	8.0
ENDING LOT INVENTORY:	88.0	68.0	48.0	28.0	8.0	0.0
AVG. LOTS HELD/PERIOD:	98.0	78.0	58.0	38.0	18.0	4.0
SALES APPRECIATION:	0.00%	1.50%	1.50%	1.50%	1.50%	1.50%
STARTING INVENTORY (Dollars):	$6,750,000	$5,582,500	$4,378,456	$3,137,035	$1,857,386	$538,642
AVG. LOT VALUE:	$62,500	$63,438	$64,389	$65,355	$66,335	$67,330
AVG. INVENTORY HELD:	$6,125,000	$4,948,125	$3,734,566	$2,483,486	$1,194,034	$269,321
ENDING INVENTORY:	$5,500,000	$4,313,750	$3,090,675	$1,829,937	$530,682	$0
QUARTERLY SALES:	$1,250,000	$1,268,750	$1,287,781	$1,307,098	$1,326,704	$538,642
LESS EXPENSES:						
a) MARKETING/CLOSING (5.0%)	$62,500	$63,438	$64,389	$65,355	$66,335	$26,932
b) TAXES/AVG. INV. HELD (@ 35%)	$0	$8,732	$6,590	$4,383	$2,107	$475
c) ADMINISTRATIVE @ 0.5%:	$6,250	$6,344	$6,439	$6,535	$6,634	$2,693
d) HOA DUES per QUARTER:	$0	$4,290	$3,190	$2,090	$990	$220
TOTAL EXPENSES:	$68,750	$82,803	$80,608	$78,363	$76,066	$30,321
NET SALES INCOME:	$1,181,250	$1,185,947	$1,207,173	$1,228,735	$1,250,639	$508,321
QUARTERLY YIELD/IRR:						
FACTOR @ 17.0%	1.000000	0.959233	0.920127	0.882616	0.846634	0.812119
DISCOUNTED SALES:	$1,181,250	$1,137,599	$1,110,753	$1,084,501	$1,058,833	$412,817
	$5,985,753					
ROUNDED TO:	**$5,990,000**	-11.3% Discount Margin				
VALUE PER LOT:	**$55,463**					

Discounted Cash Flow Analysis **Bulk Market Value "Upon Completion"**							
Liberty Ranch, Section 2 - 50' Lots							
TOTAL NO. OF LOTS:	108	**May 1, 2026**	Date of Value				
AVERAGE INDIVIDUAL LOT VALUE:	$64,100						
GROSS RETAIL VALUE:	$6,922,800						
ABSORPTION PERIOD:	6 QUARTERS						
ANNUAL YIELD/IRR:	17.0%						
EFFECTIVE TAX RATE/$100:	$2.0168	$2.0168	$2.0168	$2.0168	$2.0168	$2.0168	$2.0168
AVG. HOA DUES per LOT ($220.00/Yr.)	$55.00	$55.00	$55.00	$55.00	$55.00	$55.00	$55.00
QUARTERLY PERIOD:	**0**	**1**	**2**	**3**	**4**	**5**	**6**
STARTING LOT INVENTORY:	108.0	108.0	88.0	68.0	48.0	28.0	8.0
LOT SALES/PERIOD:	0.0	20.0	20.0	20.0	20.0	20.0	8.0
ENDING LOT INVENTORY:	108.0	88.0	68.0	48.0	28.0	8.0	0.0
AVG. LOTS HELD/PERIOD:	108.0	98.0	78.0	58.0	38.0	18.0	4.0
SALES APPRECIATION:	0.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
STARTING INVENTORY (Dollars):	$6,922,800	$7,026,642	$5,811,293	$4,557,903	$3,265,603	$1,933,509	$560,718
AVG. LOT VALUE:	$64,100	$65,062	$66,037	$67,028	$68,033	$69,054	$70,090
AVG. INVENTORY HELD:	$6,922,800	$6,376,027	$5,150,919	$3,887,623	$2,585,269	$1,242,970	$280,359
ENDING INVENTORY:	$6,922,800	$5,725,412	$4,490,545	$3,217,343	$1,904,935	$552,431	$0
QUARTERLY SALES:	$0	$1,301,230	$1,320,748	$1,340,560	$1,360,668	$1,381,078	$560,718
LESS EXPENSES:							
a) MARKETING/CLOSING (5.0%)	$0	$65,062	$66,037	$67,028	$68,033	$69,054	$28,036
b) TAXES/AVG. INV. HELD (@ 35%)	$0	$11,252	$9,090	$6,861	$4,562	$2,194	$495
c) ADMINISTRATIVE @ 0.5%:	$0	$6,506	$6,604	$6,703	$6,803	$6,905	$2,804
d) HOA DUES per QUARTER:	$0	$5,390	$4,290	$3,190	$2,090	$990	$220
TOTAL EXPENSES:	$0	$88,210	$86,021	$83,781	$81,489	$79,143	$31,554
NET SALES INCOME:	$0	$1,213,020	$1,234,727	$1,256,778	$1,279,179	$1,301,935	$529,163
QUARTERLY YIELD/IRR:							
FACTOR @ 17.0%	1.000000	0.959233	0.920127	0.882616	0.846634	0.812119	0.779011
DISCOUNTED SALES:	$0	$1,163,569	$1,136,106	$1,109,253	$1,082,997	$1,057,326	$412,224
	$5,961,475						
ROUNDED TO:	**$5,960,000**	-13.9% Discount Margin					
VALUE PER LOT:	**$55,185**						

RECONCILIATION AND FINAL MARKET VALUE CONCLUSIONS

The Sales Comparison Approach was used to conclude the "Upon Completion" retail revenues of the subject residential lots. An Income Approach retail sell-out technique was then employed to derive the indicated "Upon Completion" Bulk Market Values of the subject 216 under-development lots in Liberty Ranch, Sections 1 and 2. The cumulative builder retail revenue of the subject lots were discounted for their projected absorption periods. A discounted cash flow analysis was used to present value the projected income streams of the subject finished lots over their projected absorption period per section. The Income Approach procedure is generally considered to be the most valid method of estimating the bulk value of multiple builder retail lots to one individual buyer, especially if the parcels/lots involve a holding period or sell-out term and carrying costs.

At the request of the client, the "As Is" Market Value of the under-development lots in Sections 1 and 2 has not been valued herein.

To conclude, it is our opinion that the **Prospective "Upon Completion" Bulk Market Value** of the fee simple interest in the subject property, as of the indicated dates, are as follows:

Description	No. of Lots	Avg. Lot FF	Value	Effective Date
"Upon Completion" Bulk Market Value, Section 1	108	50'	**$5,990,000**	12/31/2025
"Upon Completion" Bulk Market Value, Section 2	108	50'	**$5,960,000**	5/1/2026

MARKETING & EXPOSURE PERIODS

According to participants in the regional and local residential lot market and others who have experience handling and marketing of such properties in the subject area, marketing times for properties such as the subject have been reasonably in this active submarket. Based upon our market analysis, we have projected a prospective marketing period for the various lot scenarios, " "Upon Completion" to be within 3 to 6 months. The subject property should market well at the reasonable and competitive concluded Bulk Market Values. As a result, we further estimate a historic exposure period of approximately 3 to 6 months for the subject lots, based upon the market data presented herein and the reported exposure times of the comparable sales.

Extraordinary Assumptions:

1.) The 216-lot subdivision appraised herein is under-development, with prospective completion dates. In this Appraisal Report, we have projected market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, we have projected the retail valuation of the individual subject lots, absorption period and holding costs based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from that which are expected on the anticipated dates of completion that are reflected in this report. Because actual future market conditions may deviate from that which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sales data that will be available on the prospective date of completion.

2.) The valuation of the subject improvements "Upon Completion" require valuation of the various subject improvements as of the prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, we have relied upon surveys, plats and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value estimate is subject to revision.

3.) This appraisal is subject to all proposed improvements being completed in a timely and professional workmanlike manner and that the proposed improvements do not deviate significantly from those described herein.

4.) This appraisal is subject to final subdivision plat/s.

5.) This appraisal assumes that Starlight Homes and Hart Homes, or comparable production builder/s, will build upon the under-development subject lots, detached single-family units with a projected price from $265,000.

If any of these assumptions and conditions prove to be false, it may have an effect on the Market Values contained herein.

Hypothetical Conditions: None

ADDENDA

HOUSTON REGIONAL DATA

Quarterly Housing Report

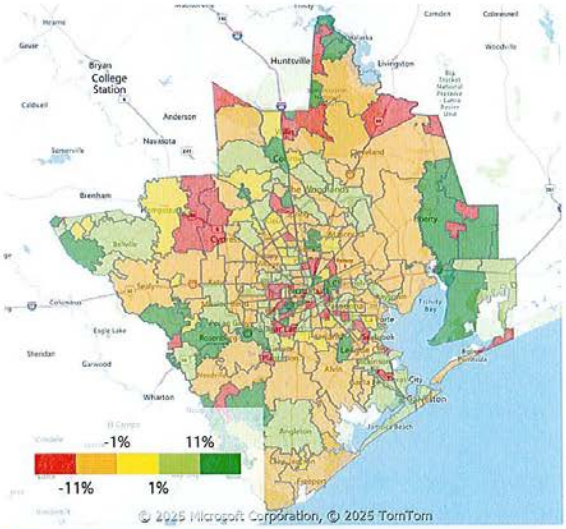
HOUSTON PASADENA THE WOODLANDS MSA

Third Quarter 2025

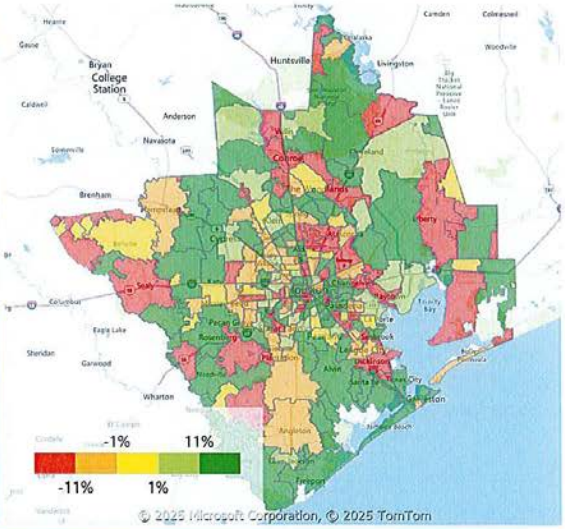
Executive Summary

- Metro area sales volume increased 7.1% to 23,636 transactions. Median price decreased 1.5% year-over-year to $335,000.
- 2025 Q3 months inventory for all residential properties rose 22.7% year-over-year to 5.3 months.
- Metro area residential property listings increased 29.1% year-over-year to 38,965 active listings.
- Single-family new construction median price decreased by 4.1% year-over-year to $330,990.
- Single-family rental average rent stayed at $2,200 per month compared with 2025 Q3.

Median Price Change (YoY)



Sales Volume Change (YoY)



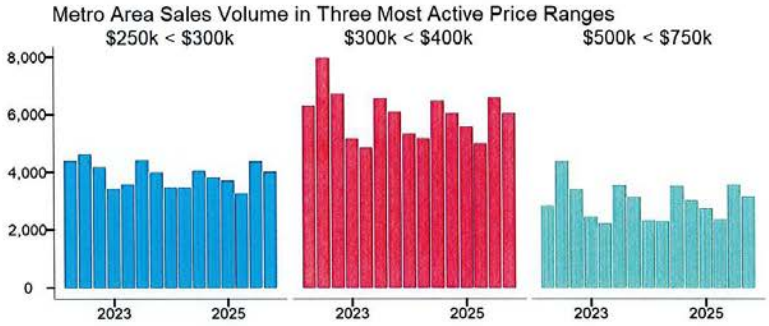
About this report

Data used in this report come from the Texas REALTOR® Data Relevance Project, a partnership among the Texas REALTORS® and local REALTOR® associations throughout the state. Analysis is provided through a research agreement with the Texas Real Estate Research Center at Texas A&M University. ©2025 Houston Realtors® Information Service, Inc. - Certain information contained herein is derived from information which is the licensed property of, and copyrighted by, Houston Realtors Information Service, Inc.

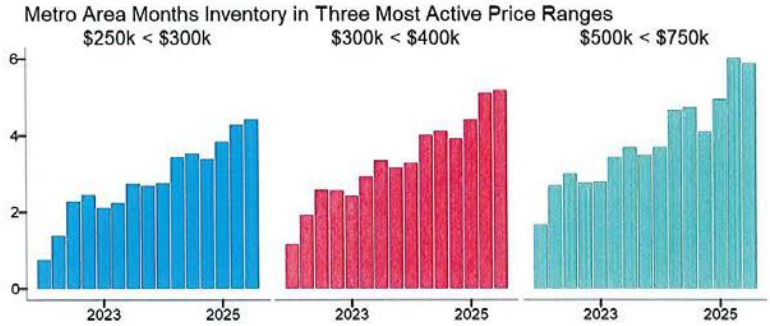
TEXAS A&M UNIVERSITY
Texas Real Estate Research Center

www.recenter.tamu.edu

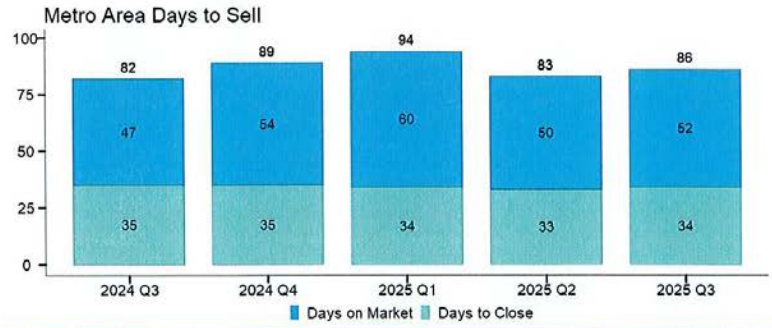
Key Market Metrics



2025 Q3 total sales volume increased by approximately 7.1% year-over-year, from 22,073 to 23,636. Sales of homes between $300k and $400k dipped from 6,045 to 6,039, while homes between $250k and $300k rose from 3,820 to 3,996, and homes between $500k and $750k rose from 3,007 to 3,156.



Metro area months inventory increased year-over-year from 4.3 to 5.27 months. Homes between $300k and $400k rose year-over-year, from 4.11 to 5.19 months, while homes between $250k and $300k rose year-over-year, from 3.53 to 4.42 months and homes between $500k and $750k rose year-over-year, from 4.73 to 5.89 months.

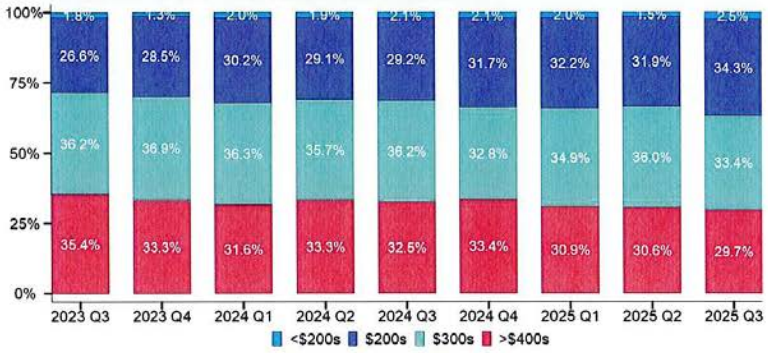


Average days to sell throughout the metro area increased from 82 to 86 days, an increase of 4.9% year-over-year. Average days to sell for homes between $300k and $400k increased from 85 to 87 days, a 2.4% increase year-over-year.

TEXAS A&M UNIVERSITY
Texas Real Estate Research Center
www.recenter.tamu.edu

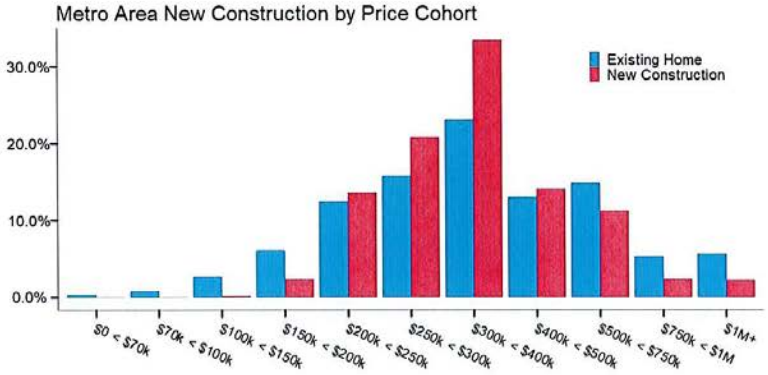
Single-Family New Construction

Metro Area New Construction Price Distribution



Homes in the $200s grew to 34.3% of single-family new construction sales through the MLS. The second most active price range was homes in the $300s, which fell from 36.2% to 33.4% year-over-year.

Metro Area New Construction by Price Cohort



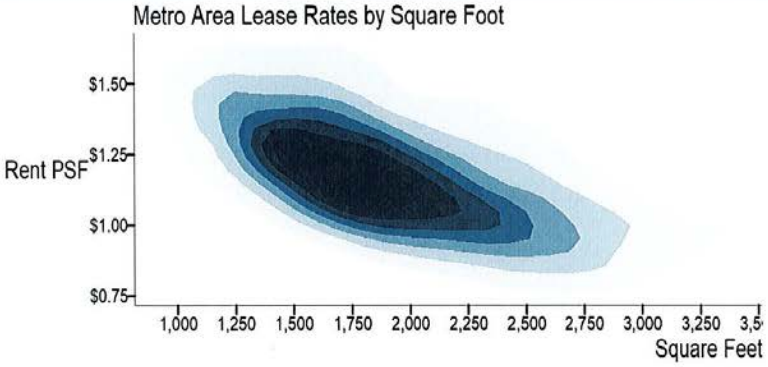
In the latest quarter, the average price was $397,093 for new homes sold through the MLS, a decrease over last year's figure of $399,492. Average price for existing homes was $451,230, an increase over last year's figure of $449,532.

Top Five Most Active Zip Codes

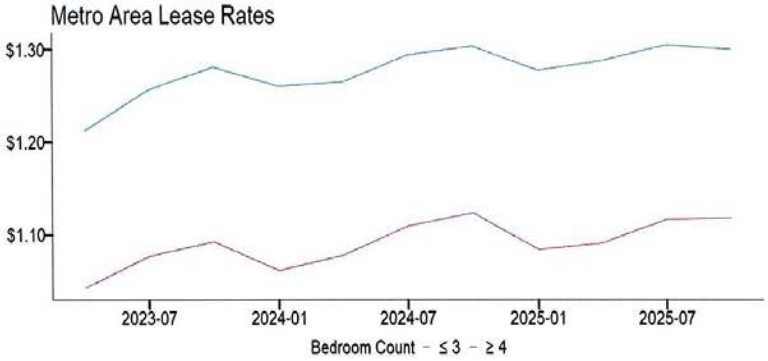
	Median Price	YoY%	Median Price PSF	YoY%	Median Square Feet
	$333,000	-11.0%	$162.56	-7.0%	2,106
	$426,495	-2.6%	$176.52	-2.0%	2,593
	$297,290	-11.7%	$156.98	-5.0%	1,970
	$324,207	0.8%	$161.29	-3.7%	2,133
	$435,000	2.4%	$175.13	0.5%	2,600

TEXAS A&M UNIVERSITY
Texas Real Estate Research Center
www.recenter.tamu.edu

Single-Family Rentals



Average rent per square foot for single-family properties was $1.22, a decrease compared with last year's rental rate of $1.23. The average home size was 2,036 square feet.



Average rent per square foot for three-bedroom single-family properties was $1.30, a decrease compared with last year's rental rate of $1.30. For four-bedroom single-family homes, the rental rate per square foot was $1.12, a decrease compared with last year's rental rate of $1.12.

Rental Metrics by Bedroom Count

Bedroom Count	Average Monthly Rent	Average Monthly Rent	Average Square Feet	Distribution
Three or less	$2,126	$1.30	1,681	57.4%
Four or more	$2,812	$1.12	2,513	42.6%
Overall	$2,418	$1.22	2,035	100%

Housing Metrics by County

Austin County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	0	0%	0%	-	-	-	-	1	6.0	-	-
$70k < $100k	1	100%	1%	***	***	***	***	0	0.0	***	***
$100k < $150k	2	0%	3%	***	***	***	***	2	3.4	***	***
$150k < $200k	7	-13%	9%	$158,300	-15%	$129.18	-14%	8	4.2	1,316	1945
$200k < $250k	8	100%	11%	$217,500	1%	$173.41	20%	12	4.5	1,262	1996
$250k < $300k	14	-22%	19%	$277,000	1%	$161.62	2%	19	2.7	1,782	2001
$300k < $400k	21	5%	28%	$344,387	8%	$181.41	6%	48	8.0	1,851	2000
$400k < $500k	5	-38%	7%	$430,000	-5%	$204.73	-5%	35	11.7	2,198	1969
$500k < $750k	13	-13%	17%	$583,500	-6%	$233.66	-1%	39	12.3	2,725	2017
$750k < $1M	2	-33%	3%	***	***	***	***	9	15.4	***	***
$1M+	2	100%	3%	***	***	***	***	8	16.0	***	***

*** Not displayed when fewer than five sales

Brazoria County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	3	-50%	0%	***	***	***	***	9	4.9	***	***
$70k < $100k	16	60%	1%	$77,450	-9%	$73.41	16%	17	4.6	1,038	1956
$100k < $150k	35	25%	3%	$116,000	-14%	$89.63	-5%	75	6.1	1,288	1968
$150k < $200k	79	41%	6%	$176,250	-2%	$149.98	14%	124	4.9	1,140	1961
$200k < $250k	141	16%	10%	$228,870	0%	$149.22	-1%	163	3.9	1,515	1982
$250k < $300k	243	52%	18%	$278,995	1%	$157.75	1%	305	5.0	1,757	2008
$300k < $400k	422	21%	31%	$345,000	-1%	$163.51	2%	678	5.1	2,084	2015
$400k < $500k	228	6%	17%	$440,000	-1%	$169.53	-1%	426	5.9	2,595	2019
$500k < $750k	167	13%	12%	$564,990	1%	$177.85	1%	402	7.6	3,146	2016
$750k < $1M	13	-35%	1%	$829,000	-3%	$201.10	-12%	75	10.7	3,978	2023
$1M+	2	0%	0%	***	***	***	***	56	33.6	***	***

*** Not displayed when fewer than five sales

Chambers County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	2	100%	1%	***	***	***	***	4	8.0	***	***
$70k < $100k	1	0%	0%	***	***	***	***	6	14.4	***	***
$100k < $150k	3	-25%	1%	***	***	***	***	2	1.6	***	***
$150k < $200k	7	-22%	3%	$179,900	-3%	$121.99	-9%	4	1.5	1,496	1969
$200k < $250k	11	-35%	5%	$237,000	3%	$160.64	5%	19	3.1	1,472	2005
$250k < $300k	27	-39%	11%	$274,400	-2%	$156.54	2%	51	4.9	1,763	2011
$300k < $400k	103	58%	42%	$338,395	0%	$154.23	2%	146	4.8	2,175	2024
$400k < $500k	47	-13%	19%	$448,500	-1%	$182.29	2%	77	4.9	2,482	2024
$500k < $750k	40	18%	16%	$580,000	3%	$195.72	1%	75	6.0	3,094	2020
$750k < $1M	2	-71%	1%	***	***	***	***	14	9.3	***	***
$1M+	0	-100%	0%	-	-	-	-	11	26.4	-	-

*** Not displayed when fewer than five sales

Housing Metrics by County

Fort Bend County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	2	-50%	0%	***	***	***	***	6	36.0	***	***
$70k < $100k	2	-50%	0%	***	***	***	***	3	4.0	***	***
$100k < $150k	14	56%	0%	$131,000	-3%	$112.28	7%	12	2.6	1,190	1973
$150k < $200k	66	78%	2%	$180,000	0%	$124.80	4%	47	2.7	1,358	1979
$200k < $250k	168	15%	5%	$230,000	1%	$149.68	-2%	155	2.9	1,474	1986
$250k < $300k	381	-5%	12%	$279,990	0%	$159.52	2%	380	2.9	1,742	2009
$300k < $400k	991	-2%	31%	$345,995	0%	$159.82	-1%	1,308	4.0	2,169	2021
$400k < $500k	577	2%	18%	$445,000	0%	$166.15	-3%	998	5.6	2,665	2018
$500k < $750k	679	2%	21%	$590,000	-1%	$180.03	-1%	1,119	5.2	3,289	2016
$750k < $1M	172	-5%	5%	$832,450	0%	$202.52	1%	296	5.2	4,180	2012
$1M+	108	17%	3%	$1,280,000	1%	$258.92	-1%	223	7.4	5,273	2013

*** Not displayed when fewer than five sales

Galveston County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	15	150%	1%	$60,000	57%	$60.90	49%	30	10.0	983	1960
$70k < $100k	18	64%	1%	$85,500	-5%	$81.77	-26%	16	3.4	1,078	1969
$100k < $150k	63	43%	4%	$125,500	0%	$118.18	-11%	111	6.2	1,096	1979
$150k < $200k	83	4%	5%	$175,000	0%	$144.18	4%	208	7.7	1,196	1972
$200k < $250k	154	12%	10%	$230,000	1%	$158.60	2%	239	5.1	1,441	1981
$250k < $300k	223	1%	14%	$270,895	-1%	$165.43	1%	361	4.8	1,666	2005
$300k < $400k	420	5%	27%	$340,990	-1%	$169.73	1%	890	6.4	2,027	2009
$400k < $500k	225	-3%	14%	$448,995	2%	$177.29	0%	531	7.7	2,548	2011
$500k < $750k	263	31%	17%	$590,000	3%	$201.55	0%	701	9.8	2,916	2009
$750k < $1M	54	-5%	3%	$854,000	0%	$322.18	-2%	284	16.1	2,888	2008
$1M+	66	113%	4%	$1,300,000	2%	$443.59	-6%	302	17.4	3,388	2008

*** Not displayed when fewer than five sales

Harris County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	79	46%	1%	$60,000	-3%	$63.46	-8%	129	5.6	926	1979
$70k < $100k	157	7%	1%	$86,000	1%	$85.19	-3%	315	7.0	1,008	1975
$100k < $150k	449	29%	4%	$125,000	0%	$107.11	-7%	828	6.2	1,156	1970
$150k < $200k	780	18%	6%	$178,000	1%	$131.76	-4%	1,297	5.5	1,362	1977
$200k < $250k	1,756	24%	14%	$227,000	-1%	$146.49	-3%	2,186	4.1	1,550	1984
$250k < $300k	2,156	5%	17%	$273,990	1%	$149.35	-1%	3,089	4.5	1,826	2005
$300k < $400k	2,987	-1%	24%	$340,000	-1%	$155.50	-1%	4,960	5.2	2,182	2008
$400k < $500k	1,427	-2%	12%	$440,000	0%	$172.55	-2%	2,584	5.6	2,573	2008
$500k < $750k	1,364	4%	11%	$590,000	0%	$197.52	-3%	2,147	4.9	3,005	2007
$750k < $1M	516	21%	4%	$850,000	1%	$265.00	2%	757	5.1	3,192	2005
$1M+	664	15%	5%	$1,451,000	0%	$386.15	3%	1,196	5.5	4,184	2008

*** Not displayed when fewer than five sales

Housing Metrics by County

Liberty County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	12	50%	4%	$55,000	0%	$49.63	30%	21	11.5	1,142	1970
$70k < $100k	3	-25%	1%	***	***	***	***	25	11.5	***	***
$100k < $150k	13	-7%	4%	$130,000	-1%	$102.95	-3%	65	13.0	1,330	1985
$150k < $200k	36	0%	11%	$180,000	7%	$125.99	8%	152	12.6	1,399	2004
$200k < $250k	59	-2%	18%	$225,000	0%	$138.52	4%	130	6.4	1,650	2009
$250k < $300k	75	34%	24%	$269,550	0%	$159.96	7%	193	9.8	1,750	2024
$300k < $400k	68	15%	21%	$346,500	3%	$152.46	-10%	224	10.0	2,198	2024
$400k < $500k	38	31%	12%	$430,000	-1%	$172.37	-10%	109	10.3	2,532	2023
$500k < $750k	15	25%	5%	$560,000	-1%	$219.05	11%	68	16.7	2,557	2023
$750k < $1M	0	-100%	0%	-	-	-	-	11	33.0	-	-
$1M+	0	0%	0%	-	-	-	-	9	108.0	-	-

