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

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED JANUARY 29, 2026

NEW ISSUE **NOT RATED**

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

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

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

$33,469,000*
CITY OF PILOT POINT, TEXAS,
(a municipal corporation of the State of Texas located in Denton, Grayson, and Cooke Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

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

The City of Pilot Point, Texas, Special Assessment Revenue Bonds, Series 2026 (Maverick Farms Public Improvement District Improvement Area #1 Project) (the "Bonds"), are being issued by the City of Pilot Point, Texas (the "City"). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of $100,000 of principal amount and any integral multiple of $1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months, and will be payable on each March 15 and September 15, commencing September 15, 2026, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by Wilmington Trust, National Association, as trustee (the "Trustee"), to DTC as the registered owner thereof. See "BOOK-ENTRY ONLY SYSTEM."

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an ordinance expected to be adopted by the City Council of the City (the "City Council") on February 12, 2026, and an Indenture of Trust, dated as of March 1, 2026 (the "Indenture"), to be entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects (as defined herein); (ii) paying a portion of the costs incidental to the organization and administration of the District; and (iii) paying the Bond Issuance Costs (as defined herein) including funding a reserve fund and paying a portion of the interest on the Bonds during and after the period of construction and acquisition of the Improvement Area #1 Projects, and other costs related to the issuance of the Bonds. See "THE IMPROVEMENT AREA #1 PROJECTS" and "APPENDIX A — Form of Indenture."

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by a first lien on, security interest in and pledge of the Trust Estate, consisting primarily of the Pledged Revenues, which consist primarily of Assessments (as defined herein) expected to be levied against assessable property in Improvement Area #1 of the Maverick Farms Public Improvement District (the "District") in accordance with a Service and Assessment Plan, all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. See "SECURITY FOR THE BONDS."

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

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

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

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter, subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Norton Rose Fulbright US LLP, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See "APPENDIX C — Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the Underwriter by its counsel, Greenberg Traurig, LLP, and for the Developer by its counsel, The Law Offices of Robert D. Daake, PLLC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about March 4, 2026 (the "Closing Date").

fms bonds, Inc.
Municipal Bond Specialists

* *Preliminary; subject to change.*

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

CUSIP Prefix: _____[(a)]

$33,469,000*
CITY OF PILOT POINT, TEXAS,
(a municipal corporation of the State of Texas located in Denton, Grayson, and Cooke Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

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

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

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

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

** Preliminary; subject to change.*

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

(b) The Bonds maturing on or after September 15, 20__, are subject to redemption, before their respective scheduled maturity dates, in whole or in part, at the option of the City, on any date on or after September 15, 20__, at the redemption price of 100% of the principal amount plus accrued interest to the date of redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

(c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

CITY OF PILOT POINT, TEXAS
CITY COUNCIL

Name	Term Expires (May)
Chad Major, Mayor	2028
Brian Heitzman, Place 1	2026
Everett Cummings, Place 2	2027
Ray Dane, Place 3	2026
Brian Murrell, Place 4	2028
Mike Wilson, Place 5	2027
Andrew Ambrosio, Place 6	2028

CITY MANAGER
Britt M. Lusk

CITY SECRETARY
Lenette Cox

CHIEF FINANCIAL OFFICER
Michele Sanchez

ADMINISTRATOR
P3Works, LLC

MUNICIPAL ADVISOR TO THE CITY
Hilltop Securities Inc.

BOND COUNSEL
Norton Rose Fulbright US LLP

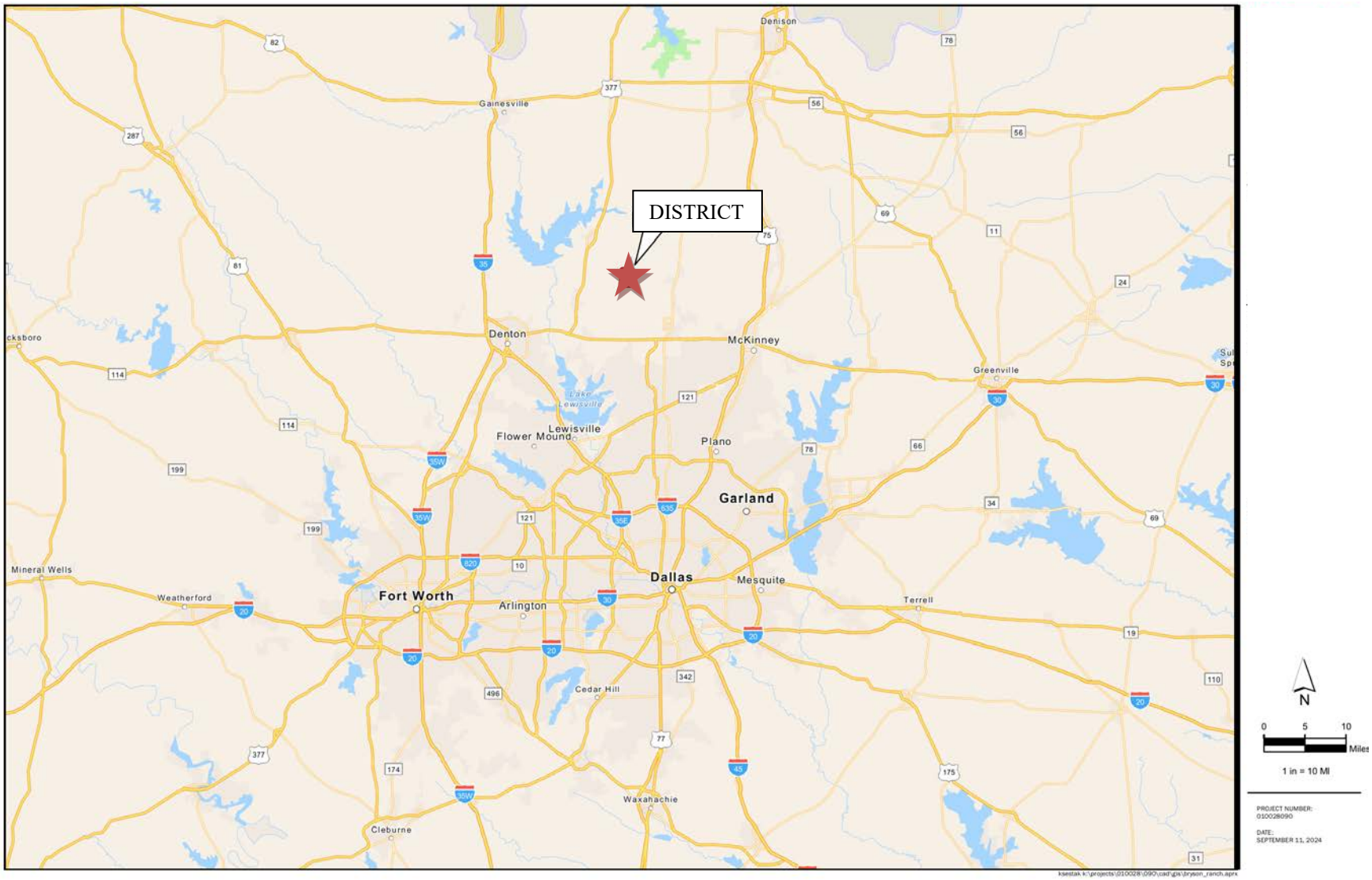
UNDERWRITER'S COUNSEL
Greenberg Traurig, LLP

For additional information regarding the City, please contact:

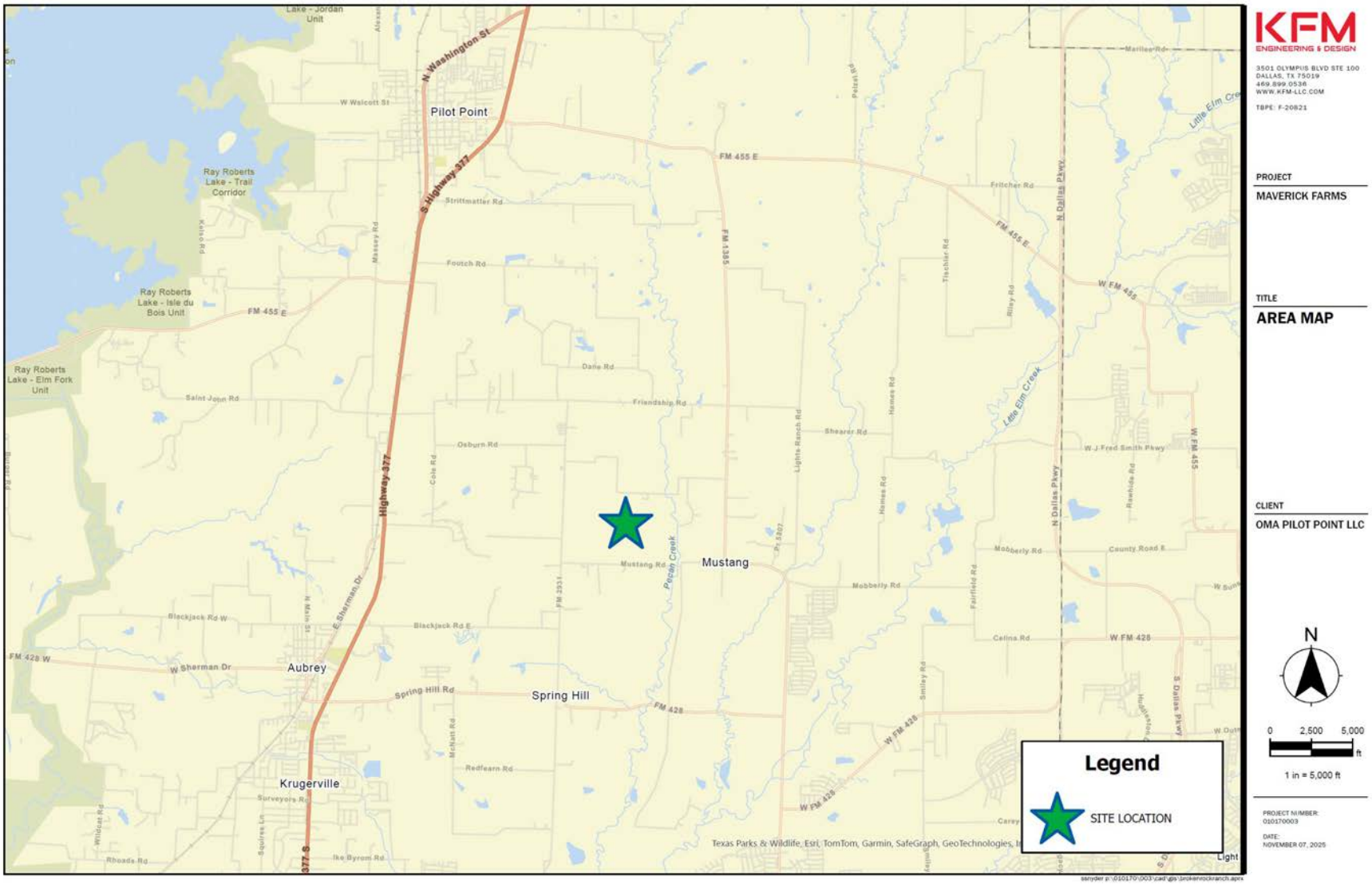
Britt M. Lusk
City Manager
City of Pilot Point, Texas
102 E. Main Street
Pilot Point, Texas 76258
(940) 686-2165
blusk@cityofpilotpoint.org

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

REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP OF THE DISTRICT



KFM ENGINEERING & DESIGN
3501 OLYMPUS BLVD STE 100
DALLAS, TX 75019
469.899.0536
WWW.KFM-LLC.COM
TBPE: F-20821

PROJECT
MAVERICK FARMS

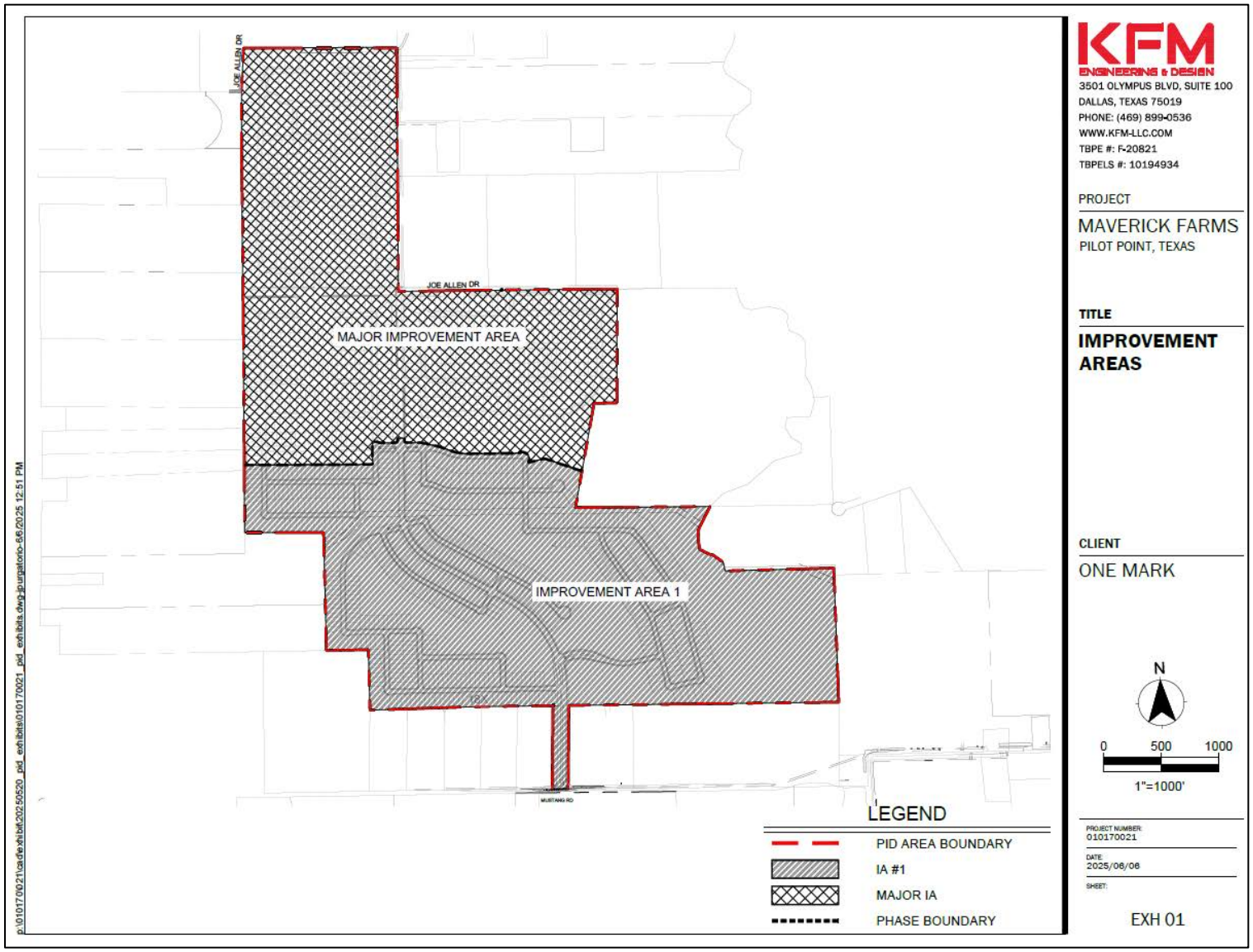
TITLE
AREA MAP

CLIENT
OMA PILOT POINT LLC

PROJECT NUMBER:
010170003

DATE:
NOVEMBER 07, 2025

MAP SHOWING BOUNDARIES OF THE DISTRICT AND IMPROVEMENT AREAS



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

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

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

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

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

THE 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.

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-

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

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

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS LIMITED OFFERING MEMORANDUM FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, RULE 15c2-12.

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PRELIMINARY LIMITED OFFERING MEMORANDUM

$33,469,000[*]
CITY OF PILOT POINT, TEXAS,
(a municipal corporation of the State of Texas located in Denton, Grayson, and Cooke Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Pilot Point, Texas (the "City"), of its $33,469,000[*] aggregate principal amount of Special Assessment Revenue Bonds, Series 2026 (Maverick Farms Public Improvement District Improvement Area #1 Project) (the "Bonds").

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

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), the ordinance authorizing the issuance of the Bonds expected to be adopted by the City Council of the City (the "City Council") on February 12, 2026 (the "Bond Ordinance"), and an Indenture of Trust, dated as of March 1, 2026 (the "Indenture") by and between the City and Wilmington Trust, National Association, as trustee (the "Trustee"). The Bonds will be secured by assessments ("Assessments") expected to be levied against assessable property (the "Assessed Property") located within Improvement Area #1 (as defined herein) of the Maverick Farms Public Improvement District (the "District") pursuant to an ordinance expected to be adopted by the City Council on February 12, 2026 (the "Assessment Ordinance"). The City created the District pursuant to a resolution adopted by the City Council on March 13, 2025 (the "Creation Resolution").

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

Set forth herein are brief descriptions of the City, P3Works, LLC (the "Administrator"), the District, the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Improvement Area #1 Construction, Funding, and Acquisition Agreement (as defined herein), and the Maverick Farms Development Agreement (the "Development Agreement") between the City and OMA Pilot Point, L.L.C., a Texas limited liability company (the "Developer"), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas, 75034, Phone: (214) 302-2246. The Form of Indenture appears in APPENDIX A and the Form

[*] *Preliminary; subject to change.*

of Service and Assessment Plan appears in APPENDIX B. The information provided under this caption "INTRODUCTION" is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed in this Limited Offering Memorandum.

PLAN OF FINANCE

The District

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #1 Projects (as defined herein), authorized by the PID Act and approved by the City Council that confer a special benefit on the District.

The boundaries of the District are shown in the "MAP SHOWING BOUNDARIES OF THE DISTRICT AND IMPROVEMENT AREAS" on page v. The District is within the corporate limits of the City.

Development Plan and Plan of Finance

The Developer purchased the property in the District in three separate transactions. The Developer purchased approximately 1.209 acres from Patrick and Tracy Burns on May 1, 2024, at a purchase price of $525,000 which was funded with cash. The Developer purchased an additional approximately 10 acres from Ricky and Mary Helene Pickard on October 31, 2025, at a purchase price of $2,800,000 and approximately 353.437 acres from Broken Rock Ranch, LLC on October 31, 2025, at a purchase price of $24,300,000, each of which was funded with funds from the Acquisition and Development Loan (as defined herein), earnest money delivered pursuant to the Lot PSAs (as defined herein), and cash from the Developer. See "THE DEVELOPMENT – Lot Purchase and Sale Agreements in the District." As of January 1, 2026, the Acquisition and Development Loan is outstanding in the amount of $20,860,509.86. The Acquisition and Development Loan is secured by all property within the District. The Developer is the current owner of all property within the District.

The District is composed of approximately 364.646 acres which are being developed as a master-planned residential development expected to contain approximately 1,348 single-family residential lots in 40', 50' and 60' sizes. The Developer will develop the District in phases which will be designated as "Improvement Areas." The first Improvement Area to be developed in the District is "Improvement Area #1," which consists of approximately 200.632 acres and is expected to include approximately 539 single-family lots. The remainder of the District is referred to herein as the "Major Improvement Area." The Major Improvement Area is expected to include approximately 809 single-family lots. The boundaries of Improvement Area #1 and the Major Improvement Area are shown on the "MAP SHOWING BOUNDARIES OF THE DISTRICT AND IMPROVEMENT AREAS" on page v.

Development in the District will begin with development of the infrastructure to serve Improvement Area #1, certain onsite improvements that benefit the entire District, and certain off-site improvements that benefit the entire District which are oversized to provide capacity for areas outside the District. Such development will be followed by development of the infrastructure to serve the Future Improvement Areas (as defined herein). See "THE DEVELOPMENT — Development Plan."

The Developer expects to construct certain "Authorized Improvements" consisting of the following and which are referred to as shown below:

Improvements	Referred to herein as:
Water, sewer, drainage, and roadway improvements benefiting the entire District, and soft costs relating thereto	Major Improvements
Water and sewer improvements, and a wastewater treatment plant benefiting the entire District and oversized to provide benefit to areas outside the District, and soft costs relating thereto	Off-Site Major Improvements

The portion of the costs of the Off-Site Major Improvements necessary to serve the District (which excludes the oversized portions of the Off-Site Major Improvements that benefit areas outside the District)	Reimbursable Off-Site Major Improvements
Water, sewer, drainage, roadway, and landscaping improvements benefiting only Improvement Area #1, and soft costs relating thereto	Improvement Area #1 Improvements

In addition to the above, the following terms have the following meanings herein:

Term	Meaning
Improvement Area #1 Projects	Collectively, the (i) pro rata portion of the Major Improvements allocable to Improvement Area #1, (ii) the pro rata portion of the Reimbursable Off-Site Major Improvements allocable to Improvement Area #1, and (iii) the Improvement Area #1 Improvements
Major Improvement Area Projects	Collectively, (i) the pro rata portion of the Major Improvements allocable to the Major Improvement Area and (ii) the pro rata portion of the Reimbursable Off-Site Major Improvements allocable to the Major Improvement Area

The Developer began construction of the Major Improvements and the Improvement Area #1 Improvements in Q4 2025 and expects to complete such improvements in Q1 2027. The Developer expects to begin construction of the Off-Site Major Improvements in Q1 2026 and complete construction of the Off-Site Major Improvements in Q1 2027. As of January 1, 2026, the Developer has expended approximately $2,403,490.15 on the Major Improvements and the Improvement Area #1 Improvements, which costs were funded by Developer equity.

The City will pay a portion of the project costs for the Improvement Area #1 Projects from proceeds of the Bonds. The Developer will submit payment requests on a monthly basis for costs actually incurred in developing and constructing the Improvement Area #1 Projects and be paid in accordance with the Indenture and the Maverick Farms Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement (the "Improvement Area #1 Construction, Funding, and Acquisition Agreement"). See "THE IMPROVEMENT AREA #1 PROJECTS – General," "THE DEVELOPMENT – Development Plan" and "APPENDIX F – Form of Improvement Area #1 Construction, Funding, and Acquisition Agreement."

At delivery of the Bonds, the Developer expects to advance funds in the amount of $2,176,287 (the "Improvement Area #1 Private Improvements Deposit") in order to pay for the Lot Completion Private Improvements (as defined herein), which costs will be paid entirely by the Developer without reimbursement from the City. The Lot Completion Improvements are referred to in the Indenture as the "Improvement Area #1 Private Improvements." See "SECURITY FOR THE BONDS – Improvement Area #1 Private Improvements Fund," "SOURCES AND USES OF FUNDS," APPENDIX A – Form of Indenture" and "APPENDIX F – Form of Improvement Area #1 Construction, Funding, and Acquisition Agreement."

Concurrently with the issuance of the Bonds, the City will issue its $13,813,000 * City of Pilot Point, Texas, Special Assessment Revenue Bonds, Series 2026 (Maverick Farms Public Improvement District Major Improvement Area Project) (the "Major Improvement Area Bonds") to finance a portion of the costs of the Major Improvement Area Projects. The Major Improvement Area Bonds will be secured by assessments on property in the Major Improvement Area of the District (the "Major Improvement Area Assessments") only. **The Major Improvement Area Assessments are not security for the Bonds.**

Individual distinct areas which may be developed within the Major Improvement Area in the future are referred to herein as "Future Improvement Areas." The City expects to issue one or more series of bonds (collectively, the "Future Improvement Area Bonds") to finance the cost of local improvements benefiting the Future Improvement Areas ("Future Improvement Area Improvements"). The estimated costs of the Future Improvement Area

* *Preliminary; subject to change.*

Improvements will be determined at the same time Future Improvement Areas are developed, and the Service and Assessment Plan will be updated to identify the Future Improvement Area Improvements to be constructed within the Future Improvement Areas of the District and financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Area of the District. The Developer anticipates that Future Improvement Area Bonds will be issued over a two-to-five-year period. See "THE DEVELOPMENT – Future Improvement Area Bonds."

Homebuilders in the District

The Developer has entered into contracts (the "Lot PSAs") with CastleRock Communities LLC ("CastleRock"), Mattamy Texas LLC ("Mattamy"), and Imagination Homes, LLC, a subsidiary of David Weekley Homes ("Imagination") for 476 of the 539 lots in Improvement Area #1 of the District as more particularly described under "THE DEVELOPMENT – Lot Purchase and Sale Agreements in the District." The Developer has not entered into any contracts for lots in the Major Improvement Area; however, Imagination and Mattamy retain certain rights of first refusal on lots in the expected future "Improvement Area #2" as described under "THE DEVELOPMENT – Lot Purchase and Sale Agreements in the District."

The Bonds

Proceeds of the Bonds will be used primarily to provide funds for (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects; (ii) paying a portion of the costs incidental to the organization and administration of the District; and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during and after the period of construction and acquisition of the Improvement Area #1 Projects, and other costs related to the issuance of the Bonds. "Bond Issuance Costs" means the costs associated with issuing the Bonds, including, but not limited to, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter's discount, fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of the Bonds. To the extent that a portion of the proceeds of the Bonds is allocated for the payment of the costs of issuance of the Bonds and less than all of such amount is used to pay such costs, the excess amount may, at the option of the City, be transferred to the Improvement Area #1 Projects Account of the Project Fund or to the Principal and Interest Account of the Bond Fund to pay interest on the Bonds. See "THE IMPROVEMENT AREA #1 PROJECTS," "APPENDIX A – Form of Indenture" and "SOURCES AND USES OF FUNDS."

Payment of the Bonds will be secured by a first lien on, security interest in and pledge of the Trust Estate, consisting primarily of the Pledged Revenues (as defined herein), which consist primarily of Assessments expected to be levied against the Assessed Property in the District, all to the extent and upon the conditions described herein and in the Indenture. See "SECURITY FOR THE BONDS," "ASSESSMENT PROCEDURES" and "APPENDIX A – Form of Indenture."

The Bonds, the Major Improvement Area Bonds, and any Future Improvement Area Bonds shall never constitute an indebtedness or general obligation of the City, the State of Texas (the "State"), or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds. The Major Improvement Area Bonds and any Future Improvement Area Bonds to be issued by the City are not offered pursuant to this Limited Offering Memorandum.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter (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 15 and September 15, commencing September 15, 2026 (each an "Interest Payment Date"), until maturity or prior redemption. Wilmington Trust, National Association is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of $100,000 of principal and any integral multiple of $1,000 in excess thereof; provided, however, that if the total principal amount of any Outstanding Bond is less than $100,000, then the authorized denomination of such Outstanding Bond shall be the amount of such Outstanding Bond ("Authorized Denominations"). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See "BOOK-ENTRY ONLY SYSTEM" and "SUITABILITY FOR INVESTMENT."

Redemption Provisions

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

Extraordinary Optional Redemption. Notwithstanding any provision in the Indenture to the contrary, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part and in an amount and on any date specified in a City Certificate, at the Redemption Price of such Bonds, or portions thereof, to be redeemed from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund made pursuant to various provisions of the Indenture) any other transfers to the Redemption Fund under the terms of the Indenture, or as a result of unexpended amounts transferred from the Project Fund, as provided in the Indenture. The City will provide the Trustee a City Certificate directing the Bonds to be redeemed pursuant to the Indenture. See "ASSESSMENT PROCEDURES — Prepayment of Assessments" for the definition and description of Prepayments and "APPENDIX A — Form of Indenture."

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

$_____ Term Bonds Maturing September 15, 20__

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

$_____ Term Bonds Maturing September 15, 20__

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

† Stated maturity.

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

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

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

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

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

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

Any notice given as provided in the Indenture shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

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

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

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

"Minor Amount Redemption" means an extraordinary optional redemption of Bonds pursuant to the Indenture of a principal amount of Bonds that is less than ten percent (10%) of the Outstanding principal amount of the Bonds.

If less than all of the Bonds are to be redeemed pursuant to a mandatory sinking fund redemption, an optional redemption or an extraordinary optional redemption, Bonds of each series shall be redeemed in minimum principal amounts of $1,000 or any integral multiple thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by $1,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the

Outstanding Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than $1,000, may be issued.

In selecting the Bonds to be redeemed pursuant to a mandatory sinking fund redemption, the Trustee may select Bonds randomly by lot.

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

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

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

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

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

BOOK-ENTRY ONLY SYSTEM

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

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

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

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

Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

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

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

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

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

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

5) The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Improvement Area #1 Projects, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the "Investor Information"). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor's purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for, or in connection with the Investor's decision to purchase the Bonds except for fraud or willful misconduct, to the extent permitted by law. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

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

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

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

SECURITY FOR THE BONDS

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

General

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

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the Trust Estate, consisting primarily of the Pledged Revenues, which consist primarily of Assessments expected to be levied against the Assessed Property, and other funds comprising the Trust Estate, all to the extent and upon the

conditions described herein and in the Indenture. In accordance with the PID Act, the City has caused the preparation of a Service and Assessment Plan in connection with the levy of the Assessments (as may be amended and supplemented, the "Service and Assessment Plan"), which describes the special benefit received by the property within the District, including Improvement Area #1 of the District, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due each year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See "APPENDIX B — Form of Service and Assessment Plan."

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Improvement Area #1 Projects by levying Assessments upon the Assessed Property located in Improvement Area #1 of the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments expected to be levied in Improvement Area #1 of the District, see "ASSESSMENT PROCEDURES" and "APPENDIX B — Form of Service and Assessment Plan."

Pursuant to the Indenture, "Pledged Revenues" are the sum of (i) the Assessment Revenue, less the Annual Collection Costs; and (ii) any additional revenues that the City may pledge to the payment of the Bonds. "Assessment Revenue" means monies collected by or on behalf of the City from any one or more of the following: (i) an Assessment levied against a parcel of Assessed Property, or an Annual Installment payment thereof, including any interest on such Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment and (iii) Foreclosure Proceeds. "Annual Installments" means, with respect to each Assessed Parcel, each annual installment payment of the Assessments (including both principal of and interest on the Assessments) as shown on the Assessment Roll (as defined herein) for Improvement Area #1 attached to the Service and Assessment Plan and related to the Improvement Area #1 Projects; which annual payment includes the Annual Collection Costs and the up to 0.50% additional interest rate (the "Additional Interest") collected on each annual payment of the Assessments as described in the Indenture and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update. The Indenture contains covenants of the City to take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be enforced continuously. See "SECURITY FOR THE BONDS — Pledged Revenue Fund," "APPENDIX A — Form of Indenture" and "APPENDIX B — Form of Service and Assessment Plan."

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

TIRZ Revenues May Reduce Assessments

The Assessments levied by the City according to the Assessment Ordinance and described in the Service and Assessment Plan are set at a level sufficient to fund a portion of the costs of the Improvement Area #1 Projects.

Pursuant to Chapter 311 of the Texas Tax Code (the "TIRZ Act"), on April 24, 2025, the City held a public hearing on the creation of Tax Increment Reinvestment Zone Number Nine, City of Pilot Point, Texas (the "TIRZ")

and the Reinvestment Zone Number Nine, City of Pilot Point, Texas Preliminary Project and Financing Plan and adopted an ordinance creating the TIRZ (the "TIRZ Creation Ordinance"). The boundaries of the TIRZ are contiguous with the land in the District.

The City Council expects to approve a final Project and Finance Plan for the TIRZ (the "TIRZ Plan") on February 12, 2026, with the adoption of an ordinance which authorizes the use of TIRZ Revenues (defined below) for project costs under the TIRZ Act, relating to the Authorized Improvements in the District, including the Improvement Area #1 Projects, as provided for in the TIRZ Project and Finance Plan (including amendments or supplements thereto), and additional projects to be funded through the TIRZ, including the Municipal Services (as defined in the TIRZ Plan).

In the TIRZ Plan, the City authorized the deposit to a segregated fund (the "TIRZ Fund") of a portion of ad valorem tax increment attributable to the new development and growth in taxable value within the TIRZ (such portion, the "TIRZ Revenues") to be used to offset a portion of the principal and interest portion of each annual installment of Assessments and special assessments levied for Future Improvement Area Bonds for payment of project costs, including costs of the Improvement Area #1 Projects, as provided in the TIRZ Act and the TIRZ Plan.

Pursuant to the TIRZ Act, the tax increment base of the TIRZ is the total taxable value of all real property taxable by the City located in the TIRZ as of January 1 in the year in which the TIRZ was designated as a reinvestment zone (the "Tax Increment Base"). The City has agreed to contribute TIRZ Revenues equal to 50% of the ad valorem taxes collected and received by the City on the Captured Appraised Value of real property within the TIRZ for each year. The "Captured Appraised Value" means the new taxable value generated beyond the Tax Increment Base. The TIRZ Revenues will be determined each year (the "TIRZ Annual Credit Amount") on a parcel-by-parcel basis within the TIRZ; provided, however, that the TIRZ Annual Credit Amount for Improvement Area #1 shall not exceed the maximum amounts shown for each lot within Improvement Area #1 as set forth under "ASSESSMENT PROCEDURES – Assessment Amounts – *TIRZ Annual Credit Amount*" (for each lot type, the "TIRZ Improvement Area #1 Maximum Annual Credit Amount").

The City has agreed to transfer the TIRZ Annual Credit Amount attributable to the Assessed Property from the TIRZ Fund to the Principal and Interest Account of the Bond Fund on a parcel-by-parcel basis to offset a portion of the principal and interest portion of each related parcel's Annual Installment of Assessments due each year, as calculated by the Administrator in collaboration with the City, in accordance with the Service and Assessment Plan. The net Annual Installment will be calculated each year by taking into consideration any TIRZ Annual Credit Amount applicable to each parcel on deposit in the Principal and Interest Account of the Bond Fund and will be reflected in each Annual Service Plan Update.

The TIRZ Revenues generated by each lot in any given year shall be used to calculate such lot's TIRZ Annual Credit Amount in the following year (i.e., TIRZ Revenues collected in 2026 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2027). The TIRZ Revenues are generated only from ad valorem taxes levied and collected by the City on the Captured Appraised Value allocable to each parcel in any year. Consequently, TIRZ Revenues are generated only if the appraised value of such parcel in any year is greater than the 2025 appraised value of such parcel. Any delay or failure of the Developer to develop Improvement Area #1 may result in a reduced amount of the TIRZ Revenues being available to credit the Annual Installments in Improvement Area #1. See "ASSESSMENT PROCEDURES – Assessment Amounts – *TIRZ Annual Credit Amount*" and "APPENDIX C – Service and Assessment Plan."

The TIRZ will terminate upon the earlier of (i) December 31, 2056 (with final year's tax increment due by January 31, 2057), or (ii) at such time that the obligations of the TIRZ including all Project Costs (as defined in the TIRZ Plan) have been paid in full. The City expects to collect TIRZ Revenues for Improvement Area #1 for the last time in calendar year 2055 and apply them to the TIRZ Annual Credit Amount in 2056.

THE TIRZ REVENUES, IF AVAILABLE, WILL NOT BE PLEDGED TO THE PAYMENT OF THE BONDS, AND THERE IS NO GUARANTEE THAT THERE WILL EVER BE SUFFICIENT TIRZ REVENUES TO GENERATE THE TIRZ IMPROVEMENT AREA #1 MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ ANNUAL CREDIT AMOUNT WILL NOT BE APPLIED IN ANY MANNER THAT WOULD AFFECT THE COLLECTION AND CONTINUOUS ENFORCEMENT OF ASSESSMENTS

COLLECTED FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS AND ANNUAL COLLECTION COSTS AND THE FUNDING OF THE ADDITIONAL INTEREST RESERVE REQUIREMENT, IN THE MANNER AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS. TIRZ REVENUES GENERATED FROM THE CAPTURED APPRAISED VALUE FOR EACH PARCEL IN IMPROVEMENT AREA #1 DURING THE DEVELOPMENT OF SUCH PARCELS WILL NOT BE SUFFICIENT TO ACHIEVE THE TIRZ IMPROVEMENT AREA #1 MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ ANNUAL CREDIT AMOUNT IS NOT EXPECTED TO BE SUFFICIENT TO PROVIDE FOR THE TIRZ IMPROVEMENT AREA #1 MAXIMUM ANNUAL CREDIT AMOUNT UNTIL THE SECOND YEAR THAT A HOME ON SUCH PARCEL IS ASSESSED. SEE "OVERLAPPING TAXES AND DEBT" AND "ASSESSMENT PROCEDURES – ASSESSMENT AMOUNTS – *TIRZ ANNUAL CREDIT AMOUNT*."

Collection and Deposit of Assessments

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

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

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

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

Unconditional Levy of Assessments

The City will impose Assessments on the property within Improvement Area #1 of the District to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments will be calculated at the rate of interest on the Bonds plus the Additional Interest Rate, calculated on the basis of a 360-day year of twelve 30-day months. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated on September 1 and shall be billed on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments will be due when billed on or about October 1, 2026, and will be delinquent if not paid prior to February 1, 2027.

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

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

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

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

Perfected Security Interest

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

Pledged Revenue Fund

On or before March 1 of each year while the Bonds are Outstanding and beginning March 1, 2027, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the City shall deposit or cause to be deposited Pledged Revenues (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to Additional Interest collected, if any, in accordance with the Indenture, (iv) fourth, to pay Actual Costs of the Improvement Area #1 Projects, and (v) fifth, to pay other costs permitted by the PID Act, as identified in a City Certificate delivered to the Trustee.

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

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

Notwithstanding the deposits described in (i) through (v) of the first paragraph of this subsection, the Trustee shall deposit Prepayments to the Pledged Revenue Fund as soon as practical after deposit shall transfer such Prepayments to the Redemption Fund.

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

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

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

Bond Fund

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

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

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

Date	**Amount**

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #1 Projects Account of the Project Fund, as directed by the City, or if the Improvement Area #1 Projects Account of the Project Fund has been closed as provided in the Indenture, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Project Fund

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

Money on deposit in the Improvement Area #1 Projects Account of the Project Fund shall only be used to pay Actual Costs of Improvement Area #1 Projects. Disbursements from the Improvement Area #1 Projects Account of the Project Fund to pay Actual Costs of the Improvement Area #1 Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Improvement Area #1 Projects Account of the Project Fund pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Improvement Area #1 Construction, Funding, and Acquisition Agreement. Such provisions and procedures related to such disbursements contained in the Improvement Area #1 Construction, Funding, and Acquisition Agreement, are incorporated in the Indenture by reference and deemed set forth in the Indenture in full. The Trustee shall be permitted to rely fully on any Certification for Payment, City Certificate, or other written direction received pursuant to the Indenture without investigation. See "APPENDIX A — Form of Indenture" and "APPENDIX F — Form of Construction, Funding, and Acquisition Agreement."

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

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

Not later than six months following the Closing Date, or upon an earlier determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvement Area #1 Projects Account of the Project Fund and used to pay Actual Costs of the Improvement Area #1 Projects or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

Improvement Area #1 Private Improvements Fund

Moneys deposited into the Improvement Area #1 Private Improvements Account of the Improvement Area #1 Private Improvements Fund shall be held by the Trustee separate and apart from the other Funds and Accounts created and administered under the Indenture and shall not be part of the Trust Estate and shall not be security for the Bonds. Money on deposit in the Improvement Area #1 Private Improvements Account of the Improvement Area #1 Private Improvements Fund shall be disbursed only to pay costs of the Improvement Area #1 Private Improvements

in accordance with the Development Agreement and the Improvement Area #1 Construction, Funding, and Acquisition Agreement.

Disbursements from the Improvement Area #1 Private Improvements Account of the Improvement Area #1 Private Improvements Fund to pay costs of the Improvement Area #1 Private Improvements shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the City or its designee approving the disbursement. The disbursement of funds from the Improvement Area #1 Private Improvements Account of the Improvement Area #1 Private Improvements Fund pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Improvement Area #1 Construction, Funding, and Acquisition Agreement. Such provisions and procedures related to such disbursement contained in the Improvement Area #1 Construction, Funding, and Acquisition Agreement are incorporated by reference and deemed set forth in the Indenture in full.

Upon the filing of a City Certificate stating that all Improvement Area #1 Private Improvements have been completed and that all costs of the Improvement Area #1 Private Improvements have been paid, or that any such costs of the Improvement Area #1 Private Improvements are not required to be paid from the Improvement Area #1 Private Improvements Account pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee shall (i) transfer the amount, if any, remaining within the Improvement Area #1 Private Improvements Account to the Developer, and (ii) close the Improvement Area #1 Private Improvements Fund.

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

Notwithstanding any provision of the Indenture to the contrary, nothing in the Indenture shall affect or impair the right of City and the Developer to modify the applicable terms of the Improvement Area #1 Construction, Funding, and Acquisition Agreement relating to the disbursement of moneys deposited in the Improvement Area #1 Private Improvements Fund.

Reserve Account of the Reserve Fund

The Reserve Account of the Reserve Fund will be held by the Trustee for the benefit of the Bonds and funded with proceeds of the Bonds in the amount of the initial Reserve Account Requirement. The City agrees with the Owners of the Bonds to maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Account Requirement, except to the extent such deficiency is due to the application of Prepayments described below. Pursuant to the Indenture, the "Reserve Account Requirement" for the Bonds shall be an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds as of the Closing Date, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds. As of the Closing Date, the Reserve Account Requirement is $_____.

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

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

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

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

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

If, after a Reserve Account withdrawal pursuant to the Indenture, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with the Indenture.

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

Additional Interest Reserve Account of the Reserve Fund

The Additional Interest Reserve Account of the Reserve Fund will be held by the Trustee for the benefit of the Bonds. The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 15 and September 15 of each year, commencing March 15, 2027, an amount equal to the Additional Interest collected, if any, and as shown on the Assessment Roll attached to the Service and Assessment Plan or an Annual Service Plan Update, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any later time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall, and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to the Indenture. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the City of such transfer in writing. In transferring the amounts to be transferred pursuant to the Indenture, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan or an Annual Service Plan Update, unless and until it receives a City Certificate directing that a different amount be used.

The Additional Interest Reserve Requirement is an amount equal to 5.5% of the principal amount of the Outstanding Bonds to be funded from Assessment Revenues to be deposited to the Pledged Revenue Fund and transferred to the Additional Interest Reserve Account. See "APPENDIX A — Form of Indenture" and "APPENDIX B — Form of Service and Assessment Plan."

Administrative Fund

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

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

Defeasance

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

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

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those

currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

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

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

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

Remedies in Event of Default

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

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

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

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

such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

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

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

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

Application of Revenues and Other Moneys After Event of Default

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

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

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

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

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

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

Investment or Deposit of Funds

Money in any Fund or Account established pursuant to the Indenture shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee at least two days in advance of the making of such investment. The money in any Fund or Account shall be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the PFIA, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in the Indenture) on the Bonds, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond. Investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds or Accounts may be invested pursuant to a City Certificate in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default. If the City does not give the Trustee written or timely instructions with respect to investments of funds, any such funds held by the Trustee up to the amount of the deposit insurance provided by the Federal Deposit Insurance Corporation shall be held uninvested in cash by the Trustee, and any such funds held by the Trustee in excess thereof shall be collateralized in accordance with the PFIA.

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

Against Encumbrances

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

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

Additional Obligations or Other Liens

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

The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State. 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 or omit to be done any matter or things whatsoever whereby the lien of the Indenture or the priority hereof might or could be lost or impaired.

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

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DEBT SERVICE REQUIREMENTS

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

Year Ending (September 30)	Principal	Interest	Total
2026[(1)]	$	$	$
2027[(1)]			
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	**$**	**$**	**$**

(1) Moneys in the Capitalized Interest Account will be used for the payment of the interest due on the Bonds on September 15, 2026 and March 15, 2027.

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SOURCES AND USES OF FUNDS

The table that follows summarizes the sources and uses of proceeds of the Bonds and funds from the Improvement Area #1 Private Improvements Deposit:

Sources of Funds:
- Principal Amount
- Improvement Area #1 Private Improvements Deposit
- Original Issue Discount
- Total Sources

Uses of Funds:
- Deposit to Improvement Area #1 Projects Account of the Project Fund
- Deposit to Improvement Area #1 Private Improvements Account of the Improvement Area #1 Private Improvements Fund
- Deposit to Capitalized Interest Account of the Bond Fund
- Deposit to Reserve Account of the Reserve Fund
- Deposit to District Administration Account of the Administrative Fund
- Deposit to Costs of Issuance Account of the Project Fund
- Underwriter's Discount[(1)]
- Total Uses

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

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OVERLAPPING TAXES AND DEBT

Overlapping Taxes and Debt

The land within Improvement Area #1 of the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments to be levied by the City.

The District is within the corporate limits of the City. In addition to the City, Denton County, Texas, and the Pilot Point Independent School District may each levy ad valorem taxes upon land in Improvement Area #1 of the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities.

The following tables reflect the estimated overlapping ad valorem tax rates and overlapping indebtedness payable from ad valorem taxes with respect to property within Improvement Area #1 of the District, as well as City debt secured by the Assessments after delivery of the Bonds.

OVERLAPPING TAX RATES

Taxing Entity	Tax Year 2025 Ad Valorem Tax Rate[1]
The City	$0.604974
Denton County, Texas	0.185938
Pilot Point Independent School District	0.938200
Total Existing Tax Rate	$1.729112
Estimated Average Annual Installment of Assessments in Improvement Area #1 of the District as a tax rate equivalent [2]	$1.274406
Less Projected TIRZ Improvement Area #1 Maximum Annual Credit Amount as tax rate equivalent[2][3]	($0.302487)
Target Net Annual Installment Per Unit as tax rate equivalent[2][3]	**$0.971919**
Estimated Total Tax Rate and Average Annual Installment of Assessments in Improvement Area #1 of the District as a tax rate equivalent [2]	**$2.701031**

[1] As reported by the taxing entities. Per $100 in taxable assessed value.

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

[3] See "SECURITY FOR THE BONDS – TIRZ Revenues May Reduce Assessments."

Source: Denton Central Appraisal District and the City.

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OVERLAPPING DEBT

Taxing or Assessing Entity	Gross Outstanding Debt as of 1/1/2026	Estimated Percentage Applicable[1]	Direct and Estimated Overlapping Debt[1],[2]
The City (Assessments - The Bonds)[2]	$33,469,000	100.000%	$33,469,000
The City (Ad Valorem Taxes)	78,145,000	4.478%	3,499,462
Denton County, Texas	758,115,000	0.024%	180,534
Pilot Point Independent School District	43,125,000	3.053%	1,316,517
TOTAL	$912,854,000		$38,465,513

[1] Based on the discounted cash flow value set forth in the Appraisal (as defined herein) and on the Tax Year 2025 Net Taxable Assessed Valuations for the taxing entities. See "APPRAISAL."

[2] *Preliminary, subject to change.*

Source: Municipal Advisory Council of Texas

Agricultural Use

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

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

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

Portions of the property in the District, including a portion of Improvement Area #1, is currently subject to an agricultural use valuation with respect to its ad valorem taxes. Such property in the District is subject to hay and/or grazing leases. These leases and lessees' operations on the property allow the property to maintain its agricultural valuation. The Developer expects to terminate these leases as construction of improvements commences. The Developer expects that the agricultural valuation of the portion of Improvement Area #1 of the District subject to agricultural valuation will terminate in 2026 as development commences. It is expected that rollback taxes will be paid by the Developer or purchasers from the Developer during development of the District and prior to purchase of parcels or lots by homeowners.

Homeowners' Association

In addition to the Assessments described above, the Developer anticipates that each lot owner in the District will pay an estimated maintenance and operation fee of $850 annually to a homeowners' association (the "HOA").

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determined to defray a portion of the costs of the Improvement Area #1 Authorized Improvements (as hereinafter defined) through Assessments, it adopted a resolution generally describing the Improvement Area #1 Authorized Improvements and the land within Improvement Area #1 of the District to be subject to Assessments to pay the cost therefor. The City has caused an assessment roll to be prepared (the "Assessment Roll"), which Assessment Roll shows the land within Improvement Area #1 of the District to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll was or will be filed with the City Secretary and made or will be made available for public inspection. Statutory notice was or will be given to the owners of the property to be assessed and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #1 Authorized Improvements and funding a portion of the same with Assessments. The City expects to levy the Assessments and adopt the Assessment Ordinance immediately prior to adopting the Bond Ordinance. After such adoption, the Assessments will become legal, valid and binding liens upon the property against which the Assessments have been made.

Under the PID Act, the Actual Costs of the Improvement Area #1 Authorized Improvements may be assessed by the City against the assessable property in Improvement Area #1 of the District so long as the special benefit conferred upon the Assessed Property by the Improvement Area #1 Authorized Improvements equals or exceeds the Assessments. The costs of the Improvement Area #1 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, including land in Improvement Area #1, is set forth in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX B — Form of Service and Assessment Plan."

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property as a result of the Improvement Area #1 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 Improvement Area #1 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 Improvement Area #1 Authorized Improvements are being funded with proceeds of the Bonds, which are payable from and secured by the Trust Estate consisting primarily of the Pledged Revenues, which consist primarily of the Assessments.

As set forth in the Service and Assessment Plan, the City Council has determined that the Actual Costs associated with the Improvement Area #1 Authorized Improvements will be allocated to the parcels against which the Assessments are to be levied by spreading the entire Assessment across all Parcels and Lots within Improvement Area #1 of the District based on the ratio of estimated build-out value of each Parcel or Lot to the estimated build-out value for all Parcels or Lots within Improvement Area #1 of the District. As set forth in the Service and Assessment Plan, the City Council has determined that the Reimbursable Off-Site Major Improvements shall be allocated to the District, as set forth below. The portion of the costs of the Off-Site Major Improvements allocable to the oversizing of the Off-Site Major Improvements, as required by Mustang Special Utility District ("MSUD"), shall be allocated to property outside of the District and shall be paid for by MSUD without reimbursement by the City. As further set forth in the Service and Assessment Plan, the City Council has determined that the costs of the Major Improvements and the Reimbursable Off-Site Major Improvements shall be allocated to Improvement Area #1 and the Major Improvement Area based upon Estimated Buildout Value of each Parcel of assessed property to the Estimated Buildout Value of the District. Currently, the Major Improvement Area is allocated 60.48% of the costs of the Major Improvements and the Reimbursable Off-Site Major Improvements, and Improvement Area #1 is allocated 39.52% of the costs of the Major Improvement and the Reimbursable Off-Site Major Improvements. The Improvement Area #1 Initial Parcel is

the only Parcel within Improvement Area #1, and as such, the Improvement Area #1 Initial Parcel will be allocated 100% of the Improvement Area #1 Authorized Improvements.

The following table provides additional analysis with respect to special assessment methodology, including the value to assessment burden ratio per unit (lot), equivalent tax rate per unit, and leverage per unit. The information in the table was obtained from and calculated using information provided in the Service and Assessment Plan and the Appraisal. See "APPENDIX B — Form of Service and Assessment Plan" and "APPENDIX E — Appraisal."