*** Not displayed when fewer than five sales

Montgomery County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	5	25%	0%	$60,000	50%	$59.86	68%	4	2.3	987	1966
$70k < $100k	18	20%	0%	$90,000	13%	$85.13	-5%	15	3.3	1,124	1986
$100k < $150k	59	7%	1%	$135,000	8%	$124.14	-10%	76	4.5	1,064	1985
$150k < $200k	213	12%	5%	$180,670	2%	$142.57	-2%	297	4.8	1,273	2024
$200k < $250k	647	23%	16%	$228,500	-1%	$150.82	-3%	553	2.8	1,512	2025
$250k < $300k	754	-7%	19%	$274,990	0%	$155.35	4%	1,080	4.3	1,787	2025
$300k < $400k	873	-8%	22%	$340,000	0%	$155.68	-2%	1,497	5.4	2,178	2023
$400k < $500k	462	10%	12%	$445,000	1%	$177.87	0%	924	6.5	2,518	2017
$500k < $750k	558	4%	14%	$595,000	-1%	$196.29	-2%	1,060	6.3	3,049	2015
$750k < $1M	226	20%	6%	$825,000	-3%	$233.63	2%	377	6.3	3,550	2006
$1M+	196	13%	5%	$1,275,000	-2%	$292.61	-3%	397	6.8	4,570	2007

*** Not displayed when fewer than five sales

San Jacinto County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	3	200%	3%	***	***	***	***	5	8.6	***	***
$70k < $100k	4	33%	5%	***	***	***	***	18	15.4	***	***
$100k < $150k	7	-36%	8%	$139,900	4%	$102.54	8%	31	9.5	1,400	1978
$150k < $200k	10	-9%	11%	$169,500	3%	$132.96	12%	46	12.3	1,220	1989
$200k < $250k	17	42%	19%	$225,000	1%	$155.30	24%	46	12.3	1,449	2009
$250k < $300k	8	-11%	9%	$270,500	2%	$159.82	-16%	43	15.2	1,712	1989
$300k < $400k	14	8%	16%	$337,500	-4%	$191.71	14%	44	11.0	1,821	1997
$400k < $500k	9	29%	10%	$470,000	4%	$220.01	-8%	23	8.6	1,995	1989
$500k < $750k	8	-20%	9%	$610,000	5%	$262.86	-12%	29	10.2	2,242	2002
$750k < $1M	6	200%	7%	$907,500	10%	$356.75	43%	11	9.4	2,545	2009
$1M+	2	0%	2%	***	***	***	***	6	12.0	***	***

*** Not displayed when fewer than five sales

Housing Metrics by County

Waller County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	1	-50%	0%	***	***	***	***	0	0.0	***	***
$70k < $100k	1	0%	0%	***	***	***	***	2	6.0	***	***
$100k < $150k	1	-67%	0%	***	***	***	***	3	4.5	***	***
$150k < $200k	13	117%	3%	$179,440	7%	$142.41	16%	9	2.3	1,216	2009
$200k < $250k	53	279%	11%	$233,000	2%	$145.18	6%	37	2.9	1,649	2025
$250k < $300k	115	109%	25%	$280,000	0%	$152.62	-11%	127	4.6	1,792	2025
$300k < $400k	140	-19%	30%	$325,340	-5%	$156.18	-11%	242	6.3	2,085	2025
$400k < $500k	59	-19%	13%	$442,500	-1%	$169.01	-1%	111	6.9	2,581	2024
$500k < $750k	49	-32%	11%	$565,110	1%	$187.33	-3%	143	9.6	3,050	2025
$750k < $1M	22	47%	5%	$832,754	-3%	$233.12	-2%	44	10.8	3,642	2022
$1M+	9	-31%	2%	$1,161,869	10%	$280.20	14%	30	14.4	4,153	2023

*** Not displayed when fewer than five sales

QUALIFICATIONS
OF THE
APPRAISERS

QUALIFICATIONS OF PHILLIP F. BARLETTA, MAI, SRA

PROFESSIONAL AFFILIATIONS

Member Appraisal Institute, MAI Number: 7644

Texas State Certified General Real Estate Appraiser
Certificate Number: 1320197-CG
Date of Expiration: 03/31/2027

Texas Real Estate Broker, License Number: 0235500-B

Mr. Barletta is a designated Realtor Member of the Houston Association of Realtors and the Texas Association of Realtors. He has served as a member on the Appraisal Institute's Houston Chapter Number 33 Admissions Committee and Candidate's Guidance Committee. He has also been elected to the Houston Chapter Number 33 Board of Directors for Years 2000, 2001 and 2002, and served on the Officer's Nominating Committee for 2003, 2004, 2011, 2014, 2017 and 2019. In 2020, he was again elected to the Houston Chapter Board of Directors in 2020 for 2021.

EDUCATIONAL BACKGROUND

Mr. Barletta graduated from Sam Houston State University in Huntsville, Texas on May 21, 1977. He received a Bachelor of Business Administration degree with primary emphasis on finance, management, and real estate related courses. In addition he has successfully passed the following Appraisal Institute Courses and attended the following Seminars:

1) Course 1-A: Basic Appraisal Principles, Methods and Techniques (1979)
2) Course 8: Single-Family Residential Appraisal (1979)
3) Course 1B-A: Capitalization Theory and Techniques, Part A (1984)
4) Course 1B-B: Capitalization Theory and Techniques, Part B (1985)
5) Course 2-1: Case Studies and Real Estate Valuation (1985)
6) Course 2-2: Valuation Analysis and Report Writing (1985)
7) Course 2-3: Standards of Professional Practice (1985)
8) Seminar: Subdivision Analysis, by A.I.R.E.A., Houston, TX (1986)
9) Seminar: R41-b and the Appraiser, by S.R.E.A., Dallas, TX (1987)
10) Course 1B-B: Audited Capitalization, Part B (1987)
11) Seminar: FNMA Underwriting Guidelines, by S.R.E.A., Houston, TX (1987)
12) Seminar: FNMA Appraisal Guidelines & Condo/PUD Acceptance (2 days), by S.R.E.A., Houston, TX (1988)
13) Seminar: FNMA Appraisal Guidelines, by S.R.E.A., Houston, TX (1989)
14) Seminar: Standards of Professional Practice Update by A.I.R.E.A., Houston, TX (1989)
15) Seminar: Comprehensive Appraisal Workshop by Ted Whitmer, MAI, Houston, TX (Jan. 15-18, 1990)
16) Seminar: Affordable Housing Disposition Program by RTC, Houston, TX (Sept. 21, 1990)
17) Seminar: Appraising Troubled Income Properties by A.I.R.E.A., Houston, TX (Oct. 25, 1990)
18) Seminar: Discounted Cash Flow Analysis by A.I.R.E.A., Houston, TX (Nov. 16, 1990)
19) Seminar: FNMA Underwriting Guidelines by Appraisal Institute, Houston, TX (July 19, 1991)
20) Seminar: Valuation of Leased Fees by Appraisal Institute, Houston, TX (July 20, 1991)
21) Course: Standards of Professional Practice - Parts A & B by Appraisal Institute, Houston, TX (March 26-29, 1992)
22) Seminar: Americans with Disabilities Act (ADA) Seminar by Appraisal Institute, Houston, TX (Nov. 4, 1992)
23) Seminar: ARGUS Version 3.0 Training Seminar by ARGUS Financial Software, Houston, TX (Nov. 12, 1993)
24) Seminar: The New URAR Report, by Appraisal Institute, Houston, TX (Feb. 17, 1994)
25) Seminar: Fair Lending and the Appraiser, by Appraisal Institute, Houston, TX (April 8, 1994)
26) Seminar: Understanding Limited Appraisals & Reporting Options - General, Houston, TX (July 7, 1994)
27) Seminar: How to Appraise FHA Insured Property, by H.U.D., Houston, TX (Dec. 1, 1994)
28) Seminar: Real Estate Evaluations & The Appraisal Industry, by Appraisal Institute, Houston, TX (April 20, 1995)
29) Seminar: Appraisal Practices for Litigation, by Appraisal Institute, Houston, TX (May 19-20, 1995)
30) Seminar: The High-Tech Appraisal Office, by Appraisal Institute, Kansas City, MO (6/14/96)
31) Seminar: The Internet and Appraising, by Appraisal Institute, Kansas City, MO (6/15//96)
32) Seminar: Litigation Skills for the Appraiser: An Overview, by Appraisal Institute, Houston, TX (10/25/96)
33) Seminar: Understanding Limited Appraisals & Appraisal Reporting Options, by Appraisal Institute, Houston, TX (June 12, 1997)
34) Seminar: Affordable Housing Valuation, by Appraisal Institute, Houston, TX (June 13, 1997)
35) Course 430: Standards of Professional Practice, Part C, by Appraisal Institute, Houston, TX (Dec. 4-5, 1997)
36) Seminar: R4580 Fannie Mae Seminar, by Appraisal Institute, Houston, TX (July 17, 1998)
37) Seminar: The Appraisal of Local Retail Properties, by Appraisal Institute, Houston, TX (September 28, 1998)

38) Seminar: Attacking & Defending an Appraisal in Litigation, by Ted Whitmer, MAI, CCIM, Houston, Texas (April 15-16, 1999)
39) Seminar: Fannie Mae – Mortgage Lending, by Appraisal Institute, Houston, TX (November 10, 1999)
40) Seminar: 10th Annual Outlook for Texas Rural Land Markets, by Texas A&M University, College Station, TX (March 24, 2000)
41) Seminar: Subdivision Analysis, by Appraisal Institute, Houston, TX (June 20, 2000)
42) Seminar: HUD Multifamily Accelerated Processing (MAP), by HUD, Fort Worth, TX (September 27, 2000)
43) Seminar: U.S.P.A.P. 2001 Update, by Appraisal Institute, Houston, TX (February 17, 2001)
44) Seminar: 11th Annual Outlook for Texas Rural Land Markets, by Texas A&M University, College Station, TX (May 4, 2001)
45) Seminar: 2002 Commercial Real Estate Forecast, by CCIM, Houston, TX (February 14, 2002)
46) Seminar: Texas USPAP Update, by Appraisal Institute, Houston, TX (March 23, 2002)
47) Seminar: 12th Annual Outlook for Texas Rural Land Markets, by Texas A&M University, College Station, TX (May 3, 2002)
48) Course 430: Standards of Professional Practice, Part C, by Appraisal Institute, Houston, TX (December 12-13, 2002)
49) Seminar: 13th Annual Outlook for Texas Land Markets, by Texas A&M University, College Station, TX (April 10, 2003)
50) Course 400: U.S.P.A.P. 2004 Update, by Appraisal Institute, Houston, TX (January 24, 2004)
51) Course 400: U.S.P.A.P. 2005 Update, by Appraisal Institute, Houston, TX (April 14, 2005)
52) Seminar: 15th Annual Outlook for Texas Land Markets, by Texas A&M University, College Station, TX (April 28, 2005)
53) Seminar: Professional Guide to the URAR, by Appraisal Institute, Houston, TX (June 23, 2005)
54) Seminar: 16th Annual Outlook for Texas Land Markets, by Texas A&M University, College Station, TX (April 27, 2006)
55) Seminar: Subdivision Valuation, by Appraisal Institute, Houston, TX (November 9, 2006)
56) Seminar: Scope of Work, by Appraisal Institute, Houston, TX (January 18, 2007)
57) Course 400: U.S.P.A.P. 2008-09 Update, by Appraisal Institute, Houston, TX (Jan. 19, 2008)
58) Seminar: Analyzing Distressed Real Estate, by Appraisal Institute, Houston, TX (Dec. 11, 2008)
59) Seminar: Mortgage Fraud, by Champions School of R.E., Houston, TX (Jan. 16, 2009)
60) Seminar: 19th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 6-7, 2009)
61) Seminar: U.S.P.A.P. 2010 – 2011 Update, by Appraisal Institute, Houston, TX (Feb. 24, 2010)
62) Seminar: 20th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (May 6-7, 2010)
63) Seminar: Business Practices & Ethics, by Appraisal Institute, Houston, TX (Dec. 9, 2010)
64) Seminar: Staying out of Trouble in Appraisal Practice & A Lender's Perspective, by Appraisal Institute, Houston, TX (Feb. 26, 2011)
65) Seminar: Appraising Distressed Commercial Real Estate, by Appraisal Institute, Houston, TX (April 15, 2011)
66) Seminar: Appraisal Curriculum Overview (2-Day General), by Appraisal Institute, Austin, TX (May 10-11, 2011)
67) Course: Fundamentals of Separating Real & Personal Property from Intangible Business Assets, by Appraisal Institute, Chicago, IL (Dec. 15-16, 2011)
68) Seminar: U.S.P.A.P. 2012-2013 Update, by Appraisal Institute, Houston, TX (Feb 22, 2012)
69) Seminar: Complex Litigation Appraisal Case Studies, by Appraisal Institute, Houston, TX (Jan. 14, 2013)
70) Seminar: 23rd Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 25-26, 2013)
71) Seminar: Business Practices & Ethics, by Appraisal Institute, Houston, TX (July 31, 2013)
72) Seminar: U.S.P.A.P. 2014-2015 Update, by Appraisal Institute, Houston, TX (December 6, 2013)
73) Seminar: 24th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 17-18, 2014)
74) Course: Texas Appraiser Trainee/Sponsor Course, Houston, TX (April 16, 2015)
75) Seminar: 25th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 23-24, 2015)
76) Seminar: U.S.P.A.P. 2016 – 2017 Update, by Appraisal Institute, Houston, TX (December 11, 2015)
77) Seminar: 26th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 28 – 29, 2016)
78) Seminar: Eminent Domain, by CLE International, Austin, TX (Feb 9-10, 2017)
79) Seminar 27th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 20-21, 2017)
80) Symposium: 2017 Real Estate Symposium/TALCB Course #32884, by Appraisal Institute, Houston, TX (August 18, 2017)
81) Seminar: Business Practices & Ethics, by Appraisal Institute, Houston, TX (Oct. 13, 2017)
82) Course: U.S.P.A.P. 2018-2019, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 7, 2017)
83) Seminar: 28th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 26-27, 2018)
84) Symposium: 2018 Real Estate Symposium, by Appraisal Institute, Houston, TX (September 28, 2018)
85) Seminar: 29th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 25-26, 2019)
86) Symposium: 2019 Real Estate Symposium, TALCB Course #37477, By Appraisal Institute, Houston, TX (Sept. 26, 2019)
87) Seminar: U.S.P.A.P. 2020-2021, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 13, 2019)
88) Course: Eminent Domain & Condemnation by Appraisal Institute Online, (Sept. 10, 2020)
89) Seminar: Business Practice and Ethics, by Appraisal Institute, Live Online-Synchronous (July 27, 2021)
90) Course: U.S.P.A.P. 2022-2023, 7-Hour Update by Appraisal Institute, Austin, TX (Dec. 17, 2021)
91) Seminar: 31st Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 28-29, 2022)
92) Symposium: 2022 Real Estate Symposium, by Appraisal Institute, Houston, TX (Oct. 25, 2022)
93) Course: Supervisory Appraiser Course, by Appraisal Institute, Synchronous, Houston, TX (Dec. 2, 2022)
94) Seminar: 32nd Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio (April 13-14, 2023)
95) Symposium: 2023 Houston Real Estate Symposium – Riding the Waves of Market Volatility, Houston, TX (Sept. 19, 2023)
96) Course: U.S.P.A.P. 2024-2025, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 15, 2023)
97) Seminar: 33rd Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 4-5, 2024)
98) Symposium: 2024 Real Estate Symposium by Appraisal Institute, Houston, TX (Oct. 23, 2024)
99) Course: Appraising for the Supervisor & Trainee, by Champions School of R.E., Houston, TX (Jan. 24, 2025)

100) Seminar:	34th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio (April 10-11, 2025)
101) Course:	Appraiser's Guide to the New URAR, Houston, TX (August 28, 2025)
102) Symposium:	2025 Real Estate Symposium by Appraisal Institute, Houston, TX (Sept. 11, 2025)
103) Course:	U.S.P.A.P 2026-2027, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 12, 2025)

APPRAISAL BACKGROUND

Mr. Barletta began appraising in January, 1977. He has had extensive experience in appraising all types of commercial and residential properties (listed below) in the Houston, Dallas/Ft. Worth, Austin and San Antonio regions, plus numerous other cities throughout Texas. In August, 1987, Mr. Barletta became a partner in an appraisal company in which he held the title President. In 1991, he formed a new company, BARLETTA & ASSOCIATES, INC., where he also holds the title of President, with offices at 1313 Campbell Road, Suite C, Houston, Texas 77055-6429.

Some of the various types of appraisals performed by Mr. Barletta would include: high-end single-family residences, two-to-four unit residential income properties, raw land, mixed-use developed commercial sites, master-planned residential subdivisions, condominium/PUD projects, conventional and HUD apartment projects, office buildings, shopping centers, office/warehouses, special-purpose properties, motels/hotels, golf courses, marinas, restaurants, various commercial/retail facilities, all types of industrial properties and eminent domain/condemnation properties. Mr. Barletta has also been qualified as an expert witness in various court matters for real property valuation by numerous attorneys, and he has arbitrated and reviewed a number of legal issues.

Texas Address:	1313 Campbell Road, Suite C Houston, Texas 77055-6429
Phone Number:	(713) 464-7700
Fax Number:	(713) 464-3696
E-Mail:	phillip@barlettainc.com

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: PHILLIP FRANK BARLETTA

License #: 1320197-CG **License Expires: 03/31/2027**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
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

DAVID BAEHR, MAI, SRA, AI-GRS

(713) 884-7813
david.baehr@barlettainc.com

REAL ESTATE APPRAISER

– 16 years in real estate appraisals, asset management, acquisitions, and portfolio management –

Accomplished real estate appraiser, a high performer excelling in performing and reviewing appraisals for compliance with USPAP, FIRREA and the OCC. Has experience with various proposed/existing property types, including: A & D (subdivision development), 5+ lots/units, single-family, multi-family, office and other property types throughout the U.S. This includes REO/distressed properties. Consults with account officers, fee appraisers and brokers giving guidance regarding any issues that may arise. Research markets and perform due diligence to complete risk analyses and determine credibility of appraisal under review. ***General Certified Real Estate Appraiser and a Designated Member of the Appraisal Institute.***

PROVEN COMPETENCIES

- Appraisal review
- Data/Market Analysis
- Client inquiries/Investigations
- Due Dilligence
- Market trend analysis
- Forward looking projections
- Market forecasting
- Risk management

PROFESSIONAL EXPERIENCE

Barletta & Associates, Houston, TX — 5/2021-Present

COMMERCIAL REAL ESTATE APPRAISER – Appraising a variety of commercial properties specializing in residential subdivision valuation.

U.S. Bancorp, Houston, TX — 7/2013-4/2021

The fifth largest financial institution in the United States, with $429 billion in assets.

VICE PRESIDENT / SENIOR REVIEW APPRAISER

Review appraisals of proposed and existing collateral, ensuring that the appraisal reports are in compliance with USPAP, FIRREA, the OCC and U.S. Banks policy and procedures. Depending on the complexity of the property type, discounted cash flow analysis, expense/revenue projections may be utilized to ensure the reports are in line with market trends. Analyze and review residential appraisal reports, A & D subdivision development appraisals, 5+ lot/units appraisals, commercial land, medical offices, industrial, multifamily and other property types throughout the U.S each month for the purpose of collateral monitoring and loan underwriting. Communicate issues, concerns and results with loan officers.

- Manage the ordering and review of appraisals of portfolios with borrowing bases and revolvers and other credit facilities of borrowers with loan amounts totaling over $500MM.
- Properly order appraisals with appropriate scope of work and value scenarios from qualified and competent appraisers (based on the property type and vendor's experience) on the approved vendor panel.
- Monitor appraisal process from engagement to review completion and facilitate report delivery and response to issues as appropriate.
- In reviewing the appraisal reports, discuss any USPAP, FIRREA or OCC deficiencies with the vendors in order to ensure compliance with federal regulations and RETECHS Internal Procedures.

- Effectively communicate valuation/appraisal issues with the business lines and answer any questions from the loan production staff and risk management group as well as respond to reconsideration requests from business lines in a timely manner.

APPRAISAL MC, Houston, TX 4/2013-7/2013

A rapidly growing appraisal management company that provides the nation's premier lenders with the capability to maintain compliance standards throughout the appraisal ordering process. We pride ourselves on customer service as well as extensive industry knowledge and experience.

VP APPRAISAL REVIEW

- Assess risks associated with the real estate appraisal and evaluation for residential lending channels.
- Protect the financial interests of company by adhering to appraisal standards for accuracy and quality and proactively identify appraisal risk in real estate markets.
- Maintain knowledge of the real estate industry and follow all state and federal laws and regulation pertaining to the Real Estate Industry.

PNC BANK, N.A., Houston, TX 3/2012-4/2013
(PNC BANK, N.A., purchased RBC BANK USA in March 2012)
A $13 billion financial services organization with 57,000 employees.

REVIEW APPRAISER 3/2012-4/2013
Analyze and review residential and commercial appraisals throughout the U.S each month for the purpose of collateral monitoring, loan underwriting and foreclosure proceedings. Communicate issues, concerns and results with relationship managers.

- Join with fee appraisers and attain compliance with USPAP and federal regulations.
- Engage third party appraisers to perform appraisals for the bank.

ROYAL BANK OF CANADA (RBC Builder Finance division), Houston, TX 6/2005-3/2012
A full-scale banking institution with 74,000 global employees and $27 billion in annual revenue.

STAFF APPRAISER 9/2005-3/2012
Produced property and land appraisals, completing due diligence for up to 620 appraisals per month. Evaluated collateral, creating forecasts for short and long-term revenue and expense projections. Executed valuations for vacant lots and single-family residences (1-4 family and 5+ lots and units), aggregating retail proceeds and discounted cash flow analysis. Partnered with national account officers and asset management departments to analyze contracts, budgets, absorption rates, and economic housing data. Coordinated and completed form appraisals and evaluation reports, assessing distressed collateral.

- Became proficient in the sales comparison, cost, and income approaches to market value and liquidation/disposition value on various property types as a certified appraiser.
- Engaged in sophisticated cash flow modeling for complex collateral, creating bulk valuations.
- Conducted in depth market research on new homebuilders and developers.

INSPECTOR ANALYST 6/2005-9/2005
Operated within a broad international customer base in the builder finance division, focusing on construction lending to premier clients throughout the US. Completed cost effective, reliable collateral draw inspections for the Houston-based office. Served customers by coordinating inspections with builders.

David Baehr dmbaehr@sbcglobal.net

- Fulfilled up to 500 inspections per week for four months; saved customers $180,000 by personally completing inspections, alleviating the need for builders to hire outside inspectors.
- Ensured customers received draws according to schedule; observed builder progress and authorized access to additional credit extensions.
- Joined with a colleague to complete 600+ inspections in two days.

EDUCATION & TRAINING

DEGREES

- **Bachelor of Business Administration – Finance**, University of St. Thomas, 2005
- **Associate of Arts in General Studies**, Houston Community College, 2002

CERTIFICATIONS

- General Certified Real Estate Appraiser, TX-1380372-G
- MAI designation through the Appraisal Institute
- SRA designation through the Appraisal Institute
- AI-GRS designation through the Appraisal Institute

- **PROFESSIONAL DEVELOPMENT**
- Real estate appraisal coursework in Advanced Highest and Best Use and Market Analysis, Quantitative Analysis, Sales Comparison and Income Approaches, Advanced Residential Applications, Site Valuations, Cost Approach, Real Estate Finance, Statistics and Valuation Modeling, Residential Report Writing, USPAP, and Appraisal Procedures and Principles, *The Appraisal Institute & McKissock*
- Advanced accounting coursework, *University of Houston – Downtown, Houston Community College, & Lone Star College System*

COMPUTER SKILLS

- Proficient in Microsoft Office Suite, Zonda Metrostudy, Costar, RIMS, LINKS and Argus.

AFFILIATION

Member, Appraisal Institute

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: DAVID MATTHEW BAEHR

License #: 1380372-CG **License Expires: 10/31/2026**

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

THIS PAGE IS LEFT BLANK INTENTIONALLY.

APPENDIX G

REIMBURSEMENT AGREEMENT

THIS PAGE IS LEFT BLANK INTENTIONALLY.

Resolution 2025-101

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING THE LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF LIBERTY AND LIBERTY RANCH, LLC; AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT; PROVIDING FOR IMPLEMENTATION; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Liberty Ranch, LLC (the "Developer") is developing approximately 51 acres of land located within the corporate limits of the City of Liberty, Texas (the "City"); and

WHEREAS, on June 14, 2022, the City Council adopted Resolution No. 2022-40, creating the Liberty Ranch Public Improvement District ("PID") pursuant to Chapter 372, Texas Local Government Code (the "Act"); and

WHEREAS, the City Council is considering an Assessment Ordinance approving the Service and Assessment Plan ("SAP") for the PID, including Assessment Rolls and Authorized Improvements to be constructed for the benefit of the assessed property; and

WHEREAS, the SAP allocates the Actual Costs of the Authorized Improvements to the property within the PID that receives special benefit, and the City anticipates levying Assessments to fund such costs; and

WHEREAS, the City and the Developer desire to enter into the Liberty Ranch Public Improvement District Reimbursement Agreement (the "Reimbursement Agreement") to establish the terms and conditions for reimbursement of the Developer for Actual Costs of Authorized Improvements from Assessment revenues or, if applicable, proceeds of PID Bonds; and

WHEREAS, the Reimbursement Agreement is authorized by Section 372.023 of the Act and applies to all current and future Improvement Areas within the PID; and

WHEREAS, the City Council finds that approval of the Reimbursement Agreement is in the best interest of the City and the continued orderly development of the Liberty Ranch project; and

WHEREAS, the City Council desires to approve the Reimbursement Agreement and authorize the Mayor to execute it on behalf of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, THAT:

Section 1. Approval of Agreement. The Liberty Ranch Public Improvement District Reimbursement Agreement between the City of Liberty and Liberty Ranch, LLC, attached hereto as Exhibit "A" and incorporated herein for all purposes, is hereby approved.

Section 2. Authorization. The Mayor is hereby authorized to execute the Reimbursement Agreement and any related documents consistent with its terms. The City Manager and City Attorney are authorized to take all actions necessary to implement the Agreement and carry out the purposes of this Resolution.

Section 3. Implementation. City staff is directed to take all necessary steps to administer the Reimbursement Agreement in accordance with the Act, the SAP, applicable Assessment Ordinances, and any applicable Indentures.

Section 4. Effective Date. This Resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED on this 8th day of December 2025.

Mayor
City of Liberty, Texas

ATTEST:

City Secretary
City of Liberty, Texas

EXHIBIT A

LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT
REIMBURSEMENT AGREEMENT

This Liberty Ranch Public Improvement District Reimbursement Agreement (this "Agreement") is entered by LIBERTY RANCH, LLC, a Texas limited liability company (the "Developer") and the CITY OF LIBERTY, TEXAS (the "City"), to be effective December 8, 2025, (the "Effective Date"). The Developer and the City are individually referred to as a "Party" and collectively as the "Parties."

SECTION 1. RECITALS

1.1 WHEREAS, capitalized terms used in this Agreement shall have the meanings given to them in Section 2;

1.2 WHEREAS, unless otherwise defined: (1) all references to "sections" shall mean sections of this Agreement; (2) all references to "exhibits" shall mean exhibits to this Agreement which are incorporated as part of this Agreement for all purposes; and (3) all references to "ordinances" or "resolutions" shall mean ordinances or resolutions adopted by the City Council of the City of Liberty, Texas;

1.3 WHEREAS, the Developer is a Texas limited liability company;

1.4 WHEREAS, the City is a Texas home-rule municipality of the State of Texas located within Liberty County, Texas;

1.5 WHEREAS, on June 14, 2022, the City Council passed and approved the Resolution 2022-40, authorizing the creation of a public improvement district pursuant to the Act, encompassing approximately 51 contiguous acres within the City's corporate limits, which land is described in the PID Creation Resolution;

1.6 WHEREAS, the City Council expects to consider an Assessment Ordinance related to the phases of development in the PID;

1.7 WHEREAS, the Assessment Ordinance, if approved by City Council, will approve the SAP, including each Assessment Roll attached thereto;

1.8 WHEREAS, the SAP will identify Authorized Improvements to be designed, constructed, and installed by or at the direction of the Parties that confer a special benefit on the Assessed Property;

1.9 WHEREAS, the SAP will set forth the Actual Costs of the Authorized Improvements;

1.10 WHEREAS, the Assessed Property is being developed in phases or collectively as "Improvement Areas";

1.11 WHEREAS, this Agreement shall apply to all Improvement Areas and no additional reimbursement agreement shall be required for Improvement Areas to be developed in the future;

1.12 WHEREAS, the SAP determines and apportions the Actual Costs of the Authorized Improvements to the Assessed Property, which Actual Costs represent the special benefit that the Authorized Improvements confer upon the Assessed Property as required by the Act;

1.13 WHEREAS, the Assessment Ordinance, if approved by City Council, will levy a portion of the Actual Costs of the Authorized Improvements as Assessments against the Assessed Property in the amounts set forth on the Assessment Roll(s);

1.14 WHEREAS, Annual Installments, including the Assessments therein, will be due and payable once levied as described in the SAP;

1.15 WHEREAS, Annual Installments, including the Assessments therein, shall be billed and collected by the City;

1.16 WHEREAS, the Parties agree the City's obligations to reimburse the Developer for Actual Costs of Authorized Improvements constructed for the benefit of any Improvement Area are: (1) contingent upon the City levying Assessments against property within such Improvement Area benefitting from the Authorized Improvements; (2) payable solely from the Assessments, , collected from Assessed Property within such Improvement Area; and (3) not due and owing unless and until the City actually adopts an Assessment Ordinance levying such Assessments;

1.17 WHEREAS, Assessment Revenue from the collection of Assessments shall be deposited (1) as provided in the applicable Indenture if PID Bonds secured by such Assessments are issued, or (2) into the PID Reimbursement Fund if no such PID Bonds are issued or none of such PID Bonds remain outstanding;

1.18 WHEREAS, Bond Proceeds shall be deposited as provided in the applicable Indenture;

1.19 WHEREAS, a PID Project Fund related to each series of PID Bonds shall only be used in the manner set forth in the applicable Indenture;

1.20 WHEREAS, this Agreement is a "reimbursement agreement" authorized by Section 372.023(d)(1) of the Act;

1.21 WHEREAS, the foregoing RECITALS: (1) are part of this Agreement for all purposes; (2) are true and correct; (3) create obligations of the Parties (unless otherwise stated therein or in the body of this Agreement), and (4) each Party has relied upon such Recitals, each of which are incorporated as part of this Agreement for all purposes, in entering into this Agreement; and

1.22 WHEREAS, all resolutions and ordinances referenced in this Agreement (e.g., the PID Creation Resolution, Development Agreement, and each Assessment Ordinance), together with all other documents referenced in this Agreement (e.g., the SAP and each Indenture), are incorporated as part of this Agreement for all purposes as if such resolutions, ordinances, and other documents were set forth in their entirety in or as exhibits to this Agreement.

NOW THEREFORE, for and in consideration of the mutual obligations of the Parties set forth in this Agreement, the Parties agree as follows:

AGREEMENT

SECTION 2. DEFINITIONS

2.1 "Act" is defined as Chapter 372, Texas Local Government Code, as amended.

2.2 "Actual Costs" means the costs paid or incurred by the Developer as defined in Exhibit B of that certain Liberty Ranch Development Agreement, dated April 24, 2025, including the allowable cost categories illustrated in Exhibit B, together with the land acquisition costs for authorized road rights-of-way, parks, greenbelts, drainage and detention facilities.

2.3 "Administrator" as defined in the SAP.

2.4 "Agreement" as defined in the introductory paragraph.

2.5 "Annual Collection Costs" as defined in the SAP.

2.6 "Annual Installment" as defined in the SAP.

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

2.8 "Assessed Property" as defined in the SAP.

2.9 "Assessment" as defined in the SAP.

2.10 "Assessment Ordinance" as defined in the SAP.

2.11 "Assessment Revenue" means the revenues actually received by or on behalf of the City from any one or more of the following: (1) an Assessment levied against Assessed Property including any interest on such Assessment during any period of delinquency, (2) a Prepayment, and (3) foreclosure proceeds.

2.12 "Assessment Roll" as defined in the SAP.

2.13 "Authorized Improvements" means those public improvements as defined in the SAP, and any other improvements authorized to be financed or reimbursed under Section 372.003 of the Texas Local Government Code, as amended.

2.14 "Bond Proceeds" mean the proceeds derived from the issuance and sale of a series ofPID Bonds that are deposited and made available to pay Actual Costs in accordance with the applicable Indenture.

2.15 "Certificate for Payment" means a certificate (substantially in the form of Exhibit A or as otherwise approved by the Developer and the City Representative) executed by a representative of the Developer and approved by a City Representative, delivered to a City Representative (and/or, if applicable, to the trustee named in any applicable Indenture), specifying the work performed and the amount charged (including materials and labor costs) for Actual Costs, and requesting payment of such amount from the appropriate fund or funds. Each certificate shall include supporting documentation in the standard form for City construction projects and evidence that each Authorized Improvement (or its completed segment) covered by the certificate has been inspected by the City.

2.16 "Change Order" as defined in Section 3.12.

2.17 "City" as defined in the introductory paragraph.

2.18 "City Council" means the governing body of the City of Liberty, Texas.

2.19 "City Representative" means any person authorized by the City Council to undertake the actions referenced herein.

2.20 "Closing Disbursement Request" means a request in the form of Exhibit B or as otherwise approved by the Parties.

2.21 "Commitment" as defined in Section 3.10.

2.22 "Cost Underrun" as defined in Section 3.11.

2.23 "County" as defined in the SAP.

2.24 "Default" as defined in Section 4.8.1.

2.25 "Delinquent Collection Costs" as defined in the SAP.

2.26 "Developer" as defined in the introductory paragraph.

2.27 "Developer Advances" mean advances made by the Developer to pay Actual Costs.

2.28 "Developer Improvement Account" means an account of the PID Project Fund which may be created and established under the applicable Indenture (and segregated from all other funds contained in the PID Project Fund) into which the City deposits, or directs the applicable trustee to deposit, any funds received from the Developer as required under such Indenture.

2.29 "Development Agreement" as defined in the SAP.

2.30 "Effective Date" as defined in the introductory paragraph.

2.31 "Failure" as defined in Section 4.8.1.

2.32 "Improvement Area" means a phase of development defined and described by metes and bounds in the SAP.

2.33 "Indenture" means the applicable trust indenture pursuant to which PID Bonds are issued.

2.34 "Maturity Date" means the date one year after the last Annual Installment is collected.

2.35 "Party" and "Parties" as defined in the introductory paragraph.

2.36 "PID" as defined as the Liberty Ranch Public Improvement District, created by the PID Creation Resolution.

2.37 "PID Bonds" as defined in the SAP.

2.38 "PID Creation Resolution" means Resolution No. 2022-40 passed and approved by the City Council on June 14, 2022, and recorded in the official public records of Liberty County, Texas, as Instrument No. 2022022160 on May 11, 2022.

2.39 "PID Pledged Revenue Fund" means, collectively, the fund established by the City under each applicable Indenture (and segregated from all other funds of the City) into which the City deposits Assessment Revenue securing PID Bonds issued and still outstanding.

2.40 "PID Project Fund" means, collectively, the fund, including all accounts created within such fund, established by the City under each applicable Indenture (and segregated from all other funds of the City) into which the City deposits Bond Proceeds in the amounts and as described in the applicable Indenture.

2.41 "PID Reimbursement Fund" means the fund, including all accounts created within such fund to designate Assessment Revenues collected from each Improvement Area, to be established by the City under this Agreement (and segregated from all other funds of the City) held by the City or the City's designee into which the City deposits Assessment Revenue if not deposited into the PID Pledged Revenue Fund.

2.42 "Prepayment" as defined in the SAP.

2.43 "Reimbursement Agreement Balance" as defined in Section 3.3.

2.44 "SAP" means the *Liberty Ranch Public Improvement District Service and Assessment Plan* to be approved at a later date, as part of the Assessment Ordinance that will be considered by the City Council and recorded in the Official Public Records of Liberty County, Texas as an Instrument as the same may be updated or amended by City Council action in accordance with the Act.

2.45 "Transfer" and "Transferee" are defined in Section 4.11.

SECTION 3. FUNDING AUTHORIZED IMPROVEMENTS

3.1 Fund Deposits. Until PID Bonds payable from Assessment Revenue collected from a specific Improvement Area are issued, the City shall bill, collect, and immediately deposit into the PID Reimbursement Fund all Assessment Revenue consisting of: (1) revenue collected from the payment of Assessments (including pre-payments and amounts received from the foreclosure of liens but

excluding costs and expenses related to collection); and (2) revenue collected from the payment of Annual Installments (excluding Annual Collection Costs and Delinquent Collection Costs). Unless and until PID Bonds payable from Assessment Revenue collected from a specific Improvement Area of the development are issued, funds in the PID Reimbursement Fund shall be deposited into a segregated account relating to the Improvement Area from which such Assessment Revenue was collected and such funds shall only be used to pay Actual Costs of the Authorized Improvements benefitting that Improvement Area or all or any portion of the Reimbursement Agreement Balance related to that Improvement Area in accordance with this Agreement.

Once PID Bonds payable from Assessment Revenue collected from a specific Improvement Area of the development are issued, the City shall bill, collect, and immediately deposit all Assessment Revenue collected from that Improvement Area that secure such series of PID Bonds in the manner set forth in the applicable Indenture. The City shall also deposit Bond Proceeds and any other funds authorized or required by the applicable Indenture in the manner set forth in the applicable Indenture. Annual Installments shall be billed and collected by the City (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as City ad valorem taxes are billed and collected. Funds in the PID Project Fund shall only be used in accordance with the applicable Indenture; provided that funds disbursed from the applicable PID Project Fund pursuant to Section 3.5 below shall be made first from Bond Proceeds held in the applicable accounts within such PID Project Fund until such accounts are fully depleted and then from the Developer Improvement Account of the applicable PID Project Fund, if applicable. Subject to Section 3.6 below, the Actual Costs of Authorized Improvements within each Improvement Area shall be paid from: (1) the Assessment Revenue collected solely from Assessments levied on the property within such Improvement Area benefitting from such Authorized Improvements and on deposit in the PID Reimbursement Fund; or (2) net Bond Proceeds or other amounts deposited in an account of the PID Project Fund created under an Indenture related to PID Bonds secured by Assessment Revenue collected solely from Assessments levied on benefitted property within such Improvement Area. The City will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens related to such Assessments to be enforced continuously, in the manner and to the maximum extent permitted by the Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments for so long as any PID Bonds are outstanding or a Reimbursement Agreement Balance remains outstanding. The City shall determine or cause to be

determined, no later than March 1 of each year whether any Annual Installment is delinquent. If such delinquencies exist, then the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action to foreclose the currently delinquent Annual Installment; provided, however, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Property or to use any City funds, revenues, taxes, income, or property other than moneys collected from the Assessments for the payment of Actual Costs of Authorized Improvements under this Agreement. Once PID Bonds are issued, the applicable Indenture shall control in the event of any conflict with this Agreement.

3.2 Payment of Actual Costs. Subject to Section 3.6 below, if PID Bonds are not issued (or prior to such issuance) to pay Actual Costs of Authorized Improvements, the Developer may elect to make Developer Advances to pay Actual Costs. If PID Bonds are issued, the Bond Proceeds shall be used in the manner provided in the applicable Indenture; and, except as may be required under the Development Agreement and/or an applicable Indenture, the Developer shall have no obligation to make Developer Advances for the related Authorized Improvements, unless the Bond Proceeds, together with any other funds in the PID Project Fund or PID Reimbursement Fund, are insufficient to pay the Actual Costs of such Authorized Improvements, in which case the Developer shall make Developer Advances to pay the deficit. If Developer Advances are required in connection with the issuance of a series of PID Bonds, then such Developer Advances may be reduced by the amount of payments of Actual Costs of the Authorized Improvements (or portions thereof) to be financed by such PID Bonds that the Developer has previously paid if (1) the Developer submits to the City all information related to such costs that would be required by a Closing Disbursement Request at least five (5) days prior to the pricing date of such PID Bonds, and (2) the City approves such Actual Costs in writing. The Developer shall also make Developer Advances to pay for cost overruns (after applying cost savings). The lack of Bond Proceeds or other funds in the PID Project Fund shall not diminish the obligation of the Developer to pay Actual Costs of the Authorized Improvements. Actual Costs of the Authorized Improvements shall include all costs authorized to be funded under Section 372.003 of the Texas Local Government Code, as amended.

3.3 Offsite Improvements. Notwithstanding anything contrary to this Agreement, the City shall reimburse the Developer up to ONE MILLION DOLLARS ($1,000,000) for offsite water and sewer

utility extensions and Highway 146 improvements described in Section 12.11 of the Development Agreement. Upon Developer's submission of invoices and receipts, reimbursement shall be made by the City from funds other than PID Assessments or PID Bond Proceeds. Costs incurred by Developer in excess of to ONE MILLION DOLLARS ($1,000,000) for offsite water and sewer utility extensions and Highway 147 improvement shall be considered an Authorized Improvement and funded by proceeds of Assessments or proceeds of PID Bonds.

3.4 Payment of Reimbursement Agreement Balance. Subject to the terms, conditions, and requirements of this Agreement, including Section 3.6 hereof, The City agrees to pay to the Developer, and the Developer shall be entitled to receive payments from the City, until the Maturity Date, for the lesser of: (a) amounts shown on each approved Certificate for Payment for Actual Costs of Authorized Improvements paid by or at the direction of the Developer, and (b) the amount shown on the Assessment Roll as defined in the SAP, plus: (1) simple interest on the unpaid principal balance at a rate equal to two percent (2%) above the highest average index rate for tax-exempt bonds reported in a daily or weekly bond index shown on Schedule I of the SAP that was approved by the City Council of the City and reported in the month before the date the obligation is incurred (which date is the date of approval by the City of the Assessment Ordinance levying the Assessments from which the Reimbursement Agreement Balance, or a portion thereof, shall be paid) for years one through five beginning on the date each Certificate for Payment is delivered to the City Representative; and (2) simple interest on the unpaid principal balance at a rate equal to two percent (2%) above the highest average index rate for tax-exempt bonds reported in a daily or weekly bond index reported in the month before the date the obligation was incurred (which date is the same as the approval by the City of the Assessment Ordinance levying the Assessments from which the Reimbursement Agreement Balance, or a portion thereof, shall be paid) for years six and later (the unpaid principal balance, together with accrued but unpaid interest, owed the Developer for all Certificates for Payment is referred to as the "Reimbursement Agreement Balance"); provided, however, upon the issuance of PID Bonds, the interest rate due and unpaid on amounts shown on each Certificate for Payment to be paid to the Developer shall be the lower of: (1) the interest rate on such series of PID Bonds issued to finance the costs of the Authorized Improvements for which the Certificate for Payment was filed, or (2) the interest rate approved by the City Council of the City in the Assessment Ordinance levying the Assessments from which the Bonds shall be paid. The interest rates set forth in Schedule I of the SAP shall be approved considered by the City Council in each Assessment Ordinance as authorized by the

Act. The principal amount of each portion of the Reimbursement Agreement Balance to be paid under each Assessment Ordinance, and the interest rate for such portion of the Reimbursement Agreement Balance, shall be shown on Schedule I attached to the SAP and Schedule I is incorporated as a part of this Agreement for all purposes. Interest shall accrue on each Reimbursement Agreement Balance from the levy of Assessments securing such Reimbursement Agreement Balance. As the City considers additional Assessment Ordinances and/or issues PID Bonds, the City shall approve an updated Schedule I as part of the updated or amended SAP for the sole purpose of showing the principal amount of the portion of the Reimbursement Agreement to be paid under such newly-adopted Assessment Ordinance and any adjustments to the interest rate for such portion of the Reimbursement Agreement Balance if applicable. Such updated Schedule I attached to the SAP shall automatically be incorporated as part of this Agreement for all purposes as if attached hereto without any further action from the Parties.

The Reimbursement Agreement Balance is payable solely from: (1) the PID Reimbursement Fund if no PID Bonds are issued for the purposes of paying the Authorized Improvements related to such Reimbursement Agreement Balance, or (2) from PID Bond Proceeds. No other City funds, revenues, taxes, income, or property shall be used even if the Reimbursement Agreement Balance is not paid in full by the Maturity Date. All payments made from Bond Proceeds shall be made in the manner set forth in the applicable Indenture. So long as no PID Bonds are issued and the City has received and approved a Certificate for Payment, the City shall make payments to the Developer toward the Reimbursement Agreement Balance related to each Improvement Area from Assessment Revenue collected from such Improvement Area and deposited in the PID Reimbursement Fund. Such payments shall be in an amount not to exceed the Assessment Revenue related to such Improvement Area on deposit in the PID Reimbursement Fund; and, such payments shall be made at least annually and no later than 60 days after the date payment of the Annual Installments are due and payable to the City. In the event that a Prepayment of an Assessment is made prior to the issuance of PID Bonds, the City shall remit payment to the Developer of an amount of the Reimbursement Agreement Balance then due and payable not to exceed the Assessment Revenue related to such Prepayment from the Assessment Revenue deposited into the PID Reimbursement Fund within 60 days after the Prepayment is received and accepted by the City. Each payment from the PID Reimbursement Fund shall be accompanied by an accounting that certifies the Reimbursement Agreement Balance as of the date of the payment and that itemizes all deposits to and disbursements from the fund since the last payment.

Approval of a Certificate for Payment and all payments under this Agreement are predicated on: (1) the Developer constructing and installing, or the City acquiring (if applicable), the Authorized Improvements (or portion thereof) shown on each Certificate for Payment as required under the Development Agreement; (2) the Developer providing the necessary supporting documentation in the standard form for City construction projects; and (3) the City's inspection of each Authorized Improvement (or portion thereof) covered by each Certificate for Payment; provided, however, in no event shall the City Representative be authorized to approve a Certificate for Payment if the City has not previously levied an Assessment against Assessed Property within an Improvement Area related to and benefitting from the Authorized Improvements for which such Certificate for Payment has been submitted. If there is a dispute over the amount of any payment, the City shall nevertheless pay the undisputed amount, and the Parties shall use all reasonable efforts to resolve the disputed amount before the next payment is made; however, if the Parties are unable to resolve the disputed amount, then the City's determination of the disputed amount (as approved by the City Council) shall control. Notwithstanding anything to the contrary in this Agreement, the City shall be under no obligation to reimburse the Developer for Actual Costs of any Authorized Improvement that is not accepted by the City.

The City's obligation to reimburse the Reimbursement Agreement Balance related to the Authorized Improvements for a particular Improvement Area constructed for the benefit of the Assessed Property within such Improvement Area is: (1) contingent upon the City levying Assessments against property within such Improvement Area benefitting from the Authorized Improvements, (2) payable solely from the Assessments collected from Assessed Property within such Improvement Area, and (3) not due and owing unless and until the City actually adopts an Assessment Ordinance levying such Assessments.

3.5 PID Bonds. The City, in its sole, legislative discretion, may issue PID Bonds, in one or more series, when and if the City Council determines it is financially feasible for the purposes of: (1) paying all or a portion of the Reimbursement Agreement Balance; or (2) paying directly Actual Costs of Authorized Improvements. PID Bonds issued for such purpose will be secured by and paid solely as authorized by the applicable Indenture. Upon the issuance of PID Bonds for such purpose and for so long as PID Bonds remain outstanding, the Developer's right to receive payments each year in accordance with Section 3.3 shall be subordinate to the deposits required under the applicable Indenture related to any outstanding PID Bonds and the Developer shall be entitled to receive funds

pursuant to the flow of funds provisions of such Indenture. The failure of the City to issue PID Bonds shall not constitute a "Failure" by the City or otherwise result in a "Default" by the City. Upon the issuance of a series of PID Bonds, the Developer has a duty to construct those Authorized Improvements as described in the SAP and the Development Agreement. The Developer shall not be relieved of its duty to construct or cause to be constructed such improvements even if there are insufficient funds in the PID Project Fund to pay the Actual Costs. This Agreement shall apply to all PID Bonds issued by the City whether in one or more series, and no additional reimbursement agreement shall be required for future series of PID Bonds.

3.6 Disbursements and Transfers at and after Bond Closing. The City and the Developer agree that from the proceeds of the PID Bonds, and upon the presentation of evidence satisfactory to the City Representative, the City will cause the trustee under the applicable Indenture to pay at closing of the PID Bonds approved amounts from the appropriate account to the persons entitled to payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the PID and any other costs incurred by the Developer and the City as of the time of the delivery of the PID Bonds as described in the SAP. In order to receive disbursement, the Developer shall execute a Closing Disbursement Request to be delivered to the City no less than five (5) days prior to the pricing date for the applicable series of PID Bonds for payment in accordance with the provisions of the Indenture. In order to receive additional disbursements from any applicable fund under an Indenture, the Developer shall execute a Certificate for Payment, no more frequently than monthly, to be delivered to the City for payment in accordance with the provisions of the applicable Indenture and this Agreement. Upon receipt of a Certificate for Payment (along with all accompanying documentation required by the City) from the Developer, the City or its Administrator, shall conduct a review within fifteen (15) business days in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all Applicable Laws and applicable plans therefore and with the terms of this Agreement and any other agreement between the parties related to property in the PID, and to verify and approve the Actual Costs of such work specified in such Certificate for Payment. The City shall also conduct such review as is required in its discretion to confirm the matters certified in the Certificate for Payment. The Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. The Developer further agrees that if the City provides to the Developer a sales tax exemption certificate

then sales tax will not be approved for payment under a Certification for Payment. Within fifteen (15) business days following receipt of any Certificate for Payment, the City shall either: (1) approve the Certificate for Payment and forward it to the trustee for payment, or (2) provide the Developer with written notification of disapproval of all or part of a Certificate for Payment, specifying the basis for any such disapproval. Any disputes shall be resolved as required by Section 3.3 herein. The City shall deliver the approved or partially approved Certificate for Payment to the trustee for payment, and the trustee shall make the disbursements as quickly as practicable thereafter.

3.7 Obligations Limited. The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than the PID Reimbursement Fund or the PID Project Fund. The Parties further agree that the City's obligation under this Agreement to reimburse the Developer for Actual Costs of Authorized Improvements within any Improvement Area shall only be paid from: (1) net proceeds of PID Bonds, if issued, on deposit in the PID Project Fund related to such PID Bonds, and/or (2) Assessments collected from such Improvement Area. The Parties further agree that the City's obligation under this Agreement to reimburse the Developer for Actual Costs of Authorized Improvements constructed for the benefit of any Improvement Area is: (1) contingent upon the City levying Assessments against property within such Improvement Area benefitting from the Authorized Improvements, (2) payable solely from the Assessments collected from Assessed Property within such Improvement Area, and (3) not due and owing unless and until the City actually adopts an Assessment Ordinance levying such Assessments. Concurrent with the levy of Assessments against any Improvement Area, the City will: (1) establish a separate account within the PID Reimbursement Fund relating solely to such Improvement Area, if no PID Bonds are issued, or (2) establish a separate PID Project Fund under an Indenture if PID Bonds are issued, out of which the City will pay its obligations related to such Improvement Area; and, until such time, this Agreement does not create any obligations of the City with respect to any Improvement Area for which Assessments have not been levied. No other City funds, revenues, taxes, or income of any kind shall be used to pay: (1) the Actual Costs of the Authorized Improvements; (2) the Reimbursement Agreement Balance even if the Reimbursement Agreement Balance is not paid in full on or before the Maturity Date; or (3) debt service on any PID Bonds. None of the City nor any of its elected or appointed officials or any of its officers, employees, consultants or representatives shall incur any

liability hereunder to the Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

3.8 Obligation to Pay. Subject to the provisions of Section 3.3 and 3.6, if the Developer is in substantial compliance with its obligations under the Development Agreement, then following the inspection and approval of any portion of Authorized Improvements for which Developer seeks reimbursement of the Actual Costs by submission of a Certificate for Payment or City approval of a Closing Disbursement Request, the obligations of the City under this Agreement to pay from Assessment Revenue or the net proceeds of PID Bonds, as applicable, disbursements (whether to the Developer or to any person designated by the Developer) identified in any Closing Disbursement Request or in any Certificate for Payment and to pay debt service on PID Bonds are unconditional AND NOT subject to any defenses or rights of offset except as may be provided in any Indenture.

3.9 City Delegation of Authority. All Authorized Improvements shall be constructed by or at the direction of the Developer in accordance with the plans, the Development Agreement, applicable City ordinances and regulations, and with this Agreement and any other agreement between the parties related to property in the PID. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Authorized Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer has sole responsibility of ensuring that all Authorized Improvements are constructed in accordance with the Development Agreement and in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Authorized Improvements to be acquired and accepted by the City from the Developer. If any Authorized Improvements are or will be on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance

pending acquisition and acceptance) of the Authorized Improvements. Inspection and acceptance of Authorized Improvements will be in accordance with applicable City ordinances and regulations.

3.10 Security for Authorized Improvements. Prior to completion and conveyance to the City of any Authorized Improvements, the Developer shall cause to be provided to the City a maintenance bond in the amount required by the City's subdivision regulations for applicable Authorized Improvements, which maintenance bond shall be for a term of two years from the date of final acceptance of the applicable Authorized Improvements. Any surety company through which a bond is written shall be a surety company duly authorized to do business in the State of Texas, provided that legal counsel for the City has the right to reject any surety company regardless of such company's authorization to do business in Texas. Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto so long as such delay in performance shall not subject the Authorized Improvements to foreclosure, forfeiture, or sale. In the event that any such lien and/or judgment with respect to the Authorized Improvements is contested, the Developer shall be required to post or cause the delivery of a surety bond or letter of credit, whichever is preferred by the City, in an amount reasonably determined by the City, not to exceed 120 percent of the disputed amount.

3.11 Ownership and Transfer of Authorized Improvements. If requested in writing by the City, Developer shall furnish to the City a commitment for title insurance (a "Commitment") for land related to the Authorized Improvements to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City. The Commitment shall be made available for City review and must be approved at least fifteen (15) business days prior to the scheduled transfer of title. The City agrees to approve the Commitment unless it reveals a matter which, in the reasonable judgment of the City, would materially affect the City's use and enjoyment of the Authorized Improvements. If the City objects to any Commitment, the City shall not be obligated to accept title to the applicable Authorized Improvements until the Developer has cured the objections to the reasonable satisfaction of the City.

3.12 Acceptance of Authorized Improvements. Following the levy of Assessments, upon (i) final inspection and acceptance by the City of the Authorized Improvements within an Improvement Area; and (ii) the filing of a final plat for such Improvement Area, all public improvements, including land

dedications shown on such plat as dedicated to the public use or dedicated to City, shall be deemed as dedicated and accepted by the City without further action required and shall be immediately eligible for PID Reimbursement.

3.13 Remaining Funds After Completion of an Authorized Improvement. Within any applicable Improvement Area, upon the final completion of an Authorized Improvement within such Improvement Area and payment of all outstanding invoices for such Authorized Improvement, if the Actual Cost of such Authorized Improvement is less than the budgeted cost as shown in Exhibit B to the SAP (a "Cost Underrun"), any remaining budgeted cost will be available to pay Cost Overruns on any other Authorized Improvement within such Improvement Area. A City Representative shall promptly confirm to the Administrator (as defined in the SAP) 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 Authorized Improvements. Any Cost Underrun for any Authorized Improvement within an Improvement Area is available to pay Cost Overruns on any other Authorized Improvement within such Improvement Area and may be added to the amount approved for payment in any Certificate for Payment, as agreed to by the Developer, the Administrator and the City Representative.