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VALUE TO LIEN ANALYSIS, ASSESSMENT ALLOCATION, EQUIVALENT TAX RATE AND LEVERAGE PER UNIT IN IMPROVEMENT AREA #1 OF THE DISTRICT*

Lot type	Planned No. of Units	Estimated Finished lot Value per unit(1)	Projected Average Home Value per unit(2)	Maximum Assessment per unit	Average Annual Installment of Assessment per unit(3)	Tax Rate Equivalent of Average Annual Installment of Assessment (per $100 Home Value)	Ratio of Estimated Lot Value to Assessment	Ratio of Projected Average Home Value to Assessment
40’	345	$80,664	$372,000	$57,464.14	$4,740.79	$1.2744	1.40	6.47
50’	113	$103,164	$439,000	$67,813.86	$5,594.64	$1.2744	1.52	6.47
60’	81	$122,116	$478,000	$73,838.33	$6,091.66	$1.2744	1.65	6.47

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

(1) Based on the Appraisal.
(2) Estimated Buildout Value from the Service and Assessment Plan, per information provided by the Developer.
(3) Does not include application of TIRZ Annual Credit Amount. See “SECURITY FOR THE BONDS – TIRZ Revenues May Reduce Assessments” and “OVERLAPPING TAXES AND DEBT.”

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* *Preliminary; subject to change.*

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

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on parcels similarly situated within Improvement Area #1 of the District. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers within the District. See "APPENDIX B — Form of Service and Assessment Plan."

Collection and Enforcement of Assessment Amounts

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

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

The Indenture provides that the City covenants, agrees and warrants that, for so long as any Bonds are Outstanding, it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments. Notwithstanding the foregoing, the City shall be permitted to reduce the Assessments by the TIRZ Annual Credit Amount pursuant to the Development Agreement, the TIRZ Plan and the Service and Assessment Plan; provided, however, that no such reduction shall operate to reduce the amounts levied for the payment of the Annual Collection Costs.

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

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

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

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

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

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

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

Assessment Amounts

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

The Annual Installments shown on the Assessment Roll will be reduced to equal the actual costs of repaying the Bonds (which amount will include 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 Annual Installments shall be further reduced by any offset or credit of applicable TIRZ Annual Credit Amount.

TIRZ Annual Credit Amount. The City has agreed to use TIRZ Revenues generated from each Assessed Parcel to offset a portion of the Assessments due as part of the Annual Installment on a parcel-by-parcel basis. The principal and interest portion of the Annual Installment for an Assessed Property shall receive a TIRZ Annual Credit Amount equal to the TIRZ Revenue generated by the Assessed Property for the previous Tax Year (e.g. TIRZ Revenue collected from the Assessed Property for Tax Year 2026 shall be applied as the TIRZ Annual Credit Amount applicable to the Assessed Property's Annual Installment to be collected in Tax Year 2027), but in no event shall the TIRZ Annual Credit Amount exceed the TIRZ Improvement Area #1 Maximum Annual Credit Amount shown below.

The TIRZ Improvement Area #1 Maximum Annual Credit Amount available to reduce the principal and interest portion of the Annual Installment for an Assessed Property is calculated for each Lot Type, as shown in the Service and Assessment Plan. The TIRZ Improvement Area #1 Maximum Annual Credit Amount is calculated so that the average Annual Installment minus the TIRZ Improvement Area #1 Maximum Annual Credit Amount for each Lot

Type does not produce an equivalent tax rate for such Lot Type which exceeds the competitive, composite equivalent ad valorem tax rate ($2.7010 per $100 of assessed value) taking into consideration the 2025 tax rates of all applicable overlapping taxing units and the equivalent tax rate of the Annual Installments based on assumed buildout values at the time the Assessment Ordinance is approved. The resulting TIRZ Improvement Area #1 Maximum Annual Credit Amount for each Lot Type is shown below*:

Lot Type 1:	$1,125.25
Lot Type 2:	$1,327.92
Lot Type 3:	$1,445.89

See "APPENDIX B — Form of Service and Assessment Plan."

The TIRZ Revenues are generated only from ad valorem taxes levied and collected by the City on the Captured Appraised Value in the TIRZ in any year. Consequently, TIRZ Revenues are generated only if the appraised value of real property in the TIRZ in any year is greater than the base value. Any delay or failure of Developer to develop Improvement Area #1 of the District may result in a reduced amount of the TIRZ Revenue being available to credit the Annual Installments of the Assessments. TIRZ Revenues generated from the Captured Appraised Value for each parcel in Improvement Area #1 during the development of such parcel will result in a TIRZ Annual Credit Amount which is not sufficient to achieve the TIRZ Improvement Area #1 Maximum Annual Credit Amount. The TIRZ Annual Credit Amount is not expected to be sufficient to provide for the TIRZ Improvement Area #1 Maximum Annual Credit Amount until the second year that a home on such parcel is assessed. See "OVERLAPPING TAXES AND DEBT." Such TIRZ Annual Credit Amount, if available, is not pledged as security for the Bonds under the Indenture.

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Assessments shall be initially allocated to the Parcels consisting of the Assessed Property based on the ratio of estimated build-out value of each Parcel in Improvement Area #1 to estimated build-out value of all Parcels in Improvement Area #1.

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

* *Preliminary; subject to change.*

reallocation pursuant to this section shall be reflected in the Annual Service Plan Update immediately following such reallocation.

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 the Estimated Buildout Value according to the following formula:

A = [B x (C ÷ D)]/E

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

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

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

E= the number of 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 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.

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 (as defined below) for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments.

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

Prepayment of Assessments

The Indenture and the Service and Assessment Plan provide for certain optional and mandatory prepayments as described below (each, a "Prepayment"). To the extent that any Assessment is prepaid, the lien on real property associated with such Assessment prepayment shall be released and any rights of the Trustee and the bond owners to request the City to proceed with foreclosure procedures for the purpose of protecting and enforcing the rights of the bond owners with respect to such property shall terminate.

Voluntary Prepayments. Pursuant to the PID Act and the Indenture, the owner of any property assessed may voluntarily prepay all or part of any Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption

or payment of the Bonds. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Assessments.

Mandatory Prepayment of Assessments—Transfer to Exempt Entity. 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 any such conveyance or act, and no such conveyance shall be effective until the City receives such payment.

True-Up of Assessments if Maximum Assessment Exceeded at Plat. The Service and Assessment Plan establishes a "Maximum Assessment" for each lot type in Improvement Area #1 of the District, which Maximum Assessment is currently calculated at $57,464.14* for 40' lots, $67,813.86* for 50' lots, and $73,838.33* for 60' lots in Improvement Area #1. See "APPENDIX B — Form of Service and Assessment Plan."

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type exceeding the applicable Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City, or cause to be paid to the City, the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. See "BONDHOLDERS' RISKS — Exceedance of Maximum Assessment Could Trigger Assessment Prepayment and Optional Redemption" and "APPENDIX B — Form of Service and Assessment Plan."

Prepayment as a Result of an Eminent Domain Proceeding or Taking. Subject to applicable law, if any portion of any Parcel of Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a "Taking"), the portion of the Assessed Property that was taken or transferred (the "Taken Property") shall be reclassified as Non-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 will remain liable to pay in Annual Installments, or payable as otherwise provided by the Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Annual Installments applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the applicable Maximum Assessment, the owner will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed such Maximum Assessment, in which case the Assessment and Annual Installments applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. 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.

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* *Preliminary; subject to change.*

By way of illustration, if an owner owns 100 acres of Assessed Property subject to $100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefited Property and the remaining 90 acres of 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 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 and the Annual Installments adjusted accordingly.

Notwithstanding the previous paragraphs in this subsection, if the owner 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 Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Assessments shall not, however, be reduced to an amount less than the outstanding Bonds.

Priority of Lien

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

Foreclosure Proceedings

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

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

The Indenture contains covenants of the City to take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments, provided that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon

receipt by the City and distributed in accordance with the Indenture. See "APPENDIX A – Form of Indenture." See also "APPENDIX D-1 – Form of City Disclosure Agreement" for a description of the expected timing of certain events with respect to collection of the delinquent Assessments.

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

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THE CITY

Background

The District is within the corporate limits of the City. The City is located in Denton, Grayson, and Cooke Counties, 50 miles north of Dallas and 15 miles northwest of the City of Denton. Access to the City is provided by State Highway 377, State Highway 1385, and Farm Road 455. The City currently covers approximately 34 square miles. The City's location as part of the growing Dallas-Fort Worth Metroplex has resulted in rapid growth over the last several years. The City's 2020 Census population was 4,381. The City's current population estimate is 7,800.

City Government

The City is a political subdivision and is a municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City adopted a Home Rule Charter in November 2009. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Council members who are elected for staggered two-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administrative officer. The current members of the City Council and their respective expiration of terms of office are set forth on page ii hereof.

Major Employers

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

Employer	Product or Service	Employees
Chandler Cabinets	Retail Store	325
Western Son Distillery	Beverage Manufacturing Plant	315
Pilot Point ISD	Education	220
TrimLine Cabinets	Cabinetry	110
Point Bank	Financial	109
City of Pilot Point	Government	97
Cedar Ridge Nursing Center	Nursing Home	70
Pilot Point Care Center	Nursing Home	58
Brookshire Brothers	Retail Grocery	50
TriTex Cabinets	Cabinet Construction	45

Source: The City.

Historical Employment in Denton County

	Average Annual				
	2025[(1)]	2024	2023	2022	2021
Civilian Labor Force	608,005	594,996	581,563	556,405	526,040
Total Employed	584,395	572,903	560,655	538,019	502,502
Total Unemployed	23,610	22,093	20,908	18,386	23,538
Unemployment Rate	3.9%	3.7%	3.6%	3.3%	4.5%

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

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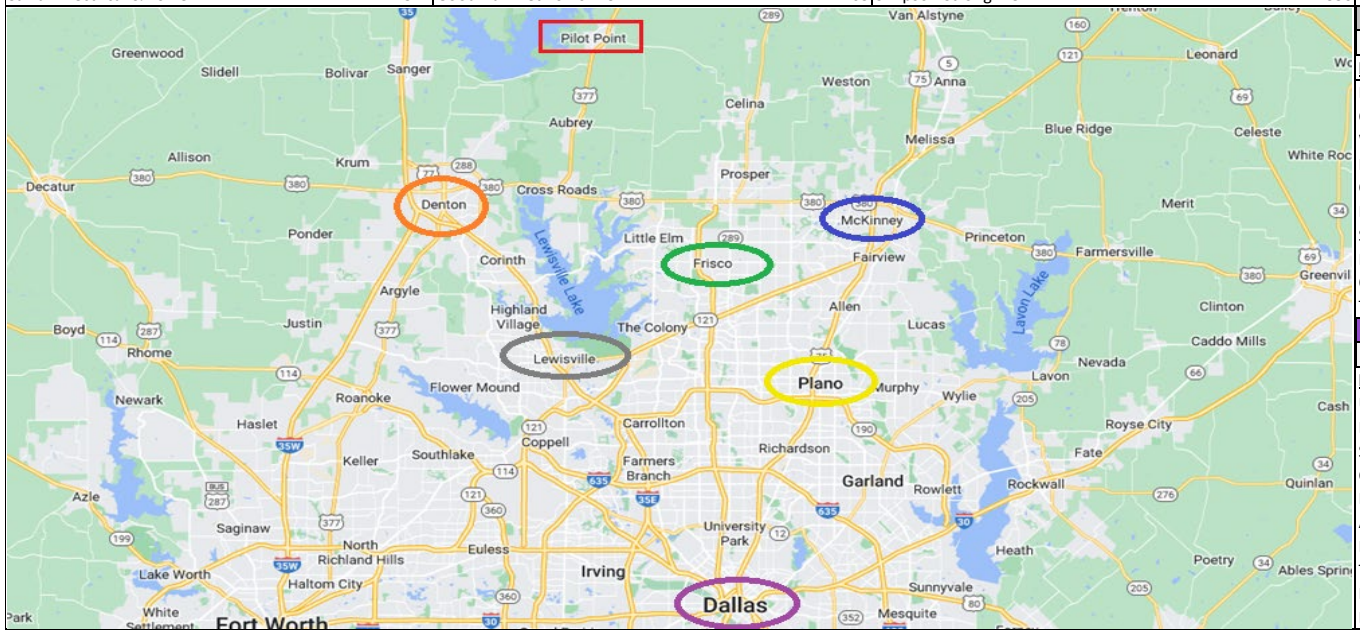
Surrounding Economic Activity

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

City of Denton		City of Frisco		City of McKinney		City of Plano	
Approximately 10 miles from the City		Approximately 33 miles from the City		Approximately 30 miles from the City		Approximately 42 miles from the City	
Employer	**Employees**	**Employer**	**Employees**	**Employer**	**Employees**	**Employer**	**Employees**
University of North Texas	8,891	Frisco ISD	8,850	Raytheon Space & Airborne Systems	4,200	JP Morgan Chase	10,530
Denton ISD	4,000	Dallas Cowboys (Football Club)	2,000	McKinney Independent School District	2,920	Bank of America	6,318
Peterbilt Motors-Headquarters & Plant	2,000	City of Frisco	1,813	Collin County	1,640	Capital One Finance	5,578
Denton County	1,987	HCL Technologies LTD	1,500	Globe Life	1,369	Toyota Motor North America, Inc.	4,960
City of Denton	1,900	ICS	1,300	Encore Wire	1,350	PepsiCo	3,759
Denton State Supported Living Center	1,727	Keurig Dr. Pepper Inc.	1,213	City of McKinney	852	Ericsson	3,346
Texas Presbyterian Hospital	1,100	Amerisource Bergen Speciality Group	749	Medical City McKinney	700	AT&T Foundry	2,500
Texas Women's University	1,077	Baylor Scott White/Centennial Hospital	567	Baylor Scott & White Medical Center - McKinney	670	Medical City Plano	2,332
Medical City Denton	799	Mario Sinacola & Sons Excavating	500	Collin College	350	Liberty Mutual Insurance Group	2,184
Safran Electrical & Power	571	Goodman Networks LLC	463	Simpson Strong-Tie	350	USAA	2,092



City of Lewisville	
Approximately 23 miles from the City	
Employer	**Employees**
Lewisville ISD	6,233
City of Lewisville	1,078
Wal-Mart	900
Medical City of Lewisville	670
Caliber Collision	554
Mary Kay	513
SYSCO	476
Hoya Vision Care	325
Orthofix	250
The Flooring Services	250

City of Dallas	
Approximately 50 miles from the City	
Employer	**Employees**
UT Southwestern Medical Center	25,641
Dallas ISD	22,857
Southwest Airlines Co	19,190
City of Dallas	13,798
Parkland Health System	13,103
AT&T Inc.	10,690
Dallas Co. Community College	8,230
Texas Instruments Inc.	7,704
Methodist Dallas Medical Center	6,689
Dallas County	6,500

Source: Municpal Advisory Council of Texas

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by the Creation Resolution for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #1 Projects, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property being developed. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District is included on page v hereof.

Powers and Authority

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

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or pay a developer for the costs of, the financing, acquisition, construction or improvement of the Improvement Area #1 Projects. See "THE IMPROVEMENT AREA #1 PROJECTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain road, water, sewer, landscaping and drainage improvements within Improvement Area #1 of the District and outside of the District comprising the Improvement Area #1 Projects and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See "ASSESSMENT PROCEDURES" herein and "APPENDIX B — Form of Service and Assessment Plan."

THE IMPROVEMENT AREA #1 PROJECTS

General

The Improvement Area #1 Projects consist of (a) Improvement Area #1's proportionate share of the Major Improvements, (b) Improvement Area #1's proportionate share of the Reimbursable Off-Site Major Improvements, and (c) the Improvement Area #1 Improvements. The costs of construction of the Improvement Area #1 Projects are expected to be funded with proceeds of the Bonds; however, to the extent the proceeds of the Bonds are insufficient to pay such costs, the balance of such costs is expected to be paid by the Developer without reimbursement from the City. See "SOURCES AND USES OF FUNDS." The Developer is responsible for the completion of the construction, acquisition or purchase of the Improvement Area #1 Projects, and the Developer or its designee will act as construction manager. The Developer will submit payment requests on a monthly basis for costs actually incurred in developing and constructing the Improvement Area #1 Projects and be paid in accordance with the Indenture and the Improvement Area #1 Construction, Funding, and Acquisition Agreement. See "THE DEVELOPMENT – Development Plan."

Improvement Area #1 Improvements. The Improvement Area #1 Improvements include roadway, water, sewer, drainage and landscaping improvements benefiting only Improvement Area #1 of the District, as described below:

Water: Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1. All water improvements will be built to MSUD standards and specifications and will be owned, operated and maintained by the MSUD.

Sewer: Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, sidewalks, related earthwork, excavation,

erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1. All sewer improvements will be built to MSUD standards and specifications and will be owned, operated and maintained by the MSUD.

Drainage: Improvements including earthen channels, swales, curb and inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #1.

Roadways: Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The roadway improvements will provide benefit to each Lot within Improvement Area #1.

Landscaping: Improvements including installation of landscaping, including irrigation and sidewalks, in right-of-way spaces and drainage easements for the benefit of each Lot within Improvement Area #1. The landscaping improvements will be owned by the City and operated and maintained by the HOA.

Soft Costs: Costs related to designing, constructing, and installing the Improvement Area #1 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, District Formation Costs (as defined in the Service and Assessment Plan), legal fees, and consultant fees.

Off-Site Major Improvements. The Improvement Area #1 Projects will also include Improvement Area #1's allocable share of certain Off-Site Major Improvements, as described below:

Water: Improvements including pressure valves required to provide water service to all Lots within the District. All water improvements will be built to MSUD standards and specifications and will be owned, operated and maintained by the MSUD.

Sewer: Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within the District. All sewer improvements will be built to MSUD standards and specifications and will be owned, operated and maintained by the MSUD.

Wastewater Treatment Plant: Improvements on an approximate 14-acre wastewater treatment plant site including site work, structures, piping, electrical, equipment, and all necessary appurtenances required to provide wastewater service to all Lots within the District. All wastewater treatment plant improvements will be built to MSUD standards and specifications and will be owned, operated and maintained by the MSUD.

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

Major Improvements. The Improvement Area #1 Projects will also include Improvement Area #1's allocable share of certain Major Improvements, as described below:

Water: Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within the District. All water improvements will be built to MSUD standards and specifications and will be owned, operated and maintained by the MSUD.

Sewer: Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control

and all necessary appurtenances required to provide wastewater service to all Lots within the District. All sewer improvements will be built to MSUD standards and specifications and will be owned, operated and maintained by the MSUD.

Drainage: Improvements including earthen channels, swales, curb and inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within the District.

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

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

The following table reflects the total expected costs of the Improvement Area #1 Projects, the first year's Annual Collection Costs related to the Bonds, and Bond Issuance Costs incurred in connection with the issuance of the Bonds (collectively, the "Improvement Area #1 Authorized Improvements"), along with the costs of the Major Improvements, the Off-Site Major Improvements (including the costs of oversizing), the Private Improvements (as defined herein), and the allocation of such costs among the property in the District. The cost of the Improvement Area #1 Authorized Improvements is expected to be approximately $33,469,595[*]. Such costs are expected to be paid with proceeds of the Bonds; however, to the extent the proceeds of the Bonds are insufficient to pay for the Improvement Area #1 Authorized Improvements, the balance of such costs is expected to be paid by the Developer. See "SOURCES AND USES OF FUNDS."

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[*] *Preliminary; subject to change.*

	Total Costs[a]	Oversizing[b],[d]	Privately Funded[b]	Improvement Area #1 %	Improvement Area #1 Cost	Major Improvement Area %	Major Improvement Area Cost
Off-Site Major Improvements [c]							
Wet Utilities							
Water	$ 100,000	$ -	$ -	39.52%	$ 39,517	60.48%	$ 60,483
Sewer	1,554,936	379,118	-	39.52%	464,645	60.48%	711,173
Wastewater Treatment Plant	11,575,183	4,175,700	-	39.52%	2,924,032	60.48%	4,475,451
Soft Costs[e]	2,354,803	1,762,957	-	39.52%	233,878	60.48%	357,967
	$ 15,584,921	$ 6,317,775	$ -		$ 3,662,072		$ 5,605,075
Major Improvements [c]							
Wet Utilities							
Water	$ 635,678	$ -	$ -	39.52%	$ 251,199	60.48%	$ 384,479
Sewer	1,279,328	-	-	39.52%	505,548	60.48%	773,779
Drainage	1,293,009	-	-	39.52%	510,955	60.48%	782,054
Roadways	2,272,368	-	-	39.52%	897,965	60.48%	1,374,403
Soft Costs[e]	1,299,301	-	-	39.52%	513,441	60.48%	785,860
	$ 6,779,683	$ -	$ -		$ 2,679,108		$ 4,100,575
Improvement Area #1 Improvements							
Wet Utilities							
Water	$ 2,273,290	$ -	$ -	100.00%	$ 2,273,290	0.00%	$ -
Sewer	2,565,153	-	-	100.00%	2,565,153	0.00%	-
Drainage	2,127,041	-	-	100.00%	2,127,041	0.00%	-
Roadways	6,099,734	-	-	100.00%	6,099,734	0.00%	-
Landscaping	1,256,384	-	-	100.00%	1,256,384	0.00%	-
Soft Costs[e]	5,320,374	-	-	100.00%	5,320,374	0.00%	-
	$ 19,641,975	$ -	$ -		$ 19,641,975		$ -
Private Improvements [b],[h]							
Roadways	$ 797,648	$ -	$ 797,648	0.00%	$ -	0.00%	$ -
Landscaping	1,417,870	-	1,417,870	0.00%	-	0.00%	-
Dry Utilities	918,174	-	918,174	0.00%	-	0.00%	-
Soft Costs[e]	460,465	-	460,465	0.00%	-	0.00%	-
	$ 3,594,157	$ -	$ 3,594,157		$ -		$ -
Bond Issuance Costs [f]							
Debt Service Reserve Fund	$ 3,691,455	$ -	$ -		$ 2,593,435		$ 1,098,020
Capitalized Interest	4,040,240	-	-		2,175,485		1,864,755
Underwriter Discount[g]	1,418,460	-	-		1,004,070		414,390
Cost of Issuance	2,364,100	-	-		1,673,450		690,650
	$ 11,514,255	$ -	$ -		$ 7,446,440		$ 4,067,815
Other Costs [f]							
Deposit to Administrative Fund	$ 80,000	$ -	$ -		$ 40,000		$ 40,000
	$ 80,000	$ -	$ -		$ 40,000		$ 40,000
Total	**$ 57,194,992**	**$ 6,317,775**	**$ 3,594,157**		**$ 33,469,595**		**$ 13,813,465**

Footnotes:

[a] Per the Engineer's Report dated 12/31/2025.

[b] Non-reimbursable to the Developer through Assessments or the issuance of PID Bonds.

[c] The Major Improvements are allocated pro rata between Improvement Area #1 and the Major Improvement Area based on the ratio of Estimated Buildout Value of each area to the Estimated Buildout Value of the District.

[d] Off-Site Major Improvements oversizing as required by Mustang SUD to be paid for by the Developer without reimbursement through Assessments or the issuance of PID Bonds.

[e] Soft costs include District Formation Costs, engineering and surveying, geotechnical reporting, fees, and Mustang SUD inspection fees.

[f] Preliminary estimates only and subject to change upon the issuance of PID Bonds.

[g] Includes the cost to counsel of the Underwriter.

[h] Improvement Area #1 private improvements include roadways and earthwork, and dry utilities that are not Authorized Improvements, but are necessary to deliver finished lots in Improvement Area #1. To be provided to the Trustee as cash at closing. Not reimbursable to the Developer through Assessments or the issuance of PID Bonds.

Ownership and Maintenance of Improvements

The Improvement Area #1 Projects will be dedicated to and accepted by the City and the MSUD, as applicable, and will constitute a portion of the City's and MSUD's infrastructure improvements. The City and MSUD are expected to enter into an interlocal agreement relating to the maintenance and operation of the applicable Improvement Area #1 Projects. The City and MSUD, as applicable, will provide for the ongoing operation, maintenance and repair of the Improvement Area #1 Projects, constructed and conveyed, as outlined in the Service and Assessment Plan, except for the landscaping Improvement Area #1 Improvements which will be owned by the City and operated and maintained by the HOA, pursuant to a maintenance agreement between the City and the HOA.

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.

Overview

The land within the District will be developed as a development to be known as "Maverick Farms" (the "Development"). The Development is an approximately 364.6-acre master planned project near the intersection of FM 1385 and Mustang Road. The District is within the corporate limits of the City. The Development is approximately 18 miles northeast of the City of Frisco, Texas, 38 miles northeast of the City of Plano, Texas, and 43 miles northeast of Dallas Fort Worth International Airport. The City, located in the north-central region of the Dallas-Fort Worth-Arlington, Texas Metropolitan Statistical Area (the "DFW MSA"), is poised for significant growth as the overall DFW MSA continues its growth trajectory. The Development is located in the Pilot Point Independent School District.

The land within the Development is owned by the Developer. See "THE DEVELOPER — Description of the Developer." The Developer develops infrastructure and community improvements (amenities, parks, trails, etc.) and sells residential lots to high-quality production homebuilders under lot takedown contracts. The Development will include a variety of trails, an amenity center and open space areas for its residents and others to enjoy.

Development Plan

The Developer expects to develop the Development as a master planned residential development which is expected to contain approximately 1,348 single-family residential lots, in 40', 50' and 60' sizes at buildout. The Developer will develop the Development in distinct areas, which development will begin with development of the infrastructure to serve Improvement Area #1 of the District and the major infrastructure to serve the entire District. Such development will be followed by the infrastructure to serve the Future Improvement Areas. See "THE IMPROVEMENT AREA #1 PROJECTS," "THE DEVELOPMENT — Concept Plan" and "— Expected Build-Out and Home Prices in the Development," and "APPENDIX B — Form of Service and Assessment Plan."

The Developer began construction of the Major Improvements and the Improvement Area #1 Improvements in Q4 2025 and expects to complete such improvements in Q1 2027. The Developer expects to begin construction of the Off-Site Major Improvements in Q1 2026 and complete construction of the Off-Site Major Improvements in Q1 2027.

As of January 1, 2026, the Developer has expended approximately $2,403,490.15 on the Major Improvements and the Improvement Area #1 Improvements, which costs were funded by Developer equity.

The expected cost of the Improvement Area #1 Projects (excluding costs of issuance of the Bonds) is $25,983,155[*]. The costs of construction of the Improvement Area #1 Projects are expected to be funded with proceeds of the Bonds; however, to the extent the proceeds of the Bonds are insufficient to pay such costs, the balance of such costs is expected to be paid by the Developer without reimbursement from the City. At delivery of the Bonds, the Developer expects to advance funds for the Improvement Area #1 Private Improvements Deposit in order to pay for the Lot Completion Private Improvements, which costs will be paid entirely by the Developer without reimbursement from the City. See "SOURCES AND USES OF FUNDS."

Proceeds of the Major Improvement Area Bonds are expected to pay for a portion of the costs of the Major Improvement Area Projects. The balance of the costs of the Major Improvement Area Projects, if any, are expected to be paid by the Developer using funds from Developer equity. See "PLAN OF FINANCE."

[*] *Preliminary; subject to change.*

Concept Plan

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

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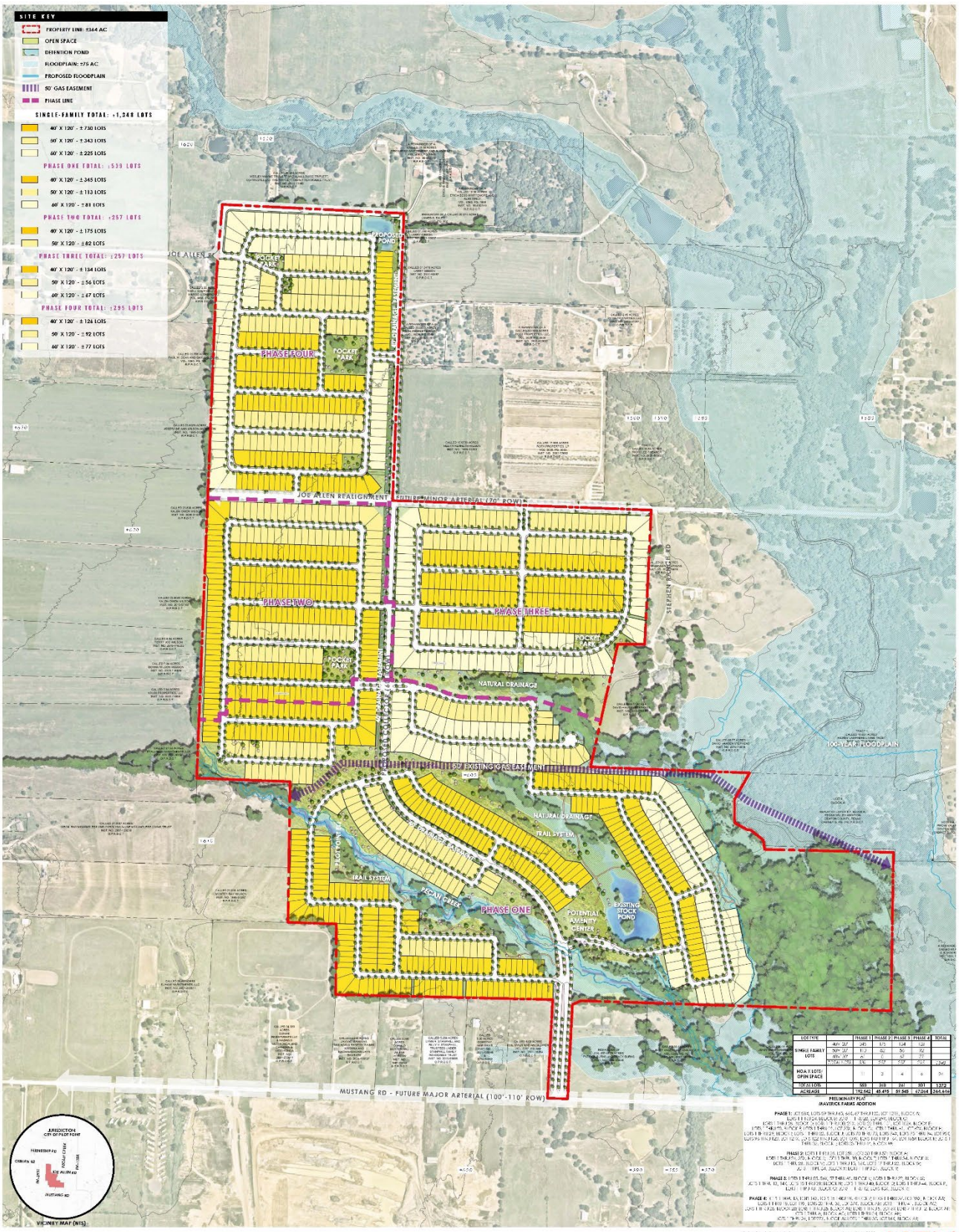

LOT TYPE		PHASE 1	PHASE 2	PHASE 3	PHASE 4	TOTAL
SINGLE FAMILY LOTS	40'x 120'	345	175	134	126	
	50'x 120'	113	82	56	92	
	60'x 120'	81	0	67	77	
	SUBTOTAL	539	257	257	295	1348
HOA / LOTS/ OPEN SPACE		11	3	4	6	24
TOTAL LOTS		550	260	261	301	1372
ACREAGE		192.542	48.495	57.548	67.004	364.589

PRELIMINARY PLAT
MAVERICK FARMS ADDITION

PHASE 1: LOT 6R1, LOTS 9 THRU 40, 66, 67 THRU 82, LOT 121, BLOCK A; LOT 1 THRU 24 BLOCK B; LOT 1 THRU 8, LOT 26, BLOCK C; LOTS 1 THRU 26, BLOCK D; LOTS 1 THRU 10, LOTS 12 THRU 16, LOT 1 BLOCK E; LOTS 1 THRU 19, BLOCK F; LOTS 1 THRU 10, BLOCK G; LOTS 1 THRU 11, BLOCK H; LOTS 1 THRU 10, BLOCK I; LOTS 1 THRU 10, BLOCK J; LOTS 1 THRU 10, BLOCK K; LOTS 1 THRU 10, BLOCK L; LOTS 1 THRU 10, BLOCK M; LOTS 1 THRU 10, BLOCK N; LOTS 1 THRU 10, BLOCK O; LOTS 1 THRU 10, BLOCK P; LOTS 1 THRU 10, BLOCK Q; LOTS 1 THRU 10, BLOCK R; LOTS 1 THRU 10, BLOCK S; LOTS 1 THRU 10, BLOCK T; LOTS 1 THRU 10, BLOCK U; LOTS 1 THRU 10, BLOCK V; LOTS 1 THRU 10, BLOCK W; LOTS 1 THRU 10, BLOCK X; LOTS 1 THRU 10, BLOCK Y; LOTS 1 THRU 10, BLOCK Z; LOTS 1 THRU 10, BLOCK AA; LOTS 1 THRU 10, BLOCK BB; LOTS 1 THRU 10, BLOCK CC; LOTS 1 THRU 10, BLOCK DD; LOTS 1 THRU 10, BLOCK EE; LOTS 1 THRU 10, BLOCK FF; LOTS 1 THRU 10, BLOCK GG; LOTS 1 THRU 10, BLOCK HH; LOTS 1 THRU 10, BLOCK II; LOTS 1 THRU 10, BLOCK JJ; LOTS 1 THRU 10, BLOCK KK; 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Lot Purchase and Sale Agreements in the District

The Developer has entered into the Lot PSAs with CastleRock (the "CastleRock PSA"), Mattamy (the "Mattamy PSA"), and Imagination (the "Imagination PSA") for 476 of the 539 lots in Improvement Area #1 of the District as described below. The Developer has not entered into any contracts for lots in the Major Improvement Area; however, Imagination and Mattamy retain certain rights of first refusal on lots in Improvement Area #2 (referred to as Phase 2 under this subheading) as described below.

The following table provides a summary of the lot types, total lots, base lot prices, fees, assessment limitations and the takedown schedule for the Lot PSAs.

Homebuilder	Total Lots (by size)	Base Price Per Lot[(1)]	Additional Fees	Assessment Limitations	Takedown dates and Lots per Takedown
CastleRock	115 x 40'	$76,000	$2,000 amenity fee $500 marketing fee $250 mailbox fee	$3.09 maximum overlapping tax stack	Initial Closing: 10 x 40' lots, 7 x 50' lots, and 3 x 60' lots within 15 days after substantial completion Subsequent closings: 7 x 40' lots, 5 x 50' lots, and 3 x 60' lots every 90 days thereafter
	38 x 50'	$95,000			
	27 x 60'	$114,000			
Mattamy	115 x 40'	$76,000	$2,000 amenity fee $500 marketing fee $250 mailbox fee	$3.09 maximum overlapping tax stack The maximum annual installment payments for IA #1 (prior to any applicable TIRZ offset, are as follows: (1) $5,820 for a 40' Lot; (2) $6,200 for a 50' Lot; and (3) $6,650 for a 60' Lot.	Initial Closing: 25 lots within 20 days after substantial completion Subsequent closings: 20 lots every 90 days thereafter
	38 x 50'	$95,000			
	28 x 60'	$114,000			
Imagination	115 x 40'	$76,000	$2,000 amenity fee $500 marketing fee $250 mailbox fee	$3.09 maximum overlapping tax stack	Initial Closing: 20 lots within 20 days after substantial completion Subsequent closings: 15 lots every 90 days thereafter
Total Lots Under Contract	476				

[(1)] Excludes escalator of an additional 6% per annum.

Under the CastleRock PSA, if lots are not completed by April 30, 2027, such deadline will automatically extend 60 days. If the lots are not completed by such extended deadline, CastleRock may extend the date for completion or choose to terminate the CastleRock PSA.

The Mattamy PSA grants Mattamy a right of first refusal on 85 lots (not more than 58 – 40' Lots and not more than 27 – 50' Lots) in Phase 2 of the District. In addition, under the Mattamy PSA, if lots are not completed by October 31, 2027, Mattamy may extend the applicable date for up to 6 months or choose to terminate the Mattamy PSA. Under the Mattamy PSA, if on the date of the Initial Closing (a) construction of a wastewater treatment plant with capacity sufficient to provide wastewater treatment to and for the benefit to Phase 1 of the Development (the "Community WWTP") is not complete, (b) TCEQ (as defined herein) has not approved and issued all necessary permits and approvals for operation of the Community WWTP or (c) due to low volume the Community WWTP is not able to commence operations (collectively the "WWTP Operating Conditions"), then Developer at its sole cost, agrees to pump, haul, and dispose of all sewer waste produced at the property in accordance with requirements of all Governmental Authorities until such time as the WWTP Operating Conditions are satisfied. If on the date Mattamy closes the purchase of the 41st Lot pursuant to the Mattamy PSA the WWTP Operating Conditions are not satisfied, then at such closing of the 41st Lot the Developer shall deposit with the Title Company the additional sum of $50,000 as security for its performance obligation to pump and haul, which sum shall be deposited, held and/or disbursed pursuant to an escrow agreement by and among Developer, Mattamy and the Title Company, and which escrow

agreement is reasonably satisfactory to Developer, Mattamy and the Title Company. When the WWTP Operating Conditions are satisfied the escrow agreement will provide that the balance of escrow funds will be released to Developer, along with all interest accrued. See "– Utilities" below.

The Imagination PSA grants Imagination a right of first refusal on 58 – 40' Lots in Phase 2 of the District. Under the Imagination PSA, if lots are not completed by October 31, 2027, Imagination may extend such date or choose to terminate the Imagination PSA.

Builder Earnest Money. Each of the Lot PSAs provides for the deposit of certain earnest money for the benefit of the Developer, which has been deposited and released. The earnest money was used to partially fund the purchase of the property in the District. See "THE DEVELOPER – History and Financing of the District," and the applicable builder shall receive a pro rata credit to its purchase price relating to its applicable earnest money. The Developer has executed subordinate earnest money deeds of trust to secure such earnest money.

The following table summarizes the earnest money delivered pursuant to the Lot PSAs.

Builder	Earnest Money Required	Earnest Money Deposited	Total Earnest Money Released
CastleRock	$2,931,320	$2,931,320	$2,931,320
Mattamy	$2,952,980	$2,952,980	$2,952,980
Imagination	$1,660,600	$1,660,600	$1,660,600
Total	$7,544,900	$7,544,900	$7,544,900

Expected Build-Out and Home Prices in the Development

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

ESTIMATED HOME PRICES

Improvement Area	Lot Size	Quantity	Base Lot Price Excluding Fees	Estimated Average Base Home Price*
1	40'	345	$76,000	$372,000
	50'	113	$95,000	$439,000
	60'	81	$114,000	$478,000
2	40'	175	$86,260	$372,000
	50'	82	$104,975	$439,000
3	40'	134	$91,436	$372,000
	50'	56	$112,848	$439,000
	60'	67	$125,000	$478,000
4	40'	126	$95,551	$372,000
	50'	92	$119,619	$439,000
	60'	77	$132,500	$478,000

* Developer estimates.

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

EXPECTED BUILD-OUT SCHEDULE OF THE DISTRICT

Improvement Area	Single-Family Lots	Actual/Expected Start of Internal Infrastructure	Expected Internal Infrastructure Completion Date	Expected Final Lot Sale Date
1	539	November 2025	January 2027	September 2030
2	257	January 2028	December 2028	March 2030
3	257	June 2029	June 2030	June 2031
4	295	September 2030	September 2031	September 2032
Total	1,348			

EXPECTED ABSORPTION OF LOTS IN THE DISTRICT

Improvement Area #1		Future Improvement Area (Phase #2)		Future Improvement Area (Phase #3)		Future Improvement Area (Phase #4)	
Expected Final Sale Date	Total Lots	Expected Final Sale Date	Total Lots	Expected Final Sale Date	Total Lots	Expected Final Sale Date	Total Lots
Q1 2027	60	Q2 2029	65	Q2 2030	52	Q3 2031	59
Q2 2027	50	Q3 2029	65	Q3 2030	52	Q4 2031	59
Q3 2027	50	Q4 2029	65	Q4 2030	51	Q1 2032	59
Q4 2027	50	Q1 2030	62	Q1 2031	51	Q2 2032	59
Q1 2028	50			Q2 2031	51	Q3 2032	59
Q2 2028	50						
Q3 2028	50						
Q4 2028	49						
Q1 2029	39						
Q2 2029	39						
Q3 2029	24						
Q4 2029	7						
Q1 2030	7						
Q2 2030	7						
Q3 2030	7						

Future Improvement Area Bonds

Future Improvement Area Bonds to finance the cost of Future Improvement Area Improvements are anticipated to be issued in the future. The estimated costs of the Future Improvement Area Improvements benefiting the Future Improvement Areas of the District will be determined at the same time such Future Improvement Areas are developed, and the Service and Assessment Plan will be updated to identify the Future Improvement Area Improvements to be constructed and financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Area of the District. The Developer anticipates that Future Improvement Area Bonds will be issued over a two-to-five-year period.

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

Development Agreement

The Development Agreement sets forth certain agreements between the City and the Developer relating to the development of the District. including the Developer's and the City's respective contributions to development of the Property, the issuance of public improvement district bonds for development in the District, and agreements relating to the creation of the TIRZ.

Pursuant to the Development Agreement, the maximum amount of bonds to be issued for the District is $110,000,000. In addition, the Development Agreement provides that the maximum tax rate equivalent of any assessments shall not exceed $1.25 per $100 assessed value at the time such assessments are levied, and the maximum overlapping tax rate equivalent in the District shall not exceed $3.09 per $100 assessed value. Under the Development Agreement, the value to lien ratio of bonds issued for direct improvements applicable to a particular phase shall be at least 2:1. For any major improvement public improvement bonds, the value to lien ratio shall not be less than 3.0:1. Notwithstanding the foregoing, the total aggregate amount of assessments levied in the District shall have a minimum value to lien ratio of at least 1.1:1.

In accordance with the Development Agreement, the City has created the TIRZ, which includes all land within the District. Under the Development Agreement, the City will provide tax increment revenue generated from the TIRZ as follows: fifty percent (50%) of the ad valorem tax increment generated by the TIRZ for a period of up to thirty-one (31) years.

Under the Development Agreement, the Developer has agreed to construct an amenity center in the District, which shall include a resort style pool. The Development Agreement requires that construction of the amenity center be commenced prior to the issuance of a building permit for Phase 2.

Under the Development Agreement, the City has consented to the formation of a water control and improvement district ("WCID") containing the property in the District, which WCID has been created for the purpose of utilizing eminent domain to acquire utility easements. The WCID is a political subdivision of the State, which has the authority to levy taxes and issue debt upon holding an election for such purposes. The Developer has agreed in the Development Agreement not to utilize the authority of the WCID to levy taxes or issue debt and the Developer does not expect the WCID to hold one or more elections to utilize such authority.

Pursuant to the Development Agreement, the City has waived all applicable impact fees to be collected within any portion of the Property.

The Development Agreement requires the Developer to prohibit D.R. Horton or any of its affiliates from constructing its "Express Series" homes within the property, and Lennar Corporation, Pulte Homes or any entity affiliated with Lennar Corporation or Pulte Homes from constructing an equivalent of D.R. Horton's Express Series homes, or such builders' lowest level home, within the Property. This restriction is expected to be contained in the covenants, conditions and restrictions recorded for the Development.

Zoning

Development in the District is governed by the Development Agreement and an ordinance adopted by the City zoning the District as a planned development (the "PD Ordinance"). The PD Ordinance is expected to allow certain residential uses and establishes guidelines pertaining to purpose, height, area, and setbacks in the District, and also allows certain commercial and multifamily uses on the land adjacent to the Development. The City's zoning and subdivision regulations will control to the extent they do not conflict with the PD Ordinance.

Lot Completion Private Improvements, Landscaping and Entry Monumentation

The Developer plans to construct or fund certain private improvements to serve Improvement Area #1 of the District consisting of franchise/dry utilities, grading, and certain soft costs (collectively, the "Lot Completion Private Improvements") and landscaping and entry monuments to serve the District (together with the Lot Completion Private Improvements, the "Private Improvements").

The Developer expects to begin construction of the Lot Completion Private Improvements in Q4 2026 and complete such construction in Q1 2027. The approximate cost of the Lot Completion Private Improvements is $2,176,287. The Developer will advance the Improvement Area #1 Private Improvements Deposit at closing of the Bonds to provide security for the completion of the Lot Completion Private Improvements. See "SECURITY FOR THE BONDS – Improvement Area #1 Private Improvements Fund."

The Developer expects to complete construction of landscaping and entry monumentation by Q4 2026 and fund such cost using funds from the Acquisition and Development Loan. The expected cost of the landscaping and entry monumentation is $1,417,870.

The portions of retaining wall included in the Lot Completion Private Improvements as well as the landscaping and entry monumentation that will be located on HOA owned lots will be dedicated to and accepted by the HOA. The HOA will provide for the ongoing operation, maintenance and repair of such improvements through HOA fees to be paid by each lot owner within the District.

Amenities

The Developer will construct certain amenities within the Development, including hike and bike trails, playgrounds, open space improvements, screening walls, ponds and an amenity center which will include a resort-style pool, clubhouse, open space, a play area, restrooms and parking. Construction of the amenity center, which will be located in Improvement Area #1, is expected to begin in Q3 2026 and be completed in Q4 2027. The amenity center is expected to cost approximately $1,975,540.51 and be financed with the Acquisition and Development Loan and other Developer funds. Construction of the amenities other than the amenity center and applicable to each phase will be completed on a phase-by-phase basis as each phase is developed beginning at completion of lot development in such phase. The expected cost of the amenities other than the amenity center allocable to Improvement Area #1, which include nature trails and concrete sidewalks, is $187,714.00, which is expected to be funded with the Acquisition and Development Loan without reimbursement from the City.

The Lot PSAs and the Development Agreement contain certain deadlines for the construction of the amenities and the amenity center. The Developer expects to meet such deadlines.

Education

Pilot Point Independent School District ("PPISD") which serves a portion of Collin and Denton Counties, serves the District. PPISD enrolls over 1,500 students in one high school, one middle school, one elementary school and one early childhood center. Students in the District desiring to attend public school will attend Pilot Point Elementary School (approximately 9.8 miles from the District), Pilot Point Middle School (approximately 8.4 miles from the District) and Pilot Point High School (approximately 11 miles from the District). According to the Texas Education Agency ("TEA"), Pilot Point High School received a "District Accountability Rating" of "B," and PPISD, Pilot Point Elementary School and Pilot Point Middle School each received a "District Accountability Rating" of "C" from the TEA for the 2024-2025 school year. Greatschools.org rates Pilot Point Middle School a 4/10 and Pilot Point High School a 5/10. Greatschools.org has not rated Pilot Point Elementary School.

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

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

The Developer is not aware of any ongoing mineral rights development or exploration on or adjacent to the property within the District. The Developer is not aware of any interest in real property (including mineral rights) owned by the Mineral Owners adjacent to the District. Certain rules and regulations of the Texas Railroad

Commission may also restrict the ability of the Mineral Owners to explore or develop the property due to well density, acreage, or location issues.

Although the Developer does not expect the above-described Third-Party Property Rights, or the exercise of such rights or any other third-party real property rights in or around the District, to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments, the Developer makes no guarantee as to such expectation. See "BONDHOLDERS' RISKS — Exercise of Third-Party Property Rights."

Environmental

Environmental. A Phase One Environmental Site Assessment (a "Phase One ESA") of the Broken Rock Ranch Property was completed on April 27, 2025, by Environmental Property Investigations, Inc. ("EPI"). Based on the information presented in the Phase One ESA, EPI concluded that there were no recognized environmental conditions existing on the Purchased Property.

Endangered Species. Jones & Ridenhour, Inc. completed a threatened and endangered species investigation of the property in January 2024. According to such investigation, there did not appear to be any federally-listed, threatened or endangered species or critical habitats on the property. The Developer is not aware of any endangered species located on District property.

Wetland Study. Jones & Ridenhour, Inc. completed a preliminary wetland determination for the property in January 2024. Such study identified two potential intermittent streams which were potentially under the jurisdiction of the United States Army Corps of Engineers ("USACE"). According to the Developer, the only impact to either of these streams is a culvert crossing in a main arterial roadway. Such crossing falls within the USACE's linear transportation permit, which does not require notification to or additional permitting or approval from the USACE.

Geotechnical Exploration

A geotechnical exploration of the property in Improvement Area #1 of the District was completed in July 2025 by Ellerbee-Walczak, Inc. The report of such exploration (the "Geotechnical Report") provided certain predevelopment, paving and foundation recommendations to reduce the potential for vertical movement of the soil within the tolerable limits. Such recommendations included water pressure injection and soil moisture conditioning. The Developer indicates that it has complied or will comply with all recommendations set forth in the Geotechnical Report.

Flood Designation

The property is mapped on Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Map ("FIRM") Panel No. 48121C0260G dated April 18, 2011 (the "FIRM Map"); however, according to the Developer's engineer, the flood basin in which the District lies has not been studied. The Developer's engineer has completed, and the City has approved, a drainage study (the "Drainage Study") which indicates that approximately 75.13 acres of the property of the District is expected to lie within the 100-year floodplain (Zone A), which is distributed in the District as follows: 72.81 acres in Improvement Area #1 and 2.32 acres in the Major Improvement Area. According to the Drainage Study, approximately 27.65 acres located in the Improvement Area #1 expected floodplain is expected to contain residential lots. The Developer expects to complete site grading and a field verification during the development process during which the area in Improvement Area #1 that lies in the expected floodplain will be graded to an elevation outside the expected floodplain. After such process is completed, the Developer expects to apply for a Letter of Map Revision which will designate such areas as outside the 100-year floodplain. The remainder of the area in the floodplain in Improvement Area #1 and the area in the floodplain in the Major Improvement Area are expected to be dedicated to open space.

Utilities

Water and Wastewater. The District lies in MSUD's certificated service area and it is expected that MSUD will provide both retail water and wastewater service to the District. All water improvements and wastewater

improvements will be dedicated to, and owned and operated by MSUD. Wastewater treatment services will be provided by MSUD through a contract with the Upper Trinity River Water District ("UTRWD") to treat MSUD wastewater at the UTRWD wastewater treatment plant. MSUD provides water and wastewater service to an area of approximately 120 square miles in Northeast Denton County. MSUD's fresh water supplies are obtained through both groundwater wells and surface water treatment. MSUD has 18 ground storage tanks and 7 elevated storage tanks. Treated surface water pumping is provided through the Temple Dane Pump Station located on FM 720 just south of US Highway 380. Wastewater treatment is provided through a subscription through water reclamation plants operated by the UTRWD.