3.14 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 an Authorized Improvement. The Developer or its contractors may approve and implement any Change Orders even if such Change Order would increase the Actual Cost of an Authorized Improvement, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such Change Orders except to the extent amounts are available pursuant to Section 3.12 hereof. 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 the Development Agreement, 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.

SECTION 4. ADDITIONAL PROVISIONS

4.1 Term. The term of this Agreement shall begin on the Effective Date and shall continue until the earlier to occur of the Maturity Date or the date on which the Reimbursement Agreement Balance is paid in full.

4.2 No Competitive Bidding. Construction of the Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a) (9) of the Texas Local Government Code, as amended. All plans and specifications, but not construction contracts, shall be reviewed and approved, in writing, by the City prior to Developer selecting the contractor. The City, at its election made prior to the Developer entering into a construction contract, shall have the right to examine and approve the contractor selected by the Developer prior to executing a construction contract with the contractor, which approval shall not be unreasonably delayed or withheld.

4.3 Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City.

4.4 Audit. The City Representative shall have the right, during normal business hours and upon two (2) business days' prior written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Authorized Improvements. For a period of two years after completion of the Authorized Improvements, the Developer shall maintain proper books of record and account for the construction of the Authorized Improvements and all costs related thereto. Such accounting books shall be maintained in accordance with customary real estate accounting principles. The Developer shall have the right, during normal business hours and upon two (2) business days' prior written notice to the City, to review all records and accounts pertaining to the Assessments upon written request to the City. The City shall provide the Developer an opportunity to inspect such books and records relating to the Assessments during the City's regular business hours and on a mutually agreeable date no later than ten (10) business days after the City receives such written request. The City shall keep and maintain a proper and complete system of records and accounts pertaining to the Assessments for so long as PID Bonds remain outstanding or Reimbursement Agreement Balance remains unpaid.

4.5 Developer's Right to Protest Ad Valorem Taxes. Nothing in this Agreement shall be construed to limit or restrict Developer's right to protest ad valorem taxes. The Developer's decision to protest ad valorem taxes on Assessed Property does not constitute a Default under this Agreement.

4.6 PID Administration and Collection of Assessments. The Administrator shall have the responsibilities provided in the SAP related to the duties and responsibilities of the administration of the PID, and the City shall provide the Developer with a copy of the agreement between the

City and the Administrator. If the City contracts with a third-party for the collection of Annual Installments of the Assessments, the City shall provide the Developer with a copy of such agreement. For so long as PID Bonds remain outstanding or the Reimbursement Agreement Balance remains unpaid, the City shall notify the Developer of any change of administrator or third-party collection of the Assessments.

4.7 Representations and Warranties.

4.7.1 The Developer represents and warrants to the City that: (1) the Developer has the authority to enter into and perform its obligations under this Agreement; (2) the Developer has the financial resources, or the ability to collect sufficient financial resources, to meet its obligations under this Agreement; (3) the person executing this Agreement on behalf of the Developer has been duly authorized to do so; (4) this Agreement is binding upon the Developer in accordance with its terms; and (5) the execution of this Agreement and the performance by the Developer of its obligations under this Agreement do not constitute a breach or event of default by the Developer under any other agreement, instrument, or order to which the Developer is a party or by which the Developer is bound.

4.7.2 The City represents and warrants to the Developer that: (1) the City has the authority to enter into and perform its obligations under this Agreement; (2) the person executing this Agreement on behalf of the City has been duly authorized to do so; (3) this Agreement is binding upon the City in accordance with its terms; and (4) the execution of this Agreement and the performance by the City of its obligations under this Agreement do not constitute a breach or event of default by the City under any other agreement, instrument, or order to which the City is a party or by which the City is bound.

4.8 Default/Remedies.

4.8.1 If either Party fails to perform an obligation imposed on such Party by this Agreement (a "Failure") and such Failure is not cured after notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a "Default." If a Failure is monetary, the non-performing Party shall have ten (10) days within which to cure. If the Failure is non-monetary, the non-performing Party shall have thirty (30) days within which to cure.

4.8.2 If the Developer is in Default, the City shall have available all remedies at law or in equity; provided no default by the Developer shall entitle the City to terminate any portion of this Agreement that has been performed as of the date of any such Default or to withhold payments to the Developer from the PID Reimbursement Fund or the PID Project Fund in accordance with this Agreement and the Indenture.

4.8.3 If the City is in Default, the Developer shall have available all remedies at law or in equity; provided, however, no Default by the City shall entitle the Developer to terminate this Agreement.

4.8.4 The City shall give notice of any alleged Failure by the Developer to each Transferee identified in any notice from the Developer, and such Transferees shall have the right, but not the obligation, to cure the alleged Failure within the same cure periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer but shall not obligate the Transferee to be bound by this Agreement unless the Transferee agrees in writing to be bound.

4.9 Remedies Outside the Agreement. Nothing in this Agreement constitutes a waiver by the City of any remedy the City may have outside this Agreement against the Developer, any Transferee, or any other person or entity involved in the design, construction, or installation of the Authorized Improvements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the PID. 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, or subdivision requirements relating to the development property in the PID.

4.10 Estoppel Certificate. From time to time upon written request of the Developer, the City Manager will execute a written estoppel certificate, in form and substance satisfactory to both Parties that: (1) identifies any obligations of the Developer under this Agreement that are in default or, with the giving of notice or passage of time, would be in default; or (2) states, to the extent true, that to the best knowledge and belief of the City, the Developer is in compliance with its duties and obligations under this Agreement.

4.11 Transfers. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part with the written consent of the City Council, the Developer's right, title, or interest to payments under this Agreement (but not performance obligations) including,

but not limited to, any right, title, or interest of the Developer in and to payments of the Reimbursement Agreement Balance, whether such payments are from the PID Reimbursement Fund in accordance with Section 3.3 or from Bond Proceeds (any of the foregoing, a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"); provided, however, that no such conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made if such conveyance, transfer, assignment, mortgage, pledge or other encumbrance 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 subject to additional reporting or recordkeeping duties. The City's consent to any Transfer shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, no Transfer shall be effective until consent of the Transfer is given by the City. The Developer waives all rights or claims against the City for any funds paid to a third party as a result of a Transfer for which the City received notice.

4.12 Applicable Law; Venue. This Agreement is being executed and delivered and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply, the substantive laws of the State of Texas shall govern the interpretation and enforcement of this Agreement. In the event of a dispute involving this Agreement, venue shall lie in any court of competent jurisdiction in Liberty County, Texas.

4.13 Notice. Any notice referenced in this Agreement must be in writing and shall be deemed given at the addresses shown below: (1) when delivered by a nationally recognized delivery service such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person is the named addressee; or (2) 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the City:	City of Liberty Attn: April Gilliland 1829 Sam Houston Liberty, TX 77575
With a copy to:	Brandon Davis, City Attorney 1517 Trinity Liberty, TX 77575
To the Developer:	Liberty Ranch, LLC

Attn: Charles Von Schmidt
185 Cedar Point Drive
Livingston Texas, 77351

With a copy to: Coats Rose, P.C.
Attn: Timothy G. Green
9 Greenway Plaza, Suite 1000
Houston, Texas 77046

Any Party may change its address by delivering notice of the change in accordance with this section.

4.14 Conflicts; Amendment. In the event of any conflict between this Agreement and any other instrument, document, or agreement by which either Party is bound, the provisions and intent of the applicable Indenture controls. This Agreement may only be amended by written agreement of the Parties.

4.15 Severability. If any provision of this Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions.

4.16 Non-Waiver. The failure by a Party to insist upon the strict performance of any provision of this Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Agreement.

4.17 Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the City, the Developer, and Transferees any rights under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the City, the Developer, and Transferees.

4.18 Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

4.19 Employment of Undocumented Workers. During the term of this Agreement, the Developer agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a(f), the Developer shall repay the incentives granted herein within 120 days after the date the Developer is notified by the City of such violation, plus interest at the rate of six percent (6%) compounded annually from the date of violation until paid. Pursuant to Section 2264.101(c),

Texas Government Code, a business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee of the business, or by a person with whom the business contracts.

4.20 Statutory Verifications. The Developer makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Agreement notwithstanding anything in this Agreement to the contrary.

(a) Iran, Sudan, and Foreign Terrorist Organizations. 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 County to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable federal law or Texas law and excludes 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. "Firearm entity" and "firearm trade association" have the meanings provided in Section 2274.001(6) and (7), 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.

4.21 Survival of Certain Representations and Covenants. Notwithstanding anything contained herein to the contrary,, the representations and covenants contained in Section 5.13 of this Agreement shall survive termination of the Agreement until the statute of limitations has run, and liability for breach of any such representation or covenant shall not be liquidated or otherwise limited by any provision of this Agreement.

4.22 Texas Attorney General Standing Letter. The Developer represents that it has, as of the Effective Date, on file with the Texas Attorney General a standing letter addressing the representations and verifications hereinbefore described in the form attached as Exhibit B to the Updated Recommendations for Compliance with the Texas BPA Verification and Representation Requirements (December 3, 2023) of the Municipal Advisory Council of Texas or any other form accepted by the Texas Attorney General (a "Standing Letter"). In addition, if the Developer or the parent company, a wholly- or majority-owned subsidiary or another affiliate of the Developer receives or has received a letter from the Texas Comptroller of Public Accounts or the Texas Attorney General seeking written verification that the Developer is a member of the Net Zero Banking Alliance, Net Zero Insurance Alliance, Net Zero Asset Owner Alliance, or Net Zero Asset Managers or of the representations and certifications contained in the Developer's Standing Letter (a "Request Letter"), the Developer shall promptly notify the City (if it has not already done so) and provide to the City, two business days prior

to the Effective Date and additionally upon request by the City, written verification to the effect that its Standing Letter described in the preceding sentence remains in effect and may be relied upon by the City and the Texas Attorney General (the "Bringdown Verification"). The Bringdown Verification shall also confirm that the Developer (or the parent company, a wholly- or majority-owned subsidiary or other affiliate of the Developer that received the Request Letter) intends to timely respond or has timely responded to the Request Letter. The Bringdown Verification may be in the form of an e-mail.

4.23 Form 1295. Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application system not later than the 30th day after the receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified.

4.24 Changes in Law. The Parties acknowledge and expressly agree that, during the Term, either Party may take advantage of changes in the law notwithstanding anything to the contrary in this Agreement.

4.25 Public Information. Notwithstanding any other provision to the contrary in this Agreement, all information, documents, and communications relating to this Agreement may be subject to the Texas Public Information Act and any opinion of the Texas Attorney General or a court of competent jurisdiction relating to the Texas Public Information Act. The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement and the Developer agrees that this Agreement may be terminated if the Developer knowingly or intentionally fails to comply with a requirement of that subchapter, if applicable, and the Developer fails to cure the violation on or before the tenth business day after the date the City provides notice to Developer of noncompliance with Subchapter J, Chapter 552. Pursuant to Section 552.372, Texas Government Code, Developer is required to preserve all contracting information related to this Agreement as provided by the records retention requirements applicable to the City for the duration of this Agreement; promptly provide to

the City any contracting information related to this Agreement that is in the custody or possession of the Developer on request of the City; and on completion of the Agreement, either provide at no cost to the City all contracting information related to the contract that is in the custody or possession of the entity or preserve the contracting information related to the contract as provided by the records retention requirements applicable to the City.

[*Execution pages follow.*]

CITY:

CITY OF LIBERTY, TEXAS

By:_____
John Hebert, Jr., Mayor

ATTEST:

By:_____
April Gilliland, City Secretary

APPROVED AS TO FORM AND LEGALITY:

By:_____
Brandon Davis, City Attorney

DEVELOPER:

LIBERTY RANCH, LLC

By:_____
Name: Charles Von Schmidt
Title: President

EXHIBIT A

CERTIFICATE FOR PAYMENT FORM

The undersigned is an agent for _____ (the "Developer") and requests payment from the applicable account of the [PID Reimbursement Fund] [PID Project Fund] from the City of Liberty, 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 providing a special benefit to property within the Liberty Ranch Public Improvement District. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the PID Reimbursement Agreement between the City and the Developer, effective as of _____, 20__ (the "Reimbursement Agreement").

In connection with the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment Form on behalf of the Developer and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced Authorized Improvements has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.

3. The amount listed for the Authorized Improvements below is a true and accurate representation of the Actual Costs associated with the creation, acquisition, or construction of said Authorized Improvements, and such costs (i) are in compliance with the Reimbursement Agreement, and (ii) are consistent with the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Reimbursement Agreement, the Indenture, the Service and Assessment Plan and the Development Agreement.

5. The Developer has timely paid all ad valorem taxes and annual installments of special assessments it owes or an entity the Developer controls owes, located in the Liberty Ranch Public Improvement District and has no outstanding delinquencies for such assessments.

6. All conditions set forth in the Indenture (as defined in the Reimbursement Agreement) for the payment hereby requested have been satisfied.

7. The work with respect to the Authorized Improvements referenced below (or its completed segment) has been completed, and the City has inspected such Authorized Improvements (or its completed segment).

8. 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.

9. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for major improvements or any phase of Authorized Improvements identified may be paid until the work with respect to such Authorized Improvements (or segment) has been completed and the City has accepted such Authorized Improvements (or segment). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Authorized Improvements (or segment).

Payments requested are as follows:

a. X amount to Person or Account Y for Z goods or services.

b. Etc.

[If the Authorized Improvements are to be paid in part from one series of PID Bonds and in part from another, insert the following:
As required by Section _____ of the Indenture, the costs for the Authorized Improvements that constitutes the pro-rata share of such Authorized Improvements allocable to the designated Bonds shall be paid as follows:

Authorized Improvements:	Amount to be paid from _____ Fund	Amount to be paid from _____ Fund	Total Cost of Authorized Improvements

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are "bills paid" affidavits and supporting documentation in the standard form for City construction projects.
Pursuant to the Reimbursement Agreement, after receiving this payment request, the City has inspected the Authorized Improvements (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

I hereby declare that the above representations and warranties are true and correct.

_____
a Texas limited liability company

By: _____
Title: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, acknowledges that the Authorized Improvements (or its completed segment) covered by the certificate have been inspected by the City, and otherwise finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and shall [include said payments in the City Certificate submitted to the Trustee directing payments to be made from the appropriate account of the PID Project Fund] [direct payment from the PID Reimbursement Fund] to the Developer or to any person designated by the Developer.

CITY OF LIBERTY, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT B

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for _____ (the "Developer") and requests payment to the Developer (or to the person designated by the Developer) from the Cost of Issuance Account of the Project Fund from _____ (the "Trustee") in the amount of _____ ($_____) to be transferred from the Cost of Issuance Account of the PID Project Fund upon the delivery of the PID Bonds for costs incurred in the establishment, administration, and operation of the Liberty Ranch Public Improvement District (the "District"), as follows. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the City and the Trustee dated as of _____, 20__ (the "Indenture") relating to the [INSERT NAME OF BONDS] (the "PID Bonds").

In connection with the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the PID Bonds have not been the subject of any prior payment request submitted to the City.

3. The amount listed for the below costs is a true and accurate representation of the Actual Costs associated with the establishment, administration and operation of the District at the time of the delivery of the PID 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 Reimbursement Agreement, the Indenture, the Service and Assessment Plan, and the Development Agreement.

5. All conditions set forth in the Indenture and the Reimbursement 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:

[Information regarding Payee, amount, and deposit instructions attached]

I hereby declare that the above representations and warranties are true and correct.

_____
a Texas limited liability company

By: _____
Title: _____

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 and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from Costs of Issuance Account upon delivery of the PID Bonds.

CITY OF LIBERTY, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

THIS PAGE IS LEFT BLANK INTENTIONALLY.

APPENDIX H

DEVELOPMENT AGREEMENT

THIS PAGE IS LEFT BLANK INTENTIONALLY.

LIBERTY RANCH DEVELOPMENT AGREEMENT

This Liberty Ranch Development Agreement ("Agreement") is entered into between and among the CITY OF LIBERTY, TEXAS ("City") and LIBERTY RANCH, LLC, a Texas limited liability company ("LR" or "Developer"); to be effective on the Effective Date.

RECITALS

WHEREAS, certain terms used in these Recitals are defined in Section 2; and

WHEREAS, the City is a home rule municipality of the State of Texas located within Liberty County ("County"); and

WHEREAS, LR owns all of the approximately 51.00 acres located in Liberty County and described by metes and bounds on Exhibit A (the "LR Property" or "Property"); and

WHEREAS, in conjunction with the execution of this Agreement, the Property is being annexed into the City and will be located wholly within the city limits of the City and not within the corporate limits or extraterritorial jurisdiction of any other municipality; and

WHEREAS, the Developer or successor entity plans to develop the Property as a residential development consisting of approximately 216 lots with no less than 212 lots with homes being a minimum of 1,400 square feet of livable space developed in accordance with the lot mix and development standards specified in the attached Exhibit G upon the execution of this Agreement, the issuance of PID Bonds for the payment of certain costs for the construction and acquisition of the Authorized Improvements and other associated costs to benefit the Property within the PID, and the repayment to the Developer or successor entity from said PID Bonds for certain costs advanced for the construction and acquisition of the Authorized Improvements to benefit the property as set forth in this Agreement and the Service and Assessment Plan; and

WHEREAS, the Developer intends for the design, construction and installation of the Authorized Improvements to occur in a phased manner and to dedicate such Authorized Improvements to the City as set forth more fully herein, subject to the approval of the plans and inspection of the Authorized Improvements in accordance with this Agreement and the City Regulations, and contingent upon the partial or total financing of such Authorized Improvements; and

WHEREAS, the Developer intends for the voluntary annexation of the Property to occur in conjunction with the City entering into this Agreement; and

WHEREAS, the Developer and the City estimate that the cost of the Authorized Improvements will be no more than Ten Million Five Hundred Thousand Dollars ($10,500,000); and

WHEREAS, the Developer intends to construct the Authorized Improvements, and to pay their costs with proceeds of PID Bonds or directly with the Developer's own funds pursuant to the Completion Agreement; and

WHEREAS, to accomplish the high-quality development of the Property envisioned by the Parties and to provide financing for the Authorized Improvements, the City has determined it is necessary for the City to create a public improvement district ("PID") pursuant to Chapter 372, Texas Local Government Code, as amended ("PID Act"); and

WHEREAS, in consideration of the Developer's agreements and representations contained herein, the City intends to consider financing arrangements that will enable the Developer, in accordance with the PID Act, to fund a specified portion of the costs of the Authorized Improvements using the proceeds of PID Bonds issued by the City; and

WHEREAS, notwithstanding the City funding a portion of the cost of the Authorized Improvements, the Developer will be required to fund any shortfalls associated with the Authorized Improvements as hereinafter specified; and

WHEREAS, the City, subject to the consent and approval of the City Council, and in accordance with the terms of this Agreement and all legal requirements, intends to: (a) adopt a Service and Assessment Plan; (b) adopt an Assessment Ordinance (to pay for a specified portion of the estimated cost of the Authorized Improvements and the costs associated with the administration of the PID and issuance of the PID Bonds); and (c) issue PID Bonds, in one or more series, for the purpose of financing a specified portion of the costs of the Authorized Improvements and related costs (including Administrative Expenses) and paying issuance costs and the cost of funding all reserves, accounts, and funds required by the applicable Bond Ordinance (including a capitalized interest account, a debt service reserve fund, and the project fund); and

WHEREAS, the City, in its sole legislative discretion, may issue PID Bonds periodically up to a total maximum of Ten Million Five Hundred Thousand Dollars ($10,500,000), in one or more series, to finance a specified portion of the costs of the Authorized Improvements and related costs (including Administrative Expenses) and to pay issuance costs and the cost of funding all reserves, accounts, and funds required by the applicable Bond Ordinance (including a capitalized interest account, a debt service reserve fund, and the project fund); and

WHEREAS, the Parties agree that the financing of the Authorized Improvements confers a special benefit to the Property within the PID; and

WHEREAS, the Parties intend that the Property will be developed pursuant to the Concept Plan attached hereto as Exhibit C including fifty (50) feet wide lots ("Concept Plan"); and

WHEREAS, the Parties intend that this Agreement is a development agreement as provided for by state law, including Section 212.172 of the Texas Local Government Code; and

WHEREAS, the City recognizes that the construction and installation of the Authorized Improvements will: (a) bring a positive impact to the City; (b) promote state and local economic development; (c) stimulate business and commercial activity in the municipality; (d) promote the development and diversification of the economy of the state; (e) promote the development and expansion of commerce in the state; and (f) eliminate some unemployment or underemployment in the state.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants contained herein, and for such other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

SECTION 1
RECITALS

The Recitals in this Agreement, cited above, are true and correct and establish the basis upon which the Parties enter into this Agreement.

SECTION 2
DEFINITIONS

Unless the context requires otherwise, the following terms shall have the meanings hereinafter set forth:

Acceptance of Authorized Public Improvements shall mean that upon final inspection and acceptance by the City of the improvements and filing of a final plat for that section, all public improvements including land dedications shown as dedicated to the public use or dedicated to City of Liberty shall be deemed as dedicated to the City without further action required and shall be immediately eligible for PID Reimbursement.

Administrative Expenses shall mean those administrative costs for both the Developer and the City of Liberty required to retain the use of professionals to facilitate the establishment of the PID including but not limited to Bond Fees, Legal fees, Appraisal fees, Accounting and Consultants Fees, and all other fees allowed pursuant to Chapter 372, Texas Local Government Code, as amended ("PID Act") and/or additional expenses as set forth in the PID Service and Assessment Plan.

Administrative Costs shall mean those annual administrative costs as set forth in the PID Service and Assessment Plan.

Agreement means this Liberty Ranch Development Agreement between the City of Liberty, Texas and Liberty Ranch, LLC.

Annual Collection Costs means those annual administrative costs of the PID as set forth in the SAP.

Assessment means a special assessment levied by the City on property within the 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.

Assessment Fund means the interest-bearing assessment fund account created by the City for the PID to which the assessment revenues will be deposited once collected.

Assessment Ordinance means an ordinance adopted by the City Council which authorizes Assessments to be levied on the Property in accordance with the PID Act, the purpose of which shall be to pay for a specified portion of the costs of certain Authorized Improvements and interest thereon as 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 an 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, which shows the total amount of the Assessment against each parcel assessed under the Service and Assessment Plan related to the Authorized Improvements.

Authorized Improvements means water, sewer, drainage, roadways, screening walls, monuments, recreational facilities, signage rights of way, parks, greenbelts, detention, and other facilities needed to serve and fully develop the Property within the PID, which shall be constructed or caused to be constructed by the Developer by or on behalf of the City, and shall include any other public improvement project authorized by 372.0003 of the PID Act, including but not limited to the improvements listed in Exhibit B.

Authorized Improvement Costs means the design, engineering, construction, construction management, and inspection costs of the Authorized Improvements and shall include any other costs authorized to be funded under the PID Act.

Bond Ordinance means an ordinance adopted by the City Council that authorizes and approves the issuance and sale of the PID Bonds by the City.

Budgeted Cost(s) with respect to any given Authorized Improvement means the estimated cost of such improvements as set forth in Exhibit B.

City means the City of Liberty, Texas, a home rule municipality located in Liberty County, Texas.

City Manager means the City Manager of the City of Liberty, Texas, 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 Code means the Code of Ordinances of the City of Liberty, Texas.

City Council means the City Council of the City of Liberty, Texas.

City Regulations means the City Code as defined herein, the City's subdivision regulations, the City's engineering design standards, all International Code Council-sanctioned and National codes, as amended and as adopted by the City, including but not limited to the National Electrical Code, the International Building Code, Energy Conservation Code, Fire Code, Fuel Gas Code,

Mechanical Code, Plumbing Code, Residential Code, Pool and Spa Code and similar standard codes, and other policies and regulations duly adopted by the City Council and in effect as, 1 April, 2025.

Completion Agreement means an agreement to be entered into between the City and the Developer memorializing the Developer's obligation to pay Authorized Improvement Costs from its own funds and identifying the sources of such funds.

Concept Plan means the Concept Plan agreed to by the Parties and that is depicted in Exhibit C.

Cost Overruns means actual Authorized Improvement Costs that are more than the Budgeted Costs set forth in the Service and Assessment Plan, as described in Subsection 6.3.

Cost Underruns means actual Authorized Improvement Costs that are less than the Budgeted Costs set forth in the Service and Assessment Plan, as described in Subsection 6.4.

Developer means LR, and LR's successors and assigns, responsible for developing all or any portion of the Property in accordance with this Agreement.

Development means the single-family residential development on the Property that is the subject of this Agreement.

Development Standards means those development standards applicable to the Property as set forth in the City Regulations and this Agreement, including Exhibit G.

District means the Liberty Ranch Public Improvement District.

Effective Date means the date on which the last of the Parties has executed this Agreement.

End User means any homebuilder, homeowner, tenant, or owner of a Fully Developed and Improved Lot.

Force Majeure means, and shall include without limitation, acts of God, strikes, lockouts, or other industrial disturbances, acts of a public enemy, acts or orders of any kind of the Government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics, pandemics, quarantine, viral outbreaks, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, or other acts, events, causes, or circumstances not within the reasonable control of the Party claiming such inability and that could not have been avoided by such Party with the exercise of good faith, due diligence, and reasonable care.

Fully Developed and Improved Lot means any lot in the Property, regardless of proposed use, intended to be served by the Authorized Improvements and for which a final plat has been approved by the City and recorded in the Real Property Records of Liberty County, Texas, and for

which the Authorized Improvements serving said lot have been fully constructed and approved by the City of Liberty.

HOA means the homeowners association created for the Development of the Property.

HOA Maintenance Obligations means the obligations of the HOA to maintain Storm Drainage Improvements, Parkland, the Development's amenity features, monuments, esplanades, open spaces, common areas (including, but not limited to, all landscaped Development entrances), right-of-way landscaping (including irrigation systems), bike trails, raised medians and other right-of-way landscaping, drainage pump stations, detention areas, drainage areas and screening walls within the Development.

Home Buyer Disclosure Program means the disclosure program, administered by the Developer in its sales to Builders also an End User, and Builders in their sales to their End Users, as set forth in a document in the form of Exhibit D, which establishes a mechanism to disclose to each End User the terms and conditions under which that End User's lot is burdened by the PID.

Improvements Account of the Project Fund means that account as defined or described in any Indenture.

Indenture means a trust indenture by and between the City and a trustee bank under which the PID Bonds are secured and funds disbursed.

Landowner means the Developer and any additional and/or successor owners of the Property.

Landowner Agreement means the agreement, as set forth in a document in the form of Exhibit E of an owner of the Property consenting to the form and terms of the PID Documents.

Liberty County means Liberty County, Texas.

Livable Space means the area of a home that is heated, cooled, and ventilated, excluding any porches, patios, attached garages and detached garages.

LR means Liberty Ranch, LLC a Texas limited liability company.

Maintenance Agreement means the "Public Improvement Maintenance Agreement", substantially in the form attached hereto as Exhibit F, anticipated to be entered into by and between the City and the Liberty Ranch Home Owners' Association.

Notice means any notice required or contemplated by this Agreement (or otherwise given in connection with this Agreement).

Parkland shall mean land within the District dedicated to the City by the Developer (or any applicable assignees) and established as property available to the general public for recreational use, including any parking lots on said land.

Parties means, collectively, the Developer and the City; Party, individually, means either Developer or the City.

PID means a public improvement district created by the City for the benefit of the Property pursuant to Chapter 372, Texas Local Government Code, as amended; in this instance and for purposes of this Agreement, the PID means the Liberty Ranch Public Improvement District.

PID Act means Chapter 372, "Improvement Districts in Municipalities and Counties," 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, as applicable.

PID Bonds means those assessment revenue bonds issued by the City and secured by Assessments on property within the PID.

PID Documents means the City Council-approved and adopted (a) PID Resolution; (b) Service and Assessment Plan; (c) Assessment Ordinance; and (d) each Bond Ordinance as described in the Recitals to this Agreement.

PID Resolution means the resolution adopted by the Council creating the PID pursuant to Section 372.010 of the PID Act and approving the advisability of the Authorized Improvements.

Property means the real property described by metes and bounds on Exhibits "A", consisting of approximately 51.00 acres.