The Developer and MSUD have entered into a Non-Standard Service Agreement, as amended (the "NSSA") pursuant to which MSUD will provide water and wastewater services to a maximum of 1,425 living equivalent units within the District. The Developer is constructing certain onsite and offsite water and wastewater improvements pursuant to the NSSA, all of which are part of the Improvement Area #1 Improvements, the Off-Site Major Improvements, and the Major Improvements to provide water and wastewater service to the District and are expected to be partially funded with proceeds of the Bonds and the Major Improvement Area Bonds. MSUD and the Developer have agreed to cost share in the construction of the Off-Site Major Improvements. Developer is responsible for the construction costs of the Off-Site Major Improvements that are required to service the District, and MSUD is responsible for the cost of all oversizing of the Off-Site Major Improvements. MSUD is expected to provide for the approximate $6,317,775.00 in costs attributable to oversizing the Off-Site Major Improvements by payment to the applicable contractor upon receipt and review by MSUD of a contractor-certified pay application.

The Off-Site Major Improvements include a wastewater treatment plant which will be constructed with sufficient capacity to serve Improvement Area #1 and will be expanded as Future Improvement Areas come online. Such future expansions of the wastewater treatment plant will be constructed by MSUD, and MSUD is responsible for the cost of any pump and haul services necessary if construction of the expansion is not completed in sufficient time to provide service to the applicable Future Improvement Area.

Construction of the wastewater treatment plant is expected to begin in Q1 2026 and be completed in Q1 2027 The Developer and MSUD have received a permit for the wastewater treatment plant from the Texas Commission on Environmental Quality ("TCEQ").

In addition, MSUD will purchase a water reclamation facility located outside the District and the Developer shall make a contribution of $100,000 toward the purchase of such site. MSUD has identified the location of the water reclamation facility and is currently in the process of entering into a purchase and sale agreement to purchase the site. Upon the purchase of such location by MSUD, the Developer will make the required contribution.

Pursuant to the NSSA, the Developer has also deeded groundwater rights for the property in the District to MSUD.

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

THE DEVELOPER

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's 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.

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such

activities within a development may have a material effect on the security of revenue bonds, such as the Bonds, issued by a municipality for a public improvement district. A developer is generally under no obligation to a public improvement district, such as the District, to develop the property which it owns in a development. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

Description of the Developer

The Developer, OMA Pilot Point, L.L.C., was created for the purpose of managing and ultimately conveying property in the District to third parties, as described under the caption "THE DEVELOPMENT." The membership interests in the Developer are divided into four classes, Class A-1, A-2, A-3 and Class M. Class M Units are the Units with the power to vote, and the power to govern the affairs of the Developer. Oak Bridge Development Partners, L.L.C., a South Dakota limited liability company (the "Managing Member") owns the Class M Units of the Developer. The Managing Member is owned by One Mark, Inc., a South Dakota corporation and 2022 Plan, L.L.C., a Texas limited liability company, both of which are 100% owned by Cameron Castaldo. See "—Executive Biography." The Manager of the Managing Member is One Mark, Inc.

One Mark Advisors is a Texas-based developer and property management firm specializing in master-planned communities built for longevity, livability, and lasting value. With deep local roots and a commitment to craft, One Mark Advisors combines strategic insight with hands-on experience to create places people are proud to call home.

Example projects of One Mark Advisors include the following:

Name of Project	Location	Description (SF, MF, Commercial)	Status of Development
Legacy Branch	Celina, Tx	320, SF Lots	Complete
Villages On Mckinney Street	Denton, Tx	113, SF, Detached Townhomes	Complete
Ten Oaks	Heath, Tx	10, SF Lots	Complete
The Enclave At Edgestone	Frisco, Tx	16, SF Lots	Complete
Vineyard Hill Estates	Melissa, Tx	245, SF Lots	Entitlement
Gross Melissa	Melissa, Tx	250, SF Lots	Entitlement
340ac Anna	Anna, Tx	476, SF Lots	Entitlement
Swisher Grimes	Denton, Tx	246, SF Lots	Entitlement

The Developer is a nominally capitalized limited liability company, the primary asset of which is unsold property within the District. The Developer will have no source of funds with which to pay Assessments or taxes levied by the City or any other taxing entity other than funds resulting from the sale of property within the District or funds advanced to the Developer by an affiliated party. The Developer's ability to make full and timely payments of Assessments or taxes will directly affect the City's ability to meet its obligation to make payments on the Bonds.

Executive Biography

Cameron Castaldo, Founder and President, One Mark Advisors. Cameron Castaldo serves as the Founder and President of One Mark Advisors, guiding the company's strategic development and investment initiatives. With a robust portfolio spanning over 900 acres, the company is diligently designing and developing more than 4,000 lots. Projects currently underway are set to expand their management to an additional 400 acres, yielding over 700 lots. Before establishing One Mark Advisors, Cameron worked in many different areas within real estate, including residential, land, and commercial acquisition and disposition, facilitating over $38M in residential transactions and over $100M in commercial and land acquisition and disposition.

The Fee Developer

The Developer has engaged Lenart Development Company, L.L.C. ("Lenart") as a fee developer for the Development. Lenart is a real estate development and consulting firm focused primarily on single family and light commercial development. The firm provides fee development services for projects across the Dallas-Fort Worth Metroplex along with consulting services regarding entitlement, financing, special districts, construction, and due diligence. The firm also owns and develops projects with equity partners utilizing third party debt financing.

Lenart was formed in November of 2006. Mr. Steve Lenart, the founder and manager of the company, has over twenty-seven years of experience in the real estate development industry. Mr. Lenart's experience encompasses all aspects of the business, including both homebuilding and development. He spent fourteen years with a "Big Three" public builder, where he held the executive positions of Director of Construction and then Land Division President. In his six years as Division President he managed all aspects of land and lot acquisition and development in the DFW area. In his role as Division President he developed an in-depth knowledge of every aspect of the development business, including acquisition, due diligence, contracting, entitlements, sales, homeowner associations, finance, joint ventures, special financing districts, and day-to-day development. Acquisitions included both raw land and finished lots, and ranged in size from 15 acres to over 3,000 acres. Mr. Lenart has extensive knowledge of entry-level, first time move-up, second time move-up, acreage, and active adult communities. He led the entitlement/acquisition of over 40,000 lots and developed over 15,000 lots in his role as Division President.

Lenart manages the development of multiple residential developments in the DFW area. The projects vary from simple municipal jurisdictions to Public Improvement Districts. The firm's responsibilities include managing all of the day-to-day operations of the development. This includes site evaluation, plan review and management, contracting, and payment of contracts. The firm's team of experienced Project Managers oversees the project subcontractors on a daily basis to effectively and efficiently deliver completed infrastructure and finished lots per approved plans. The firm also performs feasibility studies for projects along with entitlement, zoning, platting, and financial analysis.

History and Financing of the District

The Developer purchased the property in the District in three separate transactions. The Developer purchased approximately 1.209 acres from Patrick and Tracy Burns on May 1, 2024, at a purchase price of $525,000 which was funded with cash. The Developer purchased an additional approximately 10 acres from Ricky and Mary Helene Pickard on October 31, 2025, at a purchase price of $2,800,000 and approximately 353.437 acres from Broken Rock Ranch, LLC on October 31, 2025, at a purchase price of $24,300,000, each of which was funded with funds from the Acquisition and Development Loan, earnest money delivered pursuant to the Lot PSAs, and cash from the Developer. See "THE DEVELOPMENT – Lot Purchase and Sale Agreements in the District."

The Developer has obtained a loan (the "Acquisition and Development Loan") from TC (N) Corporation (the "Lender"), an affiliate of Trez Capital, in an amount up to $44,094,783 for the purpose of acquiring the land in the District and funding development in the District.

The terms of the Acquisition and Development Loan provide that after the funding of the initial advance, any additional advances under the Acquisition and Development Loan from the interest reserve amount funded with the Acquisition and Development Loan and to pay project development costs in accordance with the Approved Budget shall be limited to an amount ("Capped Amount") that is the lesser of (i) $23,621,000, and (ii) a portion of the Acquisition and Development Loan proceeds equal to sixty-five (65%) of the fair market value of the Property until Developer is entitled to receive all proceeds of the Bonds and the Major Improvement Area Bonds ("Phase 1 PID Reimbursement Amount") through the District for Phase 1 of the Property ("Phase 1 PID") for the payment of those project development costs that are eligible to be reimbursed from Phase 1 of the Property ("Phase lA Eligible Costs"). No portion of the Acquisition and Development Loan proceeds will be advanced to Developer to pay the Phase lA Eligible Costs, it being agreed that Developer shall utilize the Phase 1 PID Reimbursement Amount to pay the Phase lA Eligible Costs. Notwithstanding anything to the contrary contained in the Acquisition and Development Loan documents, to the extent (i) Developer is not eligible to receive, and draw upon, the Phase 1 PID Reimbursement Amount within 180 days following the date of the Initial Advance, or subsequently becomes ineligible to receive, and draw upon, the Phase 1 PID Reimbursement Amount, or (ii) the amount of the Phase 1 PID Reimbursement Amount

is insufficient to pay the Phase lA Eligible Costs for Phase 1 of the Property, the Developer must pay any shortfall from the Developer's own resources (other than the proceeds of the Acquisition and Development Loan). In addition, the Developer's failure to be eligible to receive the Phase 1 PID Reimbursement Amount within 180 days following the Effective Date shall, at Lender's option, constitute an Event of Default under the Acquisition and Development Loan documents.

After the Developer has become entitled to receive the Capped Amount of the Acquisition and Development Loan proceeds, the portion of the Acquisition and Development Loan proceeds that was not previously funded, less the Interest Reserve Amount, will be advanced to pay the costs of developing the Property pursuant to the approved budget set forth in the Loan Agreement.

The Acquisition and Development Loan will bear variable interest at the greater of the Wall Street Journal Prime Rate plus 5.00% and 11% per annum. Interest on the Acquisition and Development Loan is expected to be payable monthly, and an interest reserve is expected to fund initial monthly interest payments.

The Acquisition and Development Loan matures on October 31, 2028. Principal payments on the Acquisition and Development Loan are due in the amounts set forth below, with the remaining principal due at maturity:

Due Date	Principal Payment
March 31, 2027	$4,800,000.00
June 30, 2027	$5,400,000.00
September 30, 2027	$5,300,000.00
December 31, 2027	$5,300.000.00
March 31, 2028	$4,300,000.00
June 30, 2028	$3,900,000.00
September 30, 2028	$3,700,000.00

The Acquisition and Development Loan is a revolving credit facility and amounts repaid may be borrowed at the option of the Lender. As of January 1, 2026, the Acquisition and Development Loan is outstanding in the amount of $20,860,509.86.

The Acquisition and Development Loan is secured by a first lien deed of trust on the land in the District, and collateral assignments of the Development Agreement, entitlements, contracts, reimbursement rights, and builder contracts. Cameron Castaldo and Robert Aaron Williams have also executed a completion guaranty, and Cameron Castaldo has executed a guaranty and a limited guaranty for the Acquisition and Development Loan.

The PID Act provides that the Assessment Lien is a first and prior lien against the assessed property within the District and is superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes. Additionally, at or prior to delivery of the Bonds, the Lender shall consent to and acknowledge the creation of the District, the levy of the Assessments and the subordination of the lien securing the Acquisition and Development Loan to the Assessment Liens on the property within the District securing payment of the Assessments. As a result, the lien on the property within Improvement Area #1 of the District securing the Assessment will have priority over the lien on the property within Improvement Area #1 of the District securing the Acquisition and Development Loan.

THE ADMINISTRATOR

The following information has been provided by the Administrator. Certain of the following information is beyond the direct knowledge of the City, the City's 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.

The City has selected P3Works, LLC ("P3Works") as the Administrator for the District. The City has entered into an agreement with the Administrator to provide specialized services related to the administration of the District needed to support the issuance of the Bonds. P3Works will primarily be responsible for preparing the annual update to the Service and Assessment Plan. P3Works is a consulting firm focused on providing district services relating to

the formation and administration of public improvement districts, and is based in Austin and North Richland Hills, Texas.

The Administrator's duties will include:

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

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

APPRAISAL

The Appraisal

General. Peyco Southwest Realty, Inc. (the "Appraiser"), prepared an appraisal report for the City effective as of March 1, 2027, based upon a physical inspection of the District conducted on June 19, 2025 (the "Appraisal"). The Appraisal was prepared at the request of the City. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to Improvement Area #1 of the District. The Appraisal is attached hereto as APPENDIX E and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See "APPENDIX E — Appraisal."

Value Estimates. The Appraiser estimated the aggregate market value of the fee simple interest in various tracts of land comprising the land in Improvement Area #1 of the District under the extraordinary assumption that the Improvement Area #1 Projects are completed. See "THE IMPROVEMENT AREA #1 PROJECTS."

The Appraisal does not reflect the as-is condition of Improvement Area #1 of the District as the Improvement Area #1 Projects have not yet been constructed. Moreover, the Appraisal does not reflect the value of Improvement Area #1 of the District as if sold to a single purchaser in a single transaction. The Appraisal provides the fee simple estate values for Improvement Area #1 of the District. See "APPENDIX E — Appraisal."

The prospective cumulative retail lot value estimate of the fee simple interest in the assessable property within Improvement Area #1 of the District using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of March 1, 2027, is $54,371,550.

After considering discounted cash flows, the prospective market value estimate of the fee simple interest in the assessable property within Improvement Area #1 of the District using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of March 1, 2027, is $49,378,000.

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.

BONDHOLDERS' RISKS

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

General

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

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Area #1 of the District to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #1 of the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the lots within Improvement Area #1 of the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such lots.

The rate of development of the property in Improvement Area #1 of the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within Improvement Area #1 of the District should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Improvement Area #1 of the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

The Underwriter is not obligated to make a market in or repurchase any of the Bonds, and no representation is made by the Underwriter, the City or the City's 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.

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

Deemed Representations and Acknowledgment by Investors

Each Investor will be deemed to have acknowledged and represented to the City the matters set forth under the heading "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" which include, among others, a

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

Assessment Limitations

Annual Installments of Assessments are billed to property owners in Improvement Area #1 of the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as set forth under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year, interest, Additional Interest, and the Annual Collection Costs for such year. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessment payments in the future.

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

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #1 of the District, any Assessment that is also delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

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

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

Under Texas law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, it is anticipated that no such homestead rights will be claimed. Furthermore, the Developer is not eligible to claim homestead rights and the Developer has represented that it will own all property within Improvement Area #1 of the District as of the date of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Assessed Parcels superior to the Assessment Lien and, therefore, the Assessment Lien may be foreclosed upon by the City.

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

THE ASSESSMENTS WILL CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND WILL BE A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN IMPROVEMENT AREA #1 OF THE DISTRICT.

Completion of the Improvement Area #1 Projects

The Improvement Area #1 Projects are not yet complete. The cost and time for completion of all of such improvements is uncertain and may be affected by changes in national, regional and local and economic conditions; changes in long and short term interest rates; unanticipated development costs; unforeseen environmental risks and controls; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer. If cost overruns result in delay of construction, or if other delays are experienced, the Developer may be unable to timely complete the Improvement Area #1 Projects and other necessary improvements to achieve finished lot completion.

Failure or Inability to Complete Proposed Development

Proposed development within the District, including completion of the Improvement Area #1 Projects, 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" and – Availability of Utilities" below. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. THE TIMELY PAYMENT OF THE BONDS DEPENDS UPON THE WILLINGNESS AND ABILITY OF THE DEVELOPER AND ANY SUBSEQUENT OWNERS TO PAY THE ASSESSMENTS WHEN DUE. ANY OR ALL OF THE FOREGOING COULD REDUCE THE WILLINGNESS AND THE ABILITY OF SUCH OWNERS TO PAY THE ASSESSMENTS AND COULD GREATLY REDUCE THE VALUE OF PROPERTY WITHIN THE DISTRICT IN THE EVENT SUCH PROPERTY HAS TO BE FORECLOSED. In that event, there could be a default in the payment of the Bonds.

Completion of Homes

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

Risks Related to the Current Residential Real Estate Market

The real estate market is currently experiencing a slowing of new home sales and new home closings due in part to rising inflation and mortgage interest rates. It is difficult to determine what effects the on-again, off-again tariffs imposed by the federal administration and retaliatory tariffs against the United States will have on inflation and mortgage interest rates. Downturns in the real estate market, mortgage rates, and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of lot and home sales within the District. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

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

As a result of low supply and high demand, shipping constraints, and the ongoing trade war (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. Further, the federal administration's on-again, off-again tariffs, threatened impositions of tariffs, and the imposition or threatened imposition of retaliatory tariffs against the United States will impact the ability of the homebuilders to estimate costs. If the cost of materials remains elevated, it may impact the ability of the Developer to complete the Improvement Area #1 Projects and the homebuilders to construct homes in Improvement Area #1 of the District.

The federal administration's immigration policies may impact the State's workforce. Undocumented construction workers make up a large percentage of construction workers in the State. Mass deportations or immigration policies that make it challenging for foreign workers to work in the United States may result in labor shortages, particularly in construction. Labor shortages will impact the Developer's ability to construct the Improvement Area #1 Projects and the homebuilders' ability to construct homes within Improvement Area #1 of the District.

General Risks of Real Estate Investment and Development

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

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

DEVELOPMENT – Lot Purchase and Sale Agreements in the District" and "– Expected Build-Out and Home Prices in the Development."

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

Availability of Utilities

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

Exceedance of Maximum Assessment Could Trigger Assessment Prepayment and Optional Redemption

The Service and Assessment Plan establishes a "Maximum Assessment" for each lot type in Improvement Area #1 of the District, which Maximum Assessment is currently calculated at the amounts shown under "ASSESSMENT PROCEDURES – Assessment Amounts – *Maximum Assessment*." See also "APPENDIX B — Form of Service and Assessment Plan."

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per lot for any lot type exceeding the Maximum Assessment. If the Administrator determines that the resulting Assessment per lot for any lot type will exceed the Maximum Assessment, the Service and Assessment Plan provides that the person or entity filing the plat shall make a mandatory prepayment of the Assessments. See "ASSESSMENT PROCEDURES – Assessment Amounts – *Maximum Assessment*."

No plat has been filed for lots in Improvement Area #1. In the event that the combined tax rate for entities taxing Improvement Area #1 rises or the estimated build out value of lots in Improvement Area #1 falls prior to the filing of a plat for Improvement Area #1, a mandatory prepayment of the Assessments could be triggered at the time of filing of the plat. Any mandatory prepayment of the Assessments related to the exceedance of the Maximum Assessment may trigger an optional redemption of the Bonds by the City. See "DESCRIPTION OF THE BONDS – Redemption Provisions."

State Law Requiring Notice of Assessments

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract or purchase and sale. If the Developer or homebuilders within Improvement Area #1 of the District do not provide the required notice and prospective purchasers of property within Improvement Area #1 of the District terminate a purchase and sale contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney's fees, or (ii) an amount not to exceed $5,000, plus reasonable attorney's fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property may be prepaid. In the event of such prepayment, a partial redemption of the Bonds could occur. See "DESCRIPTION OF THE BONDS – Redemption Provisions." On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further however, if the Developer or homebuilders within Improvement Area #1 of the District do not

provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The form of notice to be provided to homebuyers is attached to the Service and Assessment Plan and will be attached to each Annual Service Plan Update. See "APPENDIX B — Form of Service and Assessment Plan."

Potential Future Changes in State Law Regarding Public Improvement Districts

During prior 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 Representatives which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 89th Legislative Session of the State (the "89th Regular Session") concluded on June 2, 2025, without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor's direction, each lasting no more than 30 days, and for which the Governor sets the agenda. The Governor 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 4, 2025. No legislation relating to special assessments was proposed for the special sessions. 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.

TIRZ Credit and Marketing of the Development

The TIRZ Revenues are generated only from ad valorem taxes levied and collected by the City on the Captured Appraisal Value in the TIRZ in any year. Any delay or failure by the Developer to develop the District may result in a reduced amount of the TIRZ Revenues being available to offset the Assessments. TIRZ Revenues generated from the Captured Appraised Value for each parcel in Improvement Area #1 during the development of such parcel will result in a TIRZ Annual Credit Amount which is not sufficient to achieve the TIRZ Improvement Area #1 Maximum Annual Credit Amount. The TIRZ Annual Credit Amount will likely not provide for the TIRZ Improvement Area #1 Maximum Annual Credit Amount until the second year that a home on such parcel is assessed. The ability of the TIRZ Annual Credit Amount to equal the TIRZ Improvement Area #1 Maximum Annual Credit Amount for parcels within Improvement Area #1 is dependent on the actual buildout values in Improvement Area #1 meeting the projections for estimated buildout value described in the Service and Assessment Plan. If the buildout values in Improvement Area #1 do not reach the expected values, the TIRZ Revenues will not be sufficient to produce the TIRZ Improvement Area #1 Maximum Annual Credit Amount. See "OVERLAPPING TAXES AND DEBT" and "APPENDIX B — Form of Service and Assessment Plan."

It is uncertain what impact, if any, the TIRZ Annual Credit Amount application to the Annual Installments of the Assessments will have on the underwriting of residential mortgages. If the underwriter of a residential mortgage does not recognize the TIRZ Annual Credit Amount it may make it more difficult for a borrower to qualify for a home mortgage which could have a negative impact on home sales and projected absorption.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within Improvement Area #1 of the District to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within Improvement Area #1 of the District and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #1 of the District. The imposition of additional liens, or for the need for private financing, may reduce the ability or willingness of the landowners to pay the Assessments.

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

Failure of the owners of property within Improvement Area #1 of the District to pay the Assessments when due could result in the rapid, total depletion of the Reserve Account and the Additional Interest Reserve Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Fund. The Reserve Account will be fully funded from the proceeds of the Bonds; however, funding of the Additional Interest Reserve Account is accumulated over time by the mechanism described in "SECURITY FOR THE BONDS — Additional Interest Reserve Account of the Reserve Fund." The Indenture provides that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under "SECURITY FOR THE BONDS — Reserve Account of the Reserve Fund" herein.

Hazardous Substance

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 such parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within Improvement Area #1 of the District does not take into account 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 Improvement Area #1 of the District has such a current liability with respect to such parcel; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within Improvement Area #1 of the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. The actual occurrence of any of these possibilities could significantly negatively affect the value of a parcel that is realizable upon a foreclosure.

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

Exercise of Third-Party Property Rights

As described herein under "THE DEVELOPMENT — Existing Mineral Rights, Easements and Other Third-Party Property Rights," third parties hold title to certain Third-Party Property Rights applicable to real property within and around the District, including reservations of mineral rights and royalty interests and easements, pursuant to various instruments in the chain of title for various tracts of land within and around the District.

The Developer does not expect the existence or exercise of such Third-Party Property Rights or other third-party real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within Improvement Area #1 to pay Assessments. However, none of the District, the City's Municipal Advisor, the Underwriter, the Developer or the Administrator provide any assurances as to such Developer expectations.

Regulation

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

Bankruptcy

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

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, the Trustee may, and upon the written request of at least 25% of the owners of the Bonds Outstanding and its receipt of indemnity satisfactory to it, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by the Indenture or by applicable laws, including, but not limited to, the specific performance of any covenant or agreement contained in the Indenture, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — 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.

On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W. 3d 427 (Tex. 2016) that sovereign immunity does not imbue a city with derivative immunity when it performs proprietary, as opposed to governmental, functions in respect to contracts executed by a city. The Court reviewed

Wasson Interests, Ltd. v. City of Jacksonville again in June 2018 and clarified 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. 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 the authority or for the benefit of the State. In its decision, the Court held that since the Local Government Immunity Waiver Act waives governmental immunity in certain breach of contract claims without addressing whether the waiver applies to a governmental function or a proprietary function of a city, the Court could not reasonably read the Local Government Immunity Waiver Act to evidence legislative intent to waive immunity when a city performs a proprietary function.

The City is not aware of any Texas 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 Texas courts. In general, Texas 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. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

Bankruptcy Limitation to Bondholders' Rights

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

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

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted (subject to the provisions set forth in the Indenture) to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of

property within Improvement Area #1 of the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments and the Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

The Indenture 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.

Loss of Tax Exemption

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

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

Tax-Exempt Status of the Bonds

As further described in "TAX MATTERS" below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the "Code") and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Bonds to be included in the gross income of owners of the Bonds for federal income tax purposes, possibly from the date of original issuance of the Bonds. Further, the opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of interest on the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. 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 Bondholders for federal income tax purposes, the City may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

Management and Ownership

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

Dependence Upon Developer

The Developer, as the owner of all of the parcels in Improvement Area #1 of the District, currently has the obligation for payment of 100% of the Assessments. The ability of the Developer to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The only assets of the Developer are land within the District, related permits and development rights, and minor operating accounts. The source of funding for future land development activities and infrastructure construction to develop the lots proposed for the District also consists of proceeds from the Bonds and proceeds of lot sales, as well as possible bank financing and equity contributions by the Developer. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

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

Moreover, the City will pay to the Developer or the Developer's designee, for project costs actually incurred in developing and constructing the Improvement Area #1 Projects and be paid in accordance with the Improvement Area #1 Construction, Funding, and Acquisition Agreement and the Indenture. See "THE IMPROVEMENT AREA #1 PROJECTS – General" and "THE DEVELOPMENT – Development Plan." There can be no assurance given as to the financial ability of the Developer to complete such improvements.

Agricultural Use Valuation and Redemption Rights

Portions of the property in the District, including a portion of Improvement Area #1, are currently entitled to valuation for ad valorem tax purposes based upon its agricultural use. Under Texas law, an owner of land that is entitled to an agricultural valuation has the right to redeem such property after a tax sale for a period of two years after the tax sale by paying to the tax sale purchaser a 25% premium, if redeemed during the first year, or a 50% premium, if redeemed during the second year, over the purchase price paid at the tax sale and certain qualifying costs incurred by the purchaser. Although Assessments are not considered a tax under Texas law, the PID Act provides that the lien for Assessments may be enforced in the same manner as a lien for ad valorem taxes. This shared enforcement mechanism raises a possibility that the right to redeem agricultural valuation property may be available following a foreclosure of a lien for Assessments, though there is no indication in Texas law that such redemption rights would be available in such a case.

The Developer expects that the agricultural use valuations within Improvement Area #1 of the District will terminate in 2026.

Use of Appraisal

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

In performing its analysis, the Appraiser makes numerous assumptions with respect to general business, economic and regulatory conditions and other matters, many of which are beyond the Appraiser's, Underwriter's and City's control, as well as certain factual matters. Furthermore, the Appraiser's analysis, opinions and conclusions are necessarily based upon market, economic, financial and other circumstances and conditions existing prior to the valuation and date of the Appraisal.

The intended use and user of the Appraisal are specifically identified in the Appraisal as agreed upon in the contract for services and/or reliance language found in the Appraisal. The Appraiser has consented to the use of the

Appraisal in this Limited Offering Memorandum in connection with the issuance of the Bonds. No other use or user of the Appraisal is permitted by any other party for any other purpose.

Risk from Weather Events

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

100-Year Floodplain

The property is mapped on the FEMA FIRM Map, Panel No. 48121C0260G dated April 18, 2011; however, according to the Developer's engineer, the flood basin in which the District lies has not been studied. The Developer's engineer has completed, and the City has approved, the Drainage Study which indicates that approximately 75.13 acres of the property of the District is expected to lie within the 100-year floodplain (Zone A), which is distributed in the District as follows: 72.81 acres in Improvement Area #1 and 2.32 acres in the Major Improvement Area. According to the Drainage Study, approximately 27.65 acres located in the Improvement Area #1 expected floodplain is expected to contain residential lots. The Developer expects to complete site grading and a field verification during the development process during which the area in Improvement Area #1 that lies in the expected floodplain will be graded to an elevation outside the expected floodplain. After such process is completed, the Developer expects to apply for a Letter of Map Revision which will designate such areas as outside the 100-year floodplain. The remainder of the area in the floodplain in Improvement Area #1 and the area in the floodplain in the Major Improvement Area are expected to be dedicated to open space.

FEMA will from time to time revise its Flood Insurance Rate Maps. None of the County, the Underwriter, or the Developer make any representation as to whether FEMA may revise its Flood Insurance Rate Maps, whether such revisions may result in homes that are currently outside of the 100-year floodplain from being included in the 100-year floodplain in the future, or whether extreme flooding events may occur more often than assumed in creating the 100-year floodplain.

Competition

The housing industry in the Dallas-Fort Worth 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 which are planned will be completed in accordance with the Developer's expectations. The competitive position of the Developer in the sale of developed lots or of any other homebuilder in the construction and sale of single-family residential units is affected by most of the factors discussed in this "BONDHOLDERS' RISKS" section, and such competitive position is directly related to maintenance of market values in the District. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise be able to compete with the Development. A sample of competitive projects near the Development is below.

Project Name	Proximity to District (Miles)	Approximate # of Units	Developer/ Builders	Estimated Home Sale Prices
Bryson Ranch	3.1 miles	3,173	Developer Centurion American Builders Ashton Woods, Beazer, First Texas MI Homes, DR Horton	40' -$384,000 50'- $480,000 60 - $576,000 - TH future lot - $300,000
Mobberly Farms	3.5 miles	2,028	Developer Centurion American Builders Centex, MI Homes, Lennar Homes	$268,000 - $414,990

Creekview Meadows	3.5 miles	2,227	Developer Centurion American Builders Ashton Woods, Lennar, Pulte Pacesetter, Stonehollow, Risland Bloomfield	Starting at $380,000

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.

Limited Secondary Market for the Bonds

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event an Owner thereof determines to solicit purchasers for the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current Owners of the Bonds, depending on the progress of development of Improvement Area #1 subject to the Assessments, existing real estate and financial market conditions and other factors.

TAX MATTERS

Tax Exemption

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

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

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

Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

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

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

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

Tax Accounting Treatment of Discount and Premium on Certain Bonds

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

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

excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

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

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

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

LEGAL MATTERS

Legal Proceedings

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

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

Legal Opinions

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

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE — The Bonds", "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS" (except for the last paragraph under the subcaption "General" and the subcaption "TIRZ Revenues May Reduce Assessments"),

"ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings" (first paragraph only), "LEGAL MATTERS — Legal Opinions," "CONTINUING DISCLOSURE – The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," APPENDIX A and APPENDIX C 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 overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action of the City contemplated by any of said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

Litigation — The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its members or would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Development Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (ii) the tax-exempt status of interest on the Bonds.

SUITABILITY FOR INVESTMENT

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

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See "BONDHOLDERS' RISKS — Bondholders' Remedies and Bankruptcy." Under existing constitutional and statutory law and judicial

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

NO RATING

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

CONTINUING DISCLOSURE

The City

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

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

The City's Compliance with Prior Undertakings

The City has complied in all material respects with its continuing disclosure undertakings pursuant to the Rule in the past 5 years.

The Developer

The Developer, the Administrator, and the Dissemination Agent expect to enter into a Continuing Disclosure Agreement (the "Developer Disclosure Agreement") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Developer Disclosure Agreement, certain information regarding the Development and the Improvement Area #1 Projects (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX D-2 — Form of Developer Disclosure Agreement." Under certain circumstances, the failure of the Developer or the Administrator to comply with its obligations under the Developer Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Developer Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance. The Developer Disclosure Agreement is a voluntary agreement made for the benefit of the holders of the Bonds and is not entered into pursuant to the Rule.

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

The Developer's Compliance with Prior Undertakings

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

UNDERWRITING

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

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

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

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

INVESTMENTS

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

Under Texas law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the City selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest on the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as its custodian of the banking deposits issued for its account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under Securities and Exchange Commission Rule 15c3-3; (9) certificates of deposit and share certificates (i) issued by or through an institution that either has its main office or a branch office in the State, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) above and clause (13) below, which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third-party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (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 (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third-party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less, (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit

rating agency, (13) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (14) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and comply with federal Securities and Exchange Commission Rule 2a-7, and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

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

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

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

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

Commission and the City Council; (4) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio, 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 attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the officers of the City; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the entity's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

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

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

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

SOURCES OF INFORMATION

General

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

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Improvement Area #1 Projects, the Development and the Developer generally and, in particular, the information included in the maps in this Limited Offering Memorandum and in the sections captioned "PLAN OF FINANCE" (except for the subcaption "— The Bonds"), "OVERLAPPING TAXES AND DEBT – Agricultural Use" (last paragraph only), "OVERLAPPING TAXES AND DEBT – Homeowners' Association," "THE IMPROVEMENT AREA #1 PROJECTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area #1 Projects and the Development), "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE — The Developer" and " — The Developer's Compliance with Prior Undertakings," "APPENDIX D-2" and "APPENDIX F" has been provided by the Developer, and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by the Administrator and has been included in reliance upon the authority of such firm as experts in the field of development planning and finance.

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

Updating of Limited Offering Memorandum

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

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21e of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act 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 HEREIN TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR

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

AUTHORIZATION AND APPROVAL

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

APPENDIX A

FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF PILOT POINT, TEXAS

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

DATED AS OF MARCH 1, 2026

SECURING

$_____
CITY OF PILOT POINT, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE, dated as of March 1, 2026 is by and between the CITY OF PILOT POINT, TEXAS (the "City"), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles and recitals and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition (the "Petition") was submitted and filed with the City Secretary of the City (the "City Secretary") pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "PID Act"), requesting the creation of a public improvement district located within the extraterritorial jurisdiction of the City to be known as Maverick Farms Public Improvement District (the "District"); and

WHEREAS, due to a scrivener's error, the Petition erroneously stated that the District was located partly within the extraterritorial jurisdiction and partly within the corporate limits of the City; and

WHEREAS, the Petition contained the signature of the owner of taxable property representing more than 50% of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Denton Central Appraisal District, and the signature of the property owner who owns 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 March 13, 2025, after due notice, the City Council of the City (the "City Council") held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the Petition as required by Section 372.009 of the PID Act and on March 13, 2025, the City Council made the findings required by Section 372.009(b) of the PID Act and, by resolution (the "Creation Resolution"), adopted by a majority of the members of the City Council, authorized the creation of the District in accordance with its findings as to the advisability of the improvement projects and services and also made findings and determinations relating to the estimated total costs of certain Authorized Improvements; and

WHEREAS, on March 17, 2025, the City Secretary filed a copy of the Creation Resolution with the county clerk of Denton County, the county in which all of the District is located in accordance with the provisions of the PID Act; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after March 13, 2025; and

WHEREAS, on January 8, 2026, the City Council, by resolution, made findings and determinations relating to the Actual Costs of certain Improvement Area #1 Projects, received and accepted a preliminary service and assessment plan and a proposed assessment roll related to Improvement Area #1, called a public hearing for February 12, 2026 and directed City staff to (i) file said proposed assessment roll with the City Secretary and make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish and mail notice relating to the February 12, 2026 hearing as required by Sections 372.016(b) and 372.016(c) of the PID Act; and

WHEREAS, on January 9, 2026, the City staff, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *Pilot Point Post-Signal*, a newspaper of general circulation in the City and in the part of the City's extraterritorial jurisdiction in which the District is located or in which the improvements are to be constructed, to consider the proposed Service and Assessment Plan, the Improvement Area #1 Assessment Roll and the levy of the Assessments on property within Improvement Area #1 of the District; and

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

WHEREAS, the City Council opened and convened the hearing on February 12, 2026, and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Service and Assessment Plan, the proposed Improvement Area #1 Assessment Roll and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of estimated costs of the Improvement Area #1 Projects to the Assessed Property within Improvement Area #1 of the District, the purposes of the Assessments, the special benefits of the Improvement Area #1 Projects, and the penalties and interest on Annual Installments and on delinquent Annual Installments of the Assessments, and there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of estimated costs of the Improvement Area #1 Projects to the Assessed Property within Improvement Area #1 of the District, the Improvement Area #1 Assessment Roll, and the levy of the Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, the City approved the Assessment Ordinance which levied the Assessments and approved the Service and Assessment Plan, in conformity with the requirements of the PID Act; and

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

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

WHEREAS, on January 22, 2026, the District was annexed into the corporate limits of the City; 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 Improvement Area #1 Projects; (ii) paying a portion of the costs incidental to the organization and administration of the District; and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during and after the period of construction and acquisition of the Improvement Area #1 Projects, and other costs related to the issuance of the Bonds; and

WHEREAS, the City Council now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Pilot Point, Texas, Special Assessment Revenue

Bonds, Series 2026 (Maverick Farms Public Improvement District Improvement Area #1 Project)", such Bonds being payable solely from the Trust Estate and for the purposes set forth in the preambles of this Indenture; and

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

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

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

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

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

"Actual Costs" means with respect to an Improvement Area #1 Project, the actual costs paid or incurred by or on behalf of the Developer (either directly or through affiliates), including: (1) the costs for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Improvement Area #1 Project; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Improvement Area #1 Project; (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 Improvement Area #1 Project; (5) all related permitting and public approval expenses, and architectural, engineering, consulting, and other governmental fees and charges; and (6) costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee equal to 4% of construction costs if managed by or on behalf of the Developer.

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

"Additional Interest Rate" means the up to 0.50% additional interest rate that may be charged on the Assessments pursuant to Section 372.018 of the PID Act, as such actual rate is set forth in the Service and Assessment Plan, and as may be updated in an Annual Service Plan Update.

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

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

"Additional Obligations" means any bonds or obligations, including specifically, any installment contracts, reimbursement agreements, temporary notes or time warrants, secured in whole or in part by an assessment, other than the Assessments securing the Bonds, levied against property within Improvement Area #1 of the District, in accordance with the PID Act.

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

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

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

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

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

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

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

"Assessed Parcel" means each parcel of land located within Improvement Area #1 of the District against which an Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

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

"Assessment Ordinance" means the ordinance adopted by the City Council on February 12, 2026, which levied the Assessments on the Assessed Property located within Improvement Area #1 of the District.

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

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

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

"Authorized Improvements" means improvements authorized by Section 372.003 of the PID Act, including, but not limited to, the Improvement Area #1 Projects, listed in Section III of the Service and Assessment Plan.

"Bond" means any of the Bonds.

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

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

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

"Bond Ordinance" means the ordinance adopted by the City Council on February 12, 2026, authorizing the issuance of the Bonds pursuant to this Indenture.

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

“Bonds” means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled “City of Pilot Point, Texas, Special Assessment Revenue Bonds, Series 2026 (Maverick Farms Public Improvement District Improvement Area #1 Project)”.

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

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

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

“Certification for Payment” means a certificate substantially in the form of Exhibit B or Exhibit C, as applicable, to the Improvement Area #1 Construction, Funding, and Acquisition Agreement or otherwise executed by or on behalf of the Developer, approved by a City Representative and delivered to the Trustee specifying the amount of work performed related to the Improvement Area #1 Projects and the Improvement Area #1 Private Improvements, respectively, and the costs thereof, and requesting payment for such costs from money on deposit in the applicable account of the Project Fund or the Improvement Area #1 Private Improvements Account, as applicable, as further described in the Improvement Area #1 Construction, Funding, and Acquisition Agreement and Section 6.5 herein.

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

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

“Closing Date” means the date of the initial delivery of and payment for the Bonds, which is March 4, 2026.

“Closing Disbursement Request” means a certificate substantially in the form of Exhibit A attached to the Improvement Area #1 Construction, Funding, and Acquisition Agreement or otherwise executed by or on behalf of the Developer, approved by a City Representative, and delivered to the Trustee on the Closing Date, specifying the costs incurred in the establishment, administration, and operation of the District or issuing the Bonds, and requesting payment for such costs from money on deposit in the Costs of Issuance Account of the Project Fund, as further described in Section 6.5 herein.

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

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

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

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

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

"Developer" means OMA Pilot Point, L.L.C., a Texas limited liability company, and its successors and assigns.

"Development Agreement" means that certain Development Agreement by and between the City and the Developer, dated September 26, 2024, and related to development of the property within the District, as the same may be amended from time to time.

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

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

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

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

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

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

"Improvement Area #1" shall have the meaning given to it in the Service and Assessment Plan.

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

"Improvement Area #1 Construction, Funding, and Acquisition Agreement" means the "Maverick Farms Public Improvement District Improvement Area #1 Construction, Funding, and

Acquisition Agreement" by and between the City and the Developer dated as of February 12, 2026, which provides, in part, for the deposit of amounts provided by the Developer and the proceeds from the issuance and sale of the Bonds, the payment of costs of Improvement Area #1 Projects and Improvement Area #1 Private Improvements, the issuance of Bonds, and other matters related thereto.

"Improvement Area #1 Improvements" means the Authorized Improvements which only benefit the Improvement Area #1 Assessed Property, as more particularly described in Section III.C of the Service and Assessment Plan.

"Improvement Area #1 Private Improvements" means those roadway, earthwork, and dry utility improvements required to be constructed or caused to be constructed by the Developer to deliver final lots in Improvement Area #1 and that are not Authorized Improvements.

"Improvement Area #1 Private Improvements Account" means the Account of such name established pursuant to Section 6.1.

"Improvement Area #1 Private Improvements Fund" means the Fund of such name established pursuant to Section 6.1 and administered pursuant to Section 6.12 herein.

"Improvement Area #1 Projects" means collectively, (1) the pro rata portion of the Major Improvements allocable to Improvement Area #1; (2) the pro rata portion of the Reimbursable Off-Site Major Improvements allocable to Improvement Area #1; and (3) the Improvement Area #1 Improvements.

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

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

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

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

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 15 and September 15 of each year and commencing September 15, 2026.

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

"Major Improvements" means the Authorized Improvements located within the District which benefit all of the assessed property within the District, as more particularly described in Section III.B of the Service and Assessment Plan.

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

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

"Off-Site Major Improvements" means the Authorized Improvements located outside of the District which benefit (i) all of the assessed property within the District and (ii) due to the oversizing of such Authorized Improvements, certain property outside of the District, as further described in the Service and Assessment Plan. The portion of the costs allocable to the oversizing shall be paid by the Developer without reimbursement by the City.

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

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

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

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

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

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

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

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

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

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

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

"Purchaser" means the initial purchaser of the Bonds.

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

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

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

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

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

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

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

"Reimbursable Off-Site Major Improvements" means the portion of the costs of the Off-Site Major Improvements necessary to serve the District.

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

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

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

"Service and Assessment Plan" means the "Maverick Farms Public Improvement District Service and Assessment Plan" dated February 12, 2026, including the Improvement Area #1 Assessment Roll, as hereinafter amended, updated, and/or restated by an Annual Service Plan Update or otherwise, a version of which is attached as an exhibit to the Assessment Ordinance.

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

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

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

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

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

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

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

Section 1.2. Findings.

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

Section 1.3. Table of Contents, Titles and Headings.

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

Section 1.4. Interpretation.

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

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

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

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

ARTICLE II

THE BONDS

Section 2.1. Granting Clauses

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

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

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

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

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

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

Section 2.2. Security for the Bonds.

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

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

Section 2.3. Limited Obligations.

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

Section 2.4. Authorization for Indenture.

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

Section 2.5. Contract with Owners and Trustee.

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

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

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

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

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

(a) The Bonds shall be dated March 4, 2026 and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the Closing Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 15 and September 15 of each year, commencing September 15, 2026 computed on the basis of a 360-day year of twelve 30-day months.

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

Year	Principal Amount ($)	Interest Rate (%)
20__		
20__		
20__		

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

Section 3.3. Conditions Precedent to Delivery of Bonds.

(a) The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery (which delivery may be via electronic mail in portable document (PDF) or similar format) to the Trustee of:

(i) a certified copy of the Assessment Ordinance;

(ii) a certified copy of the Bond Ordinance;

(iii) a copy of the executed Improvement Area #1 Construction, Funding, and Acquisition Agreement;

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

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

Section 3.4. Medium, Method and Place of Payment.

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

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

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

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

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

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

Section 3.5. Execution and Registration of Bonds.

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

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

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

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

Section 3.6. Ownership.

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

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

Section 3.7. Registration, Transfer and Exchange.

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

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

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

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

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

(f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different Authorized Denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover

any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

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

Section 3.8. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall dispose of cancelled Bonds at the City's written direction in accordance with its records retention requirements.

Section 3.9. Temporary Bonds.

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

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

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

Section 3.10. Replacement Bonds.

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

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

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

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

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

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

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

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

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

Section 3.11. Book-Entry Only System.

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

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC,

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

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

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

Section 3.13. Payments to Cede & Co.

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

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

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

Section 4.2. Mandatory Sinking Fund Redemption.

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

Term Bonds Maturing September 15, 20__

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

* maturity

Term Bonds Maturing September 15, 20__

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

* maturity

Term Bonds Maturing September 15, 20__

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

September 15, 20__
September 15, 20__
September 15, 20__*

* maturity

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

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

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

Section 4.3. Optional Redemption.

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

Section 4.4. Extraordinary Optional Redemption.

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

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Sections 4.2, 4.3, or 4.4, Bonds shall be redeemed in minimum principal amounts of $1,000 or any integral multiple

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

(b) In selecting the Bonds to be redeemed pursuant to Section 4.2, the Trustee may select Bonds randomly by lot.

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

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

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

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

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

Section 4.6. Notice of Redemption to Owners.

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

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

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

(d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. Upon receipt of the City's written notice, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

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

Section 4.7. Payment Upon Redemption.

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

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

Section 4.8. Effect of Redemption.

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

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

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

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

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

Section 5.2. CUSIP Registration.

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

Section 5.3. Legal Opinion.

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

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

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

(i) Pledged Revenue Fund;

(ii) Bond Fund;

(iii) Project Fund;

(iv) Reserve Fund;

(v) Redemption Fund;

(vi) Rebate Fund;

(vii) Administrative Fund; and

(viii) Improvement Area #1 Private Improvements Fund.

(b) Creation of Accounts.

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

(A) Bond Pledged Revenue Account.

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

(A) Capitalized Interest Account; and

(B) Principal and Interest Account.

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

(A) Improvement Area #1 Projects Account; and

(B) Costs of Issuance Account.

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

(A) Reserve Account; and

(B) Additional Interest Reserve Account.

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

(A) District Administration Account.

(vi) The following Account is hereby created and established under the Improvement Area #1 Private Improvements Fund:

(A) Improvement Area #1 Private Improvements Account.

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

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

Section 6.2. Initial Deposits to Funds and Accounts.

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

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

(ii) to the Improvement Area #1 Projects Account of the Project Fund: $_____;

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

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

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

(b) Funds received from the Developer on the Closing Date pursuant to the terms of the Development Agreement in the amount of $_____ shall be paid to the Trustee and deposited or transferred by the Trustee into the Improvement Area #1 Private Improvements Account of the Improvement Area #1 Private Improvements Fund.

Section 6.3. Pledged Revenue Fund.

(a) On or before March 1 of each year while the Bonds are Outstanding and beginning March 1, 2027, the City hereby directs the Trustee to deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the City shall deposit or cause to be deposited Pledged Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, in accordance with Section 6.7(a) hereof, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, in accordance with Section 6.7(b) hereof, (iv) fourth, to pay Actual Costs of the Improvement Area #1 Projects, as identified in a City Certificate delivered to the Trustee, and (v) fifth, to pay other costs permitted by the PID Act, as identified in a City Certificate delivered to the Trustee.

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

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

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

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

to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, and third, to the Redemption Fund.

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

(g) Any additional Pledged Revenues remaining after the satisfaction of the foregoing shall be applied by the Trustee, as instructed by the City pursuant to a City Certificate, for any lawful purpose permitted by the PID Act for which such additional Pledged Revenues may be used, including transfers to other Funds and Accounts created pursuant to this Indenture. The Trustee may rely on such City Certificate and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Section 6.4. Bond Fund.

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

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

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

Date	**Amount ($)**
September 15, 2026	
March 15, 2027	

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #1 Projects Account of the Project Fund, pursuant to directions provided in a City Certificate, or if the Improvement Area #1 Projects Account of the Project Fund has been closed as provided in Section 6.5(e) 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) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates or an executed, completed, and accepted Closing Disbursement Request.

(b) Money on deposit in the Improvement Area #1 Projects Account of the Project Fund shall only be used to pay Actual Costs of the Improvement Area #1 Projects. Disbursements from the Improvement Area #1 Projects Account of the Project Fund to pay Actual Costs of the Improvement Area #1 Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Improvement Area #1 Projects Account of the Project Fund pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Improvement Area #1 Construction, Funding, and Acquisition Agreement. Such provisions and procedures related to such disbursements contained in the Improvement Area #1 Construction, Funding, and Acquisition Agreement are herein incorporated by reference and deemed set forth herein in full. The Trustee shall be permitted to rely fully on any Certification for Payment, City Certificate, or other written direction received pursuant to this Indenture without investigation.

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

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

(e) Upon the filing of a City Certificate stating that all Improvement Area #1 Projects have been completed and that all Actual Costs of the Improvement Area #1 Projects have been paid, or that any such Actual Costs of the Improvement Area #1 Projects are not required to be paid from the Improvement Area #1 Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee shall (i) transfer the amount, if any, remaining within the Improvement Area #1 Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 as directed by the City Representative in a City Certificate filed with the Trustee, and (ii) close the Improvement Area #1 Projects Account. If the Improvement Area #1 Projects Account has been closed as provided above and the Costs of Issuance Account of the Project Fund has been closed pursuant to the provisions of Section 6.5(f) below, the Project Fund shall be closed.

(f) Not later than six months following the Closing Date, or upon an earlier determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvement Area #1 Projects Account of the Project Fund and used to pay Actual Costs of the Improvement Area #1 Projects or to the Principal and Interest Account of the Bond Fund and used to pay

interest on the Bonds, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

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

Section 6.7. Reserve Fund.

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

(b) The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 15 and September 15 of each year, commencing March 15, 2027, an amount equal to the Additional Interest collected, if any, and as shown on the Improvement Area #1 Assessment Roll attached to the Service and Assessment Plan or an Annual Service Plan Update, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any later time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall, and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to Section 4.4 of this Indenture. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the City of such transfer in writing. In transferring the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Improvement Area #1 Assessment Roll in the Service and Assessment Plan or an Annual Service Plan Update, unless and until it receives a City Certificate directing that a different amount be used.

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

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

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

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

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

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

(i) If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount of all Outstanding Bonds on the next Interest Payment Date, together with the unpaid interest accrued on such Outstanding

Bonds as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Outstanding Bonds as of such Interest Payment Date.

Section 6.8. Rebate Fund: Rebate Amount.

(a) There is hereby established a special fund of the City to be designated "City of Pilot Point, Texas, Rebate Fund" (the "Rebate Fund") to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts relating to the Bonds due the United States Government in accordance with the Code.

(b) In order to assure that the Rebate Amount is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund, as directed by the City in a written instruction to the Trustee, shall be made in accordance with the Code and the Tax Certificate.

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

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

Section 6.9. Administrative Fund.

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

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

(c) The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

Section 6.10. Investment of Funds.

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

such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in Section 7.5(a) hereof) on the Bonds, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond. Investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds or Accounts may be invested pursuant to a City Certificate in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default. If the City does not give the Trustee written or timely instructions, with respect to investments of funds, any such funds held by the Trustee up to the amount of the deposit insurance provided by the Federal Deposit Insurance Corporation shall be held uninvested in cash by the Trustee, and any such funds held by the Trustee in excess thereof shall be collateralized in accordance with the provisions of the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended.