Public Infrastructure shall have the meaning set forth in Section 12.2 hereof.

Public Roads means all public roads and ways within the District, including associated public rights-of-way and other public access easements, all publicly accessible shoulders, sidewalks, and bridges, and drainage improvements related to any of the foregoing.

Real Property Records of Liberty County means the official land recordings of the Liberty County Clerk's Office.

Service and Assessment Plan (or SAP) means the PID Service and Assessment Plan adopted by the City Council, 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 and having terms, provisions and findings approved by the City, as required by this Agreement.

Storm Drainage Improvements shall mean ditches, headwall and wingwall structures, related earthwork, excavation, erosion control, detention ponds, retention ponds, the land all these sit upon

or under and all other necessary appurtenances required to capture storm water runoff generated within the District other than Storm Sewer System.

Storm Sewer System shall mean trench excavation and embedment, trench safety, reinforced concrete pipe, PP Spec Pipe, manholes, junction boxes, drainage inlets, related earthwork, excavation, storm sewer mains, the land all these sit upon or under and all other necessary appurtenances required to capture storm water runoff generated within the District other than Storm Drainage Improvements.

SECTION 3
PUBLIC IMPROVEMENT DISTRICT

3.1 Creation and Levy of Assessments by the City. The Parties acknowledge that the City has created the PID, pursuant to City of Liberty Resolution No. 2022-40. After the Effective Date, the City shall use its best efforts to initiate and approve all necessary documents and ordinances required to effectuate this Agreement, to levy the Assessments, and to prepare and approve a Service and Assessment Plan providing for the levy of the Assessments on the Property within the PID. Promptly following preparation and approval of a preliminary Service and Assessment Plan acceptable to the Developer and the City for a phase of the Property, and subject to the City Council making findings that the Authorized Improvements confer a special benefit on such portion of the Property, the City Council shall consider an Assessment Ordinance and final Service and Assessment Plan for such portion of the Property.

3.2 Acceptance by Developer of Assessments and Recordation of Covenants Running with the Land. Concurrently with the levy of the Assessments, the Developer or successor entity shall approve and accept in writing the levy of such Assessment(s) on all land owned by the Developer within the PID Improvement Area benefited by the Bond Issuance , shall approve and accept in writing the Home Buyer Disclosure Program, and shall cause to be recorded against such Property covenants running with the land that will bind any and all current and successor developers and owners of such Property to: (a) 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 (b) comply with the Home Buyer Disclosure Program.

SECTION 4
RESERVED

SECTION 5
AUTHORIZED IMPROVEMENTS

5.1 Authorized Improvements. Budgeted Costs, including those estimated expenses related to the Authorized Improvements, are subject to change and shall be updated by the City consistent with the Service and Assessment Plan, as may be updated and amended, and the PID Act. The Developer shall include an updated Exhibit B with each final plat application, which shall be submitted to the City Council for consideration and approval per the City policy in effect at date of execution of this Agreement concurrently with the submission of each final plat. Upon approval by the City Council of an updated SAP that reflects revisions to the Budgeted Costs,

Exhibit B to this Agreement shall be deemed amended to include such approved updated Budgeted Costs. The Authorized Improvement Costs and the timetable for installation of the Authorized Improvements will be reviewed by the Parties in an annual update of the Service and Assessment Plan adopted and approved by the City.

5.2 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 this section. The City shall have twenty-five (25) business days from its receipt of first submittal of complete construction and/or engineering plans and corresponding fees to approve or deny the plans or to provide comments back to the submitter of the plans. If any approved construction and/or engineering plans are amended or supplemented, the City shall have twenty (20) business days from its receipt of such amended or supplemented plans to approve or deny the plans or to provide comments back to the submitter of the plans. Any written City approval or denial must be based on compliance with applicable City Regulations in effect as of April 1, 2025. If the City does not specifically approve or deny the submitted plans within the above-described time periods, the City shall be promptly notified; if, after ten (10) business days from the date of the city's receipt such notification the City has not specifically approved or denied the submitted plans or provided comments back to the submitter, the plans shall be deemed approved. If any provision in this paragraph conflicts with any other provision in this Agreement, this paragraph controls.

(b) Contract Award. The contracts for construction of Authorized Improvements shall be in the name of the Developer. The Developer's engineers shall prepare, or cause to be prepared, contract specifications and necessary related documents for the Authorized Improvements. The Developers shall administer all contracts. Certain portions of the Budgeted Costs, , as realized, shall be paid, or caused to be paid by the Developer, or the Developer's assignee, and shall be paid, in part, from the proceeds of the PID Bonds in accordance with the Indenture.

(c) Construction Standards and Inspection. The Authorized Improvements and all other Public Infrastructure required for the development of the Property shall be constructed and inspected and all applicable fees shall be paid by the Developer in accordance with applicable state law, the City Regulations, the Bond Ordinance, and other development requirements, including those imposed by the City and any other governing body or entity with jurisdiction over the Authorized Improvements. All applicable fees, including permit fees and inspection fees, shall be paid by the Developer unless specified otherwise by this Agreement.

I. Sewer Tap Permit and Fees. Developer or permit applicant shall be required to apply for sewer tap permits but shall not be required to pay any sewer tap permit fees or sewer tap inspection fees.

II. Water Tap Permit and Fees. Developer or permit applicant shall be required to apply for water tap permits but shall not be required to pay any water tap permit fees or water tap inspection fees. Developer or permit applicant shall be required to pay for all water meters.

III. Impact Fees. In consideration for Developer developing the Property in accordance with the Concept Plan, the City Regulations as of April 1, 2025, and the Development Standards, the City agrees the Development shall be exempt from any impact fees or other similar type fees for water, sewer, drainage, roads, park land and other public improvements adopted by the City.

(h) Competitive Bidding. This Agreement and construction of the Authorized Improvements are anticipated to be exempt from competitive bidding pursuant to Texas Local Government Code, Sections 252.022(a)(9) and 252.022(a)(11), based upon current cost estimates. In the event that the actual costs for the Authorized Improvements do not meet the parameters for exemption from the competitive bid requirement, then either competitive bidding or alternative delivery methods may be utilized by the City as allowed by law.

(i) Ownership. Except as otherwise agreed to in writing by the Developer and the City, all Authorized Improvements, upon completion, shall be dedicated to and thereafter owned by the City using procedures established by City Regulations. Dedications of Authorized Improvements shall include all bonds, warranties, guaranties, and other assurances of performance, "record" drawings in both hard copy and digital (PDF and CAD) and sealed by the Developer's engineer of record pursuant to Chapter 1001, as amended, Texas Occupations Code, project or operating manuals, and all other documentation related thereto. Except as otherwise provided herein, upon dedication (and City inspection, approval and acceptance) of an Authorized Improvement or other Public Infrastructure as hereinbefore described, the responsibility of operation and maintenance of such dedicated Authorized Improvements shall be the responsibility of the City; provided, however, that the City may contract to a third party such operations and maintenance responsibilities (such as to the HOA pursuant to the Maintenance Agreement). Acceptance of dedication by the City shall be conditioned on mutual agreement concerning such maintenance responsibility subsequent to dedication. The Developer agrees to take any action reasonably required by the City to transfer or otherwise dedicate or ensure the dedication of easements and facilities for the Authorized Improvements to the City, Home Owners' Association, and the public.

5.4 Water and Wastewater

(a) The City will timely provide sanitary sewer, and potable water service, at its standard rates to each home or business located within the Development.

5.5 Mandatory Homeowners Association; Maintenance Agreement. Prior to the closing of the first lot for a single-family residential home by a homebuilder within the residential portion of the Property, the Developer will create an HOA over said Property that shall be required to levy and collect from homeowner's annual fees in an amount calculated to maintain the improvements maintained by the HOA. In conjunction with the execution of the Development Agreement, the HOA shall enter into a Maintenance Agreement with the City, pursuant to which the HOA shall agree to the HOA Maintenance Obligations (whose responsibility shall solely be the HOA's, notwithstanding any ownership by the City of the improvements or real property upon which such maintenance is required to be performed). The Developer shall provide in the HOA's organization

documents that the HOA shall annually levy and collect fees from member homeowners that are, at a minimum and based on annual budget adopted by the HOA prior to the beginning of its fiscal year, sufficient to satisfy the annual HOA Maintenance Obligations. The Maintenance Agreement shall provide that the HOA shall perform the HOA Maintenance Obligations in accordance with the applicable provisions of the City Regulations, subject to oversight and inspection by the City, and provide to the HOA permission to perform the HOA Maintenance Obligations, as and to the extent reasonably necessary, on City-owned property. Upon reasonable request, the City shall have the right to inspect the financial reports, audits, and budget of the HOA. Prior to collection of adequate dues from homeowners within the Property, the Developer shall provide to the HOA adequate funding to fulfill its duties and obligations arising under Applicable Law or its creation and governing documentation and by contract, including (but not limited to) those arising under the Maintenance Agreement.

5.6 HOA Organization Documents. A copy of the HOA bylaws and organizational documents shall be provided to the City within six (6) months of the execution of this agreement. However, the City will not be responsible for the enforcement of the HOA Bylaws although it retains the right to do so.

5.7 Deed Restrictions. A copy of any deed restrictions applicable to lots on the property shall be provided to the City within one (1) year of the execution of this Agreement. However, the City will not be responsible for the enforcement of deed restrictions although it retains the right to do so.

SECTION 6
PAYMENT OF AUTHORIZED IMPROVEMENTS AND DEVELOPMENT CHARGES

6.1 Improvements Account of the Project Fund. On the date of issuance of any PID Bonds, the City shall establish the Improvements Account of the Project Fund in accordance with the applicable Indenture. Any Improvements Account of the Project Fund shall be maintained as provided in the Future Indenture and shall not be commingled with any other funds of the City. Any Improvements 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 Improvements Account of the Project Fund shall be deposited and disbursed in accordance with the terms of the Indenture. City PID Administrator shall have 20 calendar days from receipt of any draw to process and forward the approved draw to the City for payment. In the event the PID Administrator finds errors or questions with the Draw it shall notify the Developer within the 20 day period of its findings and provide detailed error resolution processes. The PID Administrator shall then have 15 calendar days upon resubmission by Developer of the amended draw to reconcile the same. Once approved by PID Administrator the draw shall be forwarded to the City with recommendation for payment who then shall have 10 days working days to approve and forward draw to Trustee for payment. In the event of any conflict between the terms of this Agreement and the terms of the Indenture relative to deposit and/or disbursement, the terms of the Indenture shall control.

6.2 Completion Agreement. Prior to the City's authorization of the PID Bonds, the Developer, the City, and the trustee for such PID Bonds shall have entered into an agreement

obligating the Developer to satisfy the Authorized Improvement Costs not anticipated to be directly funded with proceeds of PID Bonds. Prior to the delivery of any such PID Bonds, the Developer will be required to provide written evidence of its ability to pay any such Authorized Improvement Costs.

6.3 Cost Overrun. If the total cost of an Authorized Improvement (or segment or section thereof) exceeds the total amount of the Budgeted Cost for that Authorized Improvement (or segment or section thereof) (a "Cost Overrun"), the Developer shall be solely responsible for payment of the remainder of the costs of that Authorized Improvement (or segment or section thereof), except as provided in Section 6.4 below.

6.4 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 funded with the same PID Bond with the approval of the City Manager and provided that all Authorized Improvements are set forth in the Service and Assessment Plan. The elimination of a category of Authorized Improvements in the Service and Assessment Plan will require an amendment to the SAP and corresponding reduction in Assessments If, upon completion of the Authorized Improvements in any improvement category, any funds remain in such category, those funds may be used to reimburse Developer for any qualifying costs of the Authorized Improvements that have not been paid.

6.5 Remainder of Funds in the Improvements Account of the Project Fund. If funds remain in the Improvements Account of the Project Fund after the completion of all Authorized Improvements and the payment of all Authorized Improvements Costs as provided for in the Indenture, then such funds shall thereafter be the exclusive property of the City and shall be used by the City as provided for in the Indenture, or any other use applicable to the Property as provided by law. In the event of any conflict between the terms of this Agreement and the terms of the Indenture relative to deposit and/or disbursement, the terms of the Indenture shall control.

6.6 Development, Review, and Inspection Fees. Development of any portion of the Property shall be subject to payment to the City of the applicable fees according to the City's Regulations as of the date of execution of this Agreement for a period of six (6) years, including without limitation fees relating to platting, zoning requests, permitting, inspections related to Authorized Improvements and any other charges and fees not expressly exempted or altered by the terms of this Agreement. The total amount of fees payable for the issuance of all building permits applicable to a lot within the Property (excluding fees for Authorized Improvements inspections) shall not exceed One Thousand Seven Hundred Dollars ($1,700), excluding the following: (i) capital recovery fees, (ii) water, sewer, drainage, and road impact fees. As of the date of this Agreement, there were no capital recovery or water, sewer, drainage, or road impact fees as outlined in Section 5.2 (c). The building permit fee cap does not include any development fees associated with the actual subdivision development. Such fee shall be paid at the time the permit application is submitted to the City. After the expiration of six (6) years the fees charged

shall be equal to the then current fee amounts. All costs related to inspection fees for Authorized Improvements shall be paid for by the Developer in full.

SECTION 7
PID FINANCING

7.1 PID Bond Issuance. The City intends to issue the PID Bonds solely for the purpose of financing the costs of the Authorized Improvements and related costs (including Administrative Expenses) and paying issuance costs and the cost of funding all reserves, accounts, and funds required by the applicable Bond Ordinance (including a capitalized interest account, a debt service reserve fund, and the project fund). The City and the Developer have determined and hereby agree that the estimated maximum aggregate principal amount of PID Bonds will not exceed Ten Million Ten Hundred Thousand Dollars ($10,500,000). The City staff will, from time to time, submit to the City Council agenda items to consider approval of the issuance of the PID Bonds by the City in an amount up to, but not to exceed, the estimated maximum aggregate principal Bond amount of Ten Million Five Hundred Thousand Dollars ($10,500,000).

7.2 Authorized Improvement Costs shall be paid from time to time with either proceeds of PID Bonds, or directly by the Developer pursuant to the Completion Agreement. No City funds, other than proceeds of PID Bonds, shall be made available for the payment of any Authorized Improvement Costs and the City shall have no responsibility for the payment of the same in the event of insufficiency of any of such previously specified sources.

7.3 Conditions to PID Bond Issuance. The issuance of any series of PID Bonds is subject to the following conditions:

(a) prior to the City's authorization of the initial series of PID Bonds:

(i) the Developer and City will have executed the Completion Agreement pursuant to Section 6.2 hereof.

(ii) the Developer will create the Home Buyer Disclosure Program and provide a copy of the program to the City Manager;

(iii) the Developer has obtained approval from the Texas Department of Transportation (TXDOT) for any driveway, entrance, or other access to or from Highway 146; and

(iv) the Developer shall have delivered to the City Manager a fully-executed Landowner Agreement from each owner of the Property;

(b) issuance of any series of PID Bonds shall be preceded by the City's adoption or amendment of a Service and Assessment Plan, Assessment Roll, and an Assessment Ordinance levying Assessments on all or any portion of the Property benefited by the Authorized Improvements to be funded by such Assessments;

(c) subject to the limitations set forth in Section 7.1 hereof, each series of PID Bonds shall be in an amount estimated to be sufficient to fund the Authorized Improvement Costs for which such PID Bonds are being issued;

(d) if applicable, delivery by the Developer to the City of a certification or other evidence from an independent appraiser acceptable to the City confirming that the special benefits conferred on the parcels of the Property subject to Assessments for payment of Authorized Improvement Costs increase the value of such parcels of Property by an amount at least equal to the amount assessed against such parcels;

(e) 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;

(f) evidence delivered to the City (the sufficiency of which the City has determined, in its sole discretion), that:

(i) the Developer is current on all the payment of all taxes, Assessments, fees, and obligations owed to each taxing district whose jurisdiction the Property is subject;

(ii) the Developer is not in default under any development document; and

(iii) no outstanding PID Bonds are then-in default and no reserve funds established therefor have been drawn upon that have not been replenished; and

(iii) the Developer is not in default on any payment or note to a lender regarding this Development.

(g) the City has determined that the amount of proposed Assessments and the structure, terms, conditions, and timing of the issuance of the series of PID Bonds are reasonable for payment of the Authorized Improvement Costs to be financed and scope and state of Development within the PID, and that there is sufficient security for the PID Bonds to be creditworthy;

(h) the City has confirmed that no information regarding the City, including (without limitation) financial information, has been included in any offering document relating to PID Bonds without receipt of the City's prior consent;

(i) the City has confirmed there is a minimum value to lien ratio of at least 3:1 based on the anticipated final lot values with homes constructed thereon, as provided in a third-party appraisal for PID Bonds issued for the construction of Authorized Improvements;

(j) the maximum total City tax rate equivalent of the Assessments for parcels within the PID, shall be no greater than $1.25 per $100 assessed value (which maximum total tax rate equivalent shall be measured based on the estimated build out value of the applicable parcel) (the "Maximum Effective PID Tax Rate") unless the City and Developer agree otherwise;

(k) the City has confirmed that the maturity for a series of PID Bonds equals 30 years from its date of initial delivery; and

(l) the Developer has agreed to provide periodic information and notices of material events regarding the Developer as it relates to the development of the Property within the PID in accordance with Securities and Exchange Commission Rule 15c2-12 and any Continuing Disclosure Agreements executed by the Developer in connection with the issuance of such series of PID Bonds.

SECTION 8
ANNEXATION AND ZONING

8.1 Annexation of Land into City. In conjunction with the City Council's approval of this Development Agreement, the Developer will request annexation of the Property into the corporate limits of the City.

8.2 Zoning of Property. In the event the City adopts a comprehensive zoning ordinance, the City shall zone the Property consistent with the Development Standards, Concept Plan, and applicable provisions of this Agreement. In the event of any conflict between this Agreement and any zoning ordinance adopted by the City Council relating to the Property, this Agreement will prevail.

8.3 Full Compliance with City Standards.

(a) When not in conflict with the terms and conditions of this Agreement, including the Development Standards, the development of the Property shall be subject to all applicable City Regulations, including but not limited to the City's subdivision regulations and engineering design standards, effective as of April 1, 2025. The party requesting a building permit shall be subject to those fees and charges due and payable to the City in connection with the development and construction of the Property, including but not limited to platting and zoning request fees, building permit fees, inspection fees, as detailed in Section 6 of this Agreement. All applicable fees, including permit fees and inspection fees, shall be paid by the Developer or home builder unless specified otherwise by this agreement.

(b) Development and use of the Property, including, without limitation, the construction, installation, maintenance, repair, and replacement of all buildings, improvements, and facilities of any kind whatsoever on and within the Property, shall comply with the Concept Plan, Development Standards, and applicable City Regulations. The City acknowledges and agrees that the Concept Plan may be revised and refined by the Developer as the Developer continues its investigation of and planning for the Property, provided that in no case shall the Concept Plan be revised or refined to contradict any of the requirements of this Agreement. All buildings, improvements, and facilities constructed on and within the Property shall comply with the City Regulations, and applications for building permits and construction plans shall be submitted to the City for review and approval prior to the commencement of construction of such structures and at the time required by the City Regulations. The City, or its authorized designated representative, shall be solely responsible for issuing building permits and certificates of occupancy for all structures.

8.4 Phasing. The Parties acknowledge and agree that the Property will be developed in phases. If deemed necessary, the Developer may submit a replat for all or any portions of the Property. Any replat shall generally conform to the Concept Plan and be subject to City approval in accordance with the City Regulations.

8.5 Conflicts. In the event of any direct conflict between this Agreement and any City Regulations or other ordinance, rule, regulation, standard, policy, order, guideline, or other City-adopted or City-enforced requirement, whether existing on the Effective Date or hereinafter adopted, this Agreement, including its exhibits, as applicable, shall control.

SECTION 9
OBLIGATIONS; EVENTS OF DEFAULT; REMEDIES

9.1 Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform, the nature of which is reasonably detailed, has been given in writing; however, that Party shall be given a reasonable time to cure the alleged failure (such reasonable time to be determined based on the nature of the alleged failure, but, unless otherwise stated in this Agreement or agreed to in writing by the Parties, in no event more than thirty (30) days after written notice of the alleged failure has been received). Notwithstanding the foregoing, no Party shall be in default under this Agreement if, within the applicable cure period, the Party in receipt of the notice begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured.

9.2 Remedies. If a Party is in default, any non-defaulting Party may, at its option and without prejudice to any other right or remedy under this Agreement, seek any relief available at law or in equity against such breaching Party (but not any other Party), including, but not limited to, an action under the Uniform Declaratory Judgment Act, or actions for specific performance, mandamus, or injunctive relief.

SECTION 10
ASSIGNMENT; ENCUMBRANCE

10.1 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties. The obligations, requirements, or covenants to develop the Property in this Agreement shall be able to be assigned, without the prior written consent of the City, to (a) any affiliate or related entity of the Developer; or (b) any lienholder on the Property. The obligations, requirements, or covenants to develop the Property shall not be assigned by the Developer to any other party, including any person or entity that is or will become an owner of any portion of the Property (an "Owner"), without the prior written consent of the City Council, which consent shall not be unreasonably withheld if the assignee demonstrates financial ability to perform. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to, the City. An assignee shall be considered an Owner for the purposes of this Agreement. 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. No

assignment by the Developer shall release the Developer from any liability that resulted from an act or omission by the Developer that occurred prior to the effective date of the assignment unless the City approves the release in writing. 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 (which includes the City) 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. Notice to the City of any assignment by the Developer shall conform to Section 10.5, below.

10.2 Encumbrance by Developer and Assignees. The Developer and its assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of its rights, title, or interest under this Agreement (a) for the benefit of its lenders without the consent of, but with prompt written notice to, the City, (b) to any Owner, (c) to any affiliate or related entity to the Developer or (d) to any other person or entity with the City Council's prior written consent. 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 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 owner through a lender of any portion of the Property shall be bound by this Agreement and shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all defaults under this Agreement with respect to the acquired portion of the Property have been cured.

10.3 Assignees as Parties. An assignee authorized in accordance with this Agreement and for which notice of assignment has been provided in accordance with Section 10.5 of this Agreement shall be considered a "Party" for the purposes of this Agreement. With the exception of an End User, any person or entity, upon becoming an owner of land within the PID or upon obtaining an ownership interest in any part of the Property, shall be deemed to be a "Developer" and have all of the obligations of the Developer as set forth in this Agreement and all related documents to the extent of said ownership or ownership interest.

10.4 Third-Party Beneficiaries. Subject to Section 10.1 of this Agreement, this Agreement inures only 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.

10.5 Notice of Assignment. Subject to Section 10.1 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) said notice must describe the extent to which any rights or benefits under this Agreement were sold, assigned, transferred, or otherwise conveyed;

(c) said notice must state the name, mailing address, telephone contact information, and, if known, email address, of the person(s) that will acquire 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.

SECTION 11
RECORDATION AND ESTOPPEL CERTIFICATES

11.1 Binding Obligations. This Agreement and all amendments thereto and assignments hereof shall be recorded in the property records of Liberty County, Texas. This Agreement binds and constitutes a covenant running with the Property and, upon the Effective Date, is binding upon the Developer and the City, 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.

11.2 Estoppel Certificates. From time to time, upon written request of Developer, if needed to facilitate a sale of all or a portion of the Property or a loan secured by all or a portion of the Property, the City Manager, or his/her designee will, in his/her official capacity and to his/her reasonable knowledge and belief, execute a written estoppel certificate in a form and substance satisfactory to the City, to its reasonable knowledge and belief, identifying any obligations of Developer under this Agreement that are in default. Developer shall pay the City $100.00 at the time of the Developer's request for an estoppel certificate for each request in excess of one per calendar year.

SECTION 12
GENERAL PROVISIONS

12.1 Term. The term of this Agreement shall be for a period beginning on the Effective Date, and concluding thirty (30) years from the date of issuance of PID Bonds as set forth herein.

12.2 Public Infrastructure, Generally. Except as otherwise expressly provided for in this Agreement, the Developer shall provide and install all Public Infrastructure necessary to serve the Development, including water taps, sewer taps, streets, curbs, sidewalks, street lights, fire hydrants, water and sewer utilities, electric utilities, parks, detention ponds, drainage, and all other required improvements, in accordance with the City Regulations and the Development Standards, and as approved by the City's engineer or his or her agent in accordance with the terms hereof

("Public Infrastructure"). The Developer shall cause the installation of all Public Infrastructure within all applicable time frames in accordance with the City Regulations unless otherwise approved herein. The Developer shall provide engineering studies, plan/profile sheets, and other construction documents at the time of platting as required by the City Regulations. The City's engineer or his or her agent must approve such plans before a final plat may be considered for approval. Construction of any portion of the Public Infrastructure shall not be initiated until a pre-construction conference that includes a City representative has been held regarding the proposed construction and the City has issued a written notice to proceed, which notice to proceed shall not be unreasonably withheld or delayed. No certificate of occupancy shall be issued until construction of all Public Infrastructure in that phase or section, provided sufficient detention to city standards is provided for that section, shown thereon shall have been constructed, and thereafter inspected, approved, and accepted by the City.

12.3 Soils Testing. Developer will perform soils testing for all Public Infrastructure and provide results to the City prior to the construction of any single family homes.

12.4 Maintenance Bond. For each construction contract for any part of the Public Infrastructure, the Developer or the Developer's contractor must execute a maintenance bond meeting the requirements of the applicable City Regulations that guarantees payment of the costs of any repairs which may become necessary to any part of the construction work performed in connection with the Public Infrastructure, arising from defective workmanship or materials used therein, for a full period of two (2) years from the date of final acceptance of the Public Infrastructure constructed under such contract.

12.5 Inspections, Acceptance of Public Infrastructure; Developer's Remedy.

(a) Inspections. Generally. The City shall have the right to inspect, at any time, the construction of all Public Infrastructure necessary to support the proposed Development, including, but not limited to, water utilities, sanitary sewer utilities, drainage, streets, electrical utilities, streetlights, parks, internet, and signs. Any costs related to inspection fees of Authorized Improvements shall be paid for by the Developer in full.

(b) City Approval. The City's inspections and related approvals shall not release the Developer from its responsibility to adequately construct, or ensure the adequate construction of, the Authorized Improvements and Public Infrastructure in accordance with approved engineering plans, construction plans, and other approved plans related to development of the Property. Notwithstanding any provision of this Agreement, it shall not be a breach or violation of this Agreement if the City withholds building permits, certificates of occupancy, or City utility services as to a phase of the Development unless and until the Developer has fully met its obligations to provide for the required Public Infrastructure necessary to such phase according to the approved engineering plans and City Regulations, and until such Public Infrastructure has been dedicated to and accepted by the City in a timely manner; provided, however, that the City shall issue residential building permits for up to six (6) model/show homes prior to completion of such Public Infrastructure.

(c) City's Non-performance. The Developer may seek specific performance, and or injunctive relief, pursuant to the terms of this Agreement.

(d) Approval of Plats/Plans. Approval by the City, the City's Engineer, or other City employee or representative of any plans, designs, or specifications submitted by the Developer to the City pursuant to this Agreement, including the Development Standards, or pursuant to the City Regulations shall not constitute or be deemed to be a release of the responsibility and liability of the Developer or its engineers, employees, officers, and/or agents for the adequacy, accuracy, and competency of their design and specifications. Further, any such approvals shall not be deemed to be an assumption of such responsibility and liability by the City for any defect in the design and specifications prepared by the Developer or the Developer's engineers, or any engineer's officers, agents, servants or employees, it being the intent of the Parties that approval by the City's engineer signifies the City's approval on only the general design concept of the improvements to be constructed.