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

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

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

(e) The Trustee will furnish the City and the Administrator, upon the written request of the City or the Administrator, monthly cash transaction statements via access to its online portfolio system which include detail for all investment transactions made by the Trustee hereunder; and, unless the Trustee receives a written request, the Trustee is not required to

provide brokerage confirmations so long as the Trustee is providing such monthly cash transaction statements.

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

(g) The Trustee may conclusively rely on City Certificates pursuant to Section 6.10(a) that such investment will comply with the City's investment policy and with the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

Section 6.11. Security of Funds.

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

Section 6.12. Improvement Area #1 Private Improvements Fund.

(a) Moneys deposited into the Improvement Area #1 Private Improvements Account of the Improvement Area #1 Private Improvements Fund shall be held by the Trustee separate and apart from the other Funds and Accounts created and administered hereunder and shall not be part of the Trust Estate and shall not be security for the Bonds. Money on deposit in the Improvement Area #1 Private Improvements Account of the Improvement Area #1 Private Improvements Fund shall be disbursed only to pay costs of the Improvement Area #1 Private Improvements in accordance with the Development Agreement and the Improvement Area #1 Construction, Funding, and Acquisition Agreement.

(b) Disbursements from the Improvement Area #1 Private Improvements Account of the Improvement Area #1 Private Improvements Fund to pay costs of the Improvement Area #1 Private Improvements shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the City or its designee approving the disbursement. The disbursement of funds from the Improvement Area #1 Private Improvements Account of the Improvement Area #1 Private Improvements Fund pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Improvement Area #1 Construction, Funding, and Acquisition Agreement. Such provisions and procedures related to such disbursement contained in the Improvement Area #1 Construction, Funding, and Acquisition Agreement are herein incorporated by reference and deemed set forth herein in full.

(c) Upon the filing of a City Certificate stating that all Improvement Area #1 Private Improvements have been completed and that all costs of the Improvement Area #1 Private Improvements have been paid, or that any such costs of the Improvement Area #1 Private Improvements are not required to be paid from the Improvement Area #1 Private Improvements Account pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee shall (i) transfer the amount, if any, remaining within the Improvement Area #1

Private Improvements Account to the Developer, and (ii) close the Improvement Area #1 Private Improvements Fund.

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

(e) Notwithstanding any provision of this Indenture to the contrary, nothing in this Indenture shall affect or impair the right of City and the Developer to modify the applicable terms of the Improvement Area #1 Construction, Funding, and Acquisition Agreement relating to the disbursement of moneys deposited in the Improvement Area #1 Private Improvements Fund.

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

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

Section 7.2. Collection and Enforcement of Assessments.

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

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

Section 7.3. Against Encumbrances.

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

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

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds or any interest thereon remain Outstanding and unpaid, and/or the obligation to the Developer to pay it for funds it has contributed to pay Actual Costs of the Improvement Area #1 Projects in accordance with the Improvement Area #1 Construction, Funding and Acquisition Agreement remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and the Owners of any Bonds or any duly authorized agent or agents of such Owners shall have the right at all reasonable times, to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable, provided, however, the Trustee shall have no duty to so inspect. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than 30 days after the City receives such request.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) No Private Loan.

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

committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VIII

LIABILITY OF CITY

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

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

No provision of this Indenture, the Bonds, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds (the "Bond Documents"), shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Annual Collection Costs) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not assured to it.

Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from the Trust Estate, the funds available for such payment in any of the Pledged Funds, if any, or the amounts collected to pay Annual Collection Costs on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Indenture, the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector, the City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

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

ARTICLE IX

THE TRUSTEE

Section 9.1. Trustee as Paying Agent/Registrar.

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

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement or exercise of any rights and powers hereunder, until it shall be indemnified by the Owners, to the extent permitted by law and the provisions of this Indenture, to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except to the extent the same shall have been finally adjudicated by a court of competent jurisdiction to have been directly caused by the Trustee's own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments, or transfers (provided such deposit, payment or transfer is prior to an Event of Default) when required hereunder, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may, to the extent permitted pursuant to the provisions of this Indenture, make transfers from the District Administration Account of the Administrative Fund, and to the extent moneys in the District Administration Account of the Administrative Fund are insufficient, from the Pledged Revenue Fund, to pay all fees, costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

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

(a) Prior to the occurrence of an Event of Default of which the Trustee has been notified, and after the cure or waiver of all defaults or Events of Default which may have occurred,

(i) the Trustee undertakes to perform only those duties and obligations which are set forth specifically and expressly in this Indenture, and no duties or obligations shall be implied to the Trustee, and the Trustee shall not be liable except for the performance of such duties, and no implied covenants shall be read into this Indenture against the Trustee; and

(ii) the Trustee may request and rely conclusively, as to the due execution, the truth of the statements, and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture, and shall incur no liability and shall be fully protected in acting or refraining from

acting in accordance therewith; but in the case of any such certificates or opinions which by any provision hereof are required specifically to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform on their face to the requirements of this Indenture.

(b) In case an Event of Default has occurred and is continuing hereunder (of which the Trustee has been notified in writing, or is deemed to have notice), the Trustee shall exercise those rights and powers vested in it by this Indenture and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this subparagraph shall not be construed to affect the limitation of the Trustee's duties and obligations provided in subparagraph (a)(i) of this Section or the Trustee's right to rely on the truth of statements and the correctness of opinions as provided in subparagraph (a)(ii) of this Section;

(ii) the Trustee shall not be liable for any actions taken or error of judgment, made in good faith by any one of its officers, employees, or agents, unless it shall be finally adjudicated by a court of competent jurisdiction that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the written direction of the controlling Owners 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; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not assured to it.

(d) The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of the offering documents, this Indenture, or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; or (iv) any calculation of arbitrage or rebate under the Code. The Trustee has the right to act through agents and attorneys and shall have no liability for the acts or omissions of any of the agents and attorneys appointed by it with due care.

(e) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

(f) 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 fully 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, punitive, special or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) in connection with or arising from this Indenture, irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. The Trustee will not be liable with respect to any action taken or omitted to be taken in good faith in accordance with the written direction of the Owners of not less than a majority in principal amount of the Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care.

(h) Except for its certificate of authentication on the Bonds, the Trustee shall not be responsible for:

(i) the validity, priority, recording, re-recording, filing or re-filing of this Indenture or any Supplemental Indenture,

(ii) any instrument or document of further assurance or collateral assignment,

(iii) the filing, execution, delivery, recording, or authorization of any financing statements, amendments thereto or continuation statements,

(iv) insurance of the Improvement Area #1 Projects or collection of insurance money,

(v) the validity of the execution by the City of this Indenture, any Supplemental Indenture or instruments or documents of further assurance, or

(vi) the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby.

(i) The Trustee shall not be accountable for the application by any Person of the proceeds of any Bonds authenticated or delivered hereunder; provided the Trustee follows the written instructions provided by the City with respect to the use of the proceeds of the Bonds.

(j) The Trustee, as an Annual Collection Cost, may request, conclusively rely on and shall be protected in acting upon any resolution, statement, instrument, opinion, report, notice, request, direction, consent, certificate, order, judgment, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, not only as to due execution, validity, and effectiveness, but also as

to the truth and accuracy of any information contained therein. Any action taken by the Trustee pursuant to this Indenture upon the direction, request, authority or consent of any Person who is the Owner of any Bonds at the time of making the request or giving the authority or consent, shall be conclusive and binding upon all future Owners of the same Bond and of Bonds issued in exchange therefor or in place thereof.

(k) 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, except Events of Default described in Section 11.1(a)(i), 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 more than 66-2/3% of the aggregate outstanding principal amount of Bonds. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no Event of Default, except as noted above.

(l) The Trustee shall not be required to give any bond or surety with respect to the execution of these trusts and powers or otherwise in respect of the premises.

(m) Any resolution by the City, and any opinions, certificates and other instruments and documents for which provision is made in this Indenture, may be accepted by the Trustee, in the absence of bad faith on its part, as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for its actions or inactions taken hereunder.

(n) The Trustee shall be entitled to file proofs of claim in bankruptcy at the written direction of no less than 66-2/3% of the Owners. Ordinary trustee and paying agent/registrar fees and expenses and extraordinary fees and expenses of the Trustee and the Paying Agent/Registrar incurred hereunder are intended to constitute administrative expenses in bankruptcy.

(o) 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 for trustee and paying agent/registrar services, subject to the limitations set forth herein, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds.

(p) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage 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.

(q) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(r) The permissive right 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.

(s) The Trustee shall not be responsible or liable for the environmental condition or any contamination of the Improvement Area #1 Projects or any real property or improvements related thereto or for any diminution in value of the same as a result of any contamination by any hazardous substance, hazardous material, pollutant or contaminant. The Trustee shall not be liable for any claims by or on behalf of the Owners or any other person or entity arising from contamination by any hazardous substance, hazardous material, pollutant or contaminant, and shall have no duty or obligation to assess the environmental condition of the Improvement Area #1 Projects or any real property or improvements related thereto 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.

(t) 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, or any of its 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 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.

(u) In the event that any assets held hereunder 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 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.

(v) 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; 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.

Section 9.4. Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5. Trustee Protected in Relying on Certain Documents.

The Trustee may, as an Annual Collection Cost, request, conclusively rely on and shall be protected in acting or refraining from acting upon any resolution, instrument, opinion, report,

direction, order, notice, judgment, request, consent, waiver, certificate, statement, affidavit, requisition, bond, debenture, note or other document 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 for any action taken or omitted to be taken upon the advice or written opinion of any counsel, architect, engineer, insurance consultant, management consultant, accountant or other professional retained or consulted by the Trustee, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. Subject to Sections 9.1 and 9.3 hereof, the Trustee may consult with counsel, selected by the Trustee with due care, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of, and the Trustee shall not be liable for, any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, 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 in its sole discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative.

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13 herein.

Section 9.6. Compensation.

The City hereby agrees to compensate the Trustee, from the amount collected each year for Annual Collection Costs and in the manner set forth in this Section, for the Trustee's services as Trustee and as Paying Agent/Registrar. The Trustee shall transfer from the District Administration Account of the Administrative Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by specific agreement, and the Trustee shall have a lien therefor on any and all funds at any time held by it in the Administrative Fund. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not 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, subject to the limitations set forth herein.

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, subject to the limitations set forth herein, be compensated from any and all funds at any time held by it 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.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the Owners of a majority in aggregate outstanding principal amount of the Bonds.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time on 30 days advance written notice to the Trustee by (i) the Owners of at least a majority of the aggregate Outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) the City, so long as the City is not in default under this Indenture. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the aggregate Outstanding principal of the Bonds.

Section 9.10. Successor Trustee.

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

(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 25% of the aggregate outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

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

(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 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

(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 and Applicable Laws.

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

(g) The Trustee shall not be responsible for 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, 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 receipt of payment of its outstanding charges, shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing, including any supplement or amendment to this Indenture, from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be 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 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.

If necessary, the Trustee may file or cause to be filed, such continuation statements as are delivered to the Trustee by the City, or on behalf of the City, and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC. Under no circumstances shall the Trustee have an obligation or responsibility to file such financing statements or continuation statements except as provided in this Section.

Section 9.14. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds. Permissive rights of the Trustee are not to be construed as duties. 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 Article IX.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, executed by both the City and the Trustee, except as provided below, pursuant to the affirmative vote at a meeting of the Owners of the Bonds, or with the written consent without a meeting, of the Owners of at

least 51% of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws and this Indenture), or (iii) reduce the percentage of Owners of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights, immunities or obligations of the Trustee without its written consent.

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

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

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

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

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

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

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

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

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

Section 10.2. Owners' Meetings.

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

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

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

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

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

Section 10.4. Effect of Supplemental Indenture.

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

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

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

Section 10.6. Amendatory Endorsement of Bonds.

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

Section 10.7. Waiver of Default

Subject to the second and third sentences of Section 10.1 hereof, with the written consent of at least 51% of the Owners in aggregate principal amount of the Bonds then Outstanding, the Owners may waive non-compliance by the City with certain past defaults under 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 10.8. Execution of Supplemental Indenture.

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

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

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

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

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

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

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

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

Section 11.2. Immediate Remedies for Default.

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

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

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

select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

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

Section 11.3. Restriction on Owner's Action.

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

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued

hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.

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

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

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

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

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

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

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

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a

waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds.

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

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

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

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

Section 11.7. No Acceleration.

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

Section 11.8. Mailing of Notice.

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

Section 11.9. Exclusion of Bonds.

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

Section 11.10. Remedies Not Exclusive.

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

Section 11.11. Direction by Owners.

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

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

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

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

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

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

Section 12.2. Accounts, Periodic Reports and Certificates.

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

Section 12.3. General.

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

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

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

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

Section 13.2. Additional Obligations or Other Liens.

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

(b) The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the state of Texas. 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 or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired.

(c) Notwithstanding anything to the contrary herein, no Refunding Bonds, Additional Obligations, or subordinate obligations may be issued by the City unless: (1) the principal (including sinking fund installments) of such Refunding Bonds, Additional Obligations or

subordinate obligations are scheduled to mature on September 15 of the years in which principal is scheduled to mature, and (2) the interest on such Refunding Bonds, Additional Obligations or subordinate obligations must be scheduled to be paid on March 15 and September 15 of the years in which interest is scheduled to be paid.

Section 13.3. Books of Record.

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

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

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

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

Section 14.2. Satisfaction of Indenture.

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

Section 14.3. Bonds Deemed Paid.

All Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided herein, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the

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

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

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

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

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

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

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

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

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

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

Section 15.4. Waiver of Personal Liability.

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

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

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

If to the City:	City of Pilot Point, Texas 102 E Main Street Pilot Point, Texas 76258 Attn: City Manager Email: blusk@pilotpointtx.gov
If to the Trustee or the Paying Agent/Registrar:	Wilmington Trust, National Association Attention: Parker Merritt 15950 N. Dallas Parkway, Suite 200 Dallas, Texas 75248 Email: pmerritt@wilmingtontrust.com

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

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

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

(c) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers"), which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such written directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 15.6. Partial Invalidity.

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

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas. With respect to this Indenture and any conflicts arising therefrom, the parties hereby (i) irrevocably submit to the

exclusive jurisdiction of any federal district or state district court with jurisdiction in Denton County, Texas, (ii) waive any objection to laying of venue in any such action or proceeding in such courts, and, (iii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party. Each of the parties hereto hereby waives the right to trial by jury with respect to any litigation directly or indirectly arising out of, under, or in connection with this Indenture.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original. The City and the Trustee agree that electronic signatures to this Indenture may be regarded as original signatures.

Section 15.10. Statutory Verifications.

The Trustee makes the following representation and verifications 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 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 Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Indenture, notwithstanding anything in this Indenture to the contrary.

(a) Not a Sanctioned Company. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. As used in the foregoing verification, "discriminate

against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

CITY OF PILOT POINT, TEXAS

By: _____
Mayor

Attest:

_____
City Secretary

[CITY SEAL]

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

(a) Form of Bond.

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

REGISTERED
No. _____

REGISTERED
$_____

United States of America
State of Texas

CITY OF PILOT POINT, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2026
(MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
_____%	September 15, 20___	_____	_____

The City of Pilot Point, Texas (the "City"), for value received, hereby promises to pay, solely from the Trust Estate, to

_____

or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 15 and September 15 of each year, commencing September 15, 2026, until maturity or prior redemption.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Wilmington, Delaware (the "Designated Payment/Transfer Office"), of Wilmington Trust, National Association, as trustee and paying agent/registrar (the "Trustee", which term includes any successor trustee under the Indenture), or, with respect to a successor

trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last Business Day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated March 4, 2026 and issued in the aggregate principal amount of $_____ 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 Improvement Area #1 Projects, (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during and after the period of construction and acquisition of the Improvement Area #1 Projects, and other costs related to the issuance of the Bonds.

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

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

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

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

Term Bonds Maturing September 15, 20__

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

* maturity

Term Bonds Maturing September 15, 20__

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

* maturity

Term Bonds Maturing September 15, 20__

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

* maturity

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

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

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

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

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

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

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

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

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

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

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

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

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF PILOT POINT, TEXAS, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

_____

Mayor, City of Pilot Point, Texas

_____
City Secretary, City of Pilot Point, 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.

WILMINGTON TRUST, NATIONAL
ASSOCIATION,
as Trustee

DATED: _____

By:_____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

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

_____
_____
_____

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

Date: _____ _____

Signature Guaranteed By:

_____

_____
Authorized Signatory

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

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

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

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

Years Principal Amount ($) Interest Rate (%)"

(Information to be inserted from Section 3.2(c) hereof); and

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

APPENDIX B

FORM OF SERVICE AND ASSESSMENT PLAN

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Maverick Farms
Public Improvement District

PRELIMINARY SERVICE AND ASSESSMENT PLAN

JANUARY 8, 2026

P3 WORKS

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

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INTRODUCTION

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

On March 13, 2025 the City Council passed and approved Resolution No. 2025-08-638 authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon approval in accordance with the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 364.646 acres located within the extraterritorial jurisdiction of the City, as described by the legal description on **Exhibit L-1** and depicted on **Exhibit A-1,** and will be annexed into the corporate limits of the City prior to the sale of PID Bonds.

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

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

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

SECTION I: DEFINITIONS

"2026 Improvement Area #1 Assessment Ordinance" means Ordinance No. _____ approved and adopted by the City Council on February 12, 2026, which levied the Improvement Area #1 Assessments against Improvement Area #1 Assessed Property, and approved this Service and Assessment Plan.

"2026 Major Improvement Area Assessment Ordinance" means Ordinance No. _____ approved and adopted by the City Council on February 12, 2026, which levied the Major Improvement Area Assessments against Major Improvement Area Assessed Property, and approved this Service and Assessment Plan.

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

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

"Additional Interest Rate" means the up to 0.50% additional interest rate that may be charged on Assessments securing PID Bonds pursuant to Section 372.018 of the PID Act and as described in the applicable Indenture.

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

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

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

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

"Assessed Property" means any Parcel within the District against which an Assessment is levied.

"Assessment" means an assessment levied against Assessed Property to pay the costs of certain Authorized Improvements as specified herein, which Assessment is imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Assessed Property, consolidation of multiple Assessed Properties, or reduction according to the provisions herein and in the PID Act.

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

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

"Assessment Roll" means any assessment roll for the Assessed Property, including the Major Improvement Area Assessment Roll and the Improvement Area #1 Assessment Roll, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds, if issued,

or in any Annual Service Plan Updates. The Assessment Rolls are included in this Service and Assessment Plan as **Exhibit F-1** and **Exhibit G-1**.

"Authorized Improvements" means the improvements authorized by Section 372.003 of the PID Act, and described in **Section III,** as further depicted on **Exhibits H-1** and **H-2**.

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

"City" means the City of Pilot Point, Texas.

"City Council" means the governing body of the City.

"County" means Denton County, Texas.

"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 this Service and Assessment Plan, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

"Developer" means OMA Pilot Point, L.L.C., and any successors or assigns thereof that intends to develop the property in the District for the ultimate purpose of transferring title to end users.

"Development Agreement" means that certain Development Agreement entered into by the City and the Developer on September 26, 2024.

"District" means the Maverick Farms Public Improvement District containing approximately 364.646 acres located within the extraterritorial jurisdiction of the City, and more specifically described in **Exhibit L-1** and depicted on **Exhibit A-1**. Annexation of the District into the City limits will occur prior to the sale of PID Bonds.

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

"Engineer's Report" means the report provided by a licensed professional engineer that describes the Authorized Improvements, including their costs, location, and benefit, and is attached hereto as **Appendix A.**

"Estimated Buildout Value" means the estimated value of an Assessed Property with fully constructed buildings, as provided by the Developer and confirmed by the City Council, by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other factors that, in the judgment of the City, may impact value. The Estimated Buildout Value for each Lot Type is shown on **Exhibit E.**

"Improvement Area #1" means approximately 200.632 acres located within the District, more specifically described in **Exhibit L-3** and depicted on **Exhibit A-3**.

"Improvement Area #1 Annual Installment" means the Annual Installment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to Improvement Area #1; and (4) Additional Interest related to the Improvement Area #1 Bonds, as shown on **Exhibit G-2**, which amount may be reduced by the TIRZ No. 9 Improvement Area #1 Annual Credit Amount.

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

"Improvement Area #1 Assessment" means an Assessment levied by the adoption of the 2026 Improvement Area #1 Assessment Ordinance against Improvement Area #1 Assessed Property to pay for the Improvement Area #1 Authorized Improvements, and imposed pursuant to the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

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

"Improvement Area #1 Authorized Improvements" means collectively, (1) the Improvement Area #1 Projects; (2) the first year's Annual Collection Costs related to the Improvement Area #1 Bonds; and (3) Bond Issuance Costs incurred in connection with the issuance of the Improvement Area #1 Bonds.

"Improvement Area #1 Bonds" means those certain "City of Pilot Point, Texas, Special Assessment Revenue Bonds, Series 2026 (Maverick Farms Public Improvement District Improvement Area #1 Project)" that are secured by the Improvement Area #1 Assessments.

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

"Improvement Area #1 Initial Parcel" means all of the Improvement Area #1 Assessed Property against which the entire Improvement Area #1 Assessment is levied, as shown on the Improvement Area #1 Assessment Roll.

"Improvement Area #1 Projects" means collectively, (1) the pro rata portion of the Major Improvements allocable to Improvement Area #1; (2) the pro rata portion of the Reimbursable Off-Site Major Improvements allocable to Improvement Area #1; and (3) the Improvement Area #1 Improvements.

"Indenture" means an Indenture of Trust entered into between the City and the Trustee in connection with the issuance of each series of PID Bonds, as amended from time to time, setting forth the terms and conditions related to a series of PID Bonds.

"Lot" means (1) for any portion of the District for which a final subdivision plat has been recorded in the Plat or official public records of the County, a tract of land described by "lot" in such subdivision plat; and (2) for any portion of the District for which a subdivision plat has not been recorded in the Plat or official public records of the County, a tract of land anticipated to be described as a "lot" in a final recorded subdivision plat as shown on a concept plan or a preliminary plat. A "Lot" shall not include real property owned by a government entity, even if such property is designated as a separate described tract or lot on a recorded subdivision plat.

"Lot Type" means a classification of final building Lots with similar characteristics (e.g. lot size, home product, Estimated Buildout Value, etc.), as determined at the time of levying the applicable Assessment 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 Type within Improvement Area #1 marketed to homebuilders as a 40' Lot. The buyer disclosure for Lot Type 1 is attached as **Appendix B.**

"Lot Type 2" means a Lot Type within Improvement Area #1 marketed to homebuilders as a 50' Lot. The buyer disclosure for Lot Type 2 is attached as **Appendix B.**

"Lot Type 3" means a Lot Type within Improvement Area #1 marketed to homebuilders as a 60' Lot. The buyer disclosure for Lot Type 3 is attached as **Appendix B.**

"Major Improvement Area" means approximately 164.014 acres located within the District, and more specifically described in **Exhibit L-2** and depicted on **Exhibit A-2**. The Major Improvement Area includes all of the District save and except Improvement Area #1.

"Major Improvement Area Annual Installment" means the Annual Installment of the Major Improvement Area Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to the Major Improvement Area; and (4) Additional Interest related to the Major Improvement Area Bonds, as shown on **Exhibit F-2.**

"Major Improvement Area Assessed Property" means any Parcel within the Major Improvement Area against which a Major Improvement Area Assessment is levied.

"Major Improvement Area Assessment" means an Assessment levied by the adoption of the 2026 Major Improvement Area Assessment Ordinance against the Major Improvement Area Assessed Property to pay for the Major Improvement Area Authorized Improvements, and imposed pursuant to the provisions herein, as shown on the Major Improvement Area Assessment Roll, subject to reallocation or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

"Major Improvement Area Assessment Roll" means the Assessment Roll for the Major Improvement Area Assessed Property within the District, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any Annual Service Plan Updates. The Major Improvement Area Assessment Roll is included in this Service and Assessment Plan as **Exhibit F-1**.

"Major Improvement Area Authorized Improvements" means, collectively, (1) the Major Improvement Area Projects; (2) the first year's Annual Collection Costs related to the Major Improvement Area Bonds; and (3) Bond Issuance Costs incurred in connection with the issuance of the Major Improvement Area Bonds.

"Major Improvement Area Bonds" means those certain "City of Pilot Point, Texas, Special Assessment Revenue Bonds, Series 2026 (Maverick Farms Public Improvement District Major Improvement Area Project)" that are secured by the Major Improvement Area Assessments.

"Major Improvement Area Initial Parcel" means all of the Major Improvement Area Assessed Property against which the entire Major Improvement Area Assessment is levied as shown on the Major Improvement Area Assessment Roll.

"Major Improvement Area Projects" means collectively, (1) the pro rata portion of the Major Improvements allocable to the Major Improvement Area; and (2) the pro rata portion of the Reimbursable Off-Site Major Improvements allocable to the Major Improvement Area.

"Major Improvements" means those Authorized Improvements located within the District that confer a special benefit to all of the Assessed Property within the District, as further described in **Section III.B.** and depicted on **Exhibit H-1.**

"Maximum Assessment" means, for each Lot, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A** or (2) for each Lot Type, the amount shown on **Exhibit E.**

"Mustang SUD" means the Mustang Special Utility District.

"Non-Benefitted Property" means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council.

"Non-Reimbursable Off-Site Major Improvements" means the portion of the costs of the Off-Site Major Improvements allocable to the oversizing of the Off-Site Major Improvements, as required by Mustang SUD.

"Notice of Assessment Termination" means a document that shall be recorded in the official public records of the County evidencing the termination of an Assessment, a form of which is attached as **Exhibit J.**

"Off-Site Major Improvements" means those Authorized Improvements located outside of the District that confer a special benefit to (i) all of the Assessed Property within the District and (ii) due to the oversizing of such Authorized Improvements, certain property outside of the District, as further described in **Section III.A** and depicted on **Exhibit H-1.** The portion of the costs allocable to the oversizing shall be paid by the Developer without reimbursement from the City.

"Parcel" or **"Parcels"** means a specific property within the District identified by either a tax parcel identification number assigned by the Denton 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 any bonds issued by the City in one or more series and secured in whole or in part by Assessments.

"Prepayment" means the payment of all or a portion of an Assessment before the due date of the final Annual Installment thereof. Amounts received at the time of a Prepayment which

represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment.

"Prepayment Costs" means interest, including Additional Interest, and Annual Collection Costs, to the date of Prepayment.

"Private Improvements" means improvements required to be constructed by the Developer that are not Authorized Improvements and may not be financed with Assessments or the proceeds of PID Bonds.

"Reimbursable Off-Site Major Improvements" means the portion of the costs of the Off-Site Major Improvements necessary to serve the District.

"Service and Assessment Plan" means this Maverick Farms Public Improvement District Service and Assessment Plan as updated, amended, or supplemented from time to time.

"Service Plan" means the plan described in **Section IV** which covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements.

"TIRZ No. 9" means the Tax Increment Reinvestment Zone Number Nine, City of Pilot Point, Texas.

"TIRZ No. 9 Improvement Area #1 Annual Credit Amount" means the amount calculated pursuant to **Section V.F**, which amount shall not annually exceed the TIRZ No. 9 Improvement Area #1 Maximum Annual Credit Amount, and which shall be transferred from the TIRZ No. 9 Fund to the applicable pledged revenue fund pursuant to the Development Agreement.

"TIRZ No. 9 Final Plan" means the Reinvestment Zone Number Nine, City of Pilot Point, Texas Project and Finance Plan, dated February 12, 2026.

"TIRZ No. 9 Fund" means the tax increment fund created pursuant to the ordinance creating TIRZ No. 9 where TIRZ No. 9 Revenues are deposited annually.

"TIRZ No. 9 Improvement Area #1 Maximum Annual Credit Amount" means for each Lot Type in Improvement Area #1, the amount of TIRZ No. 9 Revenues that results in an aggregate equivalent tax rate equal to $2.7010 per $100 of assessed value for such Lot Type, taking into consideration the tax rates of all applicable overlapping taxing units and the equivalent tax rate of the Improvement Area #1 Annual Installment, based on Estimated Buildout Value at the time the City Council approves the 2026 Improvement Area #1 Assessment Ordinance levying the Improvement Area #1 Assessments, as shown on **Exhibit I**. The Estimated Buildout Values per projected Lot Type are shown on **Exhibit E.**

"TIRZ No. 9 Ordinance" means Ordinance No. _____ adopted by the City Council approving the TIRZ No. 9 Final Plan and authorizing the use of TIRZ No. 9 Revenues for project costs under Chapter 311, Texas Tax Code as amended, and related to certain public improvements, including the Authorized Improvements, as provided for in the TIRZ No. 9 Final Plan.

"TIRZ No. 9 Revenues" mean, for each year, the amounts which are deposited in the TIRZ No. 9 Fund pursuant to the TIRZ No. 9 Ordinance and TIRZ No. 9 Final Plan.

"Trustee" means the trustee or successor trustee under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 364.646 contiguous acres located within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly described on **Exhibit L-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 1,348 Lots developed with single-family homes. Annexation of the District into the City limits is expected to occur prior to the issuance of PID Bonds.

The Major Improvement Area includes approximately 164.014 contiguous acres located within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly described on **Exhibit A-2** and depicted on **Exhibit L-2**. Development of the Major Improvement Area is anticipated to include approximately 809 Lots developed with single-family homes.

Improvement Area #1 includes approximately 200.632 contiguous acres located within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly described on **Exhibit A-3** and depicted on **Exhibit L-3**. Development of Improvement Area #1 is anticipated to include approximately 539 Lots developed with single-family homes (345 single-family homes that are on Lots classified as Lot Type 1, 113 single-family homes that are on Lots classified as Lot Type 2, and 81 single-family homes that are on Lots classified as Lot Type 3).

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 Development Agreement and the City's standards and specifications and will be owned, operated and maintained by the City unless otherwise noted below. The budget for the Authorized Improvements is shown on **Exhibit B**.

A. Off-Site Major Improvements

- *Water*

  Improvements including pressure valves required to provide water service to all Lots within the District. All water improvements will be built to Mustang SUD standards and specifications and will be owned, operated and maintained by the Mustang SUD.

- *Sewer*

  Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related

earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within the District. All sewer improvements will be built to Mustang SUD standards and specifications and will be owned, operated and maintained by the Mustang SUD.

- *Wastewater Treatment Plant*

  Improvements on an approximate 14-acre wastewater treatment plant site including site work, structures, piping, electrical, equipment, and all necessary appurtenances required to provide wastewater service to all Lots within the District. All wastewater treatment plant improvements will be built to Mustang SUD standards and specifications and will be owned, operated and maintained by the Mustang SUD.

- *Soft Costs*

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

B. Major Improvements

- *Water*

  Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within the District. All water improvements will be built to Mustang SUD standards and specifications and will be owned, operated and maintained by the Mustang SUD.

- *Sewer*

  Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within the District. All sewer improvements will be built to Mustang SUD standards and specifications and will be owned, operated and maintained by the Mustang SUD.

- *Drainage*

  Improvements including earthen channels, swales, curb and inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all

related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within the District.

- *Roadways*

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

- *Soft Costs*

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

C. Improvement Area #1 Improvements

- *Water*

  Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1. All water improvements will be built to Mustang SUD standards and specifications and will be owned, operated and maintained by the Mustang SUD.

- *Sewer*

  Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, sidewalks, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1. All sewer improvements will be built to Mustang SUD standards and specifications and will be owned, operated and maintained by the Mustang SUD.

- *Drainage*

  Improvements including earthen channels, swales, curb and inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #1.

- *Roadways*

  Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The roadway improvements will provide benefit to each Lot within Improvement Area #1.

- *Landscaping*

  Improvements including installation of landscaping, including irrigation and sidewalks, in right-of-way spaces and drainage easements for the benefit of each Lot within Improvement Area #1. The landscaping improvements will be owned by the City and operated and maintained by a homeowners' association.

- *Soft Costs*

  Costs related to designing, constructing, and installing the Improvement Area #1 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, District Formation Costs, legal fees, and consultant fees.

D. Bond Issuance Costs

- *Debt Service Reserve Fund*

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

- *Capitalized Interest*

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

- *Underwriter's Discount*

  Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds, including the fee of counsel to the Underwriter.

- *Cost of Issuance*

  Includes costs of issuing a particular series of PID Bonds, including but not limited to issuer fees, attorney's fees, financial advisory fees, consultant fees, appraisal fees, printing

costs, publication costs, City's costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

E. Other Costs

- *Deposit to Administrative Fund*

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

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. 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 Improvement Area #1 and the Major Improvement Area. Per the PID Act and Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosure for the District. The buyer disclosures are attached hereto as **Appendix B.**

Exhibit D summarizes the sources and uses of funds required to construct the Authorized Improvements and Private Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in an Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the City Council may establish by ordinance reasonable classifications and formulas for the apportionment of the cost between the City and the area to

be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer, and all future owners and developers of the Assessed Property.

A. Assessment Methodology

Acting in its legislative capacity and based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City Council has determined that the costs of the Authorized Improvements shall be allocated as set forth below. Upon subdivision of an Assessed Property, the Actual Costs of the Authorized Improvements shall be reallocated based on Estimated Buildout Value as further described in **Section VI**. The costs related to the Authorized Improvements shall be allocated as follows:

- The costs of the Major Improvements shall be allocated to Improvement Area #1 and the Major Improvement Area based upon Estimated Buildout Value of each Parcel of Assessed Property to the Estimated Buildout Value of the District. Currently, the Major Improvement Area is allocated 60.48% of the Major Improvements costs, and Improvement Area #1 is allocated 39.52% of the Major Improvements costs. The Major Improvement Area and Improvement Area #1's shares of the Major Improvement costs are illustrated in **Exhibit B.**
- The Reimbursable Off-Site Major Improvements shall be allocated to the District, as set forth below. The Non-Reimbursable Off-Site Major Improvements shall be allocated to property outside of the District and shall be paid for by the Developer without reimbursement by the City through Assessments or the proceeds of PID Bonds. The costs of the Reimbursable Off-Site Major Improvements shall be allocated to Improvement Area #1 and the Major Improvement Area based upon Estimated Buildout Value of each Parcel of Assessed Property to the Estimated Buildout Value of the District. Currently, the Major Improvement Area is allocated 60.48% of the Reimbursable Off-Site Major Improvements costs, and Improvement Area #1 is allocated 39.52% of the Reimbursable Off-Site Major Improvements costs. The Major Improvement Area and Improvement Area

#1's shares of the Reimbursable Off-Site Major Improvement costs are illustrated in **Exhibit B.**

- By the adoption of the 2026 Major Improvement Area Assessment Ordinance, the costs of the Major Improvement Area Authorized Improvements are allocated to each Parcel in the Major Improvement Area based upon Estimated Buildout Value of each Parcel designated as Major Improvement Area Assessed Property to the Estimated Buildout Value of all Major Improvement Area Assessed Property. The Major Improvement Area Initial Parcel is the only Parcel within the Major Improvement Area, and as such, the Major Improvement Area Initial Parcel is allocated 100% of the Major Improvement Area Authorized Improvements. See **Exhibit B** for the allocation of the Major Improvement Area Authorized Improvements.
- By the adoption of the 2026 Improvement Area #1 Assessment Ordinance, the costs of the Improvement Area #1 Authorized Improvements are allocated to each Parcel within Improvement Area #1 based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Improvement Area #1 Assessed Property. The Improvement Area #1 Initial Parcel is the only Parcel within Improvement Area #1, and as such, the Improvement Area #1 Initial Parcel is allocated 100% of the Improvement Area #1 Authorized Improvements. See **Exhibit B** for the allocation of the Improvement Area #1 Authorized Improvements.

B. Assessments

By the adoption of the 2026 Major Improvement Area Assessment Ordinance, the Major Improvement Area Assessment levied on the Major Improvement Area Initial Parcel is in the amount shown on the Major Improvement Area Assessment Roll, attached hereto as **Exhibit F-1**. The projected Major Improvement Area Annual Installments are shown on **Exhibit F-2**. Upon division or subdivision of the Major Improvement Area Initial Parcel, the Major Improvement Area Assessment will be reallocated pursuant to **Section VI**.

By the adoption of the 2026 Improvement Area #1 Assessment Ordinance, the Improvement Area #1 Assessment levied on the Improvement Area #1 Initial Parcel is in the amount shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit G-1**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit G-2**. Upon division or subdivision of the Improvement Area #1 Initial Parcel, the Improvement Area #1 Assessment will be reallocated pursuant to **Section VI**.

The Maximum Assessment for each Lot Type is shown on **Exhibit E**. In no case will the Assessment for Lots classified as Lot Type 1, Lot Type 2, or Lot Type 3, respectively, exceed the corresponding Maximum Assessment for each Lot Type classification.

C. Findings of Special Benefit

Acting in its legislative capacity and based on information provided by the Developer and its engineers and reviewed by the City staff and by third-party consultants retained by the City, the City Council has found and determined the following:

- *Major Improvement Area*
    - The costs of the Major Improvement Area Authorized Improvements equal $13,813,465, as shown on **Exhibit B**; and
    - The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Area Authorized Improvements equal to or greater than the Actual Cost of the Major Improvement Area Authorized Improvements;
    - The Major Improvement Area Initial Parcel is allocated 100% of the Major Improvement Area Assessment levied for the Major Improvement Area Authorized Improvements, which equals $13,813,000 as shown on the Major Improvement Area Assessment Roll attached hereto as **Exhibit F-1**; and
    - The special benefit (≥ $13,813,465) received by the Major Improvement Area Initial Parcel from the Major Improvement Area Authorized Improvements is greater than or equal to the amount of the Major Improvement Area Assessment ($13,813,000) levied on the Major Improvement Area Initial Parcel for the Major Improvement Area Authorized Improvements; and
    - At the time the City Council adopted the 2026 Major Improvement Area Assessment Ordinance, the Developer owned 100% of the Major Improvement Area Initial Parcel. The Developer acknowledged that the Major Improvement Area Authorized Improvements confer a special benefit on the Major Improvement Area Initial Parcel and consented to the imposition of the Major Improvement Area Assessments to pay for the Actual Costs associated therewith. The Developer has 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 2026 Major Improvement Area Assessment Ordinance; (2) the Service and Assessment Plan and the 2026 Major Improvement Area

Assessment Ordinance; and (3) the levying of Major Improvement Area Assessment on the Major Improvement Area Initial Parcel.

- *Improvement Area #1*
    - The costs of the Improvement Area #1 Authorized Improvements equal $33,469,595, as shown on **Exhibit B;** and
    - The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #1 Authorized Improvements; and
    - The Improvement Area Initial Parcel is allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Authorized Improvements, which equals $33,469,000 as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit G-1**; and
    - The special benefit (≥ $33,469,595) received by the Improvement Area #1 Initial Parcel from the Improvement Area #1 Authorized Improvements is equal to or greater than the amount of the Improvement Area #1 Assessment ($33,469,000) levied on the Improvement Area #1 Initial Parcel for the Improvement Area #1 Authorized Improvements; and
    - At the time the City Council adopted the 2026 Improvement Area #1 Assessment Ordinance, the Developer owned 100% of the Improvement Area #1 Initial Parcel. The Developer acknowledges that the Improvement Area #1 Authorized Improvements confer a special benefit on the Improvement Area #1 Initial Parcel and consented to the imposition of the Improvement Area #1 Assessment to pay for the Actual Costs associated therewith. 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 2026 Improvement Area #1 Assessment Ordinance; (2) the Service and Assessment Plan and the 2026 Improvement Area #1 Assessment Ordinance; and (3) the levying of the Improvement Area #1 Assessment on the Improvement Area #1 Initial Parcel.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for annually by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. The Annual Collection Costs shall be collected as part of and in the

same manner as Annual Installments in the amounts shown on the Assessment Rolls, 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.

F. TIRZ No. 9 Improvement Area #1 Annual Credit Amount

The City Council, in accordance with the Development Agreement, has agreed to use a portion of TIRZ No. 9 Revenues generated from each Assessed Property to offset a portion of the principal and interest of such property's Assessment, other than the Major Improvement Area Assessment.

1. The principal and interest portion of the Improvement Area #1 Annual Installment for an Improvement Area #1 Assessed Property shall receive a TIRZ No. 9 Improvement Area #1 Annual Credit Amount equal to the TIRZ No. 9 Revenue generated by the Improvement Area #1 Assessed Property for the previous Tax Year (e.g. TIRZ No. 9 Revenue collected from the Improvement Area #1 Assessed Property for Tax Year 2026 shall be applied as the TIRZ No. 9 Improvement Area #1 Annual Credit Amount applicable to the Improvement Area #1 Assessed Property's Improvement Area #1 Annual Installment to be collected in Tax Year 2027), but in no event shall the TIRZ No. 9 Improvement Area #1 Annual Credit Amount exceed the TIRZ No. 9 Improvement Area #1 Maximum Annual Credit Amount shown in **Section V.F.2** as calculated on **Exhibit I** for each Improvement Area #1 Assessed Property.

2. The TIRZ No. 9 Improvement Area #1 Maximum Annual Credit Amount available to reduce the principal and interest portion of the Improvement Area #1 Annual Installment for an Improvement Area #1 Assessed Property is calculated for each Lot Type, as shown on **Exhibit I**. The TIRZ No. 9 Improvement Area #1 Maximum Annual Credit Amount is calculated so that the average Improvement Area #1 Annual Installment minus the TIRZ No. 9 Improvement Area #1 Maximum Annual Credit Amount for each Lot Type does not produce an equivalent tax rate for such Lot Type which exceeds the competitive, composite equivalent ad valorem tax rate ($2.7010 per $100 of assessed value) taking into consideration the 2025 tax rates of all applicable overlapping taxing units and the equivalent tax rate of the Improvement Area #1 Annual Installments based on Estimated Buildout Values at the time 2026 Improvement Area #1 Assessment Ordinance is approved. The resulting TIRZ No. 9 Improvement Area #1 Maximum Annual Credit Amount for each Lot Type is shown on **Exhibit I**.

3. After the TIRZ No. 9 Improvement Area #1 Annual Credit Amount is applied to provide a credit towards the principal and interest portion of the Improvement Area #1 Annual Installment for the Improvement Area #1 Assessed Property, any excess TIRZ No. 9 Revenues available from the TIRZ No. 9 Fund shall be used as described in the TIRZ No. 9 Final Plan and the Development Agreement.

SECTION VI: TERMS OF THE ASSESSMENTS

Any reallocation of Assessments as described in this **Section VI** shall be considered an administrative action of the City and will not be subject to the notice or public hearing requirements under the PID Act.

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of a subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property
B = the Assessment for the Assessed Property prior to division
C = the Estimated Buildout Value of the newly divided Assessed Property
D = the sum of the Estimated Buildout Value for all of the newly divided Assessed Properties

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, as provided by the Developer, relying on information from homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property. The Estimated Buildout Values for Lot Type 1, Lot Type 2, and Lot Type 3 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates but **Exhibit E** may be updated in future Annual Service Plan Updates to account for additional Lot Types. The calculation as confirmed by the City Council shall be conclusive and binding.

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

2. Upon Subdivision by a Recorded Subdivision Plat

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

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

Where the terms have the following meanings:

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

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the Developer, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot. The Estimated Buildout Values for Lot Type 1, Lot Type 2, and Lot Type 3 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive and binding.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section

shall be reflected in the Annual Service Plan Update immediately following such reallocation.

3. Upon Consolidation

If two or more Lots or Parcels are consolidated into a single Lot or Parcel, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update immediately following such consolidation. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.C.**

B. Mandatory Prepayment of Assessments

If an Assessed Property or a portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel or portion thereof to become Non-Benefitted Property, the owner of such Lot, Parcel or portion thereof shall pay to the City, or cause to be paid to the City, the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to any such conveyance or act, and no such conveyance shall be effective until the City receives such payment. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable "Notice of Assessment Termination," a form of which is attached hereto as **Exhibit J.**

C. True-Up of Assessments if Maximum Assessment Exceeded at Plat

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City, or cause to be paid to the City, the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

D. Reduction of Assessments

If as a result of cost savings or the failure to construct all or a portion of an Authorized Improvement the Actual Costs of any Authorized Improvements are less than the Assessments,

then (i) in the event PID Bonds have not been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the project fund, created under the Indenture relating to such series of PID Bonds that are not expected to be used for the purposes of the project fund, as directed by the City pursuant to the terms of such Indenture, and, if applicable, the TIRZ No. 9 Improvement Area #1 Annual Credit Amount will be reduced in the same proportion as the Assessments. Such excess PID Bond proceeds may be used for any purpose authorized by such Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

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 Rolls and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

The owner of any Assessed Property may, at any time, pay all or any part of an Assessment in accordance with the PID Act. Prepayment Costs, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed, or the Annual Service Plan Update has been approved by the City Council prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment on an Assessed Property is prepaid in full, with Prepayment Costs, (1) the Administrator shall cause the Assessment to be reduced to zero on said Assessed Property and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate with respect to said Assessed Property; and (4) the City shall provide the owner with a recordable "Notice of Assessment Termination."

If an Assessment on an Assessed Property is prepaid in part with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced on said Assessed Property and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit F-2** shows the estimated Major Improvement Area Annual Installments, and **Exhibit G-2** shows the estimated Improvement Area #1 Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the Parcel not including any Non-Benefitted Property, as shown by the Denton 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 Improvement Area #1 Assessments and Major Improvement Area Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2027.

Failure of an owner of an Assessed Property to receive an invoice for an Annual Installment shall not relieve said owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs.

G. Prepayment as a Result of an Eminent Domain Proceeding or Taking

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

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

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a $100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted Property and the remaining 90 acres constituting the Remaining Property shall be subject to the $100 Assessment (provided that this $100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the $100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment, as applicable, on the Remaining Property by $10, then the owner shall be required to pay $10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to $90.

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

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

SECTION VII: ASSESSMENT ROLLS

The Major Improvement Area 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 Major Improvement Area Assessment Roll and Major Improvement Area Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Improvement Area #1 Assessment Roll is attached as **Exhibit G-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #1 Assessment Roll and Improvement Area #1 Annual Installments for each Parcel as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council's approval of the calculation. Otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. The Administrator shall provide a written response to the City Council and the owner not later than 30 days after receipt of such written notice of error by the Administrator. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and, not later than 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners of Assessed Property adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public meeting at which all interested parties have an opportunity to be heard. Decisions by the City Council shall

be final and binding on the owners of Assessed Property and developers and their successors and assigns.

D. Form of Buyer Disclosure/Filing Requirements

Per Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosure for the District. The buyer disclosures are attached hereto as **Appendix B.** Within seven days of approval by the City Council, the City shall file and record in the real property records of the County the executed ordinance(s) approving this Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance(s), including any attachments, approving this Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

E. Severability

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

EXHIBITS

The following Exhibits are attached to and made a part of this Service and Assessment Plan for all purposes:

Exhibit A-1	Map of the District
Exhibit A-2	Map of Major Improvement Area
Exhibit A-3	Map of Improvement Area #1
Exhibit A-4	Improvement Area #1 Lot Type Classification Map
Exhibit B	Project Costs
Exhibit C	Service Plan
Exhibit D	Sources and Uses of Funds
Exhibit E	Maximum Assessment and Tax Rate Equivalent
Exhibit F-1	Major Improvement Area Assessment Roll
Exhibit F-2	Major Improvement Area Annual Installments
Exhibit G-1	Improvement Area #1 Assessment Roll
Exhibit G-2	Improvement Area #1 Annual Installments
Exhibit H-1	Maps of Major Improvements and Off-Site Major Improvements
Exhibit H-2	Maps of Improvement Area #1 Improvements
Exhibit I	TIRZ No. 9 Improvement Area #1 Maximum Annual Credit Amount by Lot Type
Exhibit J	Form of Notice of Assessment Termination
Exhibit K-1	Debt Service Schedules for Major Improvement Area Bonds
Exhibit K-2	Debt Service Schedule for Improvement Area #1 Bonds
Exhibit L-1	District Legal Description
Exhibit L-2	Major Improvement Area Legal Description
Exhibit L-3	Improvement Area #1 Legal Description

APPENDICES

The following Appendices are attached to and made a part of this Service and Assessment Plan for all purposes:

Appendix A	Engineer's Report
Appendix B	Buyer Disclosures

EXHIBIT A-1 – MAP OF THE DISTRICT

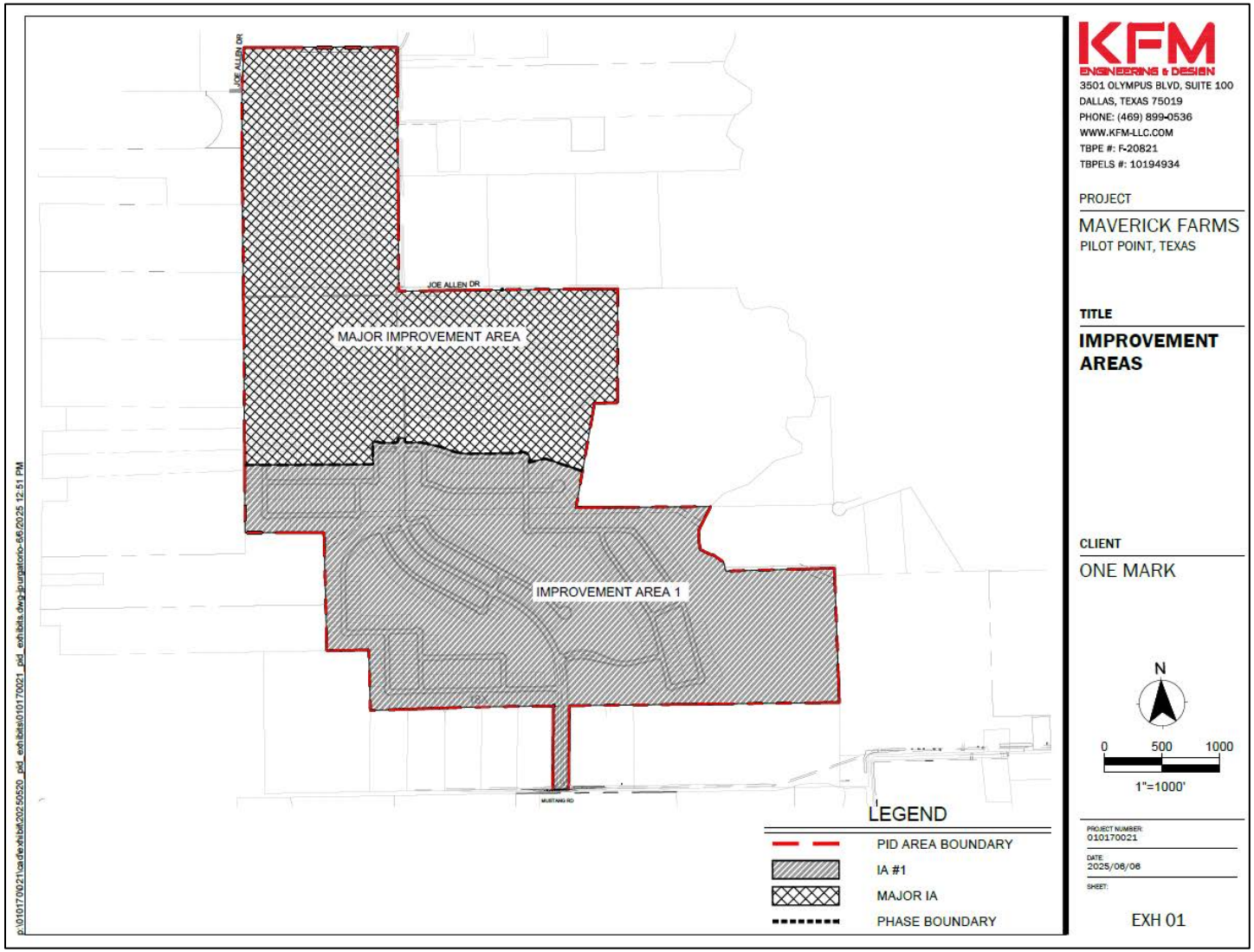


EXHIBIT A-2 – MAP OF MAJOR IMPROVEMENT AREA

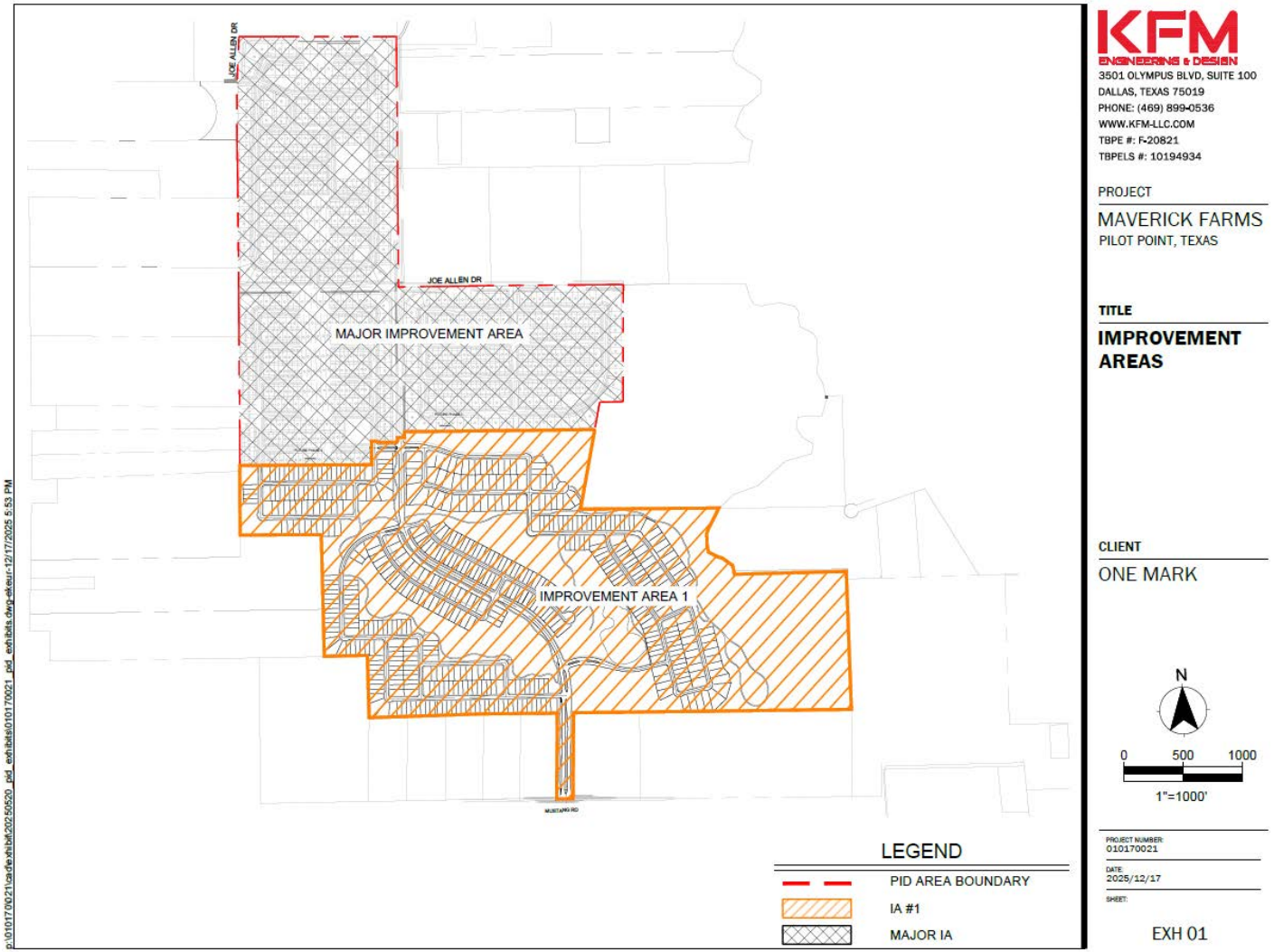


EXHIBIT A-3 – MAP OF IMPROVEMENT AREA #1

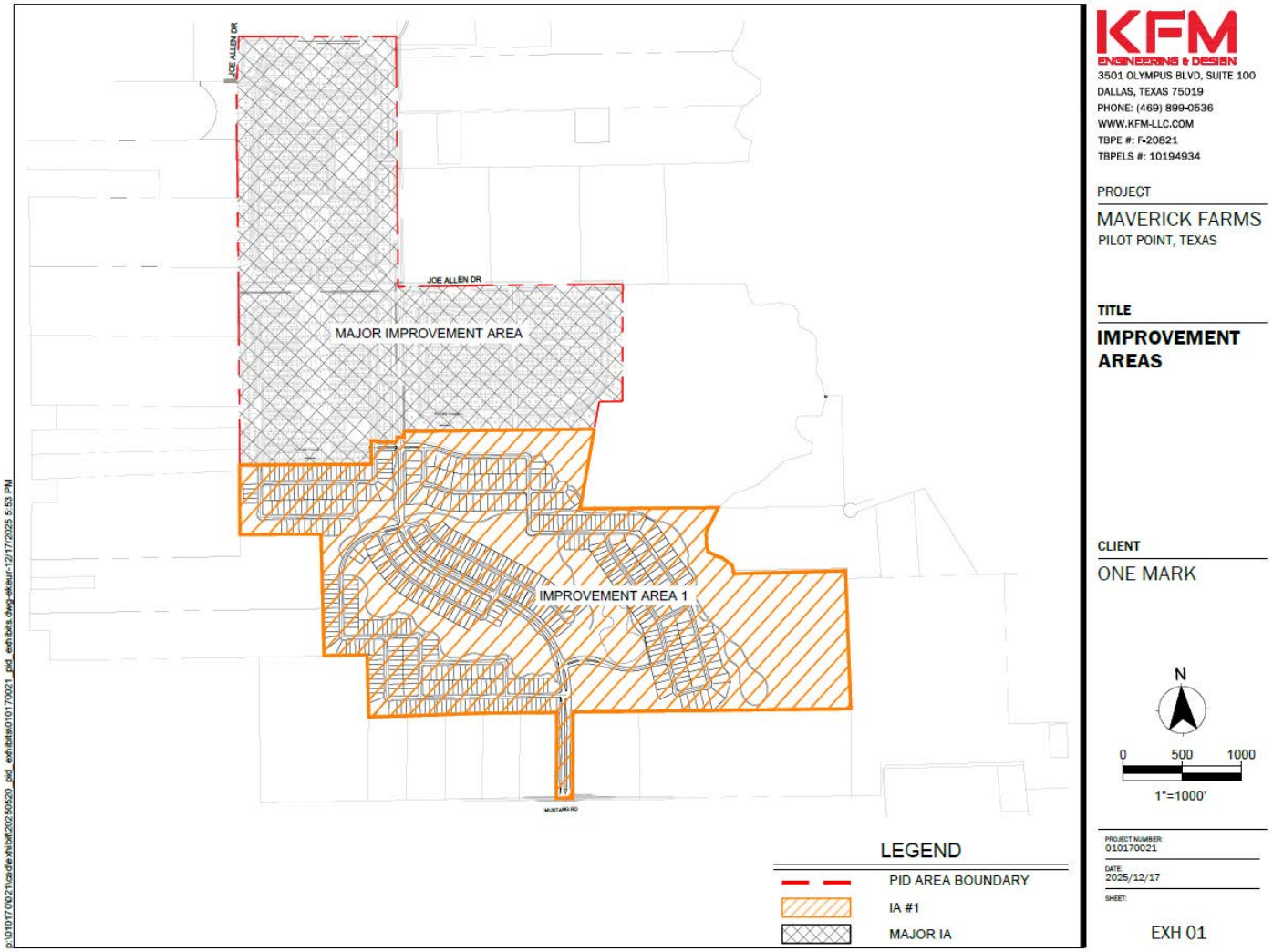
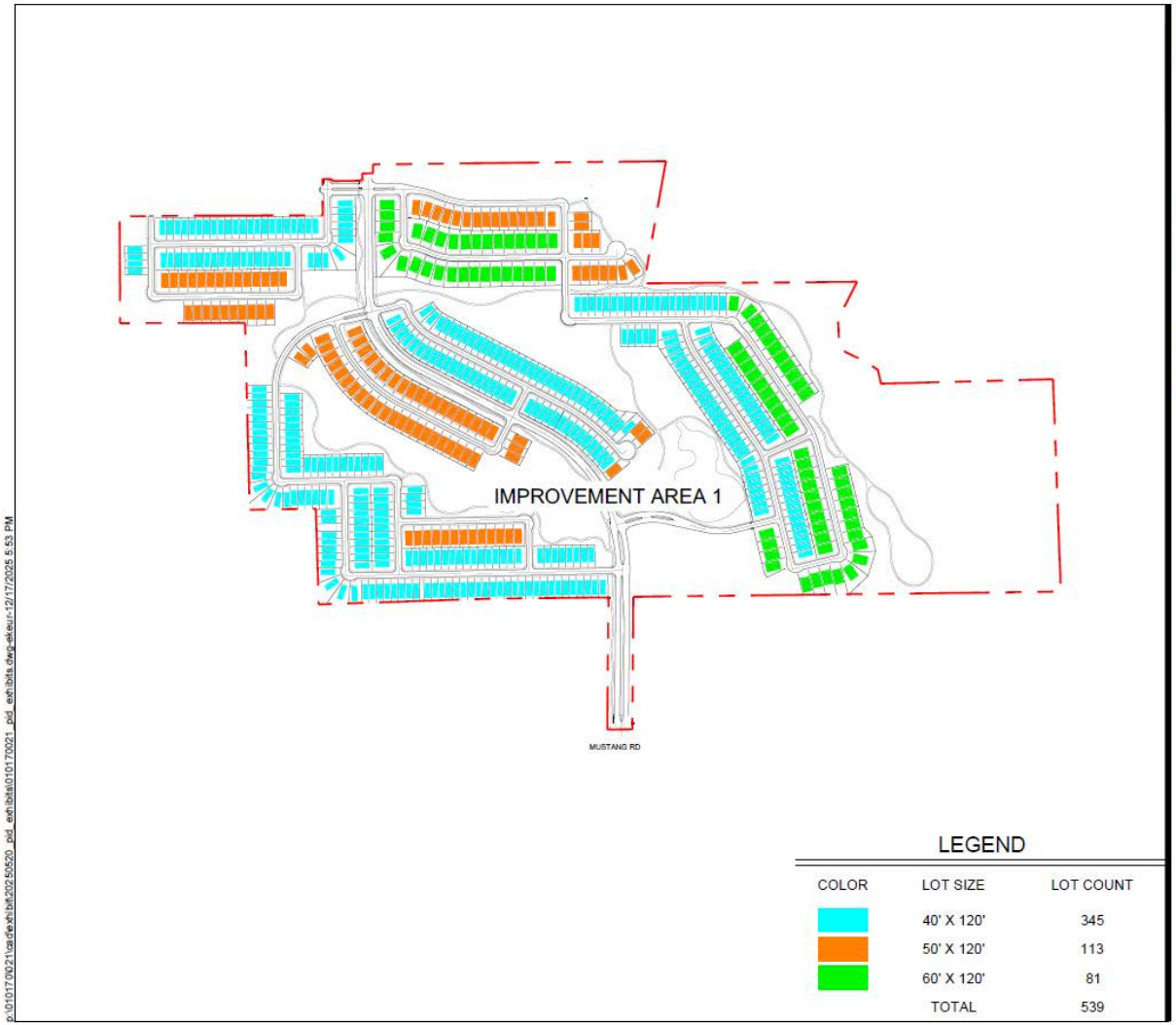


EXHIBIT A-4 – IMPROVEMENT AREA #1 LOT TYPE CLASSIFICATION MAP



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PROJECT
MAVERICK FARMS
PILOT POINT, TEXAS

TITLE
LOT TYPE CLASSIFICATION MAP

CLIENT
ONE MARK

PROJECT NUMBER: 010170021
DATE: 2025/12/17
SHEET:
EXH 01

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EXHIBIT B – PROJECT COSTS

	Total Costs[a]	Oversizing[b],[d]	Privately Funded[b]	Improvement Area #1		Major Improvement Area	
				%	Cost	%	Cost
Off-Site Major Improvements [c]							
Wet Utilities							
Water	$ 100,000	$ -	$ -	39.52%	$ 39,517	60.48%	$ 60,483
Sewer	1,554,936	379,118	-	39.52%	464,645	60.48%	711,173
Wastewater Treatment Plant	11,575,183	4,175,700	-	39.52%	2,924,032	60.48%	4,475,451
Soft Costs[e]	2,354,803	1,762,957	-	39.52%	233,878	60.48%	357,967
	$ 15,584,921	$ 6,317,775	$ -		$ 3,662,072		$ 5,605,075
Major Improvements [c]							
Wet Utilities							
Water	$ 635,678	$ -	$ -	39.52%	$ 251,199	60.48%	$ 384,479
Sewer	1,279,328	-	-	39.52%	505,548	60.48%	773,779
Drainage	1,293,009	-	-	39.52%	510,955	60.48%	782,054
Roadways	2,272,368	-	-	39.52%	897,965	60.48%	1,374,403
Soft Costs[e]	1,299,301	-	-	39.52%	513,441	60.48%	785,860
	$ 6,779,683	$ -	$ -		$ 2,679,108		$ 4,100,575
Improvement Area #1 Improvements							
Wet Utilities							
Water	$ 2,273,290	$ -	$ -	100.00%	$ 2,273,290	0.00%	$ -
Sewer	2,565,153	-	-	100.00%	2,565,153	0.00%	-
Drainage	2,127,041	-	-	100.00%	2,127,041	0.00%	-
Roadways	6,099,734	-	-	100.00%	6,099,734	0.00%	-
Landscaping	1,256,384	-	-	100.00%	1,256,384	0.00%	-
Soft Costs[e]	5,320,374	-	-	100.00%	5,320,374	0.00%	-
	$ 19,641,975	$ -	$ -		$ 19,641,975		$ -
Private Improvements [b],[h]							
Roadways	$ 797,648	$ -	$ 797,648	0.00%	$ -	0.00%	$ -
Landscaping	1,417,870	-	1,417,870	0.00%	-	0.00%	-
Dry Utilities	918,174	-	918,174	0.00%	-	0.00%	-
Soft Costs[e]	460,465	-	460,465	0.00%	-	0.00%	-
	$ 3,594,157	$ -	$ 3,594,157		$ -		$ -
Bond Issuance Costs [f]							
Debt Service Reserve Fund	$ 3,691,455	$ -	$ -		$ 2,593,435		$ 1,098,020
Capitalized Interest	4,040,240	-	-		2,175,485		1,864,755
Underwriter Discount[g]	1,418,460	-	-		1,004,070		414,390
Cost of Issuance	2,364,100	-	-		1,673,450		690,650
	$ 11,514,255	$ -	$ -		$ 7,446,440		$ 4,067,815
Other Costs [f]							
Deposit to Administrative Fund	$ 80,000	$ -	$ -		$ 40,000		$ 40,000
	$ 80,000	$ -	$ -		$ 40,000		$ 40,000
Total	**$ 57,194,992**	**$ 6,317,775**	**$ 3,594,157**		**$ 33,469,595**		**$ 13,813,465**

Footnotes:

[a] Per the Engineer's Report dated 12/31/2025.

[b] Non-reimbursable to the Developer through Assessments or the issuance of PID Bonds.

[c] The Major Improvements are allocated pro rata between Improvement Area #1 and the Major Improvement Area based on the ratio of Estimated Buildout Value of each area to the Estimated Buildout Value of the District.

[d] Off-Site Major Improvements oversizing as required by Mustang SUD to be paid for by the Developer without reimbursement through Assessments or the issuance of PID Bonds.

[e] Soft costs include District Formation Costs, engineering and surveying, geotechnical reporting, fees, and Mustang SUD inspection fees.

[f] Preliminary estimates only and subject to change upon the issuance of PID Bonds.

[g] Includes the cost to counsel of the Underwriter.

[h] Improvement Area #1 private improvements include roadways and earthwork, and dry utilities that are not Authorized Improvements, but are necessary to deliver finished lots in Improvement Area #1. To be provided to the Trustee as cash at closing. Not reimbursable to the Developer through Assessments or the issuance of PID Bonds.

EXHIBIT C – SERVICE PLAN

Improvement Area #1						
Annual Installment Due		**1/31/2027**	**1/31/2028**	**1/31/2029**	**1/31/2030**	**1/31/2031**
Principal		$ -	$ 417,000.00	$ 445,000.00	$ 473,000.00	$ 504,000.00
Interest		2,175,485.00	2,175,485.00	2,148,380.00	2,119,455.00	2,088,710.00
TIRZ No. 9 Improvement Area #1 Annual Credit Amount[a]		-	-	-	-	-
Capitalized Interest		(1,087,742.50)	-	-	-	-
	(1)	$ 1,087,742.50	$ 2,592,485.00	$ 2,593,380.00	$ 2,592,455.00	$ 2,592,710.00
Additional Interest	(2)	$ 167,345.00	$ 167,345.00	$ 165,260.00	$ 163,035.00	$ 160,670.00
Annual Collection Costs	(3)	$ 40,000.00	$ 40,800.00	$ 41,616.00	$ 42,448.32	$ 43,297.29
Total Annual Installment Due	**(4) = (1) + (2) + (3)**	**$ 1,295,087.50**	**$ 2,800,630.00**	**$ 2,800,256.00**	**$ 2,797,938.32**	**$ 2,796,677.29**

Footnotes:

[a] Each year, the TIRZ No. 9 Revenue generated by each Lot shall be applied to the principal and interest portion of the Annual Installment, up to the TIRZ No. 9 Improvement Area #1 Maximum Annual Credit Amount. The TIRZ No. 9 Improvement Area #1 Annual Credit Amount shall be updated each year in the Annual Service Plan Update as TIRZ No. 9 Revenue is generated.

Major Improvement Area						
Annual Installment Due		**1/31/2027**	**1/31/2028**	**1/31/2029**	**1/31/2030**	**1/31/2031**
Principal		$ -	$ 165,000.00	$ 176,000.00	$ 188,000.00	$ 201,000.00
Interest		932,377.50	932,377.50	921,240.00	909,360.00	896,670.00
Capitalized Interest		(932,377.50)	(466,189.00)	-	-	-
	(1)	$ -	$ 631,188.50	$ 1,097,240.00	$ 1,097,360.00	$ 1,097,670.00
Additional Interest	(2)	$ 69,065.00	$ 69,065.00	$ 68,240.00	$ 67,360.00	$ 66,420.00
Annual Collection Costs	(3)	$ 40,000.00	$ 40,800.00	$ 41,616.00	$ 42,448.32	$ 43,297.29
Total Annual Installment Due	**(4) = (1) + (2) + (3)**	**$ 109,065.00**	**$ 741,053.50**	**$ 1,207,096.00**	**$ 1,207,168.32**	**$ 1,207,387.29**

EXHIBIT D – SOURCES AND USES OF FUNDS

	Privately Funded	Oversizing[e]	Improvement Area #1	Major Improvement Area	Total
Sources of Funds					
Improvement Area #1 Bond	$ -	$ -	$ 33,469,000	$ -	$ 33,469,000
Major Improvement Area Bond	-	-	-	13,813,000	13,813,000
Developer Contribution - Oversizing[a]	-	6,317,775	-	-	6,317,775
Developer Contribution - Improvement Area #1 Private Improvements[b]	2,176,287	-	-	-	2,176,287
Developer Contribution[a]	1,417,870	-	595	465	1,418,930
Total Sources of Funds	**$ 3,594,157**	**$ 6,317,775**	**$ 33,469,595**	**$ 13,813,465**	**$ 57,194,992**
Uses of Funds					
Off-Site Major Improvements	$ -	$ 6,317,775	$ 3,662,072	$ 5,605,075	$ 15,584,921
Major Improvements	-	-	2,679,108	4,100,575	6,779,683
Improvement Area #1 Improvements	-	-	19,641,975	-	19,641,975
Private Improvements - Improvement Area #1[b]	2,176,287	-	-	-	2,176,287
Private Improvements - Landscaping[a]	1,417,870	-	-	-	1,417,870
	$ 3,594,157	$ 6,317,775	$ 25,983,155	$ 9,705,650	$ 45,600,737
Bond Issuance Costs [c]					
Debt Service Reserve Fund	$ -	$ -	$ 2,593,435	$ 1,098,020	$ 3,691,455
Capitalized Interest	-	-	2,175,485	1,864,755	4,040,240
Underwriter Discount[d]	-	-	1,004,070	414,390	1,418,460
Cost of Issuance	-	-	1,673,450	690,650	2,364,100
	$ -	$ -	$ 7,446,440	$ 4,067,815	$ 11,514,255
Other Costs [c]					
Deposit to Administrative Fund	$ -	$ -	$ 40,000	$ 40,000	$ 80,000
	$ -	$ -	$ 40,000	$ 40,000	$ 80,000
Total Uses of Funds	**$ 3,594,157**	**$ 6,317,775**	**$ 33,469,595**	**$ 13,813,465**	**$ 57,194,992**

Footnotes:

[a] Not reimbursable to the Developer through Assessments or the issuance of PID Bonds.

[b] Improvement Area #1 private improvements include roadways and earthwork, and dry utilities that are not Authorized Improvements, but are necessary to deliver finished lots in Improvement Area #1. To be provided to the Trustee as cash at closing. Not reimbursable to the Developer through Assessments or the issuance of PID Bonds.

[c] Preliminary and subject to change upon the issuance of PID Bonds.

[d] Includes the cost to counsel of the Underwriter.

[e] Off-Site Major Improvements oversizing as required by Mustang SUD. Not reimbursable to the Developer through Assessments or the issuance of PID Bonds.

EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units[a]	Appraised Value[a]		Estimated Buildout Value[b]		Assessment[a]		Average Annual Installment		PID TRE
		Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	
Improvement Area #1										
Lot Type 1	345	$ 80,664	$ 27,829,059	$ 372,000	$ 128,340,000	$ 57,464.14	$ 19,825,128	$ 4,740.79	$ 1,635,572	$ 1.2744
Lot Type 2	113	103,164	11,657,526	439,000	49,607,000	67,813.86	7,662,967	5,594.64	632,194	1.2744
Lot Type 3	81	122,116	9,891,415	478,000	38,718,000	73,838.33	5,980,905	6,091.66	493,424	1.2744
Improvement Area #1 Subtotal	**539**		**$ 49,378,000**		**$ 216,665,000**		**$ 33,469,000**		**$ 2,761,191**	**$ 1.2744**
Major Improvement Area Subtotal	**809**		**$ 41,923,800**		**$ 331,622,000**		**$ 13,813,000**		**$ 1,198,664**	**$ 0.3615**
Total	**1348**		**$ 91,301,800**		**$ 548,287,000**		**$ 47,282,000**		**$ 3,959,855**	

Footnotes:

[a] Based on information derived from the appraisal dated 12/23/2025.

[b] Based on information provided by the Developer on 12/10/2025.

EXHIBIT F-1 – MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

Property ID[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b]
43012	Major Improvement Area Initial Parcel	$ 1,681,255.33	$ 13,274.89
43015	Major Improvement Area Initial Parcel	$ 6,834,024.58	$ 53,960.25
43060	Major Improvement Area Initial Parcel	$ 1,726,994.95	$ 13,636.05
76442	Major Improvement Area Initial Parcel	$ 2,746,711.65	$ 21,687.55
155240	Major Improvement Area Initial Parcel	$ 824,013.49	$ 6,506.26
Total		**$ 13,813,000.00**	**$ 109,065.00**

Footnotes:

[a] The Assessment and Annual Installment have initially been allocated between all Property IDs within the Major Improvement Area pro rata based on acreage as reported by Denton Central Appraisal District. Future allocation of the Assessment will be done in accordance with Section VI of this Service and Assessment Plan. Property IDs preliminary and subject to change prior to billing.

[b] Includes 12 months of capitalized interest.

EXHIBIT F-2 – MAJOR IMPROVEMENT AREA ANNUAL INSTALLMENTS

Installment Due 1/31[a]	Principal	Interest[b]	Capitalized Interest	Reserve Fund[c]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[d]
2026	$ -	$ 466,189	$ (466,189)	$ -	$ -	$ -	$ -
2027	$ -	$ 932,378	$ (932,378)	$ -	$ 69,065	$ 40,000	$ 109,065
2028	$ 165,000	$ 932,378	$ (466,189)	$ -	$ 69,065	$ 40,800	$ 741,054
2029	$ 176,000	$ 921,240	$ -	$ -	$ 68,240	$ 41,616	$ 1,207,096
2030	$ 188,000	$ 909,360	$ -	$ -	$ 67,360	$ 42,448	$ 1,207,168
2031	$ 201,000	$ 896,670	$ -	$ -	$ 66,420	$ 43,297	$ 1,207,387
2032	$ 214,000	$ 883,103	$ -	$ -	$ 65,415	$ 44,163	$ 1,206,681
2033	$ 229,000	$ 868,658	$ -	$ -	$ 64,345	$ 45,046	$ 1,207,049
2034	$ 244,000	$ 853,200	$ -	$ -	$ 63,200	$ 45,947	$ 1,206,347
2035	$ 261,000	$ 836,730	$ -	$ -	$ 61,980	$ 46,866	$ 1,206,576
2036	$ 278,000	$ 819,113	$ -	$ -	$ 60,675	$ 47,804	$ 1,205,591
2037	$ 297,000	$ 800,348	$ -	$ -	$ 59,285	$ 48,760	$ 1,205,392
2038	$ 317,000	$ 780,300	$ -	$ -	$ 57,800	$ 49,735	$ 1,204,835
2039	$ 339,000	$ 758,903	$ -	$ -	$ 56,215	$ 50,730	$ 1,204,847
2040	$ 362,000	$ 736,020	$ -	$ -	$ 54,520	$ 51,744	$ 1,204,284
2041	$ 386,000	$ 711,585	$ -	$ -	$ 52,710	$ 52,779	$ 1,203,074
2042	$ 412,000	$ 685,530	$ -	$ -	$ 50,780	$ 53,835	$ 1,202,145
2043	$ 440,000	$ 657,720	$ -	$ -	$ 48,720	$ 54,911	$ 1,201,351
2044	$ 469,000	$ 628,020	$ -	$ -	$ 46,520	$ 56,010	$ 1,199,550
2045	$ 501,000	$ 596,363	$ -	$ -	$ 44,175	$ 57,130	$ 1,198,667
2046	$ 535,000	$ 562,545	$ -	$ -	$ 41,670	$ 58,272	$ 1,197,487
2047	$ 571,000	$ 526,433	$ -	$ -	$ 38,995	$ 59,438	$ 1,195,865
2048	$ 610,000	$ 487,890	$ -	$ -	$ 36,140	$ 60,627	$ 1,194,657
2049	$ 651,000	$ 446,715	$ -	$ -	$ 33,090	$ 61,839	$ 1,192,644
2050	$ 695,000	$ 402,773	$ -	$ -	$ 29,835	$ 63,076	$ 1,190,683
2051	$ 742,000	$ 355,860	$ -	$ -	$ 26,360	$ 64,337	$ 1,188,557
2052	$ 792,000	$ 305,775	$ -	$ -	$ 22,650	$ 65,624	$ 1,186,049
2053	$ 845,000	$ 252,315	$ -	$ -	$ 18,690	$ 66,937	$ 1,182,942
2054	$ 902,000	$ 195,278	$ -	$ -	$ 14,465	$ 68,275	$ 1,180,018
2055	$ 963,000	$ 134,393	$ -	$ -	$ 9,955	$ 69,641	$ 1,176,988
2056	$ 1,028,000	$ 69,390	$ -	$ (1,098,020)	$ 5,140	$ 71,034	$ 75,544
Total	**$ 13,813,000**	**$ 19,413,169**	**$ (1,864,755)**	**$ (1,098,020)**	**$ 1,403,480**	**$ 1,622,723**	**$ 33,289,597**

Footnotes:

[a] No Assessment collected in 2026 and capitalized interest is to be used for for the 9/15/2026 debt service payment.

[b] Interest is calculated at a 6.75% rate for illustrative purposes.

[c] Assumes Reserve Fund is fully funded and available to reduce the Major Improvement Area Annual Installments at maturity of the Major Improvement Area Bonds.

[d] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b]
155233	Improvement Area #1 Initial Parcel	$ 332,537.04	$ 12,867.57
155234	Improvement Area #1 Initial Parcel	$ 298,430.67	$ 11,547.82
155235	Improvement Area #1 Initial Parcel	$ 2,131,647.67	$ 82,484.40
155236	Improvement Area #1 Initial Parcel	$ 2,131,647.67	$ 82,484.40
155237	Improvement Area #1 Initial Parcel	$ 21,316.48	$ 824.84
155238	Improvement Area #1 Initial Parcel	$ 1,479,363.48	$ 57,244.17
155239	Improvement Area #1 Initial Parcel	$ 7,460,766.83	$ 288,695.39
168283	Improvement Area #1 Initial Parcel	$ 9,379.25	$ 362.93
179635	Improvement Area #1 Initial Parcel	$ 8,526,590.66	$ 329,937.58
683737	Improvement Area #1 Initial Parcel	$ 1,799,110.63	$ 69,616.83
683738	Improvement Area #1 Initial Parcel	$ 5,115,954.40	$ 197,962.55
683739	Improvement Area #1 Initial Parcel	$ 1,719,600.17	$ 66,540.16
683740	Improvement Area #1 Initial Parcel	$ 2,184,938.86	$ 84,546.51
1049640	Improvement Area #1 Initial Parcel	$ 170,531.81	$ 6,598.75
1049641	Improvement Area #1 Initial Parcel	$ 87,184.39	$ 3,373.61
Total		**$ 33,469,000.00**	**$ 1,295,087.50**

Footnotes:

[a] The Assessment and Annual Installment have initially been allocated between all Property IDs within Improvement Area #1 pro rata based on acreage as reported by Denton Central Appraisal District. Future allocation of the Assessment will be done in accordance with Section VI of this Service and Assessment Plan. Property IDs preliminary and subject to change prior to billing.

[b] Includes 6 months of capitalized interest.

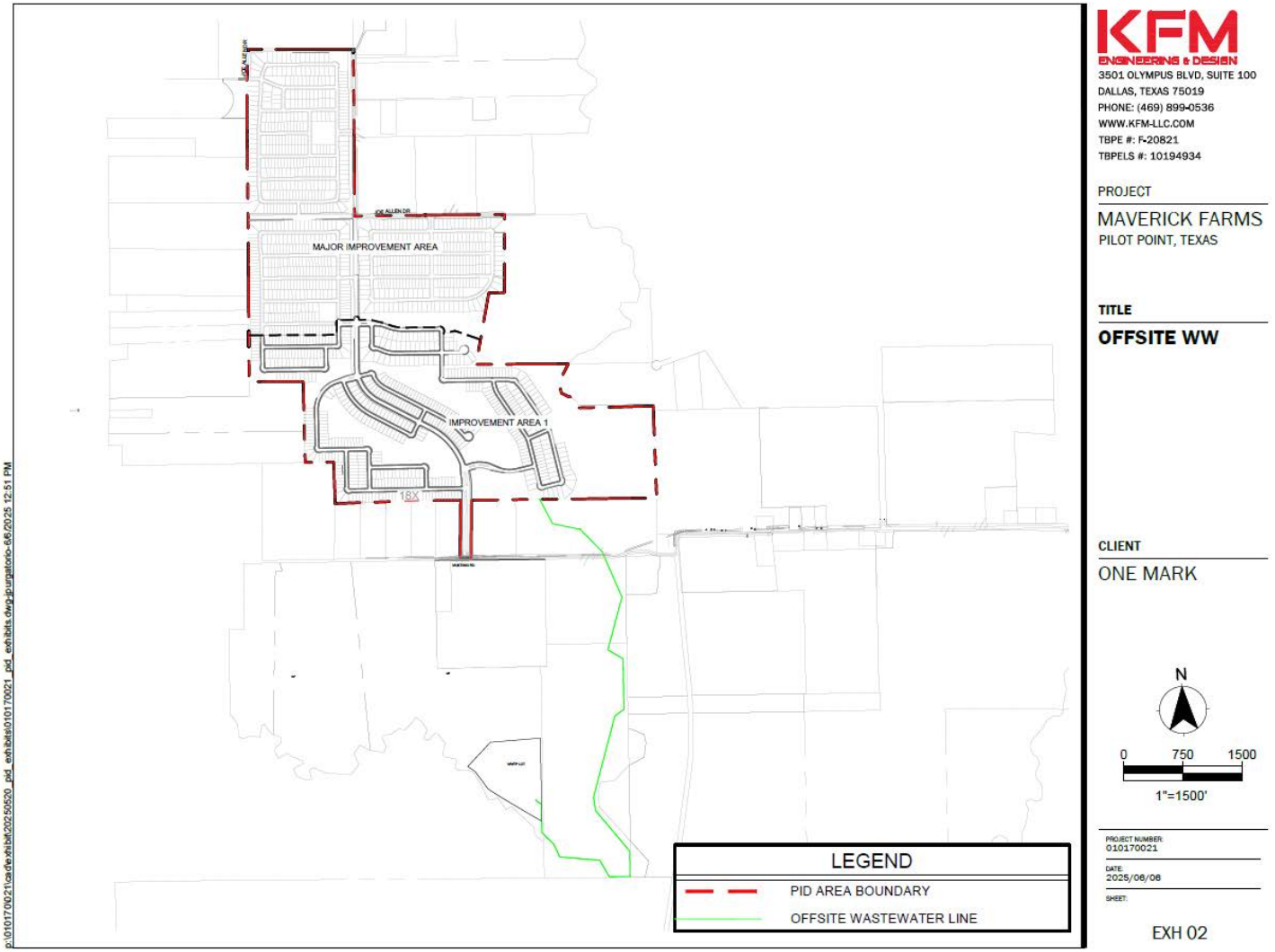
EXHIBIT G-2 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

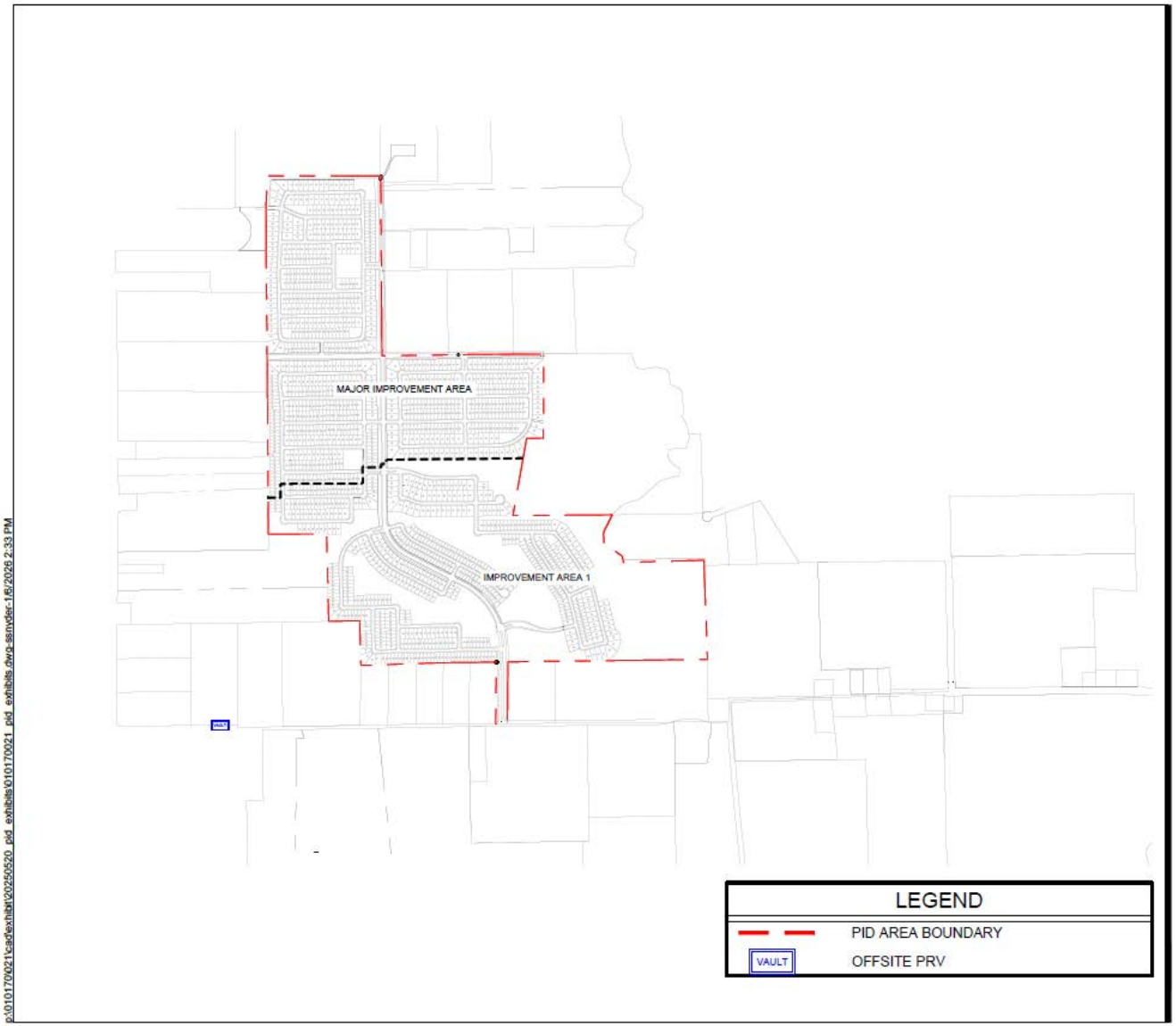
Installment Due 1/31[a]	Principal	Interest[b]	Capitalized Interest	Reserve Fund[c]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[d]
2026	$ -	$ 1,087,743	$ (1,087,743)	$ -	$ -	$ -	$ -
2027	$ -	$ 2,175,485	$ (1,087,743)	$ -	$ 167,345	$ 40,000	$ 1,295,088
2028	$ 417,000	$ 2,175,485	$ -	$ -	$ 167,345	$ 40,800	$ 2,800,630
2029	$ 445,000	$ 2,148,380	$ -	$ -	$ 165,260	$ 41,616	$ 2,800,256
2030	$ 473,000	$ 2,119,455	$ -	$ -	$ 163,035	$ 42,448	$ 2,797,938
2031	$ 504,000	$ 2,088,710	$ -	$ -	$ 160,670	$ 43,297	$ 2,796,677
2032	$ 537,000	$ 2,055,950	$ -	$ -	$ 158,150	$ 44,163	$ 2,795,263
2033	$ 572,000	$ 2,021,045	$ -	$ -	$ 155,465	$ 45,046	$ 2,793,556
2034	$ 609,000	$ 1,983,865	$ -	$ -	$ 152,605	$ 45,947	$ 2,791,417
2035	$ 649,000	$ 1,944,280	$ -	$ -	$ 149,560	$ 46,866	$ 2,789,706
2036	$ 691,000	$ 1,902,095	$ -	$ -	$ 146,315	$ 47,804	$ 2,787,214
2037	$ 736,000	$ 1,857,180	$ -	$ -	$ 142,860	$ 48,760	$ 2,784,800
2038	$ 784,000	$ 1,809,340	$ -	$ -	$ 139,180	$ 49,735	$ 2,782,255
2039	$ 835,000	$ 1,758,380	$ -	$ -	$ 135,260	$ 50,730	$ 2,779,370
2040	$ 889,000	$ 1,704,105	$ -	$ -	$ 131,085	$ 51,744	$ 2,775,934
2041	$ 947,000	$ 1,646,320	$ -	$ -	$ 126,640	$ 52,779	$ 2,772,739
2042	$ 1,008,000	$ 1,584,765	$ -	$ -	$ 121,905	$ 53,835	$ 2,768,505
2043	$ 1,074,000	$ 1,519,245	$ -	$ -	$ 116,865	$ 54,911	$ 2,765,021
2044	$ 1,144,000	$ 1,449,435	$ -	$ -	$ 111,495	$ 56,010	$ 2,760,940
2045	$ 1,218,000	$ 1,375,075	$ -	$ -	$ 105,775	$ 57,130	$ 2,755,980
2046	$ 1,297,000	$ 1,295,905	$ -	$ -	$ 99,685	$ 58,272	$ 2,750,862
2047	$ 1,381,000	$ 1,211,600	$ -	$ -	$ 93,200	$ 59,438	$ 2,745,238
2048	$ 1,471,000	$ 1,121,835	$ -	$ -	$ 86,295	$ 60,627	$ 2,739,757
2049	$ 1,567,000	$ 1,026,220	$ -	$ -	$ 78,940	$ 61,839	$ 2,733,999
2050	$ 1,669,000	$ 924,365	$ -	$ -	$ 71,105	$ 63,076	$ 2,727,546
2051	$ 1,777,000	$ 815,880	$ -	$ -	$ 62,760	$ 64,337	$ 2,719,977
2052	$ 1,892,000	$ 700,375	$ -	$ -	$ 53,875	$ 65,624	$ 2,711,874
2053	$ 2,015,000	$ 577,395	$ -	$ -	$ 44,415	$ 66,937	$ 2,703,747
2054	$ 2,147,000	$ 446,420	$ -	$ -	$ 34,340	$ 68,275	$ 2,696,035
2055	$ 2,286,000	$ 306,865	$ -	$ -	$ 23,605	$ 69,641	$ 2,686,111
2056	$ 2,435,000	$ 158,275	$ -	$ (2,593,435)	$ 12,175	$ 71,034	$ 83,049
Total	**$ 33,469,000**	**$ 44,991,473**	**$ (2,175,485)**	**$ (2,593,435)**	**$ 3,377,210**	**$ 1,622,723**	**$ 78,691,486**

Footnotes:

[a] No Assessment collected in 2026 and capitalized interest is to be used for for the 9/15/2026 debt service payment.
[b] Interest is calculated at 6.50% rate for illustrative purposes.
[c] Assumes Reserve Fund is fully funded and available to reduce the Improvement Area #1 Annual Installments at maturity of the Improvement Area #1 Bonds.
[d] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT H-1 – MAPS OF MAJOR IMPROVEMENTS AND OFF-SITE MAJOR IMPROVEMENTS





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TBPE #: F-20821
TBPELS #: 10194934

PROJECT
MAVERICK FARMS
PILOT POINT, TEXAS

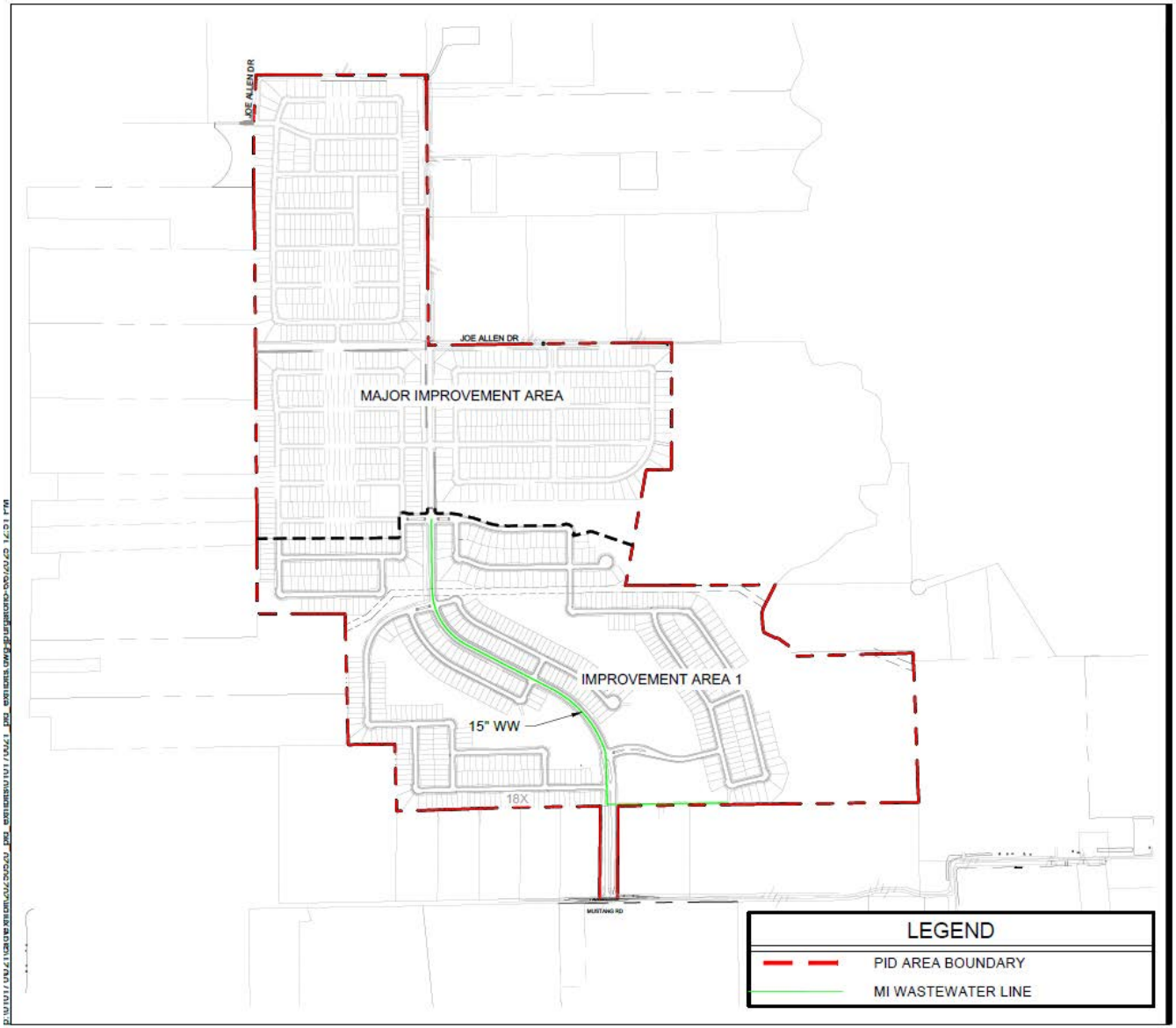
TITLE
OFFSITE WATER

CLIENT
ONE MARK

N
0 750 1500
1"=1500'

PROJECT NUMBER:
010170021
DATE:
2025/12/31
SHEET:

EXH 02



KFM
ENGINEERING & DESIGN
3501 OLYMPUS BLVD, SUITE 100
DALLAS, TEXAS 75019
PHONE: (469) 899-0536
WWW.KFM-LLC.COM
TBPE #: F-20821
TBPELS #: 10194934

PROJECT
MAVERICK FARMS
PILOT POINT, TEXAS

TITLE
WASTEWATER
MASTER INFRASTRUCTURE

CLIENT
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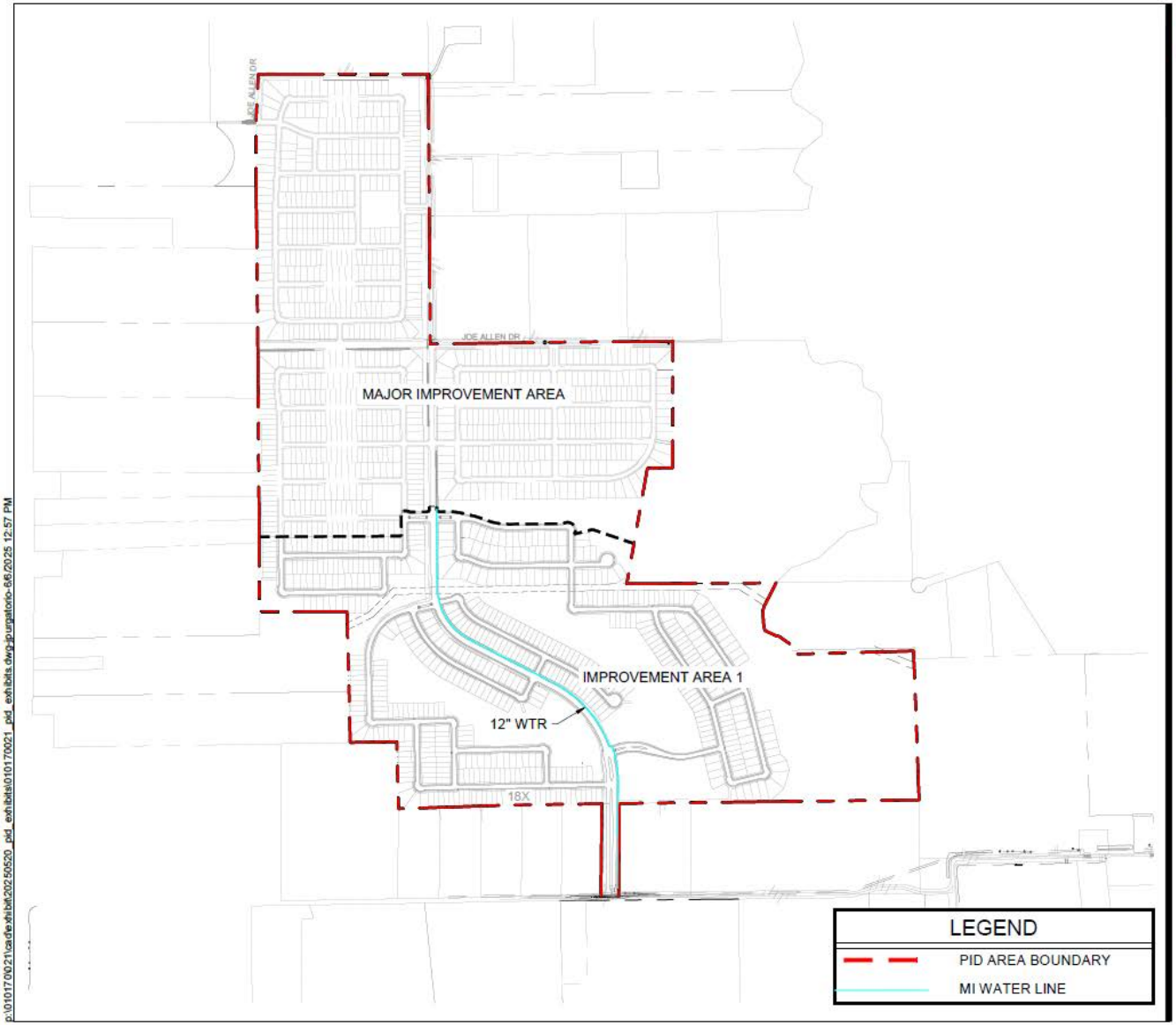
1"=1000'