12.6 Insurance. The Developer or its contractor(s) shall acquire and maintain, during the period of time when any of the Public Infrastructure is under construction (and until the Public Infrastructure has been fully and finally completed and accepted by the City): (a) workers compensation insurance in the amount required by law; and (b) commercial general liability insurance, including personal injury liability, premises operations liability, and contractual liability, covering, but not limited to, the liability assumed under any indemnification provisions of this Agreement, with limits of liability for bodily injury, death and property damage of not less than Two Million Dollars ($2,000,000.00). Such insurance shall also cover any and all claims that might arise out of the Public Infrastructure construction contracts, whether by the Developer, a contractor, subcontractor, material man, or otherwise. Coverage must be on a "per occurrence" basis. All such insurance shall: (i) be issued by a carrier that is rated "A-1" or better by AM Best's Key Rating Guide and is licensed to do business in the State of Texas; and (ii) name the City as an additional insured and contain a waiver of subrogation endorsement in favor of the City. Upon the execution of Public Infrastructure construction contracts, the Developer shall promptly provide to the City certificates of insurance evidencing such insurance coverage together with the declaration of such policies, along with the endorsement naming the City as an additional insured. Each such policy shall provide that, at least 30 days prior to the cancellation, non-renewal, or modification of the policy, the City shall receive written notice of such cancellation, non-renewal, or modification.

12.7 Indemnification and Hold Harmless. EACH DEVELOPER (INCLUDING ANY SUCCESSOR OR ASSIGNEE THEREOF, INCLUDING, WITHOUT LIMITATION, A PURCHASER OF ANY PORTION OF THE PROPERTY) AGREES TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY THE CITY FROM AND AGAINST ALL THIRD-PARTY CLAIMS, SUITS, JUDGMENTS, DAMAGES, AND DEMANDS (TOGETHER, "CLAIMS") AGAINST THE CITY, INCLUDING REASONABLE ATTORNEY'S FEES AND OTHER COSTS, ARISING OUT OF SUCH PARTY'S DESIGN, DEVELOPMENT, CONSTRUCTION, AND MAINTENANCE OF THE DEVELOPMENT.

12.8 Private Improvements/Inspections. Houses, buildings, and other private improvements within the Property shall be constructed in accordance with the City Building Code and City Regulations. Houses and buildings within the Property will be inspected by City approved

inspectors specializing in testing, inspections and certifications hired by the City, who will perform all inspections on such houses and buildings (including residential, commercial and government buildings).

12.9 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 acknowledge and agrees that:

(I) The Authorized Improvements to be constructed pursuant to 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 Authorized Improvements is roughly proportional to the demand that the Developer's anticipated improvements and Developer's development of the Property places on the City's infrastructure.

(III) Assuming no defaults under this Agreement, 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 Authorized Improvements.

(b) This Section 12.10 shall survive the termination of this Agreement.

12.11 Reimbursement for Infrastructure Improvements. The City agrees to reimburse Developer up to a total of ONE MILLION DOLLARS ($1,000,000) for offsite water and sewer utility

extensions located outside of the Property and for any improvements required by TXDOT to be made to Highway 146 (collectively, the "Offsite Improvements"). This reimbursement shall include payments made for geotechnical services, surveying, engineering, design, and construction services necessary to complete offsite water and sewer extensions required to extend both water and sewer utility services to the Property. Developer must provide the City with invoices and receipts showing payments made for the Offsite Improvements. The ONE MILLION DOLLARS ($1,000,000) reimbursement for the Offsite Improvements shall not come from assessments or from PID Bonds proceeds; provided however, all expenditures by Developer in excess of ONE MILLION DOLLARS ($1,000,000) for the Offsite Improvements permitted under the PID Act Chapter 372, Texas Local Government Code, as amended, shall be considered an Authorized Improvement and funded by proceeds of Assessments or proceeds of PID Bonds. The City shall only reimburse Developer for money actually spent on said water and sewer utility line extensions and Highway146 improvements, with an amount not to exceed ONE MILLION DOLLARS ($1,000,000). Furthermore, Developer agrees to assign to the City any payment due from a future third-party that connects to the line extension as set forth in the City of Liberty's utility line extension ordinance.

SECTION 13

ADDITIONAL PROVISIONS

13.1 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; and (c) 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.

13.2 Notices. Any notice, submittal, payment or instrument required or permitted by this Agreement to be given or delivered to any Party shall be sent via electronic mail, to the extent an electronic mail address is provided below and by registered or certified mail, postage prepaid and 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:
City of Liberty, Texas
Attn: Bryan Kendrick
City Manager
1829 Sam Houston Street
Liberty, Texas 77575

With a copy to:
Olson & Olson
Attn: Brandon Davis
1517 Trinity Street
Liberty, Texas 75575

With a copy to:	McCall, Parkhurst & Horton Attn: Liberty Bond Counsel 112 E. Pecan St., Suite 1310 San Antonio, TX 78205
To LR:	Liberty Ranch, LLC. Attn: Charles Von Schmidt 185 Cedar Point Drive Livingston, Texas 77351
With a copy to:	Coats Rose, P.C. Attn: Timothy G. Green 9 Greenway Plaza, Suite 1000 Houston, Texas 77046

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.

13.3 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, reasonably, and neither more strongly for nor against any Party, regardless of which Party originally drafted the provision.

13.4 Time. In this Agreement, time is of the essence and compliance with the times for performance herein is necessary and required.

13.5 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by official action of the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been and is duly authorized to do so. Each Developer represents and warrants that this Agreement has been approved by appropriate action of the Developer, and that each individual executing this Agreement on behalf of the Developer has been and is 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.

13.6 Severability. 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 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.

13.7 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 Liberty County. Exclusive venue for any action related to, arising out of, or brought in connection with this Agreement shall be in the Liberty County State District Court.

13.8 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 in 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.

13.9 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.

13.10 Exhibits. The following exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Metes-and-Bounds Description of the LR Property
Exhibit B	Authorized Improvements and Estimated Costs
Exhibit C	Concept Plan
Exhibit D	Home Buyer Disclosure Program
Exhibit E	Landowner Agreement (including attached Exhibits i, ii, iii, and iv
Exhibit F	Maintenance Agreement (including Exhibit A)
Exhibit G	Lot Mix and Development Standards
Exhibit H	Engineering Report for Public Improvement District

13.11 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 thirty (30) days after the occurrence of a Force Majeure, the Party claiming the right to temporarily suspend its performance shall give Notice to all 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.

13.12 Complete 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.

13.13 Consideration. This Agreement is executed by the Parties without coercion or duress and for substantial consideration, the sufficiency of which is hereby acknowledged.

13.14 Statutory Verifications. The Developer makes the following representations and pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of 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.

13.19 Form 1295 Certificate of Interested Parties. Section 12.018. Form 1295 Certificate of Interested Parties. Pursuant to Texas Government Code 2252.908, Developer agrees to file with the City a signed and completed Texas Ethics Commission ("TEC") Form 1295 and a certification of filing prior to execution of this Agreement. The Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

[SIGNATURE PAGES FOLLOW, AND THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

EXECUTED BY THE PARTIES TO BE EFFECTIVE ON THE EFFECTIVE DATE:

CITY OF LIBERTY, TEXAS

By: _____
Name: John Hebert, Jr.
Title: Mayor
Date: April 11, 2025

ATTEST:

By: _____
Name: April Gilliland
Title: City Secretary
Date: April 11, 2025

APPROVED AS TO ~~FORM~~

_____
Name: Brandon Davis
City Attorney

STATE OF TEXAS §
§
COUNTY OF LIBERTY §

This instrument was acknowledged before me on the 11th day of April, 2025 by John Hebert, Jr., the Mayor of the City of Liberty, Texas, on behalf of said City.

(SEAL)

LUCINDA THEISS
NOTARY PUBLIC, STATE OF TEXAS
Notary ID #13047507-4
Expires January 05, 2028

_____
Notary Public, State of Texas

4919-6028-3185.v1

DEVELOPER:

Liberty Ranch, LLC

By:_____
Name: Charles Von Schmidt
Its: President
Date: 4/24/25

STATE OF TEXAS §
§
COUNTY OF Liberty §

This instrument was acknowledged before me on the 24th day of April, 2025 by Charles Von Schmidt, President, of Liberty Ranch, LLC, a Texas Limited Liability Company on behalf of such company.

(SEAL)

APRIL DENISE GILLILAND
My Notary ID # 11593974
Expires May 10, 2026

Notary Public, State of Texas

Exhibit A
Metes-and-Bounds Description of the LR Property

County: Liberty County
Project: 51.000 Acre
Job No.: 14951

FIELD NOTES FOR 51.000 ACRES

Being a tract of land containing 51.000 acres, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas; Said 51.000 acre tract, being the same tract conveyed to Von Schmidt Land and Cattle LLC, as recorded in Liberty County Clerk's File No. (L.C.C.F.N.) 2021018312, said 51.000 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) Central Zone, per GPS observations):

BEGINNING at a point in the east right-of-way (R.O.W.) line of State Highway 146, for the southwest corner of a called 154.00 acre tract conveyed to Vernon E. Poole Jr., as recorded in L.C.C.F.N. 2011005631, for the most northerly northwest corner of the herein described tract;

THENCE North 88°24'40" East, along the south line of said 154.00 acre tract and the north line of the herein described tract, a distance of 341.19 feet to an angle point;

THENCE North 88°14'39" East, continuing along the south line of said 154.00 acre tract and the north line of the herein described tract, a distance of 3453.19 feet to a point in the northeasterly line of a called 123.02 acre tract conveyed to Liberty County Farming, LLC as recorded in L.C.C.F.N. 2020031225, for the northeast corner of the herein described tract;

THENCE South 17°04'22" East, along the east line of the herein described tract, a distance of 575.28 feet to a point for an interior corner of said 123.02 acre tract and the southeast corner of the herein described tract;

THENCE South 87°14'38" West, along the south line of the herein described tract, a distance of 4,027.79 feet to a point for an "ell" corner of said 123.02 acre tract the southwest corner of the herein described tract;

THENCE North 07°16'38" East, along the west line of the herein described tract, a distance of 199.95 feet to a point in the south line of a called 2.8148 acre tract conveyed to Barbara N. Owens, as recorded in L.C.C.F.N. 2005017190, for corner;

THENCE North 81°29'38" East, along the south line of said 2.8148 acre tract, a distance of 157.21 feet to a point for the southeast corner of said 2.8148 acre tract;

THENCE North 28°03'36" East, along the east line of said 2.8148 acre tract, a distance of 411.27 feet to a point for the northeast corner of said 2.8148 acre tract and an interior corner of the herein described tract;

THENCE South 88°50'50" West, along the north line of said 2.8148 acre tract, a distance of 340.45 feet to a point in the east R.O.W. line of said State Highway 146 for the most southerly northwest corner of the herein described tract;

THENCE North 28°41'36" East, along the east R.O.W. line of said State Highway 146, a distance of 57.75 feet to the **POINT OF BEGINNING**, containing 51.000 acres (2,221,539 square feet) of land, more or less.

An exhibit drawing of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

This document was prepared under 22 TAC §663.21, 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 except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

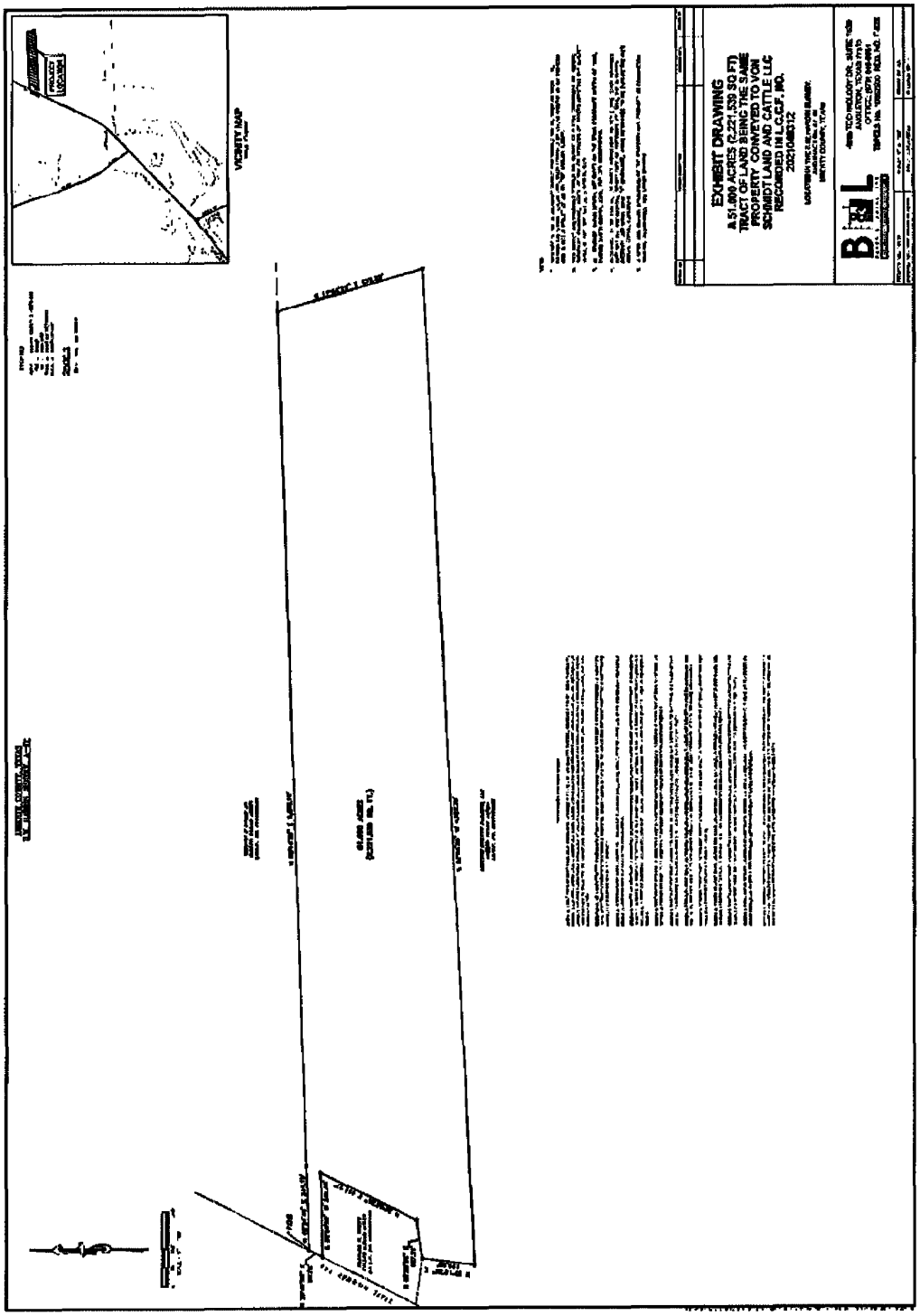
3/7/22

Phil Hammons
Registered Professional Land Surveyor
Texas Registration No. 5840

STATE OF TEXAS
REGISTERED
PHIL HAMMONS
5840
PROFESSIONAL
LAND SURVEYOR

4005 Technology Drive, Suite 1510, Angleton, Texas 77515 • Phone: (979) 849-6681
Texas Firm Registration No. 10057500

4919-6028-3185.v1

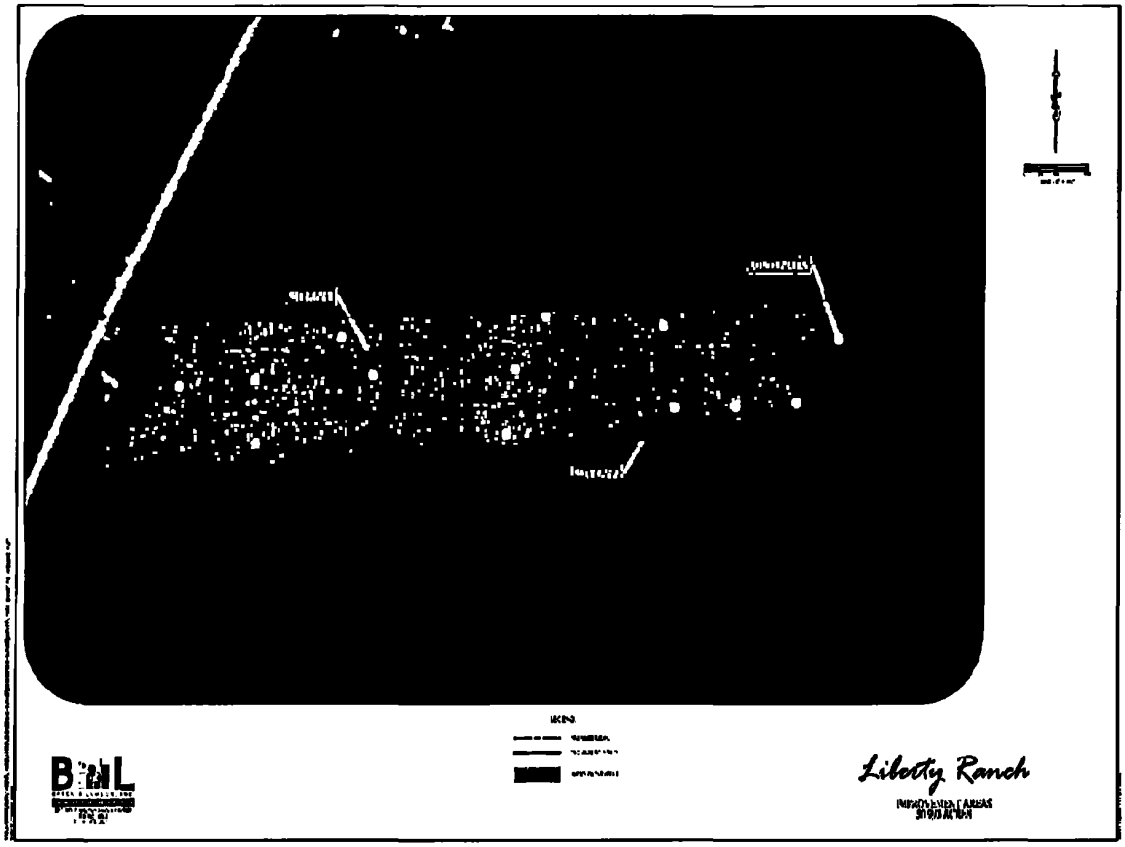


4919-6028-3185.v1

Exhibit B
Authorized Improvements and Estimated Costs

Potential Reimbursable Budget	Item	Cumulative Potential
EXTERNAL OVERHEAD/PERMITS/CAPACITY FEES	$108,685	$108,685.00
Engineering, Inspections and Testing	$527,769	$636,453.59
SURVEY/STUDIES	$127,100	$763,553.59
EROSION CONTROL	$137,450	$901,003.59
GRADING	$265,806	$1,166,809.59
FINE GRADING/DITCH STREET RESTORATION	$109,850	$1,276,659.59
SANITARY SEWER	$1,403,562	$2,680,221.33
STORM DRAINAGE	$1,278,038	$3,958,259.73
PERMANENT PONDS	$83,500	$4,041,759.73
PARK LAND / EQUIPMENT	$138,550	$4,180,309.73
WATER	$1,055,386	$5,235,695.96
STREET	$1,780,196	$7,015,891.68
MISC STREET	$29,125	$7,045,016.68
ELECTRICAL GRID	$812,680	$7,857,696.68
STREAM CROSSINGS	$0	$7,857,696.68
OFFSITE ROAD IMPROVEMENTS	$675,000	$8,532,696.68
OFFSITE WATER	$420,915	$8,953,611.68
OFFSITE SEWER	$345,400	$9,299,011.68
SUBDIVISION GATE SIGNS AND ENTRANCE	$24,900	$9,323,911.68
Contingency	$879,614	$10,203,525.99
Tap Fee Reimbursement	$0	$10,203,525.99

Exhibit C
Concept Plan



4919-6028-3185.v1

Exhibit D
Home Buyer Disclosure Program

The Administrator (as defined in the Service and Assessment Plan) for the Liberty Ranch Public Improvement District (the "PID") shall facilitate notice to prospective homebuyers in accordance with the following notices. The Administrator shall monitor the enforcement of the following minimum requirements:

1. Record notice of the PID in the appropriate land records for the Property.
2. Require builders to include notice of the PID in an addendum to the contract on brightly colored paper.
3. 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.
4. Prepare and provide to builders an overview of the PID for those builders to include in each sales packet.
5. Notify builders who estimate monthly ownership costs of the requirement that they must include special taxes in estimated property taxes.
6. Notify settlement companies through the builders that they are required to include special taxes on HUD I forms and include in total estimated taxes for the purpose of setting up tax escrows.
7. Include notice of the PID in the homeowner association documents in conspicuous bold font.
8. The City will include announcements of the PID on the City's web site.
9. The disclosure program shall be monitored by the Developer and the Administrator.

Exhibit E
Landowner Agreement (including attached Exhibits I, II, and II)

LIBERTY RANCH LANDOWNER AGREEMENT

This LANDOWNER AGREEMENT (the "'Agreement") is entered into by the City of Liberty (the "City"), a Home Rule municipality of the State of Texas (the "State"), and Liberty Ranch, LLC a Texas Limited Liability Company (the "Landowner").

RECITALS:

WHEREAS, Landowner owns the Assessed Parcels described by a metes-and-bounds description attached as Exhibit I to this Agreement, which is incorporated herein for all purposes, and which Assessed Parcels comprise all of the non-exempt, privately-owned land described in Exhibit i (the "Landowner Parcel"), which is within the Liberty Ranch Public Improvement District (the "District") in the City; and

WHEREAS, on May 10, 2022, the City Council of the City (the "City Council") passed and approved a Resolution authorizing the creation of the District pursuant to Chapter 372 of the Texas Local Government Code (the "PID Act"), with the boundaries of the District being more particularly described by Exhibit IV attached hereto; and

WHEREAS, the Landowner and the City entered into that certain Liberty Ranch Development Agreement dated _____, 2025 (as such agreement may be amended from time to time as provided therein, the **"Development Agreement"**), relating to, among other matters, the construction of the **"Authorized Improvements"** as defined therein, and

WHEREAS, certain of the Authorized Improvements will confer benefit only to property within the District; and

WHEREAS, the City Council has adopted Ordinance No. _____ (including all exhibits and attachments thereto, the "Assessment Ordinance") that, among other things, approved the Service and Assessment Plan included as Exhibit A to the Assessment Ordinance (the **"Service and Assessment Plan"**) that identified the amount of certain assessments on parcels within the District, including those certain assessments on the property within the District corresponding to the benefit thereon attributable to the Authorized Improvements (the **"Assessments"**), and established the dates upon which interest on the Assessments will begin to accrue and upon which the collection of Assessments will begin; and

WHEREAS, in addition to approving the Service and Assessment Plan, the Assessment Ordinance levied the Assessments and delays the Assessment for 1 year against certain parcels within the boundaries of the District to finance the Authorized Improvements in accordance with the Service and Assessment Plan; and

WHEREAS; the Service and Assessment Plan includes an **"Assessment Roll"** setting forth, among other things, the amount of the Assessment for each parcel subject to an Assessment

(an "**Improvement Area #1 Assessed Parcel**"), including the amount of the "**Annual Installment**" (as that term is defined in the Service and Assessment Plan, but only with respect to Assessments) for each Assessment paid in installments; and

WHEREAS, the Covenants, Conditions and Restrictions attached to this Agreement as Exhibit II, which is incorporated herein for all purposes, include the statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided to the purchaser by the seller of residential property located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended (the "PID Act").

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, obligations, and benefits hereinafter set forth, the City and Landowner hereby contract, covenant, and agree as follows:

DEFINITIONS; AFFIRMATION OF RECITALS

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 located within the District, all as shown in 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;

(iii) the Assessment Ordinance and the Service and Assessment Plan attached thereto;

(iv) the Development Agreement.

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 PID on the Assessed Property (which includes the Landowner's Parcel) within the District, as shown on the Assessment Roll

attached as Appendix ____ to the Service and Assessment Plan, as the Assessment Roll may be amended from time to time;

(ii) the Authorized Improvements specially benefit the District, and the Landowner's Parcel, in an amount in excess of 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's 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 Assessments and Annual Installments against levied on the Landowner's Parcel owned by a landowner 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's 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's Parcel regardless of whether such owner is named;

(vi) the Assessment lien on the Landowner's 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 a Landowner's Parcel may pay at any time the entire Assessment, with interest that has accrued on the Assessment to the date of such payment, on any parcel in the Landowner's 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 Covenants, Conditions and Restrictions attached hereto as Exhibit II shall be terms, conditions and provisions running with the Landowner's 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 Liberty County, as a lien and encumbrance against such Landowner's Parcel, and Landowner hereby authorizes the City to so record such documents against the Landowner's Parcel owned by Landowner;

(ii) reference to the Covenants, Conditions and Restrictions attached hereto as Exhibit II shall be included on all recordable subdivision plats and such plats shall be recorded in the real property records of Liberty County, Texas;

(iii) in the event of any subdivision, sale, transfer or other conveyance by Landowner of the right, title or interest of 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 Covenants, Conditions and Restrictions and any purchaser, transferee or other subsequent owner shall take such Landowner's Parcel subject to all of the terms, conditions and provisions of such Covenants, Conditions and Restrictions; and

(iv) Landowner shall comply with, and shall contractually obligate (and promptly provide written evidence of such contractual provisions to the City) any party who purchases any Landowner's Parcel owned by Landowner, 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 (as defined in the Service and Assessment Plan) 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 Landowner's request and the City's consent, in the City's sole and absolute discretion, the 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 all of the Authorized Improvements and the land (or easements, as applicable) needed therefor shall be owned by the City or the HOA as constructed and/or conveyed to the City and/or HOA 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's Parcel shall, upon the request of the City or Developer, grant and convey to the City or Developer and its contractors, materialmen and workmen a temporary license and/or easement, as appropriate, to construct the Authorized Improvements on the property within the District, to stage on the property within the District construction trailers, building materials and equipment to be used in connection with such construction of the Authorized Improvements, and to provide 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's Parcel may require that each contractor constructing the Authorized Improvements cause such owner of the Landowner's Parcel to be indemnified and/or named as an additional insured under liability insurance reasonably acceptable to such owner of the Landowner's 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 Liberty County, Texas.

(ii) Landowner hereby agrees that any right or condition imposed by the Improvement 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 Improvement 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/or 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 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 the Landowner's Parcel is otherwise bound.

(iv) Landowner is, subject to all matters of record in the Liberty 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. 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:	City of Liberty Attn: Bryan Kendrick City Manager 1829 Sam Houston Street Liberty, Texas 77535
With a copy to:	Olson & Olson Law Firm Attn: Brandon Davis 1517 Trinity Street Liberty, Texas 77575
And to:	McCall, Parkhurst & Horton L.L.P. Attn: Orlando "Jay" Juarez, Jr. 112 E. Pecan Street, Suite 1310 San Antonio, Texas 78205
	To Landowner: Liberty Ranch, LLC Attn: Charles Von Schmidt 185 Cedar Point Drive Livingston Texas, 77351
With a copy to:	Timothy G. Green Coats Rose, P.C. 9 Greenway Plaza, Suite 1000 Houston, Texas 77046

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 at 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 or otherwise validly confirmed, 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 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's Parcel, and such Assignment does

not void any of the findings made in this Agreement. However, the Parties expressly agree and acknowledge that the City, Landowner, each current owner of any parcel which constitutes the Landowner's Parcel, and the holders of any bonds issued by the City to finance the costs of the Authorized Improvements and which are secured by a pledge of the Assessments or any part thereof, 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 Liberty County, Texas.

E. Amendments.

This Agreement may be amended only by written instrument executed by the City and 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 Liberty County, Texas.

F. Effective Date.

This Agreement shall become and be effective upon the date of final execution by the latter of the City and Landowner (the "Effective Date") and shall be valid and enforceable on said date and thereafter.

G. Estoppels.

Within 10 days after written request from a Party, the other Party shall provide a written certification, indicating whether this Agreement remains in effect as to the Landowner's 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's Parcel upon payment in full of the Assessment(s) against such Landowner's Parcel.

I. Statutory Verifications.

The Landowner makes the following representations and pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Landowner 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 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, Government Code. The foregoing

representation 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.

b. No Boycott of Israel. 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. 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 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. 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 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. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

[Signature pages to follow]

EXECUTED by the City and Landowner on the respective dates stated below.

Date: _____ CITY OF LIBERTY, TEXAS

By:_____
John Hebert, Jr.
Mayor

STATE OF TEXAS §
§
COUNTY OF LIBERTY §

This instrument was acknowledged before me on the ____ day of _____, 20___, by John Hebert Jr., Mayor of the City of Liberty, Texas on behalf of said City.