PROJECT NUMBER:
010170021
DATE:
2025/06/06
SHEET:
EXH 04



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TBPE #: F-20821
TBPELS #: 10194934

PROJECT
MAVERICK FARMS
PILOT POINT, TEXAS

TITLE
WATER
MASTER INFRASTRUCTURE

CLIENT
ONE MARK

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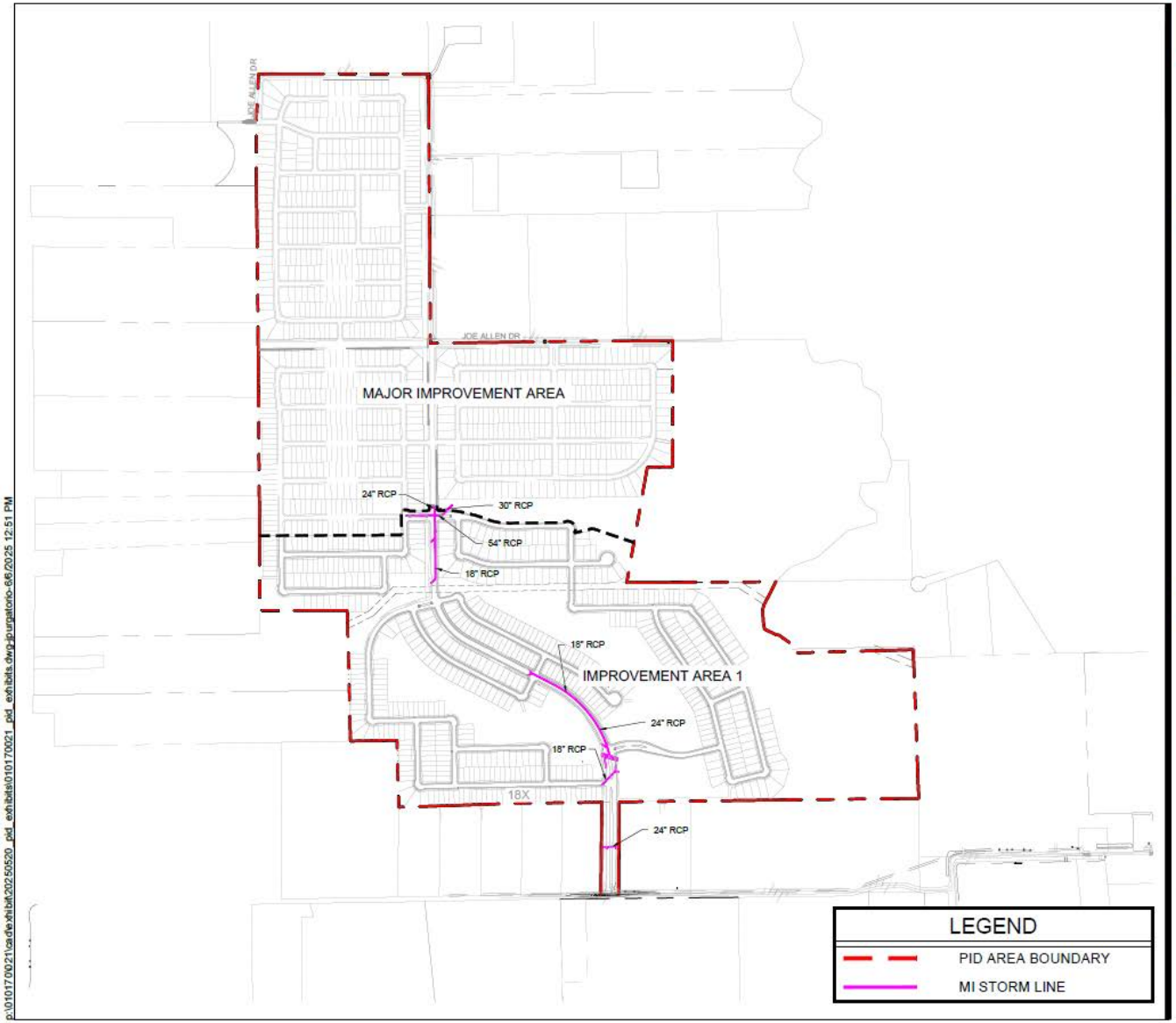
1"=1000'

PROJECT NUMBER:
010170021
DATE:
2025/06/06
SHEET:
EXH 05



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TBPE #: F-20821
TBPELS #: 10194934

PROJECT
MAVERICK FARMS
PILOT POINT, TEXAS

TITLE
DRAINAGE
MASTER INFRASTRUCTURE

CLIENT
ONE MARK

N
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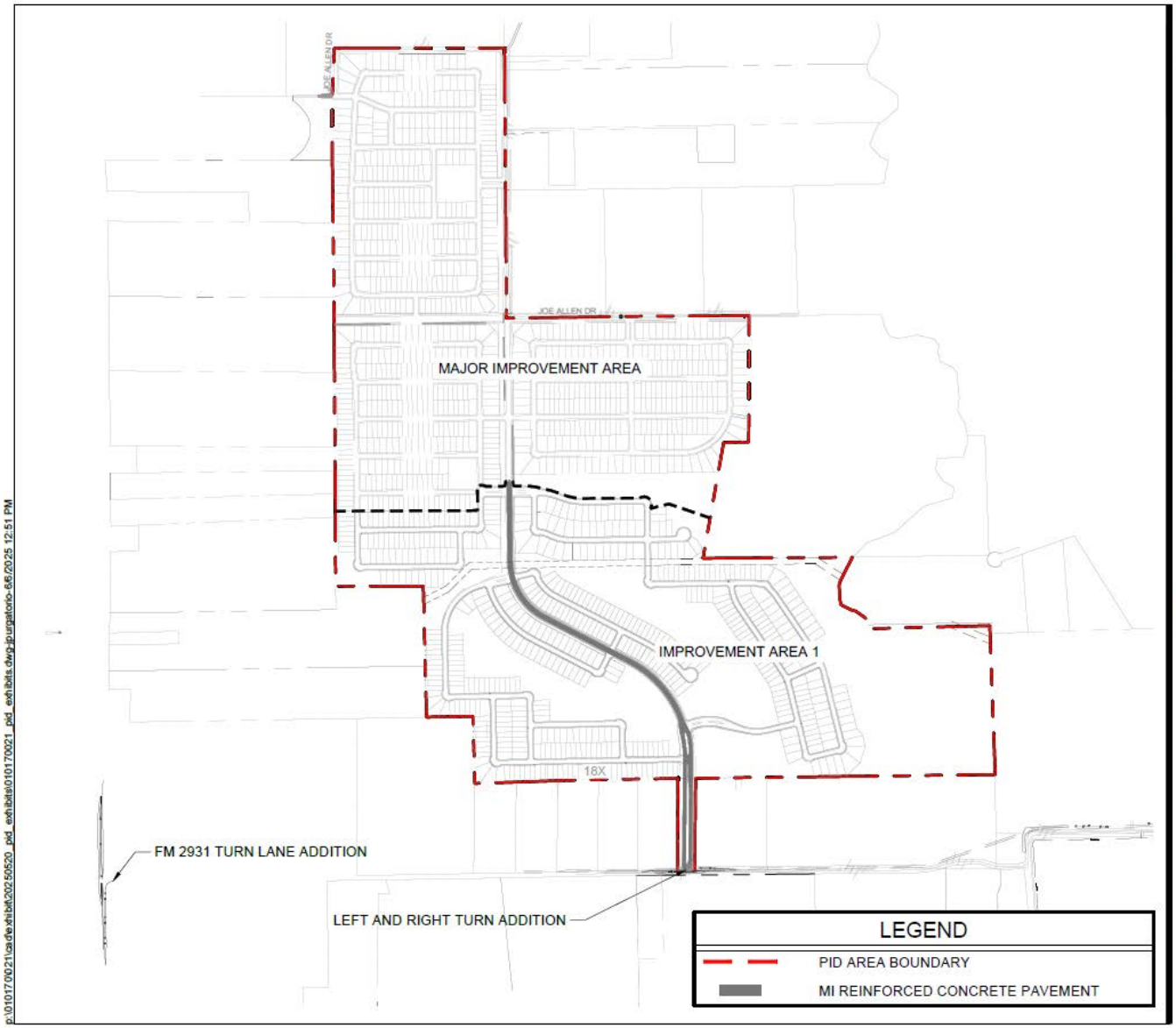
1"=1000'

PROJECT NUMBER:
010170021
DATE:
2025/06/06
SHEET:
EXH 06



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TBPE #: F-20821
TBPELS #: 10194934

PROJECT
MAVERICK FARMS
PILOT POINT, TEXAS

TITLE
PAVING
MASTER INFRASTRUCTURE

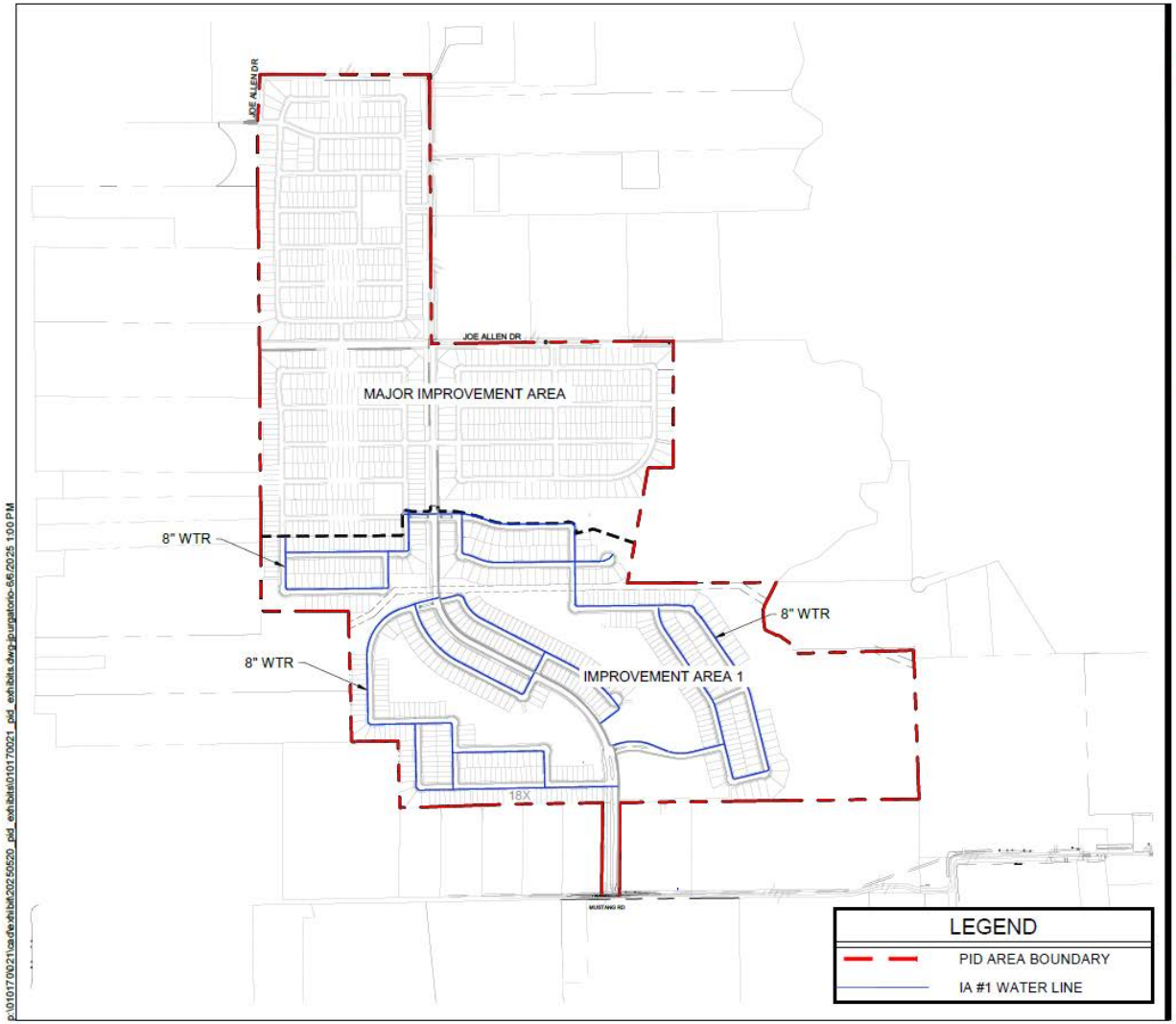
CLIENT
ONE MARK

N
0 500 1000
1"=1000'

PROJECT NUMBER:
010170021
DATE:
2025/06/06
SHEET:

EXH 07

EXHIBIT H-2 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS



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WWW.KFM-LLC.COM
TBPE #: F-20821
TBPELS #: 10194934

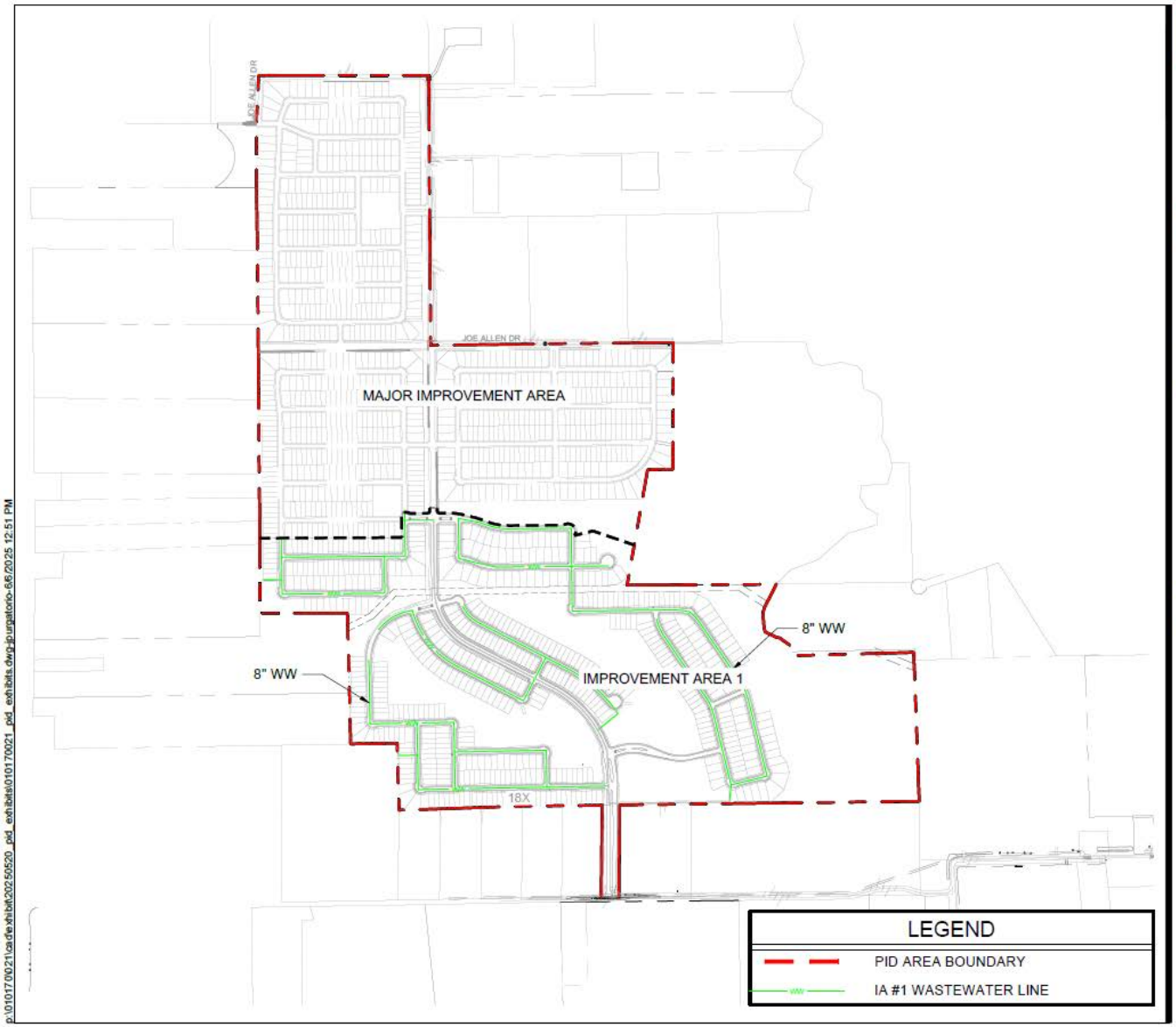
PROJECT
MAVERICK FARMS
PILOT POINT, TEXAS

TITLE
WATER
IMPROVEMENT AREA 1

CLIENT
ONE MARK

N
0 500 1000
1"=1000'

PROJECT NUMBER: 010170021
DATE: 2025/06/06
SHEET:
EXH 08



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KFM
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DALLAS, TEXAS 75019
PHONE: (469) 899-0536
WWW.KFM-LLC.COM
TBPE #: F-20821
TBPELS #: 10194934

PROJECT
MAVERICK FARMS
PILOT POINT, TEXAS

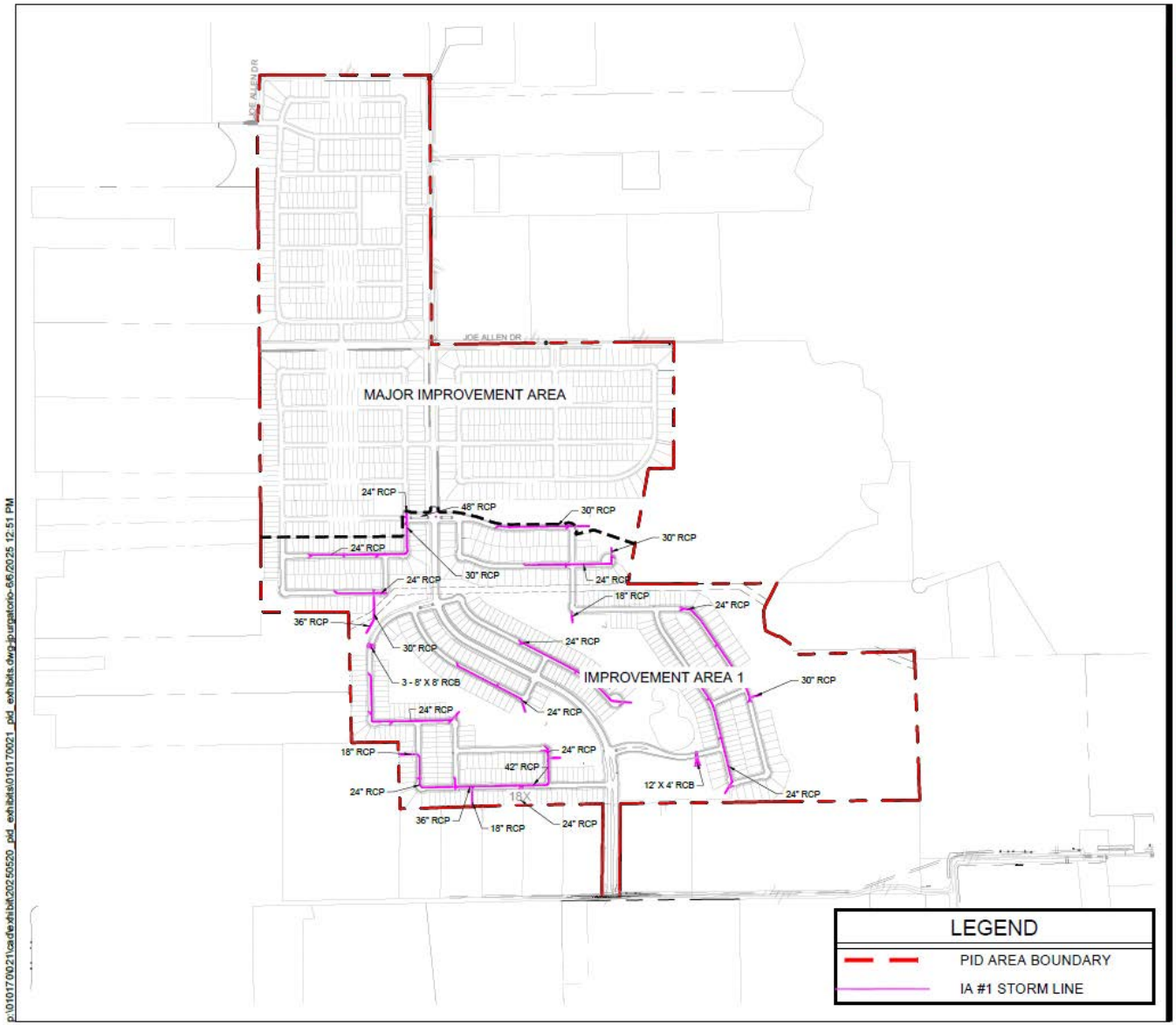
TITLE
WASTEWATER
IMPROVEMENT AREA 1

CLIENT
ONE MARK

N
0 500 1000
1"=1000'

PROJECT NUMBER:
010170021
DATE:
2025/06/06
SHEET:

EXH 09



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DALLAS, TEXAS 75019
PHONE: (469) 899-0536
WWW.KFM-LLC.COM
TBPE #: F-20821
TBPELS #: 10194934

PROJECT
MAVERICK FARMS
PILOT POINT, TEXAS

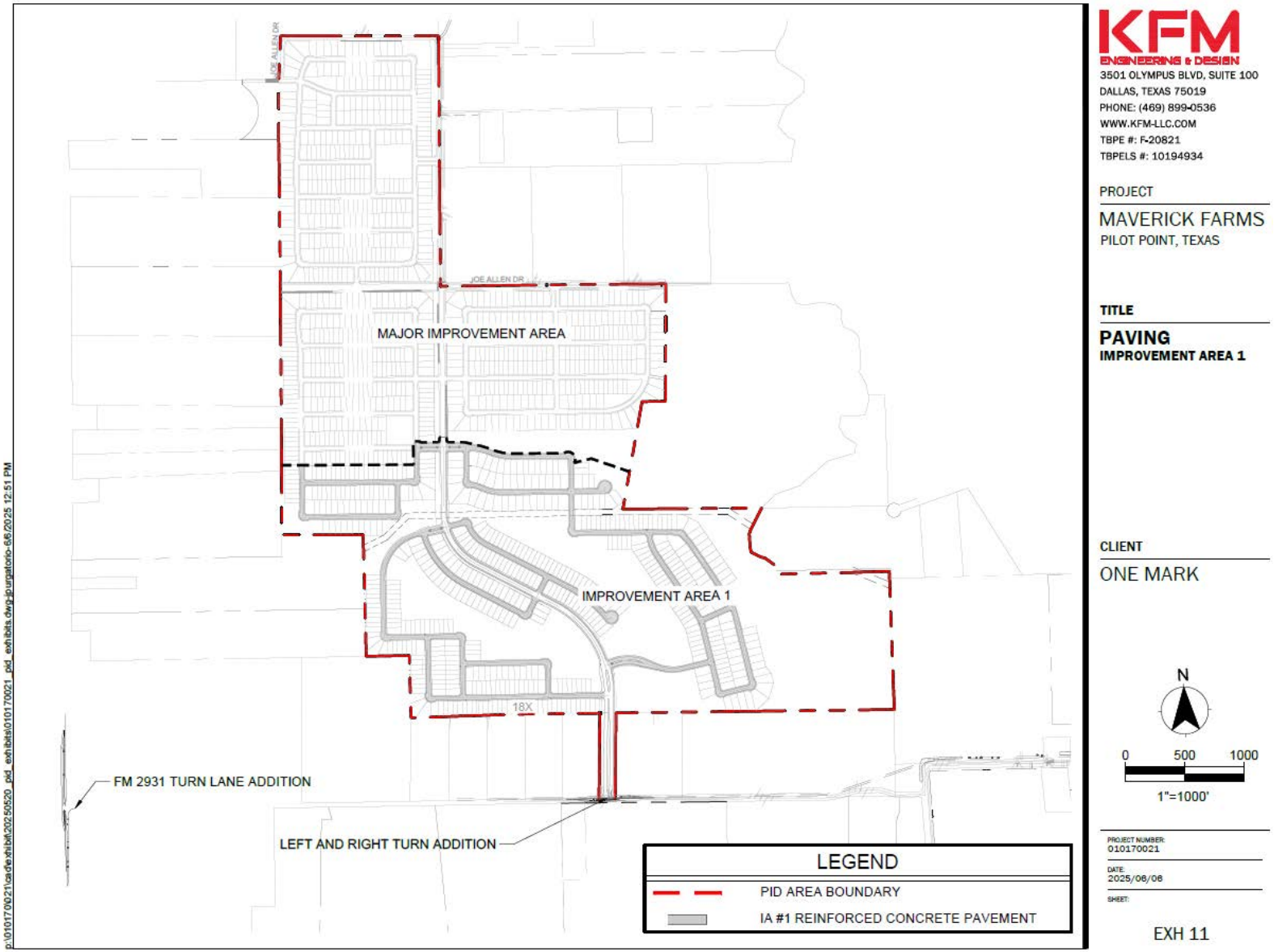
TITLE
DRAINAGE
IMPROVEMENT AREA 1

CLIENT
ONE MARK

N
0 500 1000
1"=1000'

PROJECT NUMBER
010170021
DATE:
2025/06/06
SHEET:

EXH 10



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WWW.KFM-LLC.COM
TBPE #: F-20821
TBPELS #: 10194934

PROJECT
MAVERICK FARMS
PILOT POINT, TEXAS

TITLE
PAVING
IMPROVEMENT AREA 1

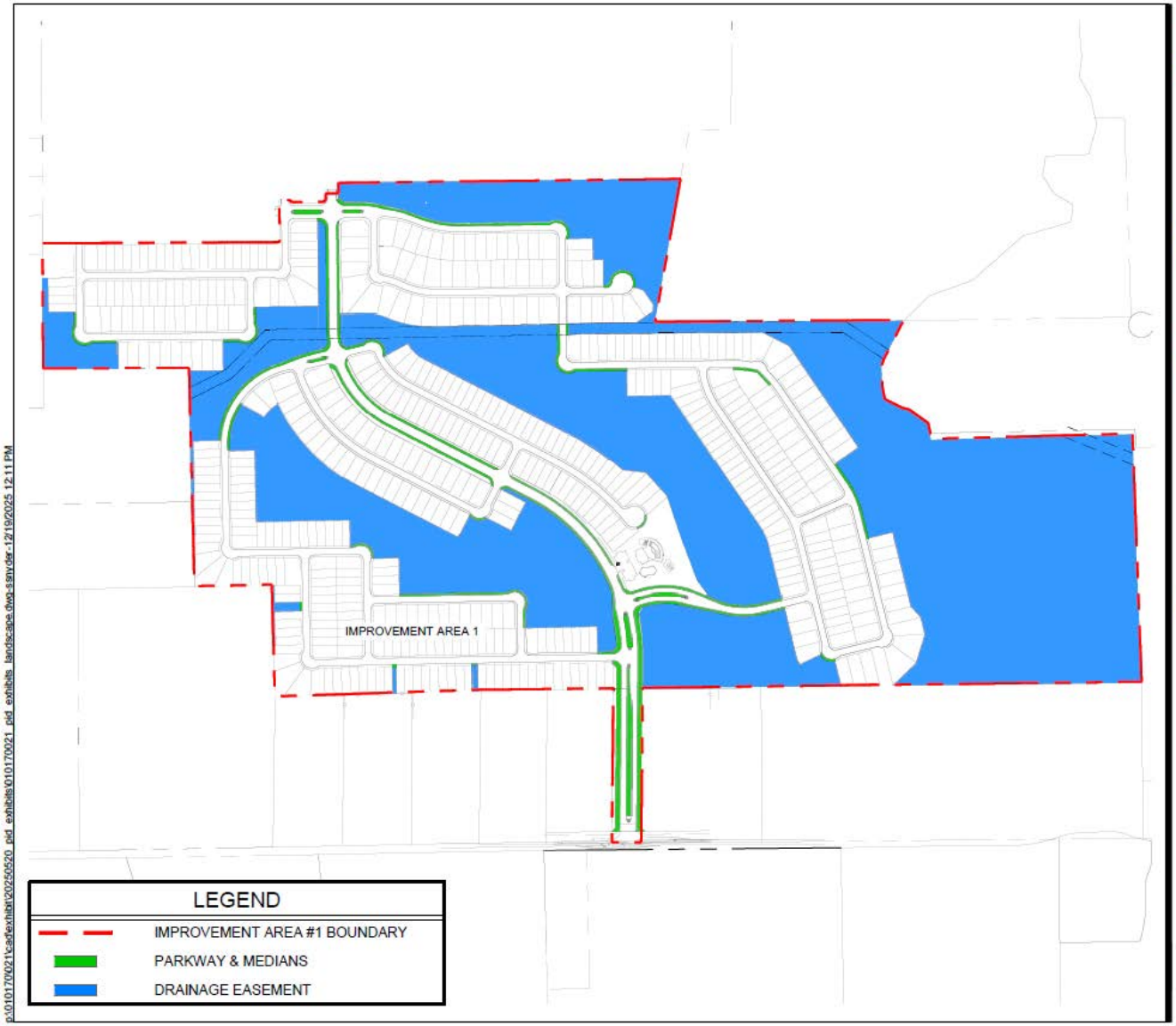
CLIENT
ONE MARK

PROJECT NUMBER:
010170021

DATE:
2025/06/06

SHEET:

EXH 11



KFM
ENGINEERING & DESIGN
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DALLAS, TEXAS 75019
PHONE: (469) 899-0536
WWW.KFM-LLC.COM
TBPE #: F-20821
TBPELS #: 10194934

PROJECT
MAVERICK FARMS
PILOT POINT, TEXAS

TITLE
LANDSCAPE
IMPROVEMENT AREA 1

CLIENT
ONE MARK

N
0 300 600
1"=600'

PROJECT NUMBER:
010170021
DATE:
2025/12/19
SHEET:
EXH 11

EXHIBIT I – TIRZ NO. 9 IMPROVEMENT AREA #1 MAXIMUM ANNUAL CREDIT AMOUNT BY LOT TYPE

Lot Type	Equivalent PID Tax Rate	Equivalent Total Tax Rate[a]	Maximum Annual TIRZ No. 9 Credit Per Unit	Net Annual Installment Per Unit	Net Equivalent Pid Tax Rate	Net Equivalent Total Tax Rate
Improvement Area #1						
Lot Type 1	$ 1.2744	$ 3.0035	$ (1,125.25)	$ 3,615.54	$ 0.9719	$ 2.7010
Lot Type 2	1.2744	3.0035	(1,327.92)	4,266.72	0.9719	2.7010
Lot Type 3	1.2744	3.0035	(1,445.89)	4,645.77	0.9719	2.7010

Footnotes:

[a] Includes taxing jurisdictions City of Pilot Point, Denton County, and Pilot Point ISD.

EXHIBIT J – FORM OF NOTICE OF ASSESSMENT TERMINATION

P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Denton County Clerk's Office
Honorable [County Clerk]
1450 E McKinney St.
Denton, TX 76209

Re: City of Pilot Point Lien Release documents for filing

Dear Ms./Mr. [County Clerk]

Enclosed is a lien release that the City of Pilot Point 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 Pilot Point
Attn: City Secretary
102 E Main Street
Pilot Point, TX 76258

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]
102 E Main Street
Pilot Point, TX 76258

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 §
§ **KNOWN ALL MEN BY THESE PRESENTS:**
COUNTY OF DENTON §

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Pilot Point, Texas, a Texas home rule municipality (the “City”).

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City of Pilot Point, Texas (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 corporate limits and extraterritorial jurisdiction of the City; and

WHEREAS, on March 13, 2025, the City Council approved Resolution No. 2025-08-638 creating the Maverick Farms Public Improvement District (the “District”); and

WHEREAS, the District consists of approximately 364.646 contiguous acres within the corporate limits of the City; and

WHEREAS, on _____, the City Council approved Ordinance No. _____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the real property located with the District, the Assessment Ordinance being recorded on _____, as Instrument No. _____ in the Official Public Records of Denton County, Texas; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of [amount] (hereinafter referred to as the "Lien Amount") and further imposed a lien to secure the payment of the Lien Amount (the “Lien”) against the following property located within the District, to wit:

[legal description], an addition to the City of Pilot Point, Denton County, Texas, according to the map or plat thereof recorded as Instrument No. _____ in the Map Records of Denton County, Texas (the "Property");

and

WHEREAS, the Lien Amount has been paid in full.

RELEASE

NOW THEREFORE, for and in consideration of the full payment of the Lien Amount, the City hereby releases and discharges, and by these presents does hereby release and discharge, the Lien to the extent that is affects and encumbers the Property.

EXECUTED to be **EFFECTIVE** this the _____ day of _____, 20__.

CITY OF PILOT POINT, TEXAS,
A Texas home rule municipality,

By: _____
[Manager Name], City Manager

ATTEST:

_____
[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me on the ____ day of _____, 20__, by the City Manager for the City of Pilot Point, Texas, a Texas home rule municipality, on behalf of said municipality.

_____
Notary Public, State of Texas

EXHIBIT K-1 DEBT SERVICE SCHEDULE FOR MAJOR IMPROVEMENT AREA BONDS

[To be provided at final pricing].

EXHIBIT K-2 DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #1 BONDS

[To be provided at final pricing].

EXHIBIT L-1 – DISTRICT LEGAL DESCRIPTION

Helvey-Wagner Surveying, Inc.

222 West Main Street · Denison, Texas 75020
Ph: (903) 463-6191 · Email: kate@helveywagnersurvey.net
Texas Board of Engineers and Land Surveyors Firm Registration No. 10088100
Billy F. Helvey, RPLS No. 4488 Kate A. Wagner, RPLS No. 6578

FIELD NOTES
363.437 Acres

SITUATED in the County of Denton, State of Texas, and being a part of the Isaac Walters Survey, Abstract No. 1329 and being all of the following tracts of land: **1)** 99.113 acres conveyed by Special Warranty Deed from The Mahard 2003 Partnership, LP to Broken Rock Ranch, LLC on June 27, 2017 and recorded in Inst. No. 2017-76940, Official Public Records, Denton County, Texas; **2)** 25.1151 acres conveyed by General Warranty Deed from Shirley A. Sturm, Trustee of the Sturm Family Trust and Gregory Sturm and Jamie Sturm to Broken Rock Ranch, LLC on August 23, 2016 and recorded in Inst. No. 2016-105242, said Official Public Records: **3)** "called" 70.20 acres conveyed by General Warranty Deed from Ricky L. Pickard to Broken Rock Ranch, LLC on March 21, 2016 and recorded in Inst. No. 2016-36928, said Official Public Records; **4)** 10.00 acres, being a remainder of the 80.20 acres conveyed by Special Warranty Deed with Vendor's Lien from Michael D. Ennis and Melody Ennis to Ricky L. Pickard on December 29, 2005 and recorded in Inst. No. 2006-822, said Official Public Records; **5)** "called" 39.98 acres (Tract 1) conveyed by General Warranty from Ricky L. Pickard (aka: Rick L. Pickard) to Broken Rock Ranch, LLC on March 21, 2016 and recorded in Inst. No. 2016-36929, said Official Public Records; **6)** 45.23 acres (Tract 2) conveyed by General Warranty Deed from Ricky L. Pickard (aka: Rick L. Pickard) to Broken Rock Ranch, LLC on March 21, 2016 and recorded in said Inst. No. 2016-36929 and **7)** "called" 72.15 acres conveyed from Ricky L. Pickard (aka: Rick L. Pickard) to Broken Rock Ranch, LLC on March 21, 2016 and recorded in said Inst. No. 2016-36929 and being more particularly described by metes and bounds as follows, to-wit:

BEGINNING at a ½ inch rebar found on the Northwest side of a turn in Joe Allen Road, a public street, at an Ell corner of the 25.453 acre tract of land conveyed to Wesley Wayne Triplett and Alma Louise Triplett, Co-Trustees of the Triplett Family Revocable Trust in Inst. No. 2014-71395, said Official Public Records and the Northwest corner of both said Broken Rock Ranch 99.113 ac. and the herein described tract;

THENCE South 87 deg. 20 min. 02 sec. East, with the North line of said Broken Rock Ranch 99.113 ac. and the South line of said Triplett 25.453 ac., entering into the pavement of said Joe Allen Road, continuing and leaving said pavement for a distance of 1,334.06 ft. to a ½ inch rebar found at the Northeast side of a turn in said Joe Allen Road, at the most Easterly Southeast corner of said Triplett 25.453 ac. and the Northeast corner of said Broken Rock Ranch 99.113 ac., at the most Northerly Northeast corner of the herein described tract;

THENCE South 02 deg. 15 min. 06 sec. West, with the East line of said Broken Rock Ranch 99.113 ac., entering into the pavement of said Joe Allen Road and continuing in said road and leaving said pavement for a total distance of 2,117.87 ft. to a ½ inch rebar found on the Southwest side of a turn in said Joe Allen Road, at the apparent Southwest corner of the 17.9738 acre tract of land conveyed to Melvin Kenneth Wilson in Doc. No. 1995-31290, said Official Public Records and the Northwest corner of said Broken Rock Ranch 25.1151 ac., at an Ell corner of the herein described tract;

THENCE South 88 deg. 07 min. 13 sec. East, with the North line of said Broken Rock Ranch 25.1151 ac., entering into the pavement of said Joe Allen Road and continuing along or near the center of said road, passing the Southeast corner of said Wilson 17.9738 ac. and the Southwest corner of the 17.586 acre tract of land conveyed to Roth Properties, LP in Volume 5028, Page 3063 (Doc. No. 2002-22653), Real Property Records, Denton County, Texas and continuing for a total distance of 1,099.29 ft. to a ½ inch rebar found at the Northeast corner of said Broken Rock Ranch 25.1151 ac. and the Northwest corner of said Broken Rock Ranch 45.23 ac.;

THENCE South 87 deg. 44 min. 56 sec. East, continuing along or near the center of said Joe Allen Road, with the North line of said Broken Rock Ranch 45.23 ac., a distance of 804.99 ft. to a ½ inch rebar found at the most Northerly Northwest corner of the 68.77 acre tract of land conveyed to David Hansen Stephens in Inst. No. 2010-75619, said Official Public Records and the Northeast corner of said Broken Rock Ranch 45.23 ac., at a Northeast corner of the herein described tract;

THENCE South 02 deg. 48 min. 32 sec. West, with the West line of said Stephens 68.77 ac. and the East line of said Broken Rock Ranch 45.23 ac., a distance of 992.10 ft. to a 2 inch pipe corner post at an Ell corner of said Stephens 68.77 ac. and the most Eastern Southeast corner of said Broken Rock Ranch 45.23 ac., at a Southeast corner of the herein described tract;

THENCE North 88 deg. 28 min. 43 sec. West, with a North line of said Stephens 68.77 ac. and a South line of said Broken Rock Ranch 45.23 ac., a distance of 197.88 ft. to a ½ inch capped rebar found, stamped "Alliance" at the most Westerly Northwest corner of said Stephens 68.77 ac. and an Ell corner of both said Broken Rock Ranch 45.23 ac. and the herein described tract;

THENCE South 12 deg. 45 min. 57 sec. West, with the general course of a wire fence, along a West line of said Stephens 68.77 ac. and an East line of said Broken Rock Ranch 45.23 ac., a distance of 921.63 ft. to a 5 inch pipe corner post in the North line of said Broken Rock Ranch 70.20 ac., at the Southwest corner of said Stephens 68.77 ac. and the most Southerly Southeast corner of said Broken Rock Ranch 45.23 ac., at an Ell corner of the herein described tract;

THENCE South 87 deg. 43 min. 37 sec. East, with the South line of said Stephens 68.77 ac. and the North line of said Broken Rock Ranch 70.20 ac., passing a fence corner post at 1,151.45 ft. and continuing on for a total distance of 1,171.75 ft. to a point in the center of Pecan Creek, at the Northwest of Lot 6, Block A, Replat of Lots 6 & 7, Block A, Pecan Valley Addition, an addition to Denton County, Texas as per plat of record in Cabinet G, Page 316, Plat Records, Denton County, Texas and the Northeast corner of said Broken Rock Ranch 70.20 ac., at a Northeast corner of the herein described tract;

THENCE Southerly, along the center of said Pecan Creek, with the West lines of said Lot 6 and the East line of said Broken Rock Ranch 70.20 ac., the following calls and distances:

1. South 29 deg. 36 min. 31 sec. West, 205.98 ft.;
2. South 20 deg. 00 min. 05 sec. West, 34.38 ft.;
3. South 00 deg. 29 min. 31 sec. West, 99.00 ft.;
4. South 07 deg. 53 min. 29 sec. East, 58.00 ft.;
5. South 60 deg. 38 min. 29 sec. East, 94.00 ft.;
6. South 74 deg. 43 min. 29 sec. East, 32.00 ft.;
7. South 51 deg. 51 min. 49 sec. East, 110.37 ft.;
8. South 08 deg. 57 min. 30 sec. East, 75.85 ft. to an Ell corner of both said Broken Rock Ranch 70.20 ac. and the herein described tract;

THENCE South 88 deg. 48 min. 34 sec. East, with the North line of said Broken Rock Ranch 70.20 ac., a distance of 947.44 ft. to a 3 inch bois d'ar corner post at the apparent Northeast corner of said Broken Rock Ranch 70.20 ac., at the most Easterly Northeast corner of the herein described tract;

THENCE South 00 deg. 33 min. 58 sec. West, with the East line of said Broken Rock Ranch 70.20 ac., a distance of 1,168.52 ft. to a ½ inch capped rebar found, stamped "Alliance" in the West line of the remainder of the 60 acre tract of land conveyed to G.A. Moore, Jr. in Volume 1091, Page 57, Deed Records, Denton County, Texas, at the apparent Northeast corner of the 30.14 acre tract of land conveyed to Jimmy Anglin and Ann Anglin in Volume 5236, Page 167 (Doc. No. 2002-163356), said Real Property Records and the recognized Southeast corner of said Broken Rock Ranch 70.20 ac., at the most Easterly Southeast corner of the herein described tract;

THENCE North 88 deg. 01 min. 52 sec. West, with the North line of both said Anglin 30.14 ac and the remainder of the 40.79 acre tract conveyed to Patrick B urns and Tracy Burns in Doc. No. 1996-25228- said Deed Records and the South line of said Broken Rock Ranch 70.20 ac., a distance of 2,364.10 ft. to a ½ inch rebar found at the most Northerly Northwest corner of said Burns remainder of 40.79 ac. and an angle point of both said Broken Rock Ranch 70.20 ac. and the herein described tract;

THENCE South 47 deg. 24 min. 35 sec. West, with the Southeast line of said Broken Rock Ranch 70.20 ac. and the Northwest line of said Burns remainder of 40.79 ac., a distance of 89.16 ft. to the Southwest base of a metal corner post at the most Western Northwest corner of said Burns remainder of 40.79 ac. and an angle point of both said Broken Rock Ranch 70.20 ac. and the herein described tract;

THENCE South 03 deg. 09 min. 17 sec. West, with the West line of said Burns remainder of 40.79 ac. and an East line of said Broken Rock Ranch 70.20 ac., a distance of 665.31 ft. to a magnetic detection in the pavement of Mustang Road, a public street, in the South line of said Isaac Walters Survey and the North line of the J. Ryan Survey, Abstract No. 1069, at the Southwest corner of said Burns remainder of 40.79 ac. and the most Southerly Southeast corner of both said Broken Rock Ranch 70.20 ac. and the herein described tract;

THENCE North 87 deg. 54 min. 18 sec. West, with or near the center of said Mustang Road and with the North line of said J. Ryan Survey and the South line of both said Isaac Walters Survey and Broken Rock Ranch 70.20 ac., a distance of 62.85 ft. to a magnetic detection in the pavement of said road, at the Southeast corner of the 5.190 acre tract of land conveyed to Phil Owen and Anita Owen in Volume 4787, Page 640 (Doc. No. 2001-18334), said Real Property Records and the Southwest corner of said Broken Rock Ranch 70.20 ac., at the most Southerly Southwest corner of the herein described tract;

THENCE North 03 deg. 10 min. 45 sec. East, with the East line of said Owen 5.190 ac. and a West line of said Broken Rock Ranch 70.20 ac., a distance of 726.40 ft. to a ½ inch capped rebar set, stamped "RPLS 6578" in the South line of said Broken Rock Ranch 39.98 ac., at the Northeast corner of said Owen 5.190 ac. and the most Westerly Northwest corner of said Broken Rock Ranch 70.20 ac., at an Ell corner of the herein described tract;

THENCE North 87 deg. 54 min. 28 sec. West, with the North line of both said Owen 5.190 ac. and the 5.190 acre tract of land conveyed to Dorothy Mae Davis in Volume 4787, Page 636 (Doc. No. 2001-18333), said Real Property Records, a distance of 624.96 ft. to a ½ inch rebar found at the Northwest corner of said Davis 5.190 ac. and the Northeast corner of the 5.284 acre tract of land conveyed to Lynn R. Stanphill and Billy V. Stanphill, Trustees under Stanphill Family Revocable Trust in Inst. No. 2013-95985, said Official Public Records;

THENCE North 89 deg. 09 min. 34 sec. West, with the North line of said Stanphill 5.284 ac., a distance of 321.96 ft. to a 1/2 inch rebar found at the Northwest corner of said Stanphill 5.284 ac. and the Northeast corner of the 5.292 acre tract of land conveyed to Donald Horton and Ailene Horton in Volume 2299, Page 131, said Real Property Records;

THENCE North 89 deg. 16 min. 52 sec. West, with the North line of said Horton 5.292 ac., a distance of 322.20 ft. to a ½ inch rebar found at the Northwest corner of said Horton 5.292 ac. and the Northeast corner of the 5.290 acre tract of land conveyed to Michael Davis Kirchner and Sharleen T. McSweeney in Inst. No. 2022-41379, said Official Public Records;

THENCE North 89 deg. 11 min. 49 sec. West, with the North line of said Kirchner and McSweeney 5.290 ac., a distance of 325.42 ft. to a ½ inch rebar found at the Northwest corner of said Kirchner and McSweeney 5.290 ac., an angle point in the East line of the 25.99 acre tract of land conveyed to Suhani Investments, LLC in Inst. No. 2021-235911, said Official Public Records and the most Southerly Southwest corner of said Broken Rock Ranch 39.98 ac., at a Southwest corner of the herein described tract;

THENCE North 01 deg. 03 min. 01 sec. East, with a West line of said Broken Rock Ranch 39.98 ac. and the East line of said Suhani Investments 25.99 ac., a distance of 526.71 ft. to a ½ inch rebar found at the Northeast corner of said Suhani Investments 25.99 ac. and an Ell corner of both said Broken Rock Ranch 39.98 ac. and the herein described tract;

THENCE North 88 deg. 25 min. 25 sec. West, with the North line of said Suhani Investments 25.99 ac. and a South line of said Broken Rock Ranch 39.98 ac., a distance of 364.56 ft. to a ½ inch rebar found at the Southeast corner of the 22.00 acre tract of land conveyed to Monty Ray Wilson in Doc. No. 1995-31287, said Real Property Records and the most Westerly Southwest corner of said Broken Rock Ranch 39.98 ac., at a Southwest corner of the herein described tract;

THENCE North 01 deg. 15 min. 58 sec. East, with the East line of both said Wilson 22.00 ac. and the 27.3057 acre tract of land conveyed to Virgil Ray McCandless and Carolyn LaJune McCandless Living Trust in Inst. No. 2007-129230, said Official Public Records and a West line of said Broken Rock Ranch 39.98 ac., a distance of 1,028.02 ft. to a ½ inch rebar found in the South line of said Broken Rock Ranch 72.15 ac., at the Northeast corner of said McCandless Living Trust 27.3057 ac. and the Northwest corner of said Broken Rock Ranch 39.98 ac., at an Ell corner of the herein described tract;

THENCE North 87 deg. 27 min. 32 sec. West, with the South line of said Broken Rock Ranch 72.15 ac. and the North line of said McCandless Living Trust 27.3057 ac., a distance of 687.64 ft. to a ½ inch rebar found in the East line of the 27.52 acre tract of land conveyed to Stallings Investments, LLC in Inst. No. 2021-53740, said Official Public Records, at the most Westerly Southwest corner of both said Broken Rock Ranch 72.15 ac. and the herein described tract;

THENCE North 02 deg. 23 min. 11 sec. East, with the East line of said Stallings Investments 27.52 ac., the 7.94 acre tract of land conveyed to Krudi Properties, LLC in Inst. No. 2022-76389, said Official Public Records and the 7.94 acre tract of land conveyed to Donna Wilson Hobson in Inst. No. 2019-116536, said Official Public Records and with the West line of said Broken Rock Ranch 72.15 ac., a distance of 908.04 ft. to a ½ inch capped rebar found, stamped "KAZ" at the Northeast corner of said Hobson 7.94 ac. and the Southeast corner of the 6.94 acre tract of land conveyed to Terry Joe Wilson in Inst. No. 2019-116533, said Official Public Records;

THENCE North 01 deg. 51 min. 47 sec. East, with the East line of said Terry Wilson 6.94 ac., a distance of 106.02 ft. to a ½ inch capped rebar found, stamped "KAZ" at the Northwest corner of said Broken Rock Ranch 72.15 ac. and the Southwest corner of said Broken Rock Ranch 99.113 ac.;

THENCE North 02 deg. 40 min. 48 sec. East, continuing with the East line of said Terry Wilson 6.94 ac., a distance of 74.15 ft. to a ½ inch capped rebar found, stamped "KAZ" at the Northeast corner of said Terry Wilson 6.94 ac. and the Southeast corner of the 23.8025 acre tract of land conveyed to Kalon Owen Wilson in Inst. No. 2015-57187, said Official Public Records;

THENCE North 02 deg. 18 min. 01 sec. East, with the East line of said Kalon Owen Wilson 23.8025 ac., a distance of 587.59 ft. to a ½ inch rebar found at the Northeast corner of said Kaon Owen Wilson 23.8025 ac. and the Southeast corner of the Kalon Owen Wilson 23.800 acre tract of land conveyed in Inst. No. 2020-31327, said Official Public Records;

THENCE North 02 deg. 13 min. 58 sec. East, with the East line of said Kalon Owen Wilson 23.800 ac., a distance of 588.02 ft. to a ½ inch rebar found at the Northeast corner of said Kalon Owen Wilson 23,800 ac. and the Southeast corner of the 23.8025 acre tract of land conveyed to Josephine Ann Wilson in Doc. No. 1995-31292, said Real Property Records;

THENCE North 02 deg. 07 min. 46 sec. East, with the East line of said Josephine Ann Wilson 23.8025 ac., a distance of 586.36 ft. to a 3 inch pipe corner post at the Northeast corner of said Josephine Ann Wilson 23.8025 ac. and the Southeast corner of the 13.789 acre tract of land conveyed to Paul W. Dean and Gayle G. Dean in Volume 3260, Page 574, said Real Property Records;

THENCE North 01 deg. 52 min. 29 sec. East, with the East line of said Dean 13.789 ac., a distance of 493.16 ft. to a 3 inch corner post at the Northeast corner of said Dean 13.789 ac. and the Southeast corner of the 2.55 acre tract of land conveyed to Tom J. Campidilli and Margo J. Campidilli in Volume 4460, Page 1404, said Real Property Records;

THENCE North 02 deg. 36 min. 49 sec. East, with the West line of said Broken Rock Ranch 99.113 ac. and the East line of said Campidilli 2.55 ac., a distance of 500.02 ft. to a ½ inch rebar found on the Southeast side of a turn in said Joe Allen Road, at the Northeast corner of said Campidilli 2.55 ac., the most Southerly Southeast corner of said Triplett 25.453 ac. and an angle point of both said Broken Rock Ranch 99.113 ac. and the herein described tract;

THENCE North 05 deg. 16 min. 58 sec. East, continuing with the West line of said Broken Rock Ranch 99.113 ac. and an East line of said Triplett 25.453 ac., entering into the pavement of said Joe Allen Road and leaving said pavement, a distance of 376.59 ft. to the **POINT OF BEGINNING** and containing **363.437 ACRES** of land.

Kate A. Wagner, R.P.L.S. No. 6578
April 28, 2023

Page 4 of 4

Helvey-Wagner Surveying, Inc.

222 West Main Street · Denison, Texas 75020
Ph: (903) 463-6191 · Email: kate@helveywagnersurvey.net
Texas Board of Engineers and Land Surveyors Firm Registration No. 10088100
Billy F. Helvey, RPLS No. 4888 – Kate A. Wagner, RPLS No. 6578

FIELD NOTES
1.209 ACRES

SITUATED in the County of Denton, State of Texas, being a part of the Isaac Walters Survey, Abstract No. 1329, and being a part of the 40.79 ac. conveyed by Warranty Deed with Vendor's Lien from William H. Pierce to Patrick Burns and Tracey Burns on April 11, 1996, and recorded in Document No. 96-25228, Deed Records, Denton County, Texas, and being more particularly described by metes and bounds as follows to wit:

BEGINNING at a nail found in or near the center of Mustang Road, a public road, in the North line of the J. Ryan Survey, Abstract No. 1069 and the South line of said Isaac Walters Survey, at the most Southery Southeast corner of the "called" 70.20 acre tract of land conveyed to Broken Rock Ranch, LLC in Inst. No. 2016-36928, Official Public Records, Denton County, Texas and the Southwest corner of both said Burns 40.79 ac. and the herein described tract;

THENCE North 03 deg. 09 min. 17 sec. East, with an East line of said Broken Rock Ranch 70.20 ac. and the West line of said Burns 40.79 ac., a distance of 665.31 feet to the Southwest base of a metal post found at the most Western Northwest corner of both said Burns 40.79 ac. and the herein described tract;

THENCE North 47 deg. 24 min. 35 sec. East, with the Southeast line of said Broken Rock Ranch LLC 70.20 ac. and the Northwest line of said Burns 40.79 ac., a distance of 89.16 feet to a ½ inch rebar found in at the most Northerly Northwest corner of both said Burns 40.79 ac. and the herein described tract;

THENCE South 88 deg. 01 min. 55 sec. East, with the South line of said Broken Rock Ranch LLC 70.20 ac. and the North line of said Burns 40.79 ac., a distance of 12.78 feet to a capped spike nail set, stamped "RPLS 6578" at the Northeast corner of the herein described tract;

THENCE South 03 deg. 09 min. 17 min. West, over and across said Burns 40.79 ac., a distance of 728.05 feet to a mag-nail with flasher set in the centerline of said Mustang Road, and in the South line of both said Burns 40.79 ac. and Isaac Walters Survey and the North line of said J. Ryan Survey, at the Southeast corner of the herein described tract;

THENCE North 87 deg. 54 min. 00 sec. West, with or near the center of said Mustang Road, and the South line of both said Burns 40.79 ac. and Isaac Walters Survey and the North line of said J. Ryan Survey, a distance of 75.01 feet to the **PLACE OF BEGINNING** and containing **1.209 ACRES** of land.

Kate A. Wagner, R.P.L.S. No. 6578
January 9, 2024

EXHIBIT L-2 – MAJOR IMPROVEMENT AREA LEGAL DESCRIPTION

164.014-ACRE MAVERICK FARMS REMAINDER

BEING ALL THAT CERTAIN TRACT OF LAND SITUATED IN THE ISAAC WALTERS SURVEY, ABSTRACT NO. 1329, DENTON COUNTY, TEXAS BEING ALL OF A CALLED 99.113 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO BROKEN ROCK RANCH, LLC RECORDED IN INSTRUMENT NO. 2017-76940, OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, AND BEING ALL OF A CALLED 25.1151 ACRE OF LAND DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, RECORDED IN INSTRUMENT NO. 2016-105242, OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, AND A PORTION OF A CALLED 45.23 ACRE TRACT 2 OF LAND DESCRIBED IN THE DEED TO BROKEN ROCK RANCH, LLC, RECORDED IN INSTRUMENT NO. 2016-36929, OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, AND BEING A PORTION OF A CALLED 72.15 ACRE TRACT 3 OF LAND DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, RECORDED IN INSTRUMENT NO. 2016-36929, OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2-INCH IRON ROD FOUND NORTHWESTERLY OF A BEND IN JOE ALLEN ROAD FOR THE NORTHWEST CORNER OF SAID 99.113 ACRE TRACT, COMMON TO A RE-ENTRANT CORNER OF A CALLED 25.453 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO WESLEY WAYNE TRIPLETT AND ALMA LOUISE TRIPPLET, CO-TRUSTEES OF THE TRIPLETT FAMILY REVOCABLE TRUST, RECORDED IN INSTRUMENT NO. 2014-71395, SAID OFFICIAL PUBLIC RECORDS;

THENCE SOUTH 87°20'02" EAST, IN SAID JOE ALLEN ROAD WITH THE NORTHERLY LINE OF SAID 99.113 ACRE TRACT AND A SOUTHERLY LINE OF SAID 25.453 ACRE TRACT, A DISTANCE OF 1,334.06 FEET TO A 1/2-INCH IRON ROD FOUND NORTHEASTERLY OF A BEND IN SAID JOE ALLEN ROAD FOR THE NORTHEAST CORNER OF SAID 99.113 ACRE TRACT, COMMON TO THE EASTERNMOST SOUTHEAST CORNER OF SAID 25.453 ACRE TRACT;

THENCE SOUTH 02°15'06" WEST, IN SAID JOE ALLEN ROAD WITH THE EASTERLY LINE OF SAID 99.113 ACRE TRACT, A DISTANCE OF 2,117.87 FEET TO A 1/2-INCH IRON ROD FOUND SOUTHWESTERLY OF A BEND IN SAID JOE ALLEN ROAD FOR THE NORTHWEST CORNER OF SAID 25.1151 ACRE TRACT, COMMON TO THE SOUTHWEST CORNER OF A CALLED 17.9738 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO MELVIN KENNETH WILSON, RECORDED IN INSTRUMENT NO. 1995-31290, SAID OFFICIAL PUBLIC RECORDS;

THENCE SOUTH 88°07'13" EAST, INS AID JOE ALLEN ROAD WITH THE NORTHERLY LINE OF SAID 25.1151 ACRE TRACT AND THE SOUTHERLY LINES OF SAID 17.9738 ACRE TRACT AND A CALLED 17.586 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO ROTH PROPERTIES, LP, RECORDED IN INSTRUMENT NO. 2002-22653, SAID OFFICIAL PUBLIC RECORDS, A DISTANCE OF 1,099.29 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 25.1115 ACRE TRACT, COMMON TO THE NORTHERNMOST NORTHWEST CORNER OF SAID 45.23 ACRE TRACT;

THENCE SOUTH 87°44'56" EAST, CONTINUING IN SAID JOSH ALLEN ROAD WITH THE NORTHEY LINE OF SAID 45.23 ACRE TRACT AND THE SOUTHERLY LINES OF SAID 17.586 ACRE TRACT AND A CALLED 16.64 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO RICKY LEE SHEARER, RECORDED IN INSTRUMENT NO. 2020-88502, SAID OFFICIAL PUBLIC RECORDS, A DISTANCE OF 804.99 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 45.23 ACRE TRACT, COMMON TO THE NORTHWEST CORNER OF A CALLED 68.77 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO DAVID HANSEN STEPHENS, RECORDED IN 2010-75619, SAID OFFICIAL PUBLIC RECORDS;

THENCE SOUTH 02°48'32" WEST, WITH AN EASTERLY LINE OF SAID 45.23 ACRE TRACT AND A WESTERLY LINE OF SAID 68.77 ACRE TRACT, A DISTANCE OF 992.10 FEET TO A 2-INCH PIPE FENCE CORNER POST FOR CORNER;

THENCE NORTH 88°28'43" WEST, WITH A SOUTHERLY LINE OF SAID 45.23 ACRE TRACT AND A NORTHERLY LINE OF SAID 68.77 ACRE TRACT, A DISTANCE OF 197.88 FEET TO A 1/2-INCH IRON ROD WITH A CAP STAMPED "ALLIANCE" FOUND FOR A RE-ENTRANT CORNER OF SAID 45.23 ACRE TRACT, COMMON TO A SALIENT CORNER OF SAID 68.77 ACRE TRACT;

THENCE SOUTH 12°45'57" WEST, WITH THE EAST LINE OF SAID 45.23 ACRE TRACT, SAME BEING THE WEST LINE OF SAID 68.77 ACRE TRACT, A DISTANCE OF 235.39 FEET TO A 5/8-INCH CAPPED IRON SET STAMPED "KFM" (HEREINAFTER CALLED CAPPED IRON ROD SET);

THENCE OVER AND ACROSS SAID 45.23 ACRE TRACT THE FOLLOWING COURSES AND DISTANCES:

1. NORTH 87°57'48" WEST, A DISTANCE OF 1611.18 FEET TO A CAPPED IRON ROD SET;

2. SOUTH 02°02'12" WEST, A DISTANCE OF 75.00 FEET TO A CAPPED IRON ROD SET;

3. NORTH 87°57'48" WEST, A DISTANCE OF 60.00 FEET TO A CAPPED IRON ROD SET;

4. SOUTH 02°02'12 WEST, A DISTANCE OF 7.50 FEET TO A CAPPED IRON ROD SET;

5. SOUTH 47°02'12" WEST, A DISTANCE OF 14.14 FEET TO A CAPPED IRON ROD SET;

6. NORTH 87°57'48" WEST, A DISTANCE OF 150.00 FEET TO A CAPPED IRON ROD SET;

7. NORTH 42°57'48" WEST, A DISTANCE OF 14.14 FEET TO A CAPPED IRON ROD SET;

8. NORTH 87°57'48" WEST, A DISTANCE OF 50.00 FEET TO A CAPPED IRON ROD SET;

9. SOUTH 02°02'12" WEST, A DISTANCE OF 17.50 FEET TO A CAPPED IRON ROD SET;

10. SOUTH 47°02'12" WEST, A DISTANCE OF 14.14 FEET TO A CAPPED IRON ROD SET;

11. SOUTH 02°02'12" WEST, A DISTANCE OF 50.00 FEET TO A CAPPED IRON ROD SET;

12. SOUTH 42°57'48" EAST, A DISTANCE OF 14.14 FEET TO A CAPPED IRON ROD SET;

13. SOUTH 02°02'12" WEST, A DISTANCE OF 110.00 FEET TO A CAPPED IRON ROD SET;

14. NORTH 87°57'48" WEST, A DISTANCE OF 920.65 FEET TO A CAPPED IRON ROD SET;

15. NORTH 02°02'12" EAST, A DISTANCE OF 6.67 FEET TO A CAPPED IRON ROD SET;

16. NORTH 87°57'48" WEST, A DISTANCE OF 196.50 FEET TO A CAPPED IRON ROD SET ON THE WEST LINE OF SAID 45.23 ACRE TRACT, SAME BEING THE WEST LINE OF A CALLED 7.94 ACRE TRACT DESCRIBED IN THE DEED TO KRUDI PROPERTIES, LLC, RECORDED IN INSTRUMENT NO. 2022-73689, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS

THENCE NORTH 02°23'11" EAST, WITH THE WEST LINE OF SAID 72.15 ACRE TRACT, A DISTANCE OF 319.65 FEET TO A POINT A 1/2-INCH IRON ROD WITH CAP STAMPED "KAZ" FOUND FOR AN ANGLE POINT AT THE NORTHEAST CORNER OF A CALLED 7.94 ACRE TRACT OF LAND DESCRIBED IN DEED TO DONNA WILSON HOBSON, RECORDED IN INSTRUMENT NO. 2019-116536, SAID OFFICIAL PUBLIC RECORDS;

THENCE NORTH 01°51'47" EAST, WITH THE WEST LINE OF SAID 72.15 ACRE TRACT AND THE EAST LINE OF A CALLED 6.94 ACRE TRACT OF LAND DESCRIBED IN DEED TO TERRY JOE WILSON, RECORDED IN INSTRUMENT NO. 2019-11653, SAID OFFICIAL PUBLIC RECORDS, A DISTANCE OF 106.02 FEET TO A 1/2-INCH IRON ROD WITH CAP STAMPED "KAZ" FOUND FOR THE NORTHWEST CORNER OF SAID 72.15 ACRE TRACT, COMMON TO THE SOUTHWEST CORNER OF SAID 99.113 ACRE TRACT OF LAND;

THENCE NORTH 02°40'48" EAST, WITH THE EAST LINE OF SAID 6.94 ACRE TRACT AND THE WEST LINE OF SAID 99.113 ACRE TRACT, A DISTANCE OF 74.15 FEET TO A 1/2-INCH IRON ROD WITH CAP STAMPED "KAZ" FOUND FOR THE NORTHEAST CORNER OF SAID 6.94 ACRE TRACT, COMMON TO THE SOUTHEAST CORNER OF A CALLED 23.8025 ACRE TRACT OF LAND DESCRIBED IN DEED TO KALON OWEN WILSON, RECORDED IN INSTRUMENT NO. 2015-57187, SAID OFFICIAL PUBLIC RECORDS;

THENCE NORTH 02°18'01" EAST, WITH THE WEST LINE OF SAID 99.113 ACRE TRACT AND THE EAST LINE OF SAID 23.8025 ACRE TRACT, A DISTANCE OF 587.59 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 23.8025 ACRE TRACT, COMMON TO THE SOUTHEAST CORNER OF A CALLED 23.800 ACRE TRACT OF LAND DESCRIBED IN DEED TO KALON OWEN WILSON, RECORDED IN INSTRUMENT NO. 2020-31327, SAID OFFICIAL PUBLIC RECORDS;

THENCE NORTH 02°13'58" EAST, WITH THE WEST LINE OF SAID 99.113 ACRE TRACT AND THE EAST LINE OF SAID 23.800 ACRE TRACT, A DISTANCE OF 588.02 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 23.800 ACRE TRACT, COMMON TO THE SOUTHEAST CORNER OF A CALLED 23.8025 ACRE TRACT OF LAND DESCRIBED IN DEED TO JOSEPHINE ANN WILSON ANDERSON, RECORDED IN INSTRUMENT NO. 1995-31292, SAID REAL PROPERTY RECORDS;

THENCE NORTH 02°07'46" EAST, WITH THE WEST LINE OF SAID 99.113 ACRE TRACT AND THE EAST LINE OF SAID 23.8025 ACRE TRACT, A DISTANCE OF 586.36 FEET TO A 3-INCH IRON PIPE CORNER POST FOUND FOR THE NORTHEAST CORNER OF SAID 23.8025 ACRE TRACT, COMMON TO THE SOUTHEAST CORNER OF A CALLED 13.789 ACRE TRACT OF LAND DESCRIBED IN DEED TO PAUL W. DEAN AND GAYLE G. DEAN, RECORDED IN VOLUME 3260, PAGE 574, SAID REAL PROPERTY RECORDS;

THENCE NORTH 01°52'29" EAST, WITH THE WEST LINE OF SAID 99.113 ACRE TRACT AND THE EAST LINE OF SAID 13.789 ACRE TRACT, A DISTANCE OF 493.16 FEET TO A 3-INCH IRON PIPE CORNER POST FOUND FOR THE NORTHEAST CORNER OF SAID 13.789 ACRE TRACT, COMMON TO THE SOUTHEAST CORNER OF A CALLED 2.55 ACRE TRACT OF LAND DESCRIBED IN DEED TO TOM K. CAMPIDILLI AND MARGO J.

CAMPIDILLI, RECORDED IN VOLUME 4460, PAGE 1404, SAID REAL PROPERTY RECORDS;

THENCE NORTH 02°36'49" EAST, WITH THE WEST LINE OF SAID 99.113 ACRE TRACT AND THE EAST LINE OF SAID 2.55 ACRE TRACT, A DISTANCE OF 500.02 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 2.55 ACRE TRACT, COMMON TO THE MOST SOUTHERLY SOUTHEAST CORNER OF SAID 25.453 ACRE TRACT OF LAND;

THENCE NORTH 05°16'58" EAST, WITH THE WEST LINE OF SAID 99.113 ACRE TRACT AND AN EASTERLY LINE OF SAID 25.453 ACRE TRACT, A DISTANCE OF 376.59 FEET TO THE POINT OF BEGINNING AND ENCLOSING 164.014 ACRES (7,144,482 SQUARE FEET) OF LAND, MORE OR LESS.

EXHIBIT L-3 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

200.632 ACRES MAVERICK FARMS PHASE 1

BEING A PORTION OF THAT TRACT OF LAND SITUATED IN THE JOHN RYAN SURVEY, ABSTRACT NO. 1069, DENTON COUNTY, TEXAS, AND ALSO BEING SITUATED IN THE ISAAC WALTERS SURVEY, ABSTRACT NO. 1329, DENTON COUNTY, TEXAS BEING ALL OF A CALLED 70.20 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO BROKEN ROCK RANCH, LLC RECORDED IN INSTRUMENT NO. 2016-36929, AND BEING ALL OF A CALLED 39.98 ACRE TRACT 1 OF LAND DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, RECORDED IN INSTRUMENT NO. 2016-36929, AND A PORTION OF A CALLED 45.23 ACRE REMAINDER OF TRACT 2 OF LAND DESCRIBED IN THE DEED TO BROKEN ROCK RANCH, LLC, RECORDED IN INSTRUMENT NO. 2016-36929, AND BEING ALL OF A CALLED 1.209 ACRE TRACT OF LAND DESCRIBED IN DEED TO OMA PILOT POINT, L.L.C., RECORDED IN INSTRUMENT NO. 2024-46662, ALL IN OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT 1/2-INCH IRON ROD FOUND CAPPED IN MUSTANG ROAD WITH THE WEST LINE OF SAID 70.20 ACRE TRACT AND THE EAST LINE OF A CALLED 5.00 ACRE TRACT DESCRIBED IN DEED TO PHIL OWEN AND ANITA OWEN, RECORDED IN INSTRUMENT NO. 2001-18334 SAID OFFICIAL RECORDS;

THENCE NORTH 03° 10' 45" EAST, ALONG THE WEST LINE OF SAID 70.20 ACRE TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, A DISTANCE OF 726.40 FEET TO THE NORTHEAST CORNER OF SAID 5.00 ACRE TRACT DESCRIBED IN DEED TO PHIL OWEN AND ANITA OWEN AND TO A COMMON CORNER OF SAID 39.98 ACRE TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, 1/2-INCH IRON ROD FOUND CAPPED;

THENCE WITH THE SOUTH LINE OF SAID 39.98 ACRE TRACT THE FOLLOWING 4 COURSES:

NORTH 87° 54' 28" WEST, A DISTANCE OF 624.96 FEET TO 1/2-INCH IRON ROD FOUND;

NORTH 89° 09' 34" WEST, A DISTANCE OF 321.96 FEET TO 1/2-INCH IRON ROD FOUND;

NORTH 89° 16' 52" WEST, A DISTANCE OF 322.20 FEET TO 1/2-INCH IRON ROD FOUND;

NORTH 89° 11' 49" WEST, A DISTANCE OF 325.42 FEET TO THE WEST LINE OF SAID 39.98 ACRE TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, AND THE EAST LINE OF A CALLED 24.333 ACRE TRACT DESCRIBED IN DEED TO SUHANI INVESTMENTS LLC AND MADHAVI VATTIKONDA AND CHANDRA S. VATTIKONDA RECORDED IN INSTRUMENT NO. 2021-235911 OF SAID OFFICIAL RECORDS AND AN 1/2-INCH IRON ROD FOUND:

THENCE NORTH 01° 03' 01" EAST, ALONG THE SAID WEST LINE OF SAID 39.98 ACRE TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, AND THE EAST LINE OF SAID 24.333 ACRE TRACT DESCRIBED IN DEED TO SUHANI INVESTMENTS LLC AND MADHAVI VATTIKONDA AND CHANDRA S. VATTIKONDA, A DISTANCE OF 526.71 FEET TO 1/2-INCH IRON ROD FOUND:

THENCE NORTH 88° 25' 25" WEST, ALONG THE SOUTH LINE OF SAID 39.98 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, AND THE NORTH LINE OF SAID 24.333 ACRES TRACT DESCRIBED IN DEED TO SUHANI INVESTMENTS LLC, AND MADHAVI VATTIKONDA AND CHANDRA S. VATTIKONDA, A DISTANCE OF 364.56 FEET TO THE EAST LINE OF A CALLED 22.00 ACRE TRACT DESCRIBED IN DEED TO MONTEY RAY WILSON RECORDED IN INSTRUMENT NO. 1995-31287, AND A 1/2-INCH IRON ROD FOUND;

THENCE NORTH 01° 15' 58" EAST, ALONG THE WEST LINE OF SAID 39.98 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, A DISTANCE OF 1028.02 FEET TO 1/2-INCH IRON ROD FOUND:

THENCE NORTH 87° 27' 32" WEST, A DISTANCE OF 687.64 FEET TO A CALLED 27.52 ACRES TRACT DESCRIBED IN DEED TO STALLINGS INVESTMENTS, LLC, RECORDED IN INSTRUMENT NO. 2021-53740, OF SAID OFFICIAL RECORDS AND 1/2-INCH IRON ROD FOUND:

THENCE NORTH 02° 23' 11" EAST, ALONG THE EAST LINE OF SAID 27.52 ACRES TRACT DESCRIBED IN DEED STALLINGS INVESTMENTS, LLC, A DISTANCE OF 588.39 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

THENCE ACROSS THE SAID 45.23 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, THE FOLLOWING 16 COURSES:

1. SOUTH 87° 57' 48" EAST, A DISTANCE OF 196.50 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

2. SOUTH 02° 02' 12" WEST, A DISTANCE OF 6.67 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

3. SOUTH 87° 57' 48" EAST, A DISTANCE OF 920.65 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

4. NORTH 02° 02' 12" EAST, A DISTANCE OF 110.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

5. NORTH 42° 57' 48" WEST, A DISTANCE OF 14.14 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

6. NORTH 02° 02' 12" EAST, A DISTANCE OF 50.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

7. NORTH 47° 02' 12" EAST, A DISTANCE OF 14.14 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

8. NORTH 02° 02' 12" EAST, A DISTANCE OF 17.50 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

9. SOUTH 87° 57' 48" EAST, A DISTANCE OF 50.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

10. SOUTH 42° 57' 48" EAST, A DISTANCE OF 14.14 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

11. SOUTH 87° 57' 48" EAST, A DISTANCE OF 150.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

12. NORTH 47° 02' 12" EAST, A DISTANCE OF 14.14 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

13. NORTH 02° 02' 12" EAST, A DISTANCE OF 7.50 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

14. SOUTH 87° 57' 48" EAST, A DISTANCE OF 60.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

15. NORTH 02° 02' 12" EAST, A DISTANCE OF 75.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

16. SOUTH 87° 57' 48" EAST, A DISTANCE OF 1,611.18 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

THENCE SOUTH 12° 45' 57" WEST, ALONG THE EAST LINE OF SAID 45.23 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, AND THE WEST LINE OF SAID 68.77 ACRES TRACT DESCRIBED IN DEED TO DAVID HANSEN STEPHENS A DISTANCE OF 686.24 FEET TO THE NORTH LINE OF SAID 72.15 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC AND A 5" PIPE CORNER POST;

THENCE SOUTH 87° 43' 37" EAST, ALONG THE NORTH LINE OF SAID 72.20 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, A DISTANCE OF 1171.75 FEET TO PECAN CREEK;

THENCE THE ALONG PECAN CREEK THE FOLLOWING 8 COURSES:

1. SOUTH 29° 36' 31" WEST, A DISTANCE OF 205.98 FEET;

2. SOUTH 20° 00' 05" WEST, A DISTANCE OF 34.38 FEET;

3. SOUTH 00° 29' 31" WEST, A DISTANCE OF 99.00 FEET;

4. SOUTH 07° 53' 29" EAST, A DISTANCE OF 58.00 FEET;

5. SOUTH 60° 38' 29" EAST, A DISTANCE OF 94.00 FEET;

6. SOUTH 74° 43' 29" EAST, A DISTANCE OF 32.00 FEET;

7. SOUTH 51° 51' 49" EAST, A DISTANCE OF 110.37 FEET;

8. SOUTH 08° 57' 30" EAST, A DISTANCE OF 75.85 FEET;

THENCE SOUTH 88° 48' 34" EAST, A DISTANCE OF 947.44 FEET TO A 3" BOIS D'ARC CORNER POST IN THE EAST LINE OF SAID 72.20 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC;

THENCE SOUTH 00° 33' 58" WEST, ALONG THE EAST LINE OF SAID 72.20 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, AND THE WEST LINE OF THE REMAINDER OF A 60.00 ACRES TRACT DESCRIBED IN DEED TO G.A. MOORE, JR. RECORDED IN VOLUME 1091, PAGE 57 IN DEED RECORDS, DENTON COUNTY, TEXAS, A DISTANCE OF 1168.52 FEET TO 1/2-INCH IRON ROD FOUND CAPPED (ALLIANCE);

THENCE NORTH 88° 01' 52" WEST, ALONG THE SOUTH LINE OF SAID 72.20 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, A DISTANCE OF 2351.32 FEET TO 1/2-INCH IRON ROD FOUND;

THENCE SOUTH 03° 09' 17" WEST, A DISTANCE OF 728.05 FEET TO 1/2-INCH IRON ROD FOUND CAPPED;

THENCE NORTH 87° 54' 18" WEST, A DISTANCE OF 137.86 FEET, (PASSING A MAG NAIL FOUND AT 74.94 FEET) TO THE POINT OF BEGINNING AND ENCLOSING 200.632 ACRES (8,739,506.47 SQUARE FEET) OF LAND, MORE OR LESS.

APPENDIX A – ENGINEER'S REPORT

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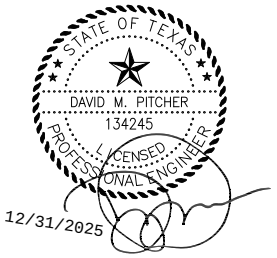
KFM
ENGINEERING & DESIGN

Client Name: *One Mark*
City: *Pilot Point ETJ, Denton County, Texas*
Date: *12/31/2025*

Project Number: *01.0170.003*
Total Lots: *539*
Total Acreage: *193*

CONSTRUCTION COST SUMMARY - MAVERICK FARMS - PH 1

	Units	Wet Utilities	Dry Utilities	Roadway and Paving	Earthwork and E&S	Hardscape/ Landscape Cost	Sum of Construction Costs	Fees & Bonds	District Formation	Construction Cost w/ Fees	Total Cost/Unit
Offsite Infrastructure - Total Construction Cost	N/A	$ 13,130,119	$ -	$ -	$ -	$ -	$ 13,130,119	$ 1,854,803	$ 500,000	$ 15,484,921	$ 28,729
Offsite Infrastructure - PID Reimbursable		$ 8,675,301	$ -	$ -	$ -	$ -	$ 8,675,301	$ 91,845	$ 500,000	$ 9,267,146	$ 17,193
Onsite Master Infrastructure Phase 1		$ 3,208,014	$ -	$ 2,181,268	$ 91,100	$ -	$ 5,480,382	$ 799,301	$ 500,000	$ 6,779,683	$ 12,578
Phase 1 PID Direct	539	$ 6,965,483	$ -	$ 4,871,136	$ 1,228,598	$ 1,256,384	$ 14,321,601	$ 2,950,374	$ 2,370,000	$ 19,641,975	$ 36,442
Phase 1 Private		$ -	$ 918,175	$ -	$ 797,648	$ 1,417,870	$ 3,133,692	$ 460,465	$ -	$ 3,594,157	$ 6,668
TOTAL PID REIMBURSEMENT AMOUNT:		**$ 18,848,799**	**$ -**	**$ 7,052,404**	**$ 1,319,698**	**$ 1,256,384**	**$ 28,477,284**	**$ 3,841,521**	**$ 3,370,000**	**$ 35,688,805**	**$ 66,213**
TOTAL CONSTRUCTION COST:		**$ 23,303,616**	**$ 918,175**	**$ 7,052,404**	**$ 2,117,345**	**$ 2,674,254**	**$ 36,065,794**	**$ 6,064,943**	**$ 3,370,000**	**$ 45,500,737**	**$ 84,417**



Project Name: Maverick Farms
Client Name: One Mark
City: Pilot Point ETJ
County: Denton

Date: December 31, 2025
Project Number: 01.0170.003

OFFSITE MASTER INFRASTRUCTURE - TOTAL CONSTRUCTION COST

Wastewater System Cost

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
15" P.V.C. PIPE SDR 26 (20'-25' DEEP)	LF	705	$93.50	$65,917.50
30" P.V.C. PIPE PS-115 (15'-20' DEEP)	LF	2,090	$160.00	$334,400.00
30" P.V.C. PIPE PS-115 (20'-25' DEEP)	LF	905	$165.00	$149,325.00
30" P.V.C. PIPE PS-115 (25'-30' DEEP)	LF	240	$175.00	$42,000.00
30" P.V.C. PIPE PS-115 (30'-35' DEEP)	LF	1,450	$185.00	$268,250.00
5' MANHOLE (BOLTED AND GASKETED) 10-20' DEEP	EA	5	$21,500.00	$107,500.00
5' MANHOLE (BOLTED AND GASKETED) 20-30' DEEP	EA	1	$27,300.00	$27,300.00
5' MANHOLE (BOLTED AND GASKETED AND VENTED) 10-20' DEEP	EA	3	$33,900.00	$101,700.00
5' MANHOLE (BOLTED AND GASKETED AND VENTED) 20-30' DEEP	EA	4	$32,000.00	$128,000.00
BORE AND ENCASE (42" STEEL 0.50" THICKNESS)	LF	134	$1,500.00	$201,000.00
PLUG FOR FUTURE CONNECTION	EA	1	$5,800.00	$5,800.00
EASEMENT CLEARING	AC	2.78	$10,600.00	$29,468.00
TESTING (EXCLUDING GEOTECH.)	LF	5,155	$4.00	$20,620.00
TRENCH SAFETY	LF	7,530	$3.50	$26,355.00
UTILITY SPOILS PROCESSING	CY	5,250	$4.00	$21,000.00
MAINTENANCE BOND / PAYMENT & PERFORMANCE BOND	LS	1	$26,300.00	$26,300.00
			SUB-TOTAL	**$1,554,935.50**

240,000 GPD Wastewater Treatment Plant Cost (3/25/25 TAS Bid)

SITEWORK

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
CLEARING, GRUBBING, AND SITE GRADING	AC	4	$5,515.75	$22,063.00
EROSION CONTROL	LS	1	$27,000.00	$27,000.00
REVEGETATION - HYDRO MULCH SEEDING	LS	1	$14,000.00	$14,000.00
12' WIDE, 8" THK. COMPACTED LIMESTONE BASE ACCESS ROAD AND DRIVE	SY	11000	$22.66	$249,260.00
10' X 10'; 8" THK. CONCRETE TRANSFORMER PAD	LS	1	$4,500.00	$4,500.00
30' X 10' ; 8" THK.CONCRETE ELECTRICAL PAD	LS	1	$7,000.00	$7,000.00
35' X 35'; 8" THK. CONCRETE DUMPSTER DRIVE	LS	1	$39,000.00	$39,000.00
20' X 10'; 8" THK. GENERATOR PAD	LS	1	$5,000.00	$5,000.00
8" THK. CONCRETE DRIVEWAY	SY	40	$324.00	$12,960.00
4' WIDE; 6" THK. SIDEWALK	SY	120	$70.83	$8,500.00
8' CHAIN LINK FENCE W/ GATES	LF	1100	$50.00	$55,000.00
NPW PUMP STATION AND ASSOCIATED PIPING	LS	1	$98,000.00	$98,000.00
MISCELLANEOUS CHEM STORAGE CANOPY AND BOLLARDS	LS	1	$48,000.00	$48,000.00

STRUCTURES

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
8' DIA. 40' DEEP DUPLEX LIFT STATION W/ TWO 520 GPM SUBMERSIBLE PUMPS	LS	1	$1,015,000.00	$1,015,000.00
240,000 GPD MBR PLANT (AS INSTALLED)	EA	1	$4,485,000.00	$4,485,000.00
ENGINEERED METAL LAB/OFFICE BUILDING (45' X 30' X 15')	EA	1	$268,000.00	$268,000.00
CMU EQUIPMENT BUILDING FOR PUMPS AND BLOWERS (SIZE AS REQUIRED)	EA	1	$265,000.00	$265,000.00
MISCELLANEOUS (PIPE INSULATION)	LS	1	$49,500.00	$49,500.00
ADDITIONAL MBR BASIN (AS REQUESTED)	EA	1	$1,000,000.00	$1,000,000.00

ONSITE PIPING

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
TOTAL YARD PIPING	LF	5,400	$65.00	$351,000.00
TRENCH SAFETY	LS	1	$36,000.00	$36,000.00
MISCELLANEOUS	LS	1	$10,000.00	$10,000.00

ELECTRICAL

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
LIGHT POLES	EA	4	INCLUDED IN ONSITE ELECTRICAL	
GENERATOR (250kW; 480/277V)	EA	1	MUSTANG TO SPECIFY*	
ATS SYSTEM	EA	1	MUSTANG TO SPECIFY*	
3-PHASE TRANSFORMER	EA	1	MUSTANG TO SPECIFY*	
SCADA SYSTEM SUPPLIED BY SPECIFIC ENERGY	EA	1	$85,200.00	$85,200.00
ONSITE ELECTRICAL (NEMA 4X SS PANELS, CONDITS, CONDUCTORS, DOCKING STATION, GROUND BOXES, SECRITY SYSTEMS, LOW VOLTAGE, AND OTHERS AS REQUIRED)	LS	1	$1,805,000.00	$1,805,000.00

EQUIPMENT

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
HEAVY EQUIPMENT	LS	1	$365,000.00	$365,000.00

WWTP/DESIGN/MANAGEMENT

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
WWTP ENGINEERING FEE	LS	1	$525,000.00	$525,000.00
SITE CIVIL ENGINEERING	LS	1	$366,200.00	$366,200.00
GEOTECHNICAL	LS	1	$10,000.00	$10,000.00
PM, INSURANCE, MOBILIZATION	LS	1	$349,000.00	$349,000.00

240,000 GPD WASTEWATER TREATMENT PLANT SUB-TOTAL		**$11,575,183.00**

SUMMARY

SUM OF CONSTRUCTION COSTS		$13,130,118.50
ENGINERING FEES		$1,135,000.00
DISTRICT FORMATION		$500,000.00
MSUD INSPECTION FEES	$1.27/LF	$6,546.85
CONTINGENCY	5%	$713,255.93
TOTAL CONSTRUCTION COST		**$15,484,921.28**

Project Name: Maverick Farms
Client Name: One Mark
City: Pilot Point ETJ
County: Denton

Date: December 31, 2025
Project Number: 01.0170.003

OFFSITE MASTER INFRASTRUCTURE - PID REIMBURSABLE

Water System Cost

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
PVR & VAULT - INTERSECTION OF MUSTANG & 2931	EA	1	$100,000.00	$100,000.00
			SUB-TOTAL	**$100,000.00**

Wastewater System Cost

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
15" P.V.C. PIPE SDR 26 (15'-20' DEEP)	LF	2,795	$98.50	$275,307.50
15" P.V.C. PIPE SDR 26 (20'-25' DEEP)	LF	905	$98.50	$89,142.50
15" P.V.C. PIPE SDR 26 (25'-30' DEEP)	LF	240	$110.00	$26,400.00
15" P.V.C. PIPE SDR 26 (30'-35' DEEP)	LF	1,450	$115.00	$166,750.00
5' MANHOLE (BOLTED AND GASKETED) 10-20' DEEP	EA	5	$21,500.00	$107,500.00
5' MANHOLE (BOLTED AND GASKETED) 20-30' DEEP	EA	1	$27,300.00	$27,300.00
5' MANHOLE (BOLTED AND GASKETED) 30-35' DEEP	EA	4	$32,000.00	$128,000.00
5' MANHOLE (BOLTED AND GASKETED AND VENTED) 10-20' DEEP	EA	3	$33,900.00	$101,700.00
BORE AND ENCASE (30" STEEL 0.328" THICKNESS)	LF	134	$1,100.00	$147,400.00
PLUG FOR FUTURE CONNECTION	EA	1	$5,800.00	$5,800.00
EASEMENT CLEARING	LS	2.78	$10,600.00	$29,468.00
TESTING (EXCLUDING GEOTECH.)	LF	5,390	$3.50	$18,865.00
TRENCH SAFETY	LF	5,390	$1.50	$8,085.00
UTILITY SPOILS PROCESSING	CY	5,250	$4.00	$21,000.00
MAINTENANCE BOND / PAYMENT & PERFORMANCE BOND	LS	1	$23,100.00	$23,100.00
			SUB-TOTAL	**$1,175,818.00**

150,000 GPD Wastewater Treatment Plant Cost (TAS 3/13 bid)

SITEWORK

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
CLEARING, GRUBBING, AND SITE GRADING	AC	4	$5,515.75	$22,063.00
EROSION CONTROL	LS	1	$27,000.00	$27,000.00
REVEGETATION - HYDRO MULCH SEEDING	LS	1	$14,000.00	$14,000.00
12' WIDE, 8" THK. COMPACTED LIMESTONE BASE ACCESS ROAD AND DRIVE	SY	11000	$22.66	$249,260.00
10' X 10'; 8" THK. CONCRETE TRANSFORMER PAD	LS	1	$4,500.00	$4,500.00
30' X 10' ; 8" THK.CONCRETE ELECTRICAL PAD	LS	1	$7,000.00	$7,000.00
35' X 35'; 8" THK. CONCRETE DUMPSTER DRIVE	LS	1	$29,000.00	$29,000.00
20' X 10'; 8" THK. GENERATOR PAD	LS	1	$5,000.00	$5,000.00
8" THK. CONCRETE DRIVEWAY	SY	40	$324.00	$12,960.00
4' WIDE; 6" THK. SIDEWALK	SY	120	$50.00	$6,000.00
8' CHAIN LINK FENCE W/ GATES	LF	1100	$50.00	$55,000.00

STRUCTURES

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
8' DIA. 39' DEEP DUPLEX LIFT STATION W/ TWO 320 GPM SUBMERSIBLE PUMPS	LS	1	$865,000.00	$865,000.00
150,000 GPD MBR PLANT (AS INSTALLED)	EA	1	$3,100,000.00	$3,100,000.00
ENGINEERED METAL LAB/OFFICE BUILDING (45' X 30' X 15')			EXCLUDED	
LEAN-TO COVER FOR PUMPS AND BLOWERS (SIZE AS REQUIRED)	EA	1	$100,000.00	$100,000.00
MISCELLANEOUS (PIPE INSULATION)	LS	1	$49,500.00	$49,500.00

UTILITIES ONSITE PIPING

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
TOTAL YARD PIPING	LF	5,400	$50.00	$270,000.00
TRENCH SAFTEY	LS	1	$36,000.00	$36,000.00
MISCELLANEOUS	LS	1	$10,000.00	$10,000.00

ELECTRICAL

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
LIGHT POLES	EA	4	INCLUDED IN ONSITE ELECTRICAL	
GENERATOR (250kW; 480/277V)	EA	1	MUSTANG TO SPECIFY	
ATS SYSTEM	EA	1	MUSTANG TO SPECIFY	
3-PHASE TRANSFORMER	EA	1	MUSTANG TO SPECIFY	
SCADA SYSTEM SUPPLIED BY SPECIFIC ENERGY	EA	1	$85,200.00	$85,200.00
ONSITE ELECTRICAL (NEMA 4X SS PANELS, CONDITS, CONDUCTORS, DOCKING STATION, GROUND BOXES, SECRITY SYSTEMS, LOW VOLTAGE, AND OTHERS AS REQUIRED)	LS	1	$1,200,000.00	$1,200,000.00

EQUIPTMENT

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
HEAVY EQUIPMENT	LS	1	$320,000.00	$320,000.00

WWTP/DESIGN/MANAGEMENT

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
WWTP ENGINEERING FEE	LS	1	$400,000.00	$400,000.00
SITE CIVIL ENGINEERING	LS	1	$227,000.00	$227,000.00
GEOTECHNICAL	LS	1	$10,000.00	$10,000.00
PM, INSURANCE, MOBILIZATION	LS	1	$295,000.00	$295,000.00

150,000 GPD WASTEWATER TREATMENT PLANT SUB-TOTAL		**$7,399,483.00**

SUMMARY

SUM OF CONSTRUCTION COSTS		$8,675,301.00
ENGINEERING FEES		$85,000.00
DISTRICT FORMATION		$500,000.00
MSUD INSPECTION FEES	$1.27/LF	$6,845.30
CONTINGENCY	0%	$0.00
TOTAL CONSTRUCTION COST		**$9,267,146.30**

Project Name: Maverick Farms
Client Name: One Mark
City: Pilot Point ETJ
County: Denton

Date: December 31, 2025
Project Number: 01.0170.003
Acres: 130.7

CONSTRUCTION COST ESTIMATE - ONSITE MASTER INFRASTRUCTURE - PHASE 1

Water System Cost - Moss

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
12" P.V.C. WATER LINE	LF	3,675	$68.50	$251,737.50
12" GATE VALVE & BOX	EA	11	$4,110.00	$45,210.00
FIRE HYDRANT ASSEMBLY	EA	9	$8,500.00	$76,500.00
24" PS-114 PVC CASING BY OPEN CUT	LF	110	$158.00	$17,380.00
TEMPORARY FLUSH VALVE	EA	1	$5,500.00	$5,500.00
TESTING (EXCLUDING GEOTECH.)	LF	3675	$2.50	$9,187.50
TRENCH SAFETY	LF	3675	$1.50	$5,512.50
MAINTENANCE BOND / PAYMENT & PERFORMANCE BOND	EA	1	$6,210.63	$6,210.63
WATER EASEMENT ACQUISTION	EA	1	$218,439.57	$218,439.57
			SUB-TOTAL	**$635,677.70**

Note: Water lines include all fittings

Wastewater System Cost - Moss

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
12" P.V.C. PIPE SDR 26 (0'-10' DEEP)	LF	3,961	$97.00	$384,217.00
24" PS-114 PVC CASING BY OPEN CUT	LF	50	$200.00	$10,000.00
BORE AND ENCASE (30" STEEL 0.50" THICKNESS)	LF	485	$288.00	$139,680.00
5' DIA. WW MANHOLE	EA	14	$19,100.00	$267,400.00
5' DIA. DROP WW MANHOLE	EA	3	$31,300.00	$93,900.00
TESTING (EXCLUDING GEOTECH.)	LF	3,961	$3.50	$13,863.50
TRENCH SAFETY	LF	3,961	$1.50	$5,941.50
MAINTENANCE BOND / PAYMENT & PERFORMANCE BOND	EA	1	$13,825.68	$13,825.68
WW EASEMENT ACQUISTION	EA	1	$350,500.00	$350,500.00
			SUB-TOTAL	**$1,279,327.68**

Storm Drain System Cost - Moss

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
18" CLASS III R.C.P.	LF	735	$51.50	$37,852.50
24" CLASS III R.C.P.	LF	1,435	$66.50	$95,427.50
48" CLASS III R.C.P.	LF	230	$169.50	$38,985.00
54" CLASS III R.C.P.	LF	175	$207.00	$36,225.00
3' X 4' BOX CULVERT	LF	78	$256.00	$19,968.00
10' X 7' BOX CULVERT	LF	321	$970.00	$311,370.00
6' X 6' JUNCTION BOX	EA	1	$15,000.00	$15,000.00
5' X 5' JUNCTION BOX	EA	1	$11,500.00	$11,500.00
4' X 4' JUNCTION BOX	EA	2	$9,400.00	$18,800.00
5' CURB INLET	EA	2	$7,900.00	$15,800.00
10' CURB INLET	EA	9	$8,600.00	$77,400.00
18" HEADWALL WITH PARALLEL WINGWALLS	EA	1	$1,070.00	$1,070.00
3-24" HEADWALL W/ PARALLEL WINGWALLS	EA	1	$5,000.00	$5,000.00
3-24" SLOPED HEADWALL	EA	1	$5,000.00	$5,000.00
54" SLOPED HEADWALL	EA	1	$9,800.00	$9,800.00
2-10' X 7' HEADWALL WITH PARALLEL WINGWALLS	EA	2	$86,200.00	$172,400.00
3' X 4' HEADWALL W/ FLARED WINGWALLS	EA	2	$25,500.00	$51,000.00
REINFORCED CONCRETE WEIR	EA	1	$28,500.00	$28,500.00
3' COBBLE ROCK PILOT CHANNEL	LF	1,515	$19.50	$29,542.50
ROCK RIP-RAP	SY	2,800	$101.50	$284,200.00
TESTING & TV INSPECTION	LF	2,974	$1.50	$4,461.00
TRENCH SAFETY	LF	2,974	$1.50	$4,461.00
TRENCH SAFETY	EA	1	$19,246.55	$19,246.55
			SUB-TOTAL	**$1,293,009.05**

Roadway and Paving Cost - RPMx

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
8" REINFORCED CONCRETE PVMT. W/ CURB & GUTTER	SY	19,330	$54.00	$1,043,820.00
8" LIME STABILIZED SUBGRADE (INCL. LIME)	SY	20,160	$3.35	$67,536.00
HYDRATED LIME MATERIAL (36 LB/SY)	TN	363	$315.00	$114,345.00
SAWCUT & REMOVE EXISITING ASPHALT	LF	3,780	$5.25	$19,845.00
BARRIER FREE RAMPS (8' WIDE)	EA	13	$2,700.00	$35,100.00
CONNECT TO EXISITING ASPHALT	LF	180	$21.00	$3,780.00
BARRIER FREE RAMPS (5' WIDE)	EA	10	$2,100.00	$21,000.00
PAVEMENT HEADER	LF	40	$30.00	$1,200.00
CONCRETE SIDEWALK (4" THICK, 3000 PSI)	SF	43,391	$6.50	$282,041.50
TYPE III TRAFFIC BARRICADE	EA	1	$2,100.00	$2,100.00
STOP SIGN w/ STREET NAME BLADES	EA	2	$850.00	$1,700.00
2" TYPE B HMAC	SY	4,420	$18.00	$79,560.00
2" TYPE D HMAC	SY	4,420	$36.00	$159,120.00
8" AGGREGATE SUBGRADE	SY	4,420	$22.75	$100,555.00
REMOVE EXISTING STRIPING	LF	750	$2.30	$1,725.00
REMOVE AND REPLACE EXISTING DRIVEWAY (INC. CULVERT)	EA	5	$12,000.00	$60,000.00
18" RCP	LF	28	$105.00	$2,940.00
18" HEADWALL	EA	1	$2,750.00	$2,750.00
MISC. ROADWAY SIGNS	EA	1	$900.00	$900.00
TURN LANE STRIPING	LS	1	$10,250.00	$10,250.00
TRAFFIC CONTROL	LS	1	$30,000.00	$30,000.00
PAYMENT & PERFORMANCE BONDS / MAINTENANCE BONDS	EA	1	$106,000.00	$106,000.00
EXCAVATION FOR TURN LANES	EA	1	$35,000.00	$35,000.00
			SUB-TOTAL	**$2,181,267.50**

Earthwork and E&S Cost - Rigid

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
CLEARING AND GRUBBING	ACRE	4.0	$2,000.00	$8,000.00
ROADWAY EXCAVATION	CY	13,100	$6.00	$78,600.00
CONSTRUCTION ENTRANCE W/ CONCRETE WASHOUT	EA	1	$4,500.00	$4,500.00
			SUB-TOTAL	**$91,100.00**

SUMMARY

SUM OF CONSTRUCTION COSTS			$5,480,381.93
SUB-TOTAL			**$5,480,381.93**
ENGINEER & SURVEY FEE			$220,700.00
DISTRICT FORMATION			$500,000.00
GEOTECH FEES			$117,416.67
PROJECT CONSULTANT			$366,000.00
MSUD INSPECTION FEES		$1.27/LF	$9,697.72
PILOT POINT PLAN REVIEW/INSPECTION FEES			$85,486.90
TOTAL CONSTRUCTION COST			**$6,779,683.22**

Project Name: Maverick Farms
Client Name: One Mark
City: Pilot Point ETJ
County: Denton

Date: December 31, 2025
Project Number: 01.0170.003
Lots: 539
Acres: 130.7

CONSTRUCTION COST ESTIMATE - PHASE 1 PID DIRECT

Water System Cost - Moss

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
8" P.V.C. WATER LINE	LF	21,195	$46.00	$974,970.00
8" GATE VALVE & BOX	EA	65	$2,440.00	$158,600.00
1" SINGLE WATER SERVICE	EA	339	$1,260.00	$427,140.00
1" BULLHEAD WATER SERVICE	EA	102	$1,500.00	$153,000.00
3/4" IRRIGATION SERVICE	EA	3	$1,290.00	$3,870.00
1" IRRIGATION SERVICE	EA	6	$1,260.00	$7,560.00
1 1/2" IRRIGATION SERVICE	EA	5	$2,300.00	$11,500.00
15" SDR 26 PVC CASING BY OPEN CUT	LF	565	$122.50	$69,212.50
2" P.V.C FIRE SERVICE	EA	1	$9,900.00	$9,900.00
8" P.V.C FIRE SERVICE(AMENITY CENTER)	EA	1	$3,700.00	$3,700.00
FIRE HYDRANT ASSEMBLY	EA	46	$7,300.00	$335,800.00
TEMPORARY FLUSH VALVE	EA	3	$5,500.00	$16,500.00
TESTING (EXCLUDING GEOTECH.)	LF	21,195	$2.50	$52,987.50
TRENCH SAFETY	LF	21,195	$1.00	$21,195.00
PILOT POINT P&P / MAINTENANCE BONDS	EA	1	$27,354.56	$27,354.56
			SUB-TOTAL	**$2,273,289.56**