_____
Notary Public, State of Texas

(SEAL)

Name printed or typed: _____

Commission Expires: _____

[Signature Page Landowner Agreement]

4919-6028-3185.v1

LANDOWNER:

Liberty Ranch, LLC, a Texas limited liability company

_____

By: Charles Von Schmidt
Its: President
Date:_____

STATE OF TEXAS §
§
COUNTY OF LIBERTY §

This instrument was acknowledged before me on the ___ day of _____, 202_____ by Charles Von Schmidt, President, of Liberty Ranch, LLC., a Texas limited liability company, on behalf of such limited liability company.

(SEAL)

_____

Notary Public, State of Texas

[Signature Page Landowner Agreement]

4919-6028-3185.v1

LANDOWNER AGREEMENT - EXHIBIT (i)

METES AND BOUNDS DESCRIPTION OF LANDOWNER'S PROPERTY

County: Liberty County
Project: 51.000 Acre
Job No.: 14951

FIELD NOTES FOR 51.000 ACRES

Being a tract of land containing 51.000 acres, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas; Said 51.000 acre tract, being the same tract conveyed to Von Schmidt Land and Cattle LLC, as recorded in Liberty County Clerk's File No. (L.C.C.F.N.) 2021018312, said 51.000 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) Central Zone, per GPS observations):

BEGINNING at a point in the east right-of-way (R.O.W.) line of State Highway 146, for the southwest corner of a called 154.00 acre tract conveyed to Vernon F. Poole Jr., as recorded in L.C.C.F.N. 20110005631, for the most northerly northwest corner of the herein described tract;

THENCE North 88°24'40" East, along the south line of said 154.00 acre tract and the north line of the herein described tract, a distance of 341.19 feet to an angle point;

THENCE North 88°14'39" East, continuing along the south line of said 154.00 acre tract and the north line of the herein described tract, a distance of 3453.19 feet to a point in the northeasterly line of a called 123.02 acre tract conveyed to Liberty County Farming, LLC as recorded in L.C.C.F.N. 2020031275, for the northeast corner of the herein described tract;

THENCE South 17°04'22" East, along the east line of the herein described tract, a distance of 575.28 feet to a point for an interior corner of said 123.02 acre tract and the southeast corner of the herein described tract;

THENCE South 87°14'38" West, along the south line of the herein described tract, a distance of 4,027.79 feet to a point for an "ell" corner of said 123.02 acre tract the southwest corner of the herein described tract;

THENCE North 07°16'38" East, along the west line of the herein described tract, a distance of 199.95 feet to a point in the south line of a called 2.8148 acre tract conveyed to Barbara N. Owens, as recorded in L.C.C.F.N. 2005017190, for corner,

THENCE North 81°29'38" East, along the south line of said 2.8148 acre tract, a distance of 157.21 feet to a point for the southeast corner of said 2.8148 acre tract;

THENCE North 28°03'36" East, along the east line of said 2.8148 acre tract, a distance of 411.27 feet to a point for the northeast corner of said 2.8148 acre tract and an interior corner of the herein described tract;

THENCE South 88°50'50" West, along the north line of said 2.8148 acre tract, a distance of 340.45 feet to a point in the east R.O.W. line of said State Highway 146 for the most southerly northwest corner of the herein described tract;

THENCE North 28°41'36" East, along the east R.O.W. line of said State Highway 146, a distance of 57.75 feet to the **POINT OF BEGINNING**, containing 51.000 acres (2,221,539 square feet) of land, more or less.

An exhibit drawing of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

This document was prepared under 22 TAC §663.21, 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 except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

3/7/22

Phil Hammons
Registered Professional Land Surveyor
Texas Registration No. 5840

STATE OF TEXAS REGISTERED PHIL HAMMONS 5840 PROFESSIONAL LAND SURVEYOR

4005 Technology Drive, Suite 1530, Angleton, Texas 77515 • Phone: (979) 849 6681
Texas Firm Registration No. 10052500

4919-6028-3185.v1

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 Liberty Ranch, LLC, a Texas limited liability company (the "Landowner").

RECITALS:

A. Landowner holds record title to that portion of the real property located in Liberty County, Texas, which is described in the attached Exhibit iv (the "Landowner's Parcel").

B. The City Council of the City of Liberty (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 Liberty Ranch Public Improvement District (the "District"), submitted by the then current owners of 100% of the appraised value of the taxable real property and 100% of the area of all taxable real property 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 (as amended from time to time, the "Assessments") on property in the District.

D. The statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided to the purchaser 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 is incorporated into these Covenants, Conditions and Restrictions.

DECLARATIONS:

NOW, THEREFORE, 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 these Declarations of Covenants, Conditions and Restrictions, 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 bind Landowner, and 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 Liberty 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 with a written notice that must read as follows:

TEXAS PROPERTY CODE SECTION 5.014
NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF LIBERTY, TEXAS CONCERNING THE FOLLOWING PROPERTY AT [Street Address].

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Liberty, 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 Liberty Ranch Public Improvement District (the "District") created under Subchapter A, Chapter 372, Local Government Code, as amended.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Liberty, Texas. The exact amount of each annual installment will be approved each year by the City of Liberty, Texas 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 City of Liberty, 1829 Sam Houston Street, Liberty, Texas 77535.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

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 or as an addendum or paragraph of a purchase contract.

[Signature Page to Follow]

EXECUTED by the undersigned on the date set forth below to be effective as of the date first above written.

LANDOWNER
Liberty Ranch, LLC,
a Texas limited liability company

By: _____
Name Charles Von Schmidt
Its: President

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the___ day of _____, 20__, by Charles Von Schmidt in his capacity as president of Liberty Ranch, LLC, a Texas limited liability company, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of limited liability company.

(SEAL)

_____
Notary Public, State of Texas

4919-6028-3185.v1

LANDOWNER AGREEMENT - EXHIBIT Iii

HOMEBUYER EDUCATION PROGRAM

As used in this Exhibit III, the recorded Notice of the Authorization and Establishment of the Liberty Ranch 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 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) as an addendum to any residential homebuyer's contract.

2. Any Landowner, who is a Builder, shall provide evidence of compliance with No. 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.

LANDOWNER AGREEMENT - EXHIBIT iv

Public Improvement District Boundaries

County: Liberty County
Project: 51.000 Acre
Job No.: 14951

FIELD NOTES FOR 51.000 ACRES

Being a tract of land containing 51.000 acres, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas; Said 51.000 acre tract, being the same tract conveyed to Von Schmidt Land and Cattle LLC, as recorded in Liberty County Clerk's File No. (L.C.C.F.N.) 2021018312, said 51.000 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) Central Zone, per GPS observations):

BEGINNING at a point in the east right-of-way (R.O.W.) line of State Highway 146, for the southwest corner of a called 154.00 acre tract conveyed to Vernon F. Poole Jr., as recorded in L.C.C.F.N. 2011005631, for the most northerly northwest corner of the herein described tract;

THENCE North 88°24'40" East, along the south line of said 154.00 acre tract and the north line of the herein described tract, a distance of 341.19 feet to an angle point;

THENCE North 88°14'39" East, continuing along the south line of said 154.00 acre tract and the north line of the herein described tract, a distance of 3453.19 feet to a point in the northeasterly line of a called 123.02 acre tract conveyed to Liberty County Farming, LLC as recorded in L.C.C.F.N. 2020031225, for the northeast corner of the herein described tract;

THENCE South 17°04'22" East, along the east line of the herein described tract, a distance of 575.28 feet to a point for an interior corner of said 123.02 acre tract and the southeast corner of the herein described tract;

THENCE South 87°14'38" West, along the south line of the herein described tract, a distance of 4,027.79 feet to a point for an "ell" corner of said 123.02 acre tract the southwest corner of the herein described tract;

THENCE North 07°16'38" East, along the west line of the herein described tract, a distance of 199.95 feet to a point in the south line of a called 2.8148 acre tract conveyed to Barbara N. Owens, as recorded in L.C.C.F.N. 2005017190, for corner,

THENCE North 81°29'38" East, along the south line of said 2.8148 acre tract, a distance of 157.21 feet to a point for the southeast corner of said 2.8148 acre tract;

THENCE North 28°03'36" East, along the east line of said 2.8148 acre tract, a distance of 411.27 feet to a point for the northeast corner of said 2.8148 acre tract and an interior corner of the herein described tract;

THENCE South 88°50'50" West, along the north line of said 2.8148 acre tract, a distance of 340.45 feet to a point in the east R.O.W. line of said State Highway 146 for the most southerly northwest corner of the herein described tract;

THENCE North 28°41'36" East, along the east R.O.W. line of said State Highway 146, a distance of 57.75 feet to the **POINT OF BEGINNING**, containing 51.000 acres (2,221,539 square feet) of land, more or less

An exhibit drawing of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description

This document was prepared under 22 TAC §663.21, 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 except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared

3/7/22

Phil Hammons
Registered Professional Land Surveyor
Texas Registration No. 5840

STATE OF TEXAS
REGISTERED
PHIL HAMMONS
5840
PROFESSIONAL
LAND SURVEYOR

4005 Technology Drive, Suite 1530, Angleton, Texas 77515 • Phone: (979) 849-6681
Texas Firm Registration No. 10057500

4919-6028-3185.v1

Exhibit F

FORM OF MAINTENANCE AGREEMENT

PUBLIC IMPROVEMENT MAINTENANCE AGREEMENT

This Public Improvement Maintenance Agreement (this *Agreement*) is made and entered into on this the __ day of _____, 202_, by and between the City of Liberty, Texas (the *City*), a Texas political subdivision, and LIBERTY RANCH HOME OWNERS' ASSOCIATION, INC. (the *Association*), a Texas property owners association organized and existing under laws of the State of Texas and having the powers and limitations provided under Title 11 of the Texas Property Code, for the purpose for providing the terms for the Association's maintenance of public parkland, storm drainage improvements, and other public improvements (collectively, the *Public Improvements*) within the hereinafter-defined District. The City and the Association are herein referred to individually as a *Party* and, together, as the *Parties*.

W I T N E S S E T H

WHEREAS, the City has, pursuant to applicable law, created the Liberty Ranch Public Improvement District (the *District*) on approximately 51.00 acres of land located within the City (such land, as more particularly described on Exhibit A attached hereto and made a part hereof, the *Land*) to facilitate its development for use as single family residences (such development, the *Project*); and

WHEREAS, through the District, the City will provide, by revenues resultant from assessments levied and imposed on certain property within the District, a mechanism for payment of a portion of the costs of certain public improvements within the District that are necessary and incidental to Project development; and

WHEREAS, as a condition to its creation of the District and provision of the aforementioned mechanism to finance a portion of the costs of public improvements within the District, the City requires that the ongoing maintenance and repair obligations of the hereinafter-defined Public Improvements be assumed by a non-City entity associated with the Project to prevent these costs resultant from Project development, which the City has facilitated, from becoming a burden on the general revenues of the City and its residents and property owners that do not reside within or directly enjoy the benefits resultant from the District; and

WHEREAS, the Project developers have created the Association to provide services related to the developed Project as specified in its bylaws, including the ongoing maintenance of the Public Improvements in accordance with the provisions of this Agreement and payment of the associated costs from its fees collected from property owners within the District; and

WHEREAS, entry into this Agreement satisfies the City's condition to the District creation and utilization of its available powers to provide a mechanism for financing a portion of the costs of certain public improvements within the District, as described above; and

WHEREAS, the Parties, for the mutual consideration hereinafter stated, desire to enter into this Agreement, pursuant to which (among other matters) the Association assumes responsibility for maintaining the Public Improvements (which includes payment of the associated costs of such maintenance and repair); and

NOW, THEREFORE, THE PARTIES AGREE TO THE FOLLOWING:

SECTION 1. Definition of Certain Terms. For purposes of this Agreement, the following terms shall have the ascribed meanings:

a. *Developer* shall mean LIBERTY RANCH, LLC, a Texas limited liability company.

b. *City's Maintenance Obligations* shall mean the obligations of the city of Liberty to maintain the streets, water utility lines, wastewater system, and storm sewer system within the development. The City's responsibilities to maintain said items only takes effect after the Developer has installed the improvements and the City of Liberty has accepted said improvements.

c. *Engineer* shall mean Baker Lawson.

d. *HOA Maintenance Obligations* shall mean the obligations of the HOA to maintain the Public Improvements.

e. *Parkland* shall mean the 0.638 acres of land within the District dedicated to the City by the Project developers and established as property available to the general public for recreational use, including any parking lots within said land.

f. *Public Improvements* shall mean the Storm Drainage Improvements, drainage ditches, detention ponds, retention ponds, storm water pump stations, Parkland, the District's amenity features, monuments, esplanades, open spaces, common areas (including, but not limited to, all landscaped Development entrances), right-of-way landscaping (including irrigation systems), bike trails, street lights, raised medians and other right-of-way landscaping, detention areas, drainage areas and screening walls within the Development.

g. *Storm Drainage Improvements* shall mean ditches, headwall and wingwall structures, related earthwork, excavation, erosion control, detention ponds, retention ponds, storm water pump stations, the land all these sit upon or under and all other necessary appurtenances required to capture storm water runoff generated within the District other than Storm Sewer System.

h. *Storm Sewer System* shall mean trench excavation and embedment, trench safety, reinforced concrete pipe, PP Spec Pipes, manholes, junction boxes, drainage inlets, related earthwork, excavation, erosion control, storm sewer mains, the land all these sit upon or under and all other necessary appurtenances required to capture storm water runoff generated within the District other than Storm Drainage Improvements.

SECTION 2. Association Agreement to Maintain Public Improvements.

a. General. The Association hereby exclusively agrees, at its sole cost and expense, to maintain the Public Improvements and to undertake the HOA Maintenance Obligations. As to the extent required to accomplish its maintenance obligations hereunder, the City hereby grants to the HOA (or its employees, agents, or contractors or subcontractors) authorization and permission along with reasonable access to City-owned property to incidental or necessary to the ongoing performance of such maintenance obligations.

b. Storm Drainage Improvements. Maintaining Storm Drainage Improvements shall mean keeping in good structural condition all Storm Drainage Improvements and repairing and addressing any defects in or to the Storm Drainage Improvements that, if left unrepaired or unaddressed, might impair their hydraulic capacity or structural soundness, to include:

i. Maintaining access to the Storm Drainage Improvements for maintenance and inspection;

ii. Removing obstructions from any inlet and outlet structures, not related to Storm Sewer System;

iii. Maintaining and repairing any storm lift and/or pump stations;

iv. Repairing concrete channel lining, pilot channels, rock riprap (including replacement, as needed, to maintain rock layer thickness, as designed), gabions or any other channel lining material and to repair any defects in the channel lining material including undermining, excessive cracking and settlement, structural failure, or other defects;

v. Repairing channels, ditches and detention or retention ponds and repairing erosion in same by backfilling the eroded area and re-establishing protective vegetation or by armoring the eroded area with gabions, rock riprap, concrete or other material approved by the Engineer;

vi. At least annually, removing willows, cottonwoods or other "woody" vegetation from channels, ditches, detention ponds and retention ponds;

vii. As frequently as required to prevent grassy vegetation from exceeding a height of more than two feet, mowing ditches, earthen channels and detention or retention ponds; and

viii. Removing, as needed, accumulated debris, trash, or sediment (with sediment accumulations in detention ponds not to exceed 18-inches before removal is required).

The Association shall periodically (as needed based on weather conditions) inspect or cause the inspection of the Storm Drainage Improvements to determine the necessity of action to address needed maintenance or repair. Remedial action shall be taken within 60 days of the Association's awareness of an issue (meaning that the Association shall commence necessary maintenance or repairs within 60 days of such awareness and diligently work toward their completion). Annually, the Homeowners Association with

Developer's assistance for the first five years of its creation, will prepare an annual HOA budget with a capital reserve fund to be set aside for future estimated capital repairs to the Storm Drainage Improvements, and deliver a copy of such report to the City, and take action, as described above, within 60 days of delivery of such report to address any identified deficiencies in, or recommendations concerning functionality or performance of, the Storm Drainage Improvements. The HOA's deeds and restrictions will contain language noting that emergency capital assessments will not require a vote by the HOA membership and rather each homeowner will be directly assessed a special assessment for any deemed required repair by the City without a vote by the membership.

c. *Parkland.* Maintaining the Parkland shall mean at all times keeping and maintaining, or causing it to be kept and maintained, the Parkland (including any improvements thereon and all other buildings and improvements erected therein) in a good state of appearance and repair (except for reasonable wear and tear), to include:

i. Maintaining grass height according to species and variety of grass;

ii. Regularly mowing, aerating, fertilizing, seeding, or reseeding, resodding and controlling weeds in areas that are seeded or sodded;

iii. Pruning all trees and shrubs, as needed;

iv. Maintaining an adequate number of trash cans (based on frequency of use and in plentiful quantity to hold all trash usually generated between servicing without overflowing) and emptying the same on at least a daily basis;

v. Sweeping the area on daily basis to remove and keep the area free of trash;

vi. Contracting for removing graffiti on any surface withing 7 days of observance or reporting of the incident to the Association Management Company;

vii. Remediating in a reasonable period, upon discovery, insect, rodent, and invasive species infestations;

viii. Cleaning sidewalks and pavilions so that at no time is there an accumulation of sand, dirt, or leaves;

ix. Maintaining playground equipment, play areas, fields, sports courts, lighting systems, and flagpoles to ensure the equipment and spaces are in safe, clean, operating condition and free and clear of hazards and hazardous conditions;

x. Cleaning and sanitizing all restrooms and drinking fountains on a daily basis or more frequently, as, and when required;

xi. Stocking all restrooms at a minimum of once per day or more frequently as needs arise;

xii. Providing and maintaining adequate security lighting and signage (to include wayfinding and mile markers on trail systems) free of loose rivets, missing text, graffiti, and other conditions that makes interpretation difficult or impossible;

xiii. Maintaining in good repair any trail system, to include elimination of all trip hazards, remediating impacts of erosion, periodic resurfacing , elimination of buildup of soil or debris that prevents water flow, and maintenance of an 8' vertical clearance; and

xiv. Upon discovery, eliminating user created "trails."

The Association shall, as frequently as necessary to maintain a safe and sanitary environment, inspect or cause the inspection of all Parkland to determine the necessity of action to address needed maintenance or repair. Remedial action shall be taken as and when needed and shall be diligently continued through satisfactory conclusion to address matters requiring attention with respect to Parkland maintenance.

SECTION 3. Annual Budget. The Association shall annually budget for the anticipated costs of maintaining the Public Improvements and satisfying the HOA Maintenance Obligations, which shall include (i) the costs of any necessary repair plan herein described coming due in the reporting period covered by such annual budget and (ii) adequate annual reserves to provide sufficient available sources of periodic major maintenance and capital repair and replacement of Public Improvements. Until such time as the Association has obtained sufficient experience to formulate the anticipated Public Improvements maintenance costs and the costs of satisfying the HOA Maintenance Obligations unassisted (herein determined to mean preparation of at least three annual budgets after the warranties for dedicated Public Improvements have expired), the Association shall enlist the Developer or Engineer's assistance in preparing the Public Improvements maintenance cost and satisfying the HOA Maintenance Obligations costs components of its annual budget.

SECTION 4. Payment of Costs. To pay the costs of maintaining the Public Improvements and satisfying the HOA Maintenance Obligations, the Association shall either (i) charge an annual fee to its property owners or (ii) collect funds from the Developer in an amount at least equal to such budgeted annual maintenance costs. In determining the annual fee, the Association may take into account other funds then available to the Association to pay such annual maintenance costs including funds collected from the Developer. In the event that unforeseen circumstances shall arise during the course of a financial reporting that necessitate additional funding to pay the costs of maintaining Public Improvements and satisfying the HOA Maintenance Obligations (including reimbursement of the City for costs of emergency repairs made pursuant to Section 5 below), the Association shall either (i) impose upon its property owners a special assessment (which is a charge on such property owners separate and distinct from any assessment thereon levied by the City pursuant to Chapter 372, as amended, Texas Local Government Code) or (ii) collect funds from the Developer in an aggregate amount sufficient to pay such unanticipated and unbudgeted Public Improvements maintenance costs and costs of satisfying the HOA Maintenance Obligations, which assessment SHALL NOT be subject to a vote by the homeowners.

SECTION 5. City Inspection of Public Improvements; Emergency Repairs. The City may, from time to time, but not more frequently than every 12 months, review the state of repair, condition, and cleanliness of the Public Improvements and provide a written report of its findings to the Association. If the City, in its review, finds the condition of the Public Improvements to not meet its standards for other similar public improvements owned and maintained by the City, then the City shall detail and deliver in writing to the Association the specific instances of failure. The Association shall have 30 days from receipt of this written notice to address or object to the specific failures in Public Improvements maintenance identified by the City.

If the City is made aware of emergency safety conditions relative to a Public Improvement, the City will notify the Association and request that the necessary repairs to mitigate the identified safety condition(s) be completed. Upon notification, the Association shall have 3 days to mitigate the identified safety condition(s). If, however, the Association is unable to or fails to begin addressing the identified safety condition(s) within a reasonable time after notification, then the City may make repairs to Public Improvements as needed and without further notification to the Association or the owners of property within the District to address the conditions of emergency or safety. Within 30 days of completion of emergency repairs to Public Improvements, the City shall notify the Association of the reasons for it making the repairs and the costs thereof. The Association shall reimburse City for all costs spent by City on said emergency repairs.

SECTION 6. City Funding of Maintenance Costs. The Parties intend that Association revenues realized in accordance with Section 4 hereof shall be sufficient to cover the costs of maintaining the Public Improvements and satisfying the HOA Maintenance Obligations. The Parties acknowledge, however, that the City may include as a component of its "maintenance assessment" levied and imposed on assessable property within the District pursuant to the District's Service and Assessment Plan, prepared and updated from time to time by the City Council of the City in accordance with applicable Texas law, the costs of maintaining the Public Improvements in the event the Association is unable or unwilling to fulfill its duties and obligations pursuant to the terms of this Agreement.

SECTION 7. Power and Authority. Each Party represents to the other that it has full power and authority to execute, deliver and perform its obligations hereunder and that the respective governing body of each Party has taken all necessary action on its part required to authorize the execution and delivery hereof and its performance hereunder.

SECTION 8. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, demand, authorization, direction, consent, waiver or other paper required or permitted by this Agreement to be made, given or furnished to or filed with the following persons, if the same shall be delivered in person or duly mailed by first-class mail, postage prepaid or duly transmitted by electronic mail, at the following physical or email addresses:

(a) To Association at:

NAME	Ken Gober Property Manger Liberty Ranch HOA WDHOA Association Management, LLC
ADDRESS	185 Cedar Point Drive Livingston, Texas 77351

	PHONE	713 589 3050
	EMAIL	support@wdhoa.com
	With a copy to:	
	NAME	Charles Von Schmidt President Liberty Ranch, LLC
	ADDRESS	185 Cedar Point Drive Livingston Texas 77351
	PHONE	713 429 0552
	EMAIL	c.vonschmidt@wdtexas.com
(b)	To City at:	City of Liberty Attn: Bryan Kendrick City Manager 1829 Sam Houston Street Liberty, Texas 77535
	With a copy to:	Olson & Olson Law Firm Attn: Brandon Davis 1517 Trinity Street Liberty, Texas 77575
	And to:	McCall, Parkhurst & Horton L.L.P. Attn: Orlando "Jay" Juarez, Jr. 112 E. Pecan Street, Suite 1310 San Antonio, Texas 78205

If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of the City shall constitute sufficient notice.

SECTION 9. Hold Harmless; Indemnification. THIS AGREEMENT IMPOSES NO LIABILITY OF ANY KIND WHATSOEVER ON THE CITY. THE ASSOCIATION AGREES TO INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY LIABILITY IN THE EVENT THE PUBLIC IMPROVEMENTS FAIL TO OPERATE PROPERLY. THE ASSOCIATION COVENANTS AND AGREES AND DOES HEREBY INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS AGENTS, SERVANTS AND EMPLOYEES FROM AND AGAINST ALL COSTS, EXPENSES, LOSSES, DAMAGES, CLAIMS OR CAUSES OF ACTION WHATSOEVER ARISING, OR WHICH MIGHT ARISE, FROM THE FAILURE OF ASSOCIATION TO MAINTAIN THE PUBLIC IMPROVEMENTS,

INCLUDING, BUT NOT LIMITED, TO ANY DAMAGES CAUSED TO PERSON OR PROPERTY DUE TO (1) FLOODING, (2) FAILURE OF THE PUBLIC IMPROVEMENTS TO OPERATE IN A MANNER CONSISTENT WITH CITY CRITERIA OR THE MANNER IN WHICH THEY ARE INTENDED TO PERFORM OR (3) THE FAILURE OF THE ASSOCIATION TO PERFORM ANY OTHER DUTIES OR OBLIGATIONS HEREUNDER.

SECTION 10. Severability. If any terms or provisions of this Agreement or the application of any terms or provisions of this Agreement to a particular situation, are held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Agreement or the application of such terms or provisions of this Agreement to other situations, will remain in full force and effect unless amended or modified by mutual consent of the Parties; provided that, if the invalidation, voiding or unenforceability would deprive either Party of material benefits derived from this Agreement, or make performance under this Agreement unreasonably difficult, then the Parties will meet and confer and will make good faith efforts to amend or modify this Agreement in a manner that is mutually acceptable to the Parties.

SECTION 11. Amendment. No amendment, modification, or alteration of the terms of this Agreement will be binding unless it is in writing, dated subsequent to the date of this Agreement, and duly executed by the Parties.

SECTION 12. Binding Agreement; Successors and Assigns. This Agreement will be binding upon and inure to the benefit of each of the Parties and their respective successors and permitted assigns.

SECTION 13. Correction of Technical Errors. If, by reason of inadvertence, and contrary to the intention of the Parties, errors are herein made in the legal descriptions or the references thereto or within any exhibit with respect to the legal descriptions, in the boundaries of any parcel in any map or drawing which is an exhibit, or in the typing of this Agreement or any of its exhibits or any other similar matters, the Parties by mutual agreement may correct such error by memorandum executed by them without the necessity of amendment of this Agreement.

SECTION 14. Governing Law and Venue. The laws of the State and the rules and regulations issued pursuant thereto shall govern the validity, construction, enforcement, and interpretation of this Agreement, without regard to conflict of law provisions. All claims, disputes and other matters in question arising out of or relating to this Agreement, or the breach thereof, shall be decided by proceedings instituted and litigated in a State court of competent jurisdiction sitting in Hondo, Texas, and the Parties hereto expressly consent to the venue and jurisdiction of such court. Any provision included or incorporated herein by reference that conflicts with said laws, rules and regulations shall be null and void and shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise.

SECTION 15. No Waiver of Sovereign Immunity. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO WAIVE THE SOVEREIGN IMMUNITY OF THE CITY. THE CITY IS ENTERING INTO THIS AGREEMENT IN ITS GOVERNMENTAL FUNCTION AND CAPACITY AND THIS AGREEMENT DOES NOT CONSTITUTE AN EXERCISE OF THE CITY'S REGULATORY POWERS (E.G., REGULATORY APPROVALS OR IN ANY OTHER REGULATORY CAPACITY). THE ASSOCIATION ACKNOWLEDGES THAT THE CITY CANNOT CONTRACT IN ANY MANNER REGARDING THE EXERCISE, AND NOTHING

CONTAINED HEREIN CONSTITUTES THE CITY'S EXERCISE, OF ITS REGULATORY POWERS OR A WAIVER OF ITS SOVEREIGN IMMUNITY PROTECTIONS.

SECTION 16. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed original and all of which, when taken together, shall constitute one and the same document.

SECTION 17. No Personal Liability. None of the members of the City Council of the City, the Association's governing body, or any officer, agent, or employee of either Party shall be charged personally by the other Party with any liability or be held liable to the other Party under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach, of this Agreement.

SECTION 18. Recordation. This Agreement, upon execution by both Parties, shall be recorded in the real property records maintained by the County Clerk of Liberty County, Texas.

SECTION 19. Effective Term. This Agreement shall be effective as of its date, shall be perpetual and shall encumber and run with the Land.; provided however, that the City may terminate this Agreement at any time, without cause, by providing ninety (90) days advance notice to the Association.

* * *

EXECUTED by the Parties hereto to be effective as of _____, 202__.

ADDRESSES OF PARTIES:

CITY OF LIBERTY, TEXAS

1829 Sam Houston Street
Liberty, Texas 77535

By:_____
Name: John Hebert, Jr.
Title: Mayor

[ASSOCIATION]

185 Cedar Point Drive
Livingston Tex 77351

By:_____
Name: Charles Von Schmidt
Title: President Liberty Ranch Home Owners Association, Inc

THE STATE OF TEXAS §
§
COUNTY OF LIBERTY §

This instrument was acknowledged before me on the _____ day of _____, 202_, by John Hebert, Jr., Mayor of the City of Liberty, Texas, a body corporate, and a political subdivision of the State of Texas, on behalf of the City of Liberty, Texas.

_____
Notary Public in and for
the State of Texas

_____
(Printed Name of Notary)

My Commission Expires:_____

THE STATE OF TEXAS §
§
COUNTY OF LIBERTY §

This instrument was acknowledged before me on the ___ day of _____, 202_, by _____, _____ of [ASSOCIATION].

_____
Notary Public in and for
the State of Texas

_____
(Printed Name of Notary)

My Commission Expires:_____

EXHIBIT A
LAND DESCRIPTION

County: Liberty County
Project: 51.000 Acre
Job No.: 14951

FIELD NOTES FOR 51.000 ACRES

Being a tract of land containing 51.000 acres, located within the B.W. Hardin Survey, Abstract No. 47, Liberty County, Texas; Said 51.000 acre tract, being the same tract conveyed to Von Schmidt Land and Cattle LLC, as recorded in Liberty County Clerk's File No. (L.C.C.F.N.) 2021018312, said 51.000 acre tract being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) Central Zone, per GPS observations):

BEGINNING at a point in the east right-of-way (R.O.W.) line of State Highway 146, for the southwest corner of a called 154.00 acre tract conveyed to Vernon F. Poole Jr., as recorded in L.C.C.F.N. 2011005631, for the most northerly northwest corner of the herein described tract;

THENCE North 88°24'40" East, along the south line of said 154.00 acre tract and the north line of the herein described tract, a distance of 341.19 feet to an angle point;

THENCE North 88°14'39" East, continuing along the south line of said 154.00 acre tract and the north line of the herein described tract, a distance of 3453.19 feet to a point in the northeasterly line of a called 123.02 acre tract conveyed to Liberty County Farming, LLC as recorded in L.C.C.F.N. 2020031225, for the northeast corner of the herein described tract;

THENCE South 17°04'22" East, along the east line of the herein described tract, a distance of 575.28 feet to a point for an interior corner of said 123.02 acre tract and the southeast corner of the herein described tract;

THENCE South 87°14'38" West, along the south line of the herein described tract, a distance of 4,027.79 feet to a point for an "ell" corner of said 123.02 acre tract the southwest corner of the herein described tract;

THENCE North 07°16'38" East, along the west line of the herein described tract, a distance of 199.95 feet to a point in the south line of a called 2.8148 acre tract conveyed to Barbara N. Owens, as recorded in L.C.C.F.N. 2005017190, for corner,

THENCE North 81°29'38" East, along the south line of said 2.8148 acre tract, a distance of 157.21 feet to a point for the southeast corner of said 2.8148 acre tract;

THENCE North 28°03'36" East, along the east line of said 2.8148 acre tract, a distance of 411.27 feet to a point for the northeast corner of said 2.8148 acre tract and an interior corner of the herein described tract;

THENCE South 88°50'50" West, along the north line of said 2.8148 acre tract, a distance of 340.45 feet to a point in the east R.O.W. line of said State Highway 146 for the most southerly northwest corner of the herein described tract;

THENCE North 28°41'36" East, along the east R.O.W. line of said State Highway 146, a distance of 57.75 feet to the **POINT OF BEGINNING**, containing 51.000 acres (2,221,539 square feet) of land, more or less

An exhibit drawing of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.

This document was prepared under 22 TAC §663.21, 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 except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

9/7/22

Phil Hammons
Registered Professional Land Surveyor
Texas Registration No. 5840

STATE OF TEXAS
REGISTERED
PHIL HAMMONS
5840
PROFESSIONAL
LAND SURVEYOR

4005 Technology Drive, Suite 1530, Angleton, Texas 77515 • Phone: (979) 849-6681
Texas Firm Registration No. 10052500

4919-6028-3185.v1

Exhibit G
Lot Mix and Development Standards for Liberty Ranch

Home Standards
• All homes must a have concrete driveway no less than 18 feet wide and no less than 20 feet long
• Two hundred and twelve (212) homes must have a minimum of 1,400 square feet of Livable Space (as defined in the Development Agreement) and four (4) homes must have a minimum of 1,200 square feet of Livable Space
• Electric meters must be installed on the home, subject to the approval of the electric utility company
• All homes must have an attached or detached garage with architectural features similar to the main home. Each garage must be capable of storing at least two (2) full-sized vehicles
• Front façade of all homes and garages must be at least 50% stone, brick, or masonry, excluding the front door, windows, and garage door • The address of each house must be prominently displayed on the house • Cottage, Craftsman, Coastal home design are permitted using 100% Fibrous Cement Product
Utility Standards
• Streets will be concrete curb and gutter • Developer will build and install concrete sidewalks at least four (4) feet wide on both sides of the street • All electrical installations will be underground • All utility easements will be located in the front of the lot
Design Standards
• Developer shall install metal street lights and poles consistent with City specifications

Developers shall abide by all City Regulations regarding development as set forth in the Development Agreement between the City and Liberty Ranch.

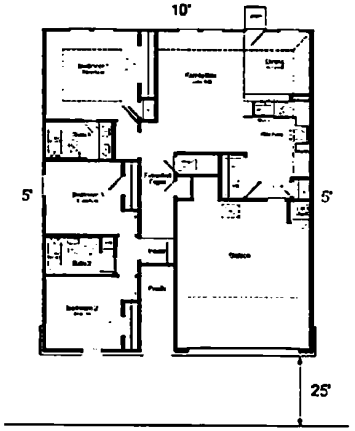
4919-6028-3185.v1

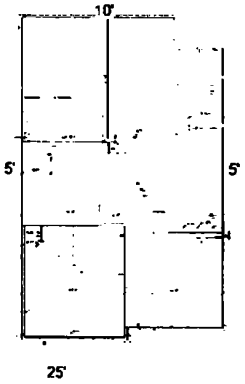
4919-6028-3185.v1

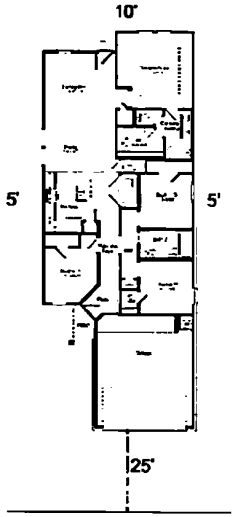
EXHIBIT H 2 OF 2 NON-CONFORMING APPROVED PLANS

NOTE:
The areas outlined in red represent areas that are excluded in calculating the maximum square footage of masonry product required. Once this calculation is made it will not change even if the excluded areas are in fact masonry.

The actual sq footage of masonry regardless of location is counted and compared to the calculated maximum. To be clear the red excluded areas do not count towards the minimum sq footage calculated requirement, but do count as sq footage installed to meet the maximum sq foot calculated requirement.







1

Exhibit H
Engineering Report for Public Improvement District

Subdivision	Liberty Ranch Sections 1&2
Total Units	217
Length of Street	6780
Number of Intersections	5
Width of streets	28
Number of Cul-de-Sacs	2

Empty	User Input Lines	With Values
	Calculated Cells (DO NOT EDIT)	
	Optional Items (remove 0 in front of formula to include)	

Infrastructure Budget

Description	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Mobilization/ General Conditions	1	LS	25,830.00	$25,830	Comments
Bonds Letter of Credit to County	0.35	%	20,000.00	$7,000	
Insurance	7.00	per 1 M	9,000.00	$63,000	
City County Fees	1	Per	1,655.00	$1,655	
Permitting /Review	1	Ea.	8,000.00	$8,000	
Capacity Fee	0	Lot	5,000.00	$0	
Impact Fee		Lot	0.00	$0	
Development Permit Fee	0	Lot	250.00	$0	
Site Work Permit Fee	1.00	Ea.	3,200.00	$3,200	
Development Cost Alocation	0	Lot	3,000.00	$0	
Subtotal					$108,685
	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Construction Staking	217	Lot	350.00	$75,950	Comments
Elevation Surveys	1.00		9,250.00	$9,250	
Subdivision Platting	1.00		14,500.00	$14,500	
Market Study	1.00		3,000.00	$3,000	
Environmental Phase 1	1.00		4,500.00	$4,500	
Soils Testing	2.00		4,500.00	$9,000	
Options	0		5,000.00	$0	
Wetlands Study	0.00		18,590.00	$0	
Boundary Survey	2.00	Open	5,450.00	$10,900	
Subtotal					$127,100
	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Construction Entrance	1	EA	4,800.00	$4,800	Comments
Clear & Grub	15	AC	5,500.00	$82,500	
Erosion Control Measures (Silt Fence etc...)	51	AC	650.00	$33,150	
Erosion Control Basins	0	EA	10,000.00	$0	
Temporary Erosion Control Seeding	20	AC	850.00	$17,000	
Open	0	Open	0.00	$0	
Subtotal					$137,450

4919-6028-3185.v1

Description					
	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Strip Topsoil - Waste Onsite	0	CY	1.25	$0	Comments
Swap/ Borrow Topsoil Onsite	0	CY	2.75	$0	
Cut/ Fill Excavation	50,155	CY	5.20	$260,806	
Retaining Wall	0	SF	37.00	$0	
Pad Set	0	EA	350.00	$0	
Install Culvert 12-18" Driveway w fill	2	EA	2,500.00	$5,000	
Remove Temporary Sediment Basins	0	EA	4,800.00	$0	
Open	0	Open	0.00	$0	
Subtotal					$265,806
	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Fine Grading (pads, COS)	217	LOT	350.00	$75,950	Comments
Fine Grade ROW after dry utilities	6,780	LF	2.50	$16,950	
Fine Grade/ Backfill Curb & Gutter	13,560	LF	1.25	$16,950	
Swale Grade	0	LF	3.00	$0	
Re Grade Exterior Streets	0	LF	3.00	$0	
Ditch Restoration	0	LF	6.50	$0	
Open		Open	0.00	$0	
Subtotal					$109,850
	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Tie to Existing Manhole	1	EA	4,200.00	$4,200	Comments
8" PVC Sanitary Sewer (Depth 6'-18')	5,763	LF	49.00	$282,387	
8" DIP Sanitary Sewer	1,695	LF	48.00	$81,360	
8" C900 Sanitary Sewer (Depth 6'-18')	0	LF	49.00	$0	
10" PVC Sanitary Sewer (Depth 6'-18')	0	LF	67.00	$0	
12" SDR-26, PVC Sanitary Sewer All Depths	0	LF	84.00	$0	
15" SDR-26, PVC Sanitary Sewer All Depths	0	LF	0.00	$0	
18" SDR-26, PVC Sanitary Sewer All Depths	0	LF	0.00	$0	
Long Single 4" PVC Sanitary Sewer Lateral w/ CO	10	LOT	2,200.00	$22,000	
Long Double 4" PVC Sanitary Sewer Lateral w/ CO	46	EA	2,800.00	$128,800	
Short Single 4" PVC Sanitary Sewer Lateral w/ CO	10	LOT	1,200.00	$12,000	
Short Double 4" PVC Sanitary Sewer Lateral w/ CO	46	EA	1,800.00	$82,800	
Jack & Bore	0	LF	285.00	$0	
Sanitary Sewer Manhole	37	EA	4,406.00	$163,022	
Large Sanitary Sewer Manhole (5 Foot)	0	EA	0.00	$0	
4" PVC Force Main line w/fittings	0	LF	35.00	$0	
6" PVC Force Main line w/fittings	800	LF	40.00	$32,000	
8" PVC Force Main line w/fittings	0	LF	45.00	$0	
Pump Station	1.00	LS	115,000.00	$115,000	

Description					
Trenchless Construction SAN (additional cost)	0	LF	135.00	$0	
Trenchless Construction SA (Steel Casing)	200	LF	240.00	$48,000	
Trench Safety	7,458	LF	1.00	$7,458	
Lift Station Public	1	EA	250,000.00	$250,000	
Lift Station Private	0	EA	90,000.00	$0	
Stabilized sand	50	Ea.	250.00	$12,500	
Open		Open			
Move in, Startup, and Bonds (5%)	1	LS	62,076.35	$62,076	
As Built Topo (1%)	1	LS	12,415.27	$12,415	
Construction Materials Testing (3%)	1	LS	37,245.81	$37,246	
SWPPP (3%)	1	LS	37,245.81	$37,246	
Domestic Sewer Service	0	EA	1,100.00	$0	
Pressure Test	7,458	LF	1.75	$13,052	
Open	0	Open	0.00	$0	
Subtotal					$1,409,562
[redacted]	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
15" RCP Class III	4,543	LF	66.00	$299,812	Comments
18" RCP Class III	1,898	LF	74.00	$140,482	
24" RCP Class III	1,695	LF	75.00	$127,125	
30" RCP Class III	1,153	LF	87.50	$100,853	
36" RCP Class III	540	LF	120.00	$64,800	
42" RCP Class III	540	LF	144.00	$77,760	
48" RCP Class III	0	LF	165.00	$0	
54" RCP Class III	0	LF	250.00	$0	
60" RCP Class III	0	LF	288.00	$0	
66" RCP Class III	0	LF	324.00	$0	
72" RCP Class III	0	LF	372.00	$0	
30" RCP Class III Inlet	0	LF	100.00	$0	
24 " RCP Class III Inlet	0	LF	75.00	$0	
HDPE Storm Sewer 12	0	LF	34.00	$0	
HDPE Storm Sewer 15	0	LF	42.00	$0	
HDPE Storm Sewer 18	0	LF	48.00	$0	
HDPE Storm Sewer 24	0	LF	61.00	$0	
HDPE Storm Sewer 30	0	LF	0.00	$0	
HDPE Storm Sewer 36	0	LF	0.00	$0	
HDPE Storm Sewer 48	0	LF	0.00	$0	
HDPE Storm Sewer 60	0	LF	0.00	$0	
RCP Storm Sewer 24" Culvert	0	LF	160.00	$0	
8" Brick Blug	0	EA	300.00	$0	
4'x7' PC RCB Culvert	0	LF	0.00	$0	
5'x5' PC RCB Culvert	0	LF	0.00	$0	
5'x10' RCB Culvert	0	LF	1,140.00	$0	0.00

Description					
5'x12' RCB Culvert	0	LF	1,550.00	$0	
6'x7' RCB Culvert	0	LF	0.00	$0	
6'x8' RCB Culvert	0	LF	0.00	$0	
9'x9' PC RCB Culvert	0	LF	1,500.00	$0	
Headwalls	0	SF	62.00	$0	0.00
Headwalls	0	EA	62,500.00	$0	
Decorative Facing	0	SF	0.00	$0	
Standard Type "C" Manhole 24-42"	0	EA	3,200.00	$0	
Type "C" Manhole (48" Larger)	0	EA	0.00	$0	
Storm Water Pump Station	1	EA	112,000.00	$112,000	
4- Inch Concrete Slope Paving	0	SY	110.00	$0	
5- Inch Concrete Slope Paving	0	SY	116.00	$0	
6- Inch Concrete Slope Paving	0	SY	139.00	$0	0.00
6- Inch Concrete for Wier	0	CY	139.00	$0	
Rip Rap		SY	101.00	$0	
Control Structure	0	EA	0.00	$0	
Flared End Sections w/ rip rap	0	EA	0.00	$0	
Type "A" Curb Inlet	23	EA	3,700.00	$83,620	
Double Curb Inlet	5	EA	4,200.00	$18,984	
Drop Inlet	27	EA	2,700.00	$73,238	
5' x 5' Junction Box	5	EA	7,000.00	$37,972	
5'x8' Junction Box	0	EA	0.00	$0	
Storm Plug	0	EA	0.00	$0	
Hydro Seeding	5	AC	2,400.00	$12,000	
Turf Establishment Via Dry Application (Ponds)	5	AC	2,700.00	$13,500	
Trench Safety	10,369	EA	1.00	$10,369	
Open	0	Open	0.00	$0	
Move In, Startup, and Bonds (5%)	1	LS	58,625.62	$58,625.62	
As Built Topo (1%)	1	LS	11,725.12	$11,725.12	
Construction Materials Testing (3%)	1	LS	35,175.37	$35,175.37	
SWPPP (3%)	0	LS	35,175.37	$0.00	
Subtotal	10,369				$1,278,019
[redacted]	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
Dry Pond BMP	1.00	EA	45,000.00	$45,000	Comments
Sand Filter BMP	0.00	EA	40,000.00	$0	
Wet Pond BMP	0.00	EA	65,000.00	$0	
Outflow Systems	1.00	Ea.	38,500.00	$38,500	
Cleanout existing drainage ditches	0.00	Open	35,000.00	$0	
Drainage Land	11.47	Ac	35,000.00	$401,450	

Description					
Subtotal					$88,890
	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Land	1	Ac.	35,000.00	$28,350	Comments
Equipment	1.00	Ea.	30,000.00	30,000.00	
Improvements	0.00	Ea.	20,000.00	0.00	
Central Mail Facilities	217	Ea.	325.00	70,525.00	
3' 6' WIDE Granite Walkway	0	LF	30.00	0.00	
BUTTERFLY GARDEN	1	Ea.	4,250.00	4,250.00	
WOOD DOCK POND AMENITY	0	Ea.	8,450.00	0.00	
FOUNTAIN POND AMENITY	0.00	Ea.	12,500.00	0.00	
3" DIAMETER FLOWING TREE	0	Ea.	325.00	0.00	
SHRUB	20	Ea.	32.00	640.00	
AQUATIC HABITAT POND AMENITY	0	Ea.	8,750.00	0.00	
COASTAL HABITAT POND AMENITY	0	Ea.	4,500.00	0.00	
Walking Trails	0	LF	9.00	0.00	
Horseshoe Ct	1	Ea.	2,200.00	2,200.00	
Disk Golf Holes	0	Ea.	545.00	0.00	
Soccer Fields Youth	0	Ea.	14,500.00	0.00	
Softball Field Youth	0	Ea.	18,000.00	0.00	
Pool	0.00	Ea.	105,000.00	0.00	
Clubhouse/ Joint Work Center	0.00	SF	150.00	0.00	
Birdhouse Village	0	Ea.	105.00	0.00	
Relaxation Garden	0	Ea.	5,650.00	0.00	
Fire Pits	1	Ea.	2,585.00	2,585.00	
Park In Lieu Fees	0	Lot	540.00	0.00	
Open	0.00	Open	0.00	0.00	
Open	0.00	Open	0.00	0.00	

					$118,330
	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
Tie to Existing Water Main	1	EA	1,950.00	$1,950	Comments
Number of Cul-de-Sacs	0	NA	0.00	NA	
Jack & Bore	0	LF	285.00	$0	
2" PVC Water Main	400	LF	18.00	$7,200	
4" C900 Water Main	0	LF	17.00	$0	
6" C900 Water Main	6,034	LF	22.00	$132,752	
8" C900 Water Main	4560	LF	38.00	$173,280	
8" C900 Water Main W/ 16 inch Casing	350	LF	166.00	$58,100	
8" DIP Water Main	1,356	LF	48.00	$65,088	
12" C900 Water Main	0	LF	52.00	$0	
16" C900 Waterline	0	LF	52.00	$0	

Description					
6" Gate Valve w/Box	65	Ea.	1,300.00	$84,500	
8" Gate Valve/ w Box	15	EA	2,000.00	$30,000	
12" Gate Valve / w Box	0	Ea	2,500.00	$0	
Blow off and Box 2"	24	EA	731.00	$17,544	
Water Line Service Short Single	10	Ea.	660.00	$6,600	
Water Line Service Short Double	46	Ea.	932.00	$42,872	
Water Line Service Long Single	10	Ea.	1,820.00	$18,200	
Water Line Service Long Double	46	Ea.	1,960.00	$90,160	
6X6 Wet Connection	0	EA	600.00	$0	
8x6 Wet Connection	0	EA	700.00	$0	
12" wet Connection	1	EA	1,000.00	$1,000	
Plug and Clamp 4"	0	EA	160.00	$0	
Plug and Clamp 6"	22	EA	0.00	$0	
Plug and Clamp 8"	7	EA	400.00	$2,800	
Plug and Clamp 10"	0	EA	410.00	$0	
Plug and Clamp 12"	2	EA	420.00	$840	
Trenchless Construction WTR additional cost	0	LF	165.00	$0	
Trenchless Construction WTR Steel Casing	200	LF	265.00	$53,000	
Flushing Valve	16	EA	3,600.00	$57,600	
Flushing / air relief Valve w Manhole		EA	4,000.00	$0	
Ductile Iron Fittings	0	Ton	6,500.00	$0	
PVC Fittings	3	Ton	5,000.00	$15,000	
Trench Safety	12,350	LF	1.00	$12,350	
Fire Hydrant Assembly	14	EA	4,450.00	$60,342	
3/4 " Meters	0	EA	250.00	$0	
Move In, Startup, and Bonds (5%)	1	LS	46,461.43	$46,461.43	
As Built Topo (1%)	1	LS	9,292.29	$9,292.29	
Construction Materials Testing (3%)	1	LS	27,876.86	$27,876.86	
SWPPP (3%)	1	LS	27,876.86	$27,876.86	
Domestic Water Service	0	EA	1,000.00	$0	
Pressure Test & Chlorinate	12,700	LF	1.00	$12,700	
Open	0	Open	0.00	$0	
Open	0	Open	0.00	$0	
Subtotal					$1,035,186
[redacted]	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
Roadway Excavation& Spread and Compact Onsite	9,741	CY	5.60	$54,549	Comments
Curb & Gutter Streets	1	1 or 0	1.00	$1	
Subgrade Preparation	21,093	SY	7.25	$152,927	

4919-6028-3185.v1

Description					
Lime for Subgrade 20#/SY	139	TON	220.00	$30,565	
Fly Ash for Sub grade 40 #/SY	278	TON	0.00	$0	
6" Reinforced Concrete Pavement	21,093	SY	49.95	$1,053,612	
7" Reinforced Concrete Pavement	0	SY	48.00	$0	
8" Reinforced Concrete Pavement	0	SY	56.00	$0	
6x12 Rollover Curb & Gutter	13,560	LF	5.85	$79,326	
Tie to Existing Reinforced Concrete Paving	0	EA	1.00	$0	
Asphalt Paving (8" ABC+1.5"59.5)	21,093	SY	0.00	$0	
Asphalt Paving (1.5" Final Surface)	21,093	SY	0.00	$0	
8" Compacted Base	21,093	SY	0.00	$0	
Asphalt Transitions	0	EA	110.00	$0	
Asphalt Trail	0	SY	11.00	$0	
Handicap Ramps Type 7 ADA	20	EA	1,408.30	$28,166	
Handicap Ramps Type 12 ADA	0	EA	1,100.00	$0	
Sign Street with Stop	6	EA	410.00	$2,460	
Street Signs	0	EA	400.00	$0	
Type III Barricade	2	EA	997.00	$1,994	
Traffic Control Plan	1	EA	3,200.00	$3,200	
Striping and Pavement Markings	1	EA	3,500.00	$3,500	
Open		Open	0.00	$0	
Move In, Startup, and Bonds (5%)	0.5	LS	70,339.99	$35,170	
As Built Topo (1%)	1	LS	14,068.00	$14,068	
Construction Materials Testing (3%)	1	LS	42,203.99	$42,204	
SWPPP (3%)	1	LS	42,203.99	$42,204	
ROW	7	Open	35,000.00	$236,250	
Subtotal					$1,780,196
	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
5' Sidewalk	250	LF	31.00	$7,750	Comments
Street Trees	49	EA	325.00	$14,625	
Conc. D/W	0	SY	3.00	$0	
Mailbox Pads	3	Open	2,250.00	$6,750	
Subtotal					$29,125
	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
Mobilization	0	EA	10,000.00	$0	Comments
Main/Lift Transformer	1	EA	12,500.00	$12,500	
Individual Lots/Transformers	217	EA	3,500.00	$759,500	
Fiber	217	EA			
Telephone	217	EA			

4919-6028-3185.v1

Description					
Surcharge	0	EA	0.00	$0	
Rebate at 24	217	EA	0.00	$0	
	6780	LF	6.00	$40,680	
Sub Total					$812,680
	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Wetland/Stream Impact Mitigation Fee	0.00	LF	0	$0	Comments
Onsite Mitigation in lieu of fee	0.00	LS	0	$0	
Pipe Stream Crossing (Turnkey inc walls)	0.00	EA	75,000	$0	
Bottomless Culvert (Turnkey inc walls)	0.00	EA	0	$0	
Bridge Construction	0.00	SECTION	500,000	$0	
Open	0.00	Open	0	$0	
Subtotal					$0
	Quantity	Unit	Unit Price	3	Pricing Type 0 for None 1,2,3
Build new Left Turn lane DOT Road	1.00	LF	350,000.00	$350,000	Comments
Stop Light	0.00	EA	587,000.00	$0	
Cross Walk	0.00	EA	2,500.00	$0	
Public Road Signage	0.00	EA	875.00	$0	
Turn lanes Right (Turnkey)	1.00	EA	325,000.00	$325,000	
Open	0.00	Open	250,000.00	$0	
Subtotal					$675,000
	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
Entry Gate House	0.00	EA	0.00	$0	Comments
Entry Gate System	0.00	EA	0.00	$0	
Entry signage	1.00	EA	19,500.00	$19,500	
Entry Landscaping and Lighting	0.30	Open	18,000.00	$5,400	
Entry Irrigation System	0.00	Open	9,500.00	$0	
Subtotal					$24,900
	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
8" Water Main with Fittings	2200.00	LF	42.00	$92,400	Comments
12" Water Main with Fittings	2200.00	LF	135.00	$297,000	
Blow Off Valves	2.20	Ea.	450.00	$990	
Main shutoff Valves	4.40	Ea.	2,250.00	$9,900	
Trenchless Construction WTR additional cost	125.00	LF	165.00	$20,625	
Trenchless Construction WTR Steel Casing	0.00	LF	122.00	$0	
Open	0.00	Ea.	283,484.44	$0	
Subtotal					$420,915

Description	Quantity	Unit	Unit Price	1	Pricing Type 0 for None 1,2,3
4" Force Main Sewer	2200.00	LF	22.00	$48,400	Comments
6" Force Main Sewer			0.00	$0	
			0.00	$0	
8" Gravity Sewer with Manholes/clearing/grading	0.00	LF	85.00	$0	
12" Gravity Sewer with Manholes/clearing/grading	2200.00	LF	135.00	$297,000	
Trenchless Construction SWR additional cost	0.00	LF	165.00	$0	
Trenchless Construction SWR Steel Casing	0.00	LF	122.00	$0	
Open cut roadway for tie-in	0.00	SY	118.00	$0	
Traffic Control for roadway open cut	0.00	LS	2,500.00	$0	
Open	0.00	Open	283,484.44	$0	
Subtotal					$345,400

Total without contingency	$8,796,143
Contingency Percentage	10%
Contingency	$879,614
Engineering, Inspections and Testing %	6%
Engineering, Inspections and Testing	$527,769
Total	$10,203,526
Construction ONLY Cost per Lot	$47,020.86
Cost per LF of Street	$1,504.94
Cost per LF of Lot	$953.60

4919-6028-3185.v1

THE STATE OF TEXAS
COUNTY OF LIBERTY

I hereby certify that this instrument was FILED on the date and the time stamped hereon by me and was duly RECORDED in the Records of Liberty County, Texas.

2026002625 AGR
01/23/2026 01:38:54 PM Total Fees: $329.00

Lee Haidusek Chambers,County Clerk
Liberty County, Texas

CITY OF LIBERTY, TEXAS, • SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT)

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fibre.
Printed by: ImageMaster, LLC
www.imagemaster.com