Note: Water lines include all fittings

Wastewater System Cost - Moss

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
8" P.V.C. PIPE SDR 35 (0'-10' DEEP)	LF	9,292	$36.00	$334,512.00
8" P.V.C. SDR 35 PIPE (> 10' DEEP)	LF	9,625	$53.50	$514,937.50
CEMENT STABILIZED SAND BACKFILL	LF	495	$109.00	$53,955.00
15' SDR 26 PVC CASING BY OPEN CUT	LF	50	$122.50	$6,125.00
4' DIA. WW MANHOLE	EA	59	$9,600.00	$566,400.00
5' DIA. WW MANHOLE	EA	5	$18,200.00	$91,000.00
4" SERVICE LINES	EA	543	$1,600.00	$868,800.00
4" SERVICE LINES (AMENITY)	EA	1	$1,540.00	$1,540.00
CONNECT TO EX. 15" WW MAIN	EA	1	$1,290.00	$1,290.00
TESTING (EXCLUDING GEOTECH.)	LF	18,917	$3.50	$66,209.50
TRENCH SAFETY	LF	18,917	$1.50	$28,375.50
PILOT POINT P&P / MAINTENANCE BONDS	EA	1	$32,008.45	$32,008.45
			SUB-TOTAL	**$2,565,152.95**

Storm Drain System Cost - Moss

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
18" R.C.P.	LF	3,225	$51.50	$166,087.50
24" R.C.P.	LF	3,635	$67.00	$243,545.00
30" R.C.P.	LF	3,160	$77.50	$244,900.00
36" R.C.P.	LF	730	$104.00	$75,920.00
42" R.C.P.	LF	940	$140.50	$132,070.00
48" R.C.P.	LF	92	$180.00	$16,560.00
8' X 8' BOX CULVERT	LF	162	$635.00	$102,870.00
5' X 10' BOX CULVERT	LF	85	$631.00	$53,635.00
10' CURB INLET	EA	52	$8,600.00	$447,200.00
4'X4' AREA INLET	EA	3	$4,830.00	$14,490.00
4' X 4' JUNCTION BOX	EA	13	$9,400.00	$122,200.00
5' X 5' JUNCTION BOX	EA	2	$7,000.00	$14,000.00
18" SLOPED HEADWALL	EA	1	$1,110.00	$1,110.00
24" SLOPED HEADWALL	EA	2	$1,350.00	$2,700.00
30" SLOPED HEADWALL	EA	4	$1,900.00	$7,600.00
36" SLOPED HEADWALL	EA	1	$1,900.00	$1,900.00
42" SLOPED HEADWALL	EA	1	$5,100.00	$5,100.00
48" SLOPED HEADWALL	EA	1	$10,000.00	$10,000.00
60" SLOPED HEADWALL	EA	1	$12,000.00	$12,000.00
3 - 8' X 8' HEADWALL WITH PARALLEL WINGWALLS	EA	2	$70,600.00	$141,200.00
12' X 4' HEADWALL WITH PARALLEL WINGWALLS	EA	1	$69,500.00	$69,500.00
12' X 4' HEADWALL WITH FLARED WINGWALLS	EA	1	$16,500.00	$16,500.00
ROCK RIP-RAP	SY	1,620	$106.50	$172,530.00
TESTING & TV INSPECTION	LF	12,029	$1.50	$18,043.50
PILOT POINT P&P / MAINTENANCE BONDS	EA	1	$23,350.96	$23,350.96
TRENCH SAFETY	LF	12,029	$1.00	$12,029.00
			SUB-TOTAL	**$2,127,040.96**

Roadway and Paving Cost - RPMx

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
7" REINFORCED CONCRETE STREET PVMT.	SY	77,660	$49.00	$3,805,340.00
6" LIME STABILIZED SUBGRADE (INCL. LIME)	SY	81,120	$3.35	$271,752.00
HYDRATED LIME MATERIAL (36 LB/SY)	TON	1,460	$315.00	$459,900.00
BARRIER FREE RAMPS (5' WIDE)	EA	40	$2,100.00	$84,000.00
CONCRETE SIDEWALK (4" THICK, 3000 PSI)	SF	31,926	$6.50	$207,519.00
PAVEMENT HEADER	LF	90	$30.00	$2,700.00
TYPE III BARRICADE	EA	3	$2,100.00	$6,300.00
SIGN w/ STREET NAME BLADES	EA	15	$825.00	$12,375.00
STOP SIGN w/ STREET NAME BLADES	EA	25	$850.00	$21,250.00
			SUB-TOTAL	**$4,871,136.00**

Earthwork and E&S Cost - Rigid

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
CLEARING AND GRUBBING	ACRE	140	$500.00	$70,000.00
GENERAL DEMOLITION	LS	1	$165,000.00	$165,000.00
EROISION CONTROL(INLET PROTECTION, SILT FENCE, ROCK CHECK DAM	EA	539	$650.00	$350,350.00
MASS GRADING - EXCAVATION	CY	188,483	$3.09	$581,560.00
REMOVE EX. ASPHALT PAVEMENT	SY	6,870	$6.25	$42,937.50
REMOVE EX. FENCE	LF	6,250	$3.00	$18,750.00
			SUB-TOTAL	**$1,228,597.50**

Landscape Cost

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
LANDSCAPE	EA	1	$368,014.04	$368,014.04
ROW CONCRETE SIDEWALK (4" THICK, 3000 PSI)	SF	49,885	$6.50	$324,252.50
IRRIGATION	LS	1	$564,117.78	$564,117.78
			SUB-TOTAL	**$1,256,384.32**

SUMMARY

SUM OF CONSTRUCTION COSTS			$14,321,601.29
SUB-TOTAL			**$14,321,601.29**
ENGINEER & SURVEY FEE			$1,872,598.50
DISTRICT FORMATION			$2,370,000.00
GEOTECH FEES			$234,833.34
PROJECT CONSULTANT			$792,000.00
MSUD INSPECTION FEE		$1.27/LF	$50,942.24
TOTAL CONSTRUCTION COST			**$19,641,975.37**
TOTAL COST/LOT			$36,441.51

Project Name: Maverick Farms
Client Name: One Mark
City: Pilot Point ETJ
County: Denton

Date: December 31, 2025
Project Number: 01.0170.003
Lots: 539
Acres: 130.7

CONSTRUCTION COST ESTIMATE - PHASE 1 PRIVATE

Dry Utility Cost

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
DRY UTILITIES	LOT	539	$1,000.00	$539,000.00
STREET LIGHTS	EA	71	$5,340.49	$379,174.79
			SUB-TOTAL	**$918,174.79**

Earthwork and E&S Cost - Rigid & JE

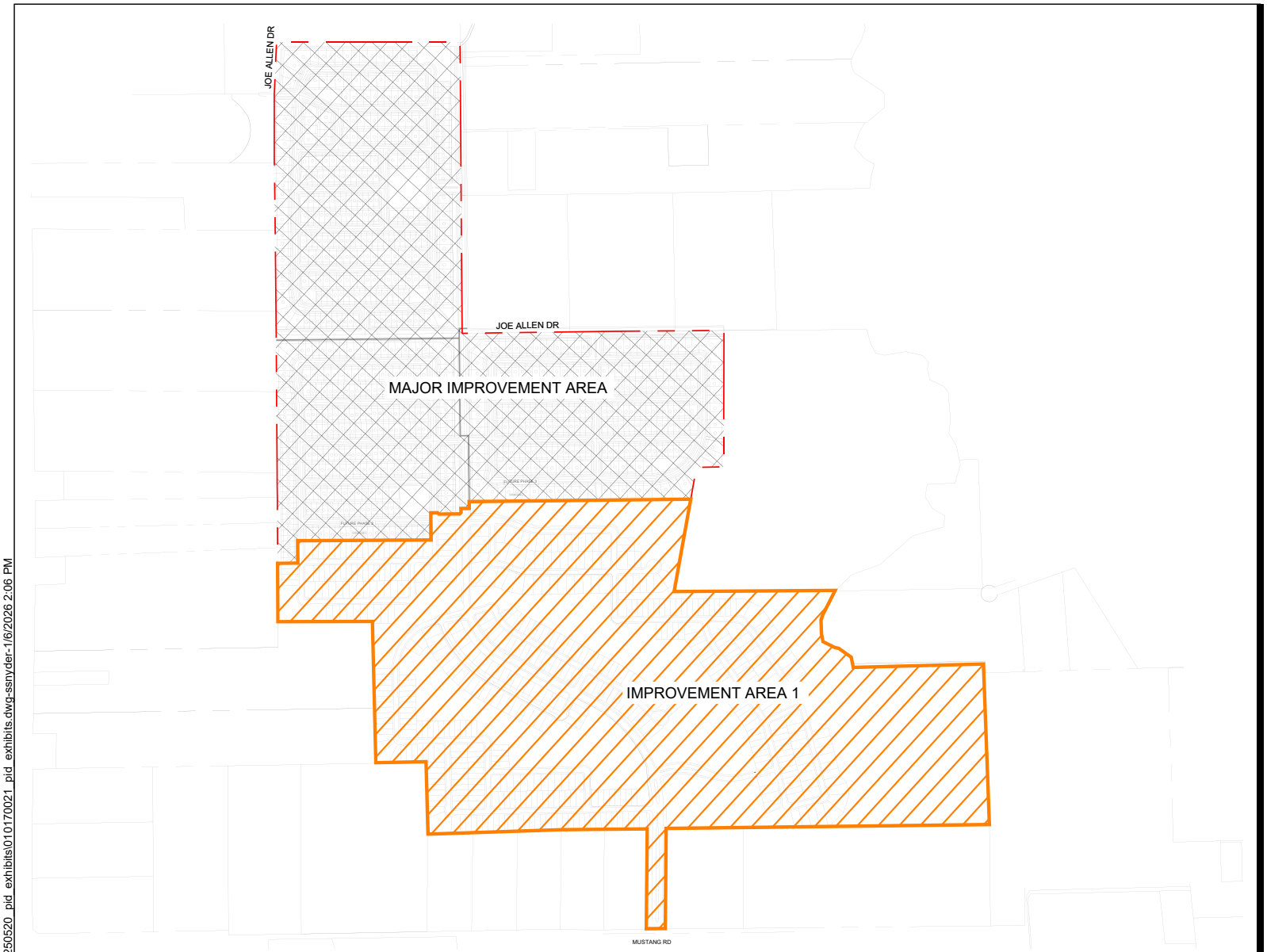
ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
ROUGH LOT GRADING	LOT	539	$195.17	$105,196.63
MOISTURE CONDITIONED PADS 4' DEEP	LOT	79	$1,250.00	$98,750.00
POLY FOR MOISTURE CONDITIONED LOTS	LOT	79	$155.00	$12,245.00
FINAL LOT GRADING	LOT	539	$295.00	$159,005.00
FINAL HOA LOT GRADING	AC	15	$1,000.00	$15,000.00
WALLS 1-15	LS	1	$368,451.00	$368,451.00
REMOVE EX. STRUCTURE	EA	6	$6,500.00	$39,000.00
			SUB-TOTAL	**$797,647.63**

Landscape Cost

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL
MAIN ENTRY SIGNAGE	EA	1	$350,000.00	$350,000.00
SECONDARY ENTRY SIGNAGE	EA	4	$100,000.00	$400,000.00
BOARD-ON-BOARD FENCE	SF	4,309	$70.00	$301,630.00
MASONRY COLUMNS	EA	53	$2,587.17	$137,120.01
NATURAL TRAIL	SF	30,230	$4.00	$120,920.00
CONCRETE SIDEWALK (4" THICK, 3000 PSI)	SF	10,276	$6.50	$66,794.00
RED MAPLE	EA	1	$2,934.00	$2,934.00
RED ROCKET CRAPE MYRTLE MULTI-TRUNK	EA	1	$51.45	$51.45
LIVE OAK	EA	1	$1,360.80	$1,360.80
NEW HARMONY AMERICAN ELM	EA	1	$896.70	$896.70
TIFF 419 BERMUDA SOD	SF	1	$6,625.77	$6,625.77
SHRUB AREA	SF	1	$2,163.17	$2,163.17
MULCH	CY	1	$137.45	$137.45
SOFTSCAPE INSATLLATION	LS	1	$2,504.89	$2,504.89
IRRIGATION	LS	1	$24,731.68	$24,731.68
			SUB-TOTAL	**$1,417,869.92**

SUMMARY

SUM OF CONSTRUCTION COSTS	$3,133,692.34
SUB-TOTAL	**$3,133,692.34**
ENGINEERING & SURVEY FEE	$460,465.00
TOTAL CONSTRUCTION COST	**$3,594,157.34**
TOTAL COST/LOT	$6,668.20



LEGEND

- PID AREA BOUNDARY
- IA #1
- MAJOR IA

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TBPELS #: 10194934

PROJECT

MAVERICK FARMS
PILOT POINT, TEXAS

TITLE

IMPROVEMENT AREAS

CLIENT

ONE MARK

N

0 500 1000

1"=1000'

PROJECT NUMBER:
010170021

DATE:
2025/12/31

SHEET:

EXH 01

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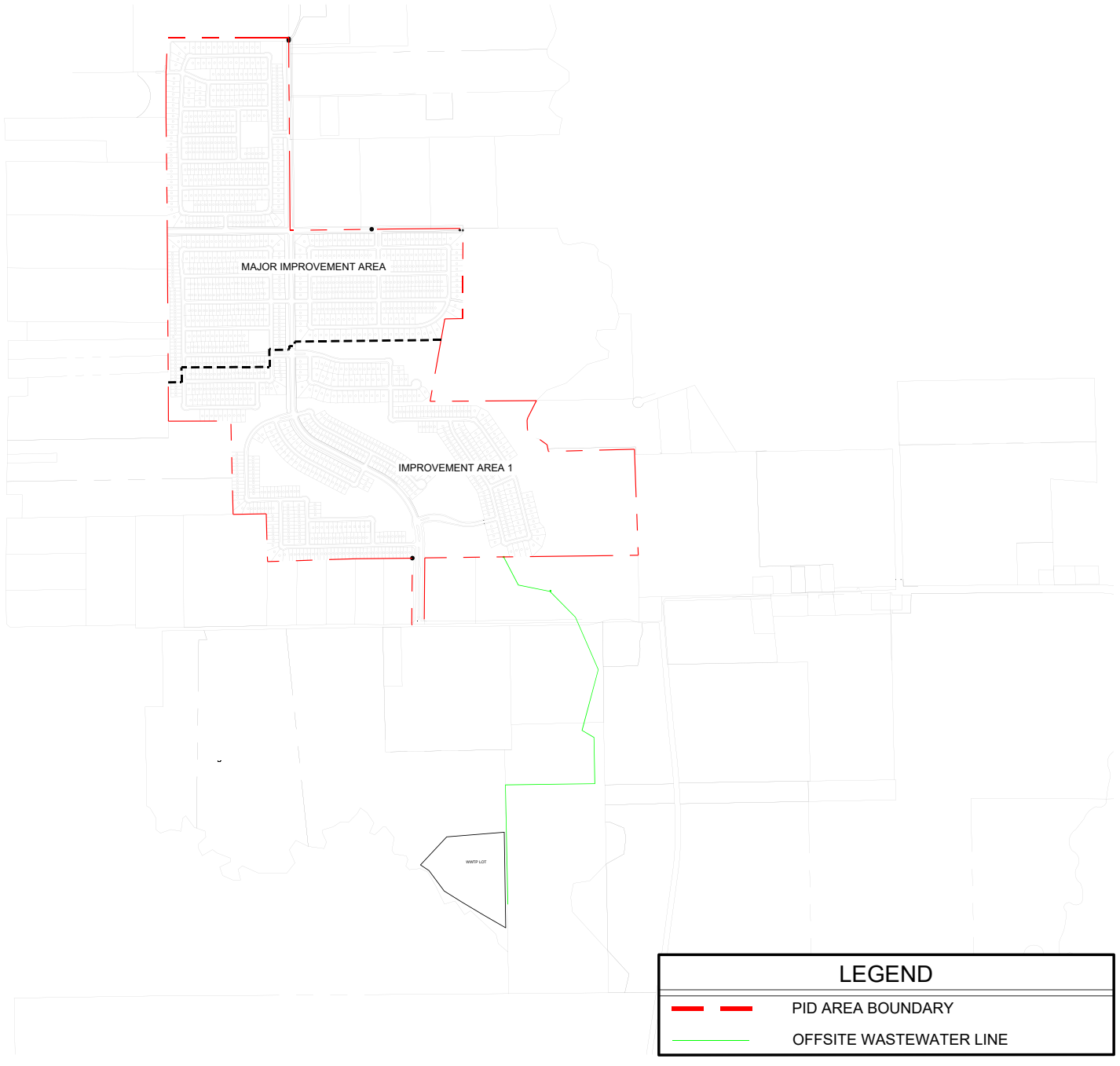

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TBPE #: F-20821
TBPELS #: 10194934

PROJECT

MAVERICK FARMS

PILOT POINT, TEXAS

TITLE

OFFSITE WW

CLIENT

ONE MARK

N

0 750 1500

1"=1500'

PROJECT NUMBER:
010170021

DATE:
2025/12/31

SHEET:

EXH 02

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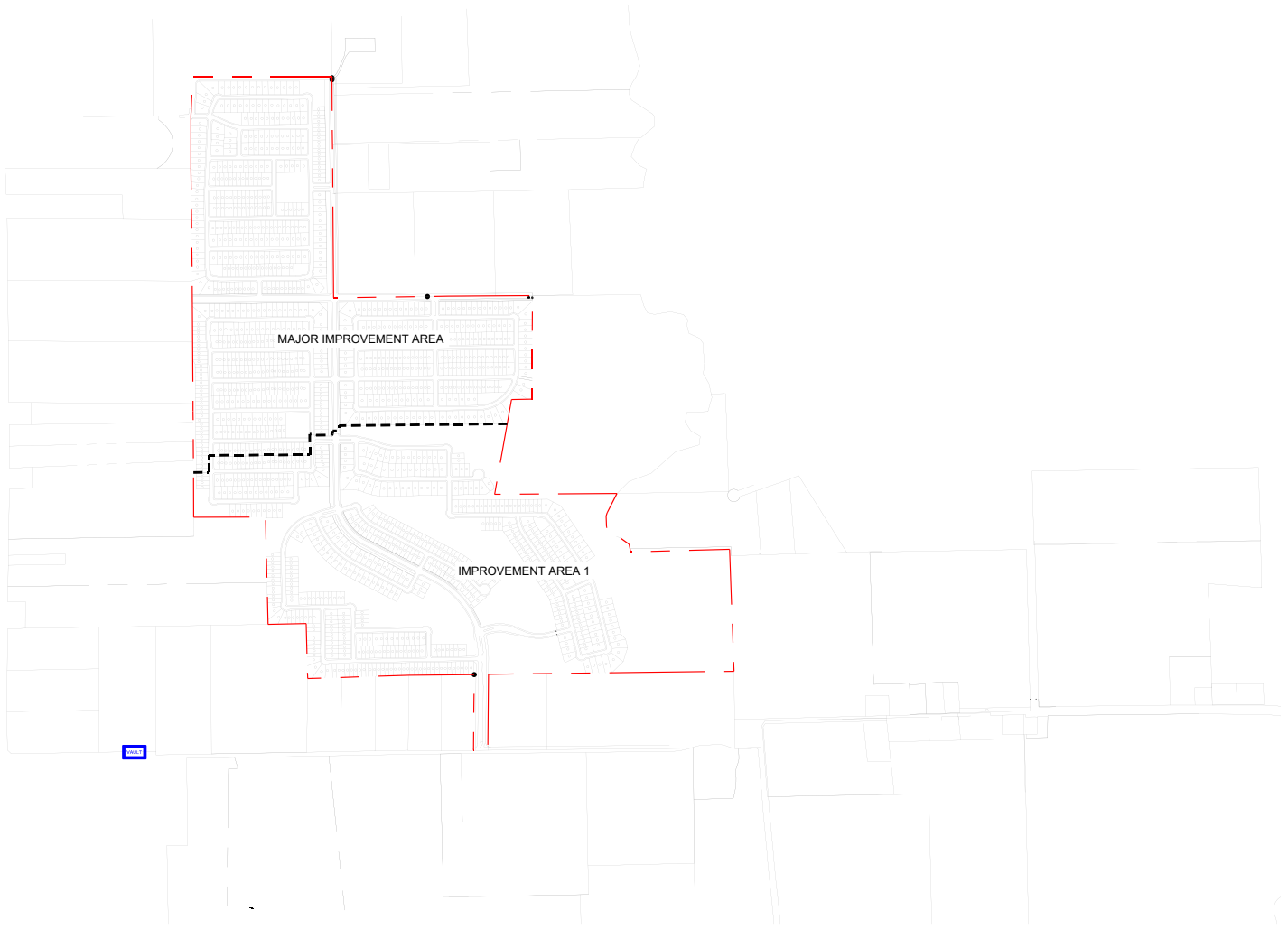

LEGEND	
	PID AREA BOUNDARY
VAULT	OFFSITE PRV

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TBPELS #: 10194934

PROJECT

MAVERICK FARMS

PILOT POINT, TEXAS

TITLE

OFFSITE WATER

CLIENT

ONE MARK

N

0 750 1500

1"=1500'

PROJECT NUMBER:
010170021

DATE:
2025/12/31

SHEET:

EXH 02

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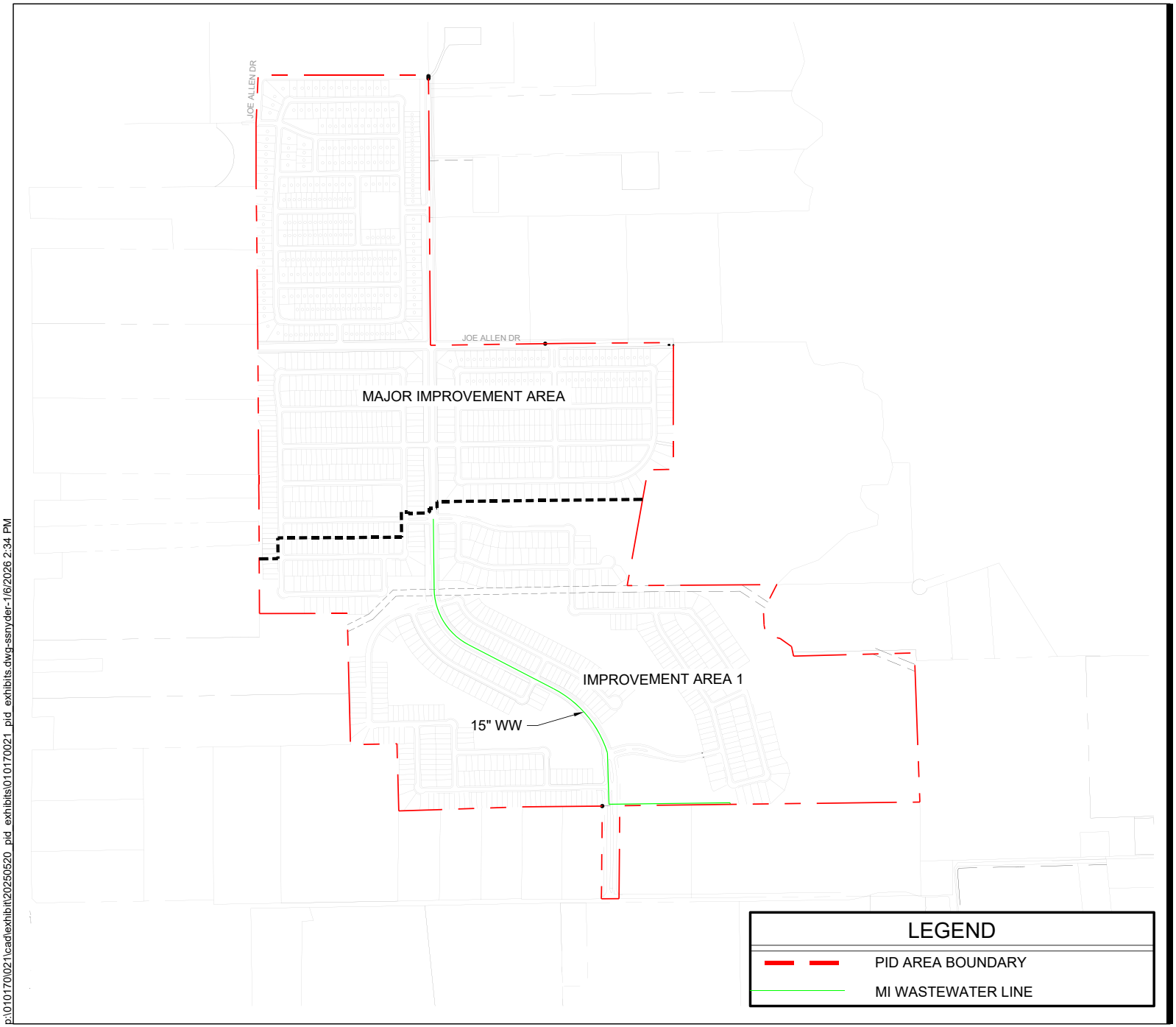

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TBPELS #: 10194934

PROJECT

MAVERICK FARMS
PILOT POINT, TEXAS

TITLE

WASTEWATER
MASTER INFRASTRUCTURE

CLIENT

ONE MARK

N

0 500 1000

1"=1000'

PROJECT NUMBER:
010170021

DATE:
2025/12/31

SHEET:

EXH 04

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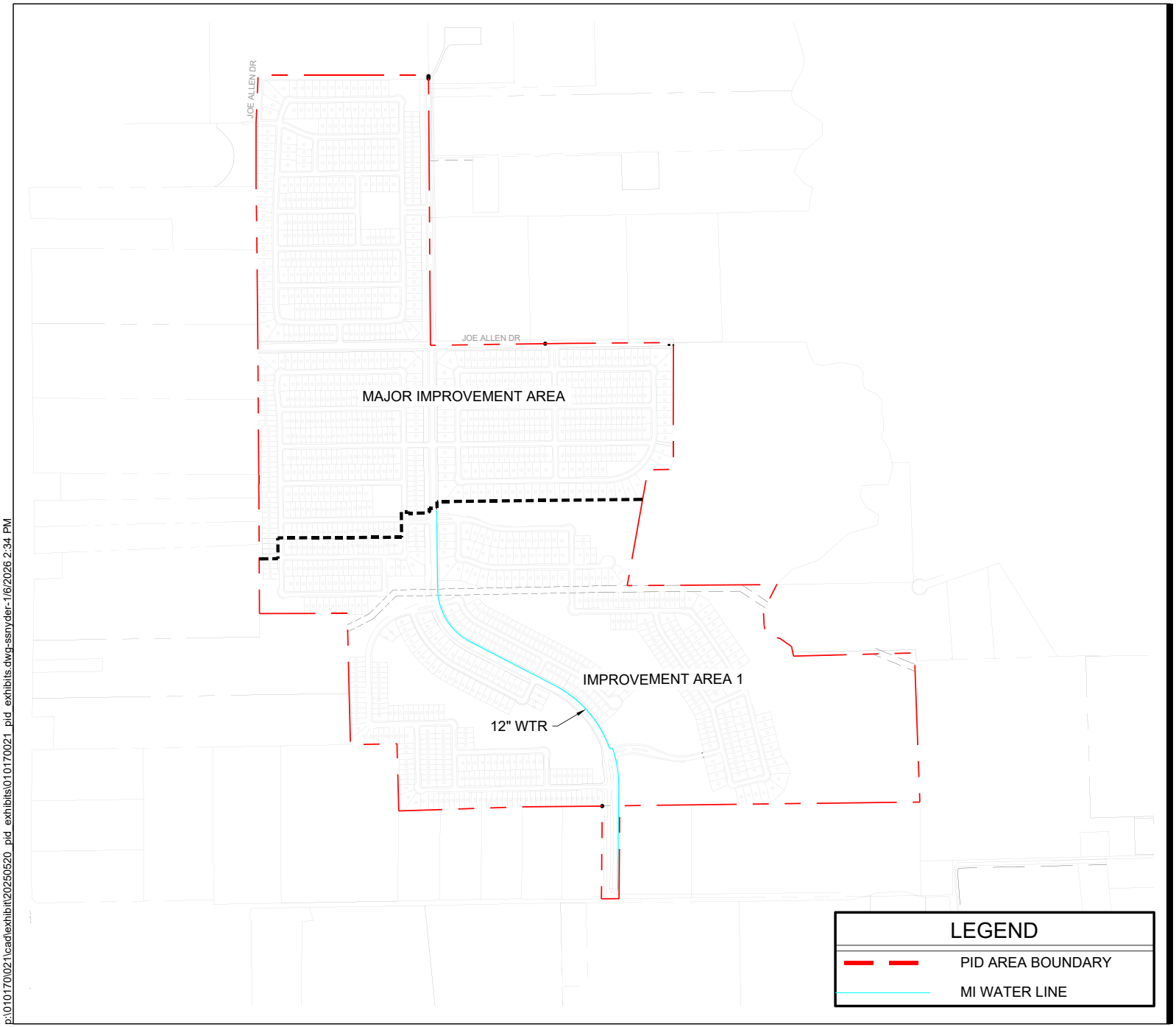

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TBPE #: F-20821
TBPELS #: 10194934

PROJECT

MAVERICK FARMS

PILOT POINT, TEXAS

TITLE

WATER

MASTER INFRASTRUCTURE

CLIENT

ONE MARK

N

0 500 1000

1"=1000'

PROJECT NUMBER:
010170021

DATE:
2025/12/31

SHEET:

EXH 05

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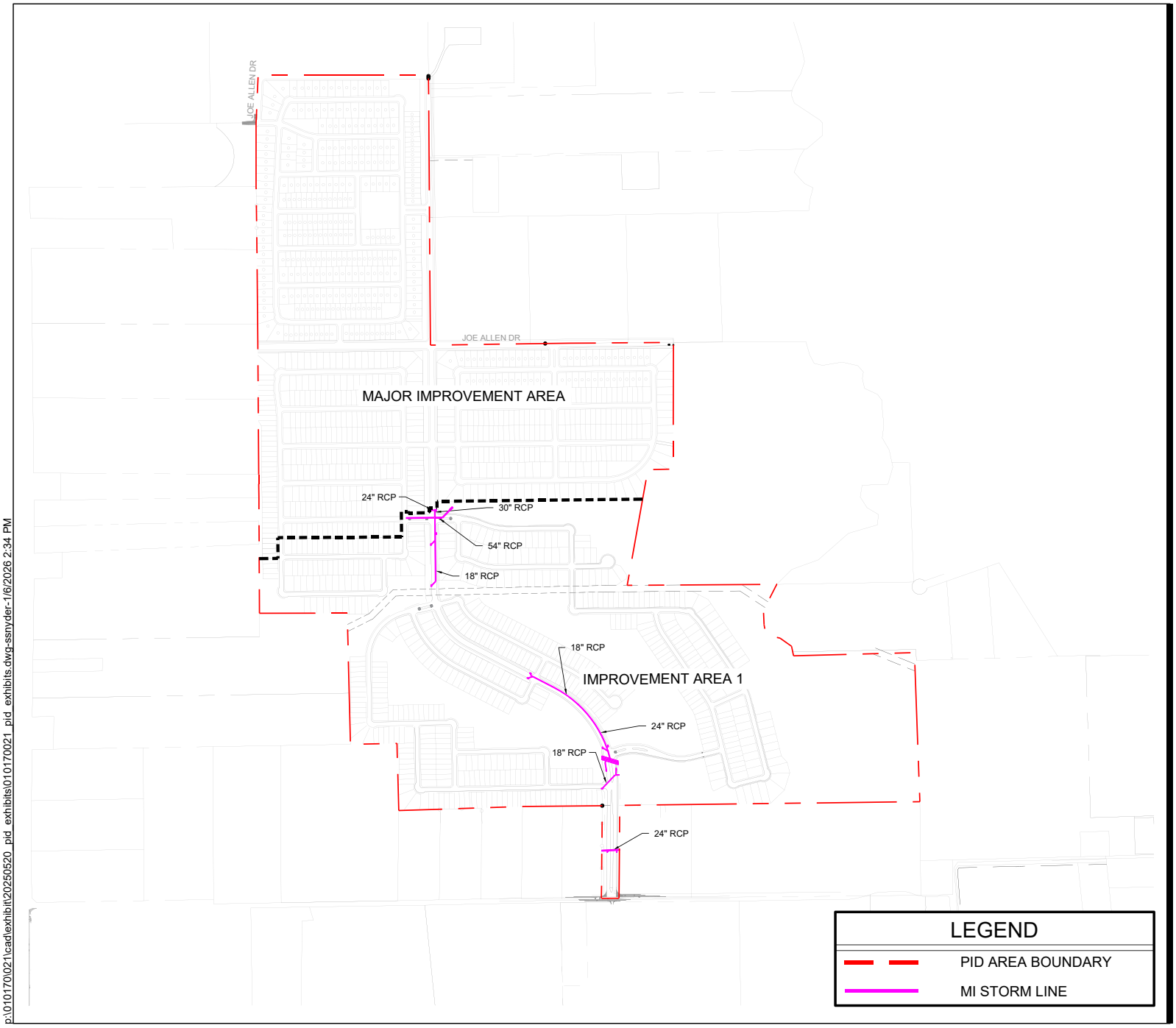

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TBPE #: F-20821
TBPELS #: 10194934

PROJECT

MAVERICK FARMS
PILOT POINT, TEXAS

TITLE

DRAINAGE
MASTER INFRASTRUCTURE

CLIENT

ONE MARK

N

0 500 1000

1"=1000'

PROJECT NUMBER:
010170021

DATE:
2025/12/31

SHEET:

EXH 06

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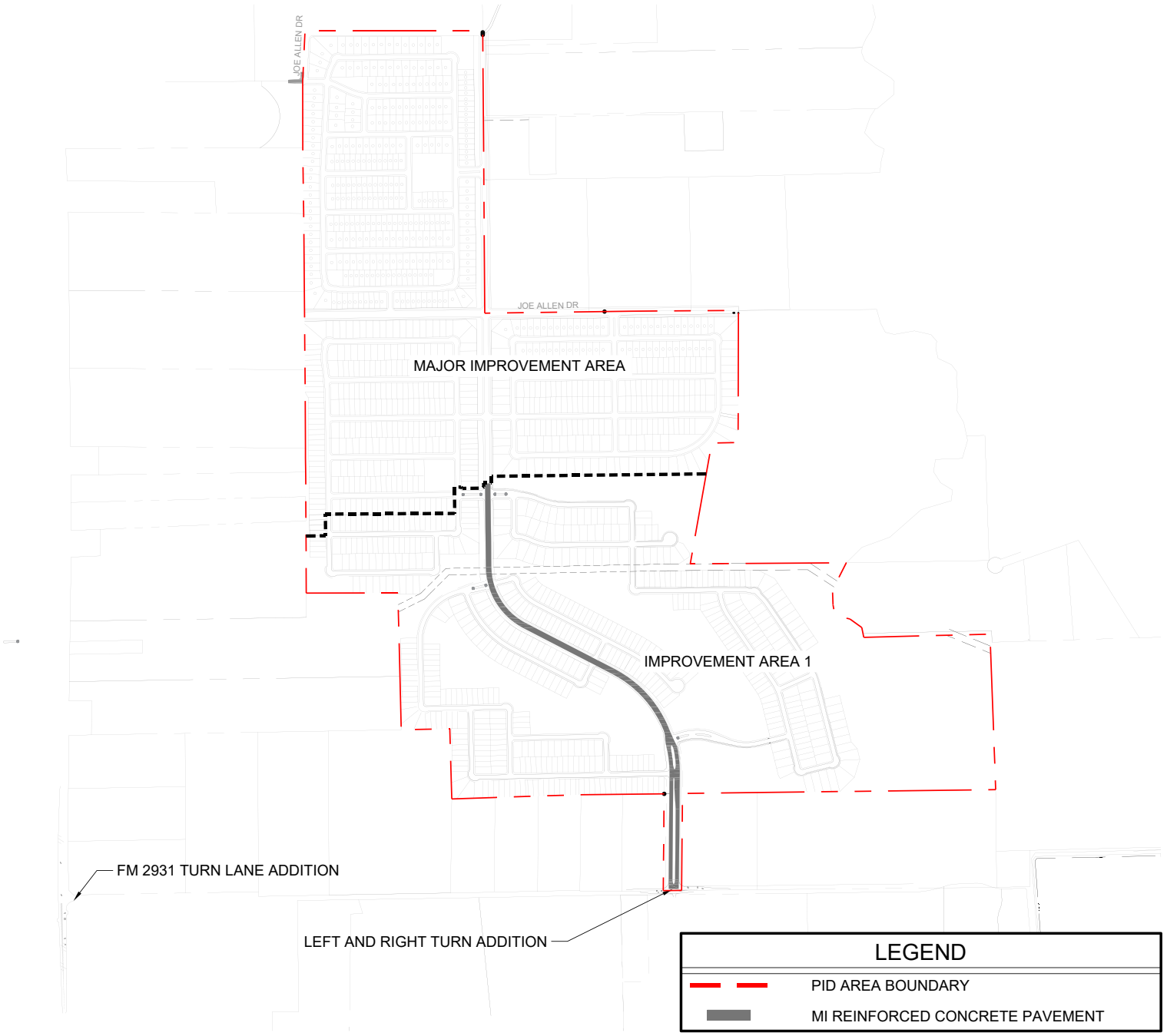

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TBPELS #: 10194934

PROJECT

MAVERICK FARMS
PILOT POINT, TEXAS

TITLE

PAVING
MASTER INFRASTRUCTURE

CLIENT

ONE MARK

N

0 500 1000

1"=1000'

PROJECT NUMBER:
010170021

DATE:
2025/12/31

SHEET:

EXH 07

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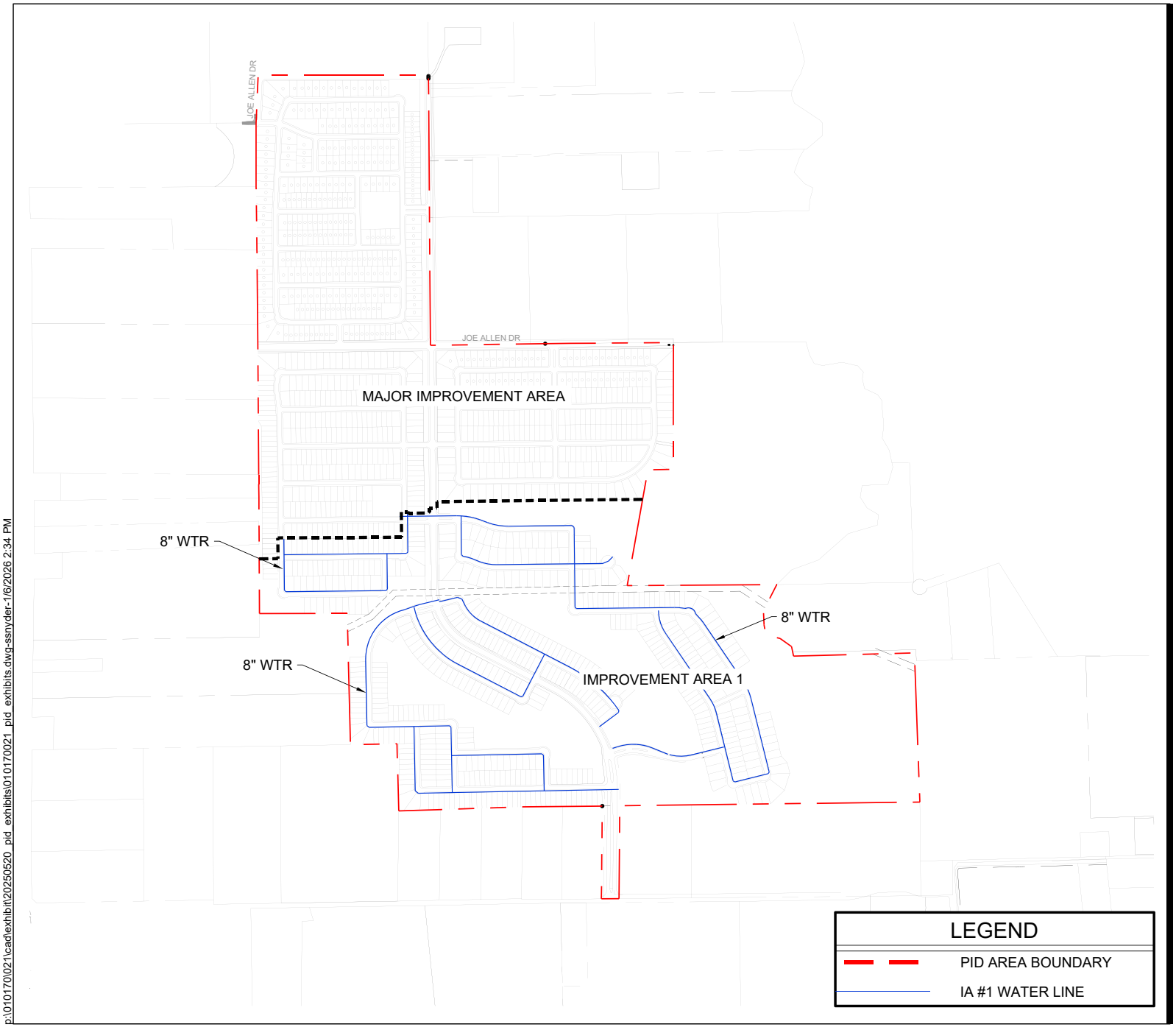

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TBPELS #: 10194934

PROJECT

MAVERICK FARMS
PILOT POINT, TEXAS

TITLE

WATER
IMPROVEMENT AREA 1

CLIENT

ONE MARK

N

0 500 1000

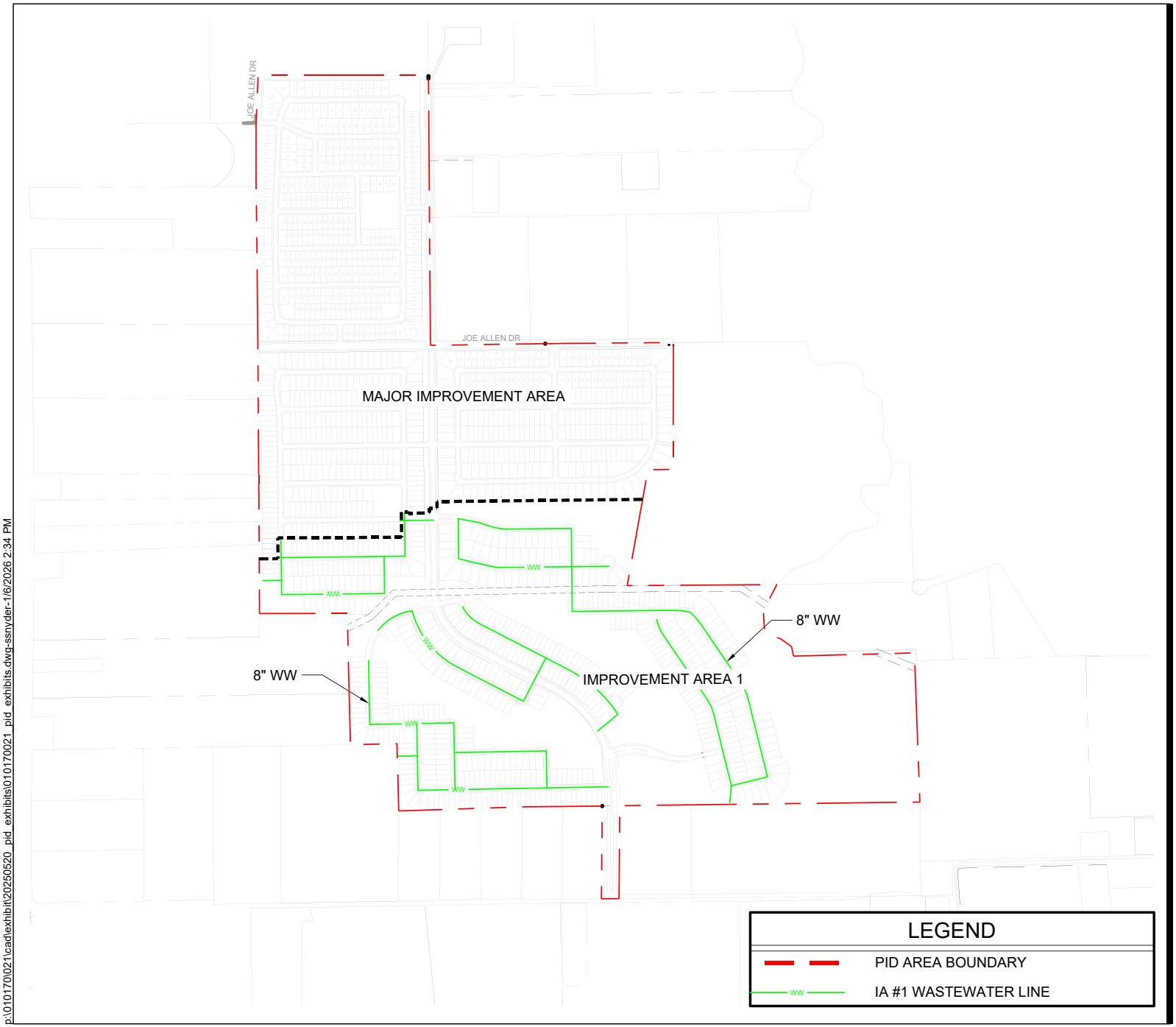
1"=1000'

PROJECT NUMBER:
010170021

DATE:
2025/12/31

SHEET:

EXH 08



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DALLAS, TEXAS 75019
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WWW.KFM-LLC.COM
TBPE #: F-20821
TBPELS #: 10194934

PROJECT

MAVERICK FARMS
PILOT POINT, TEXAS

TITLE

WASTEWATER
IMPROVEMENT AREA 1

CLIENT

ONE MARK

N

0 500 1000

1"=1000'

PROJECT NUMBER:
010170021

DATE:
2025/12/31

SHEET:

EXH 09

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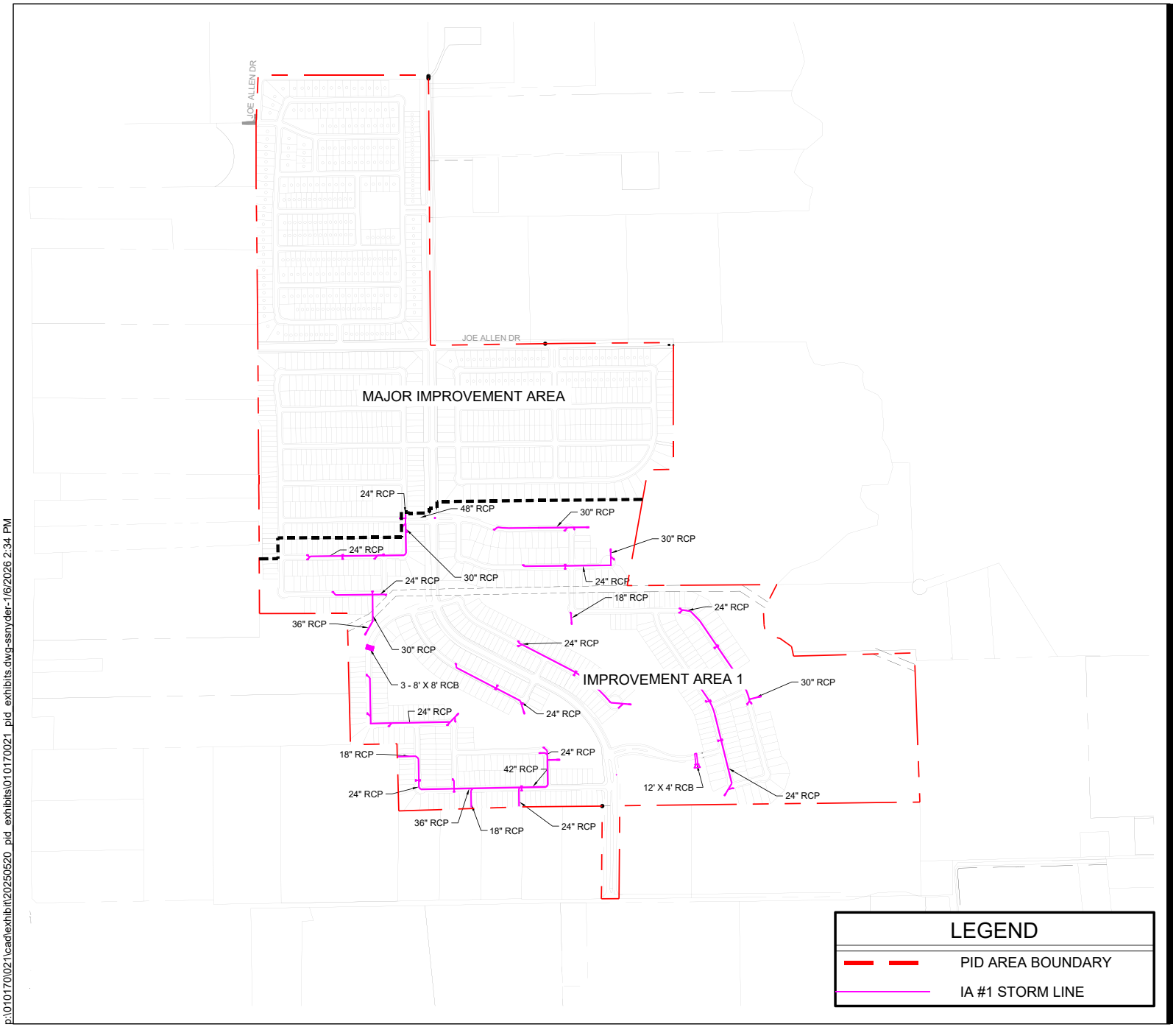

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TBPE #: F-20821
TBPELS #: 10194934

PROJECT

MAVERICK FARMS

PILOT POINT, TEXAS

TITLE

DRAINAGE

IMPROVEMENT AREA 1

CLIENT

ONE MARK

N

0 500 1000

1"=1000'

PROJECT NUMBER:
010170021

DATE:
2025/12/31

SHEET:

EXH 10

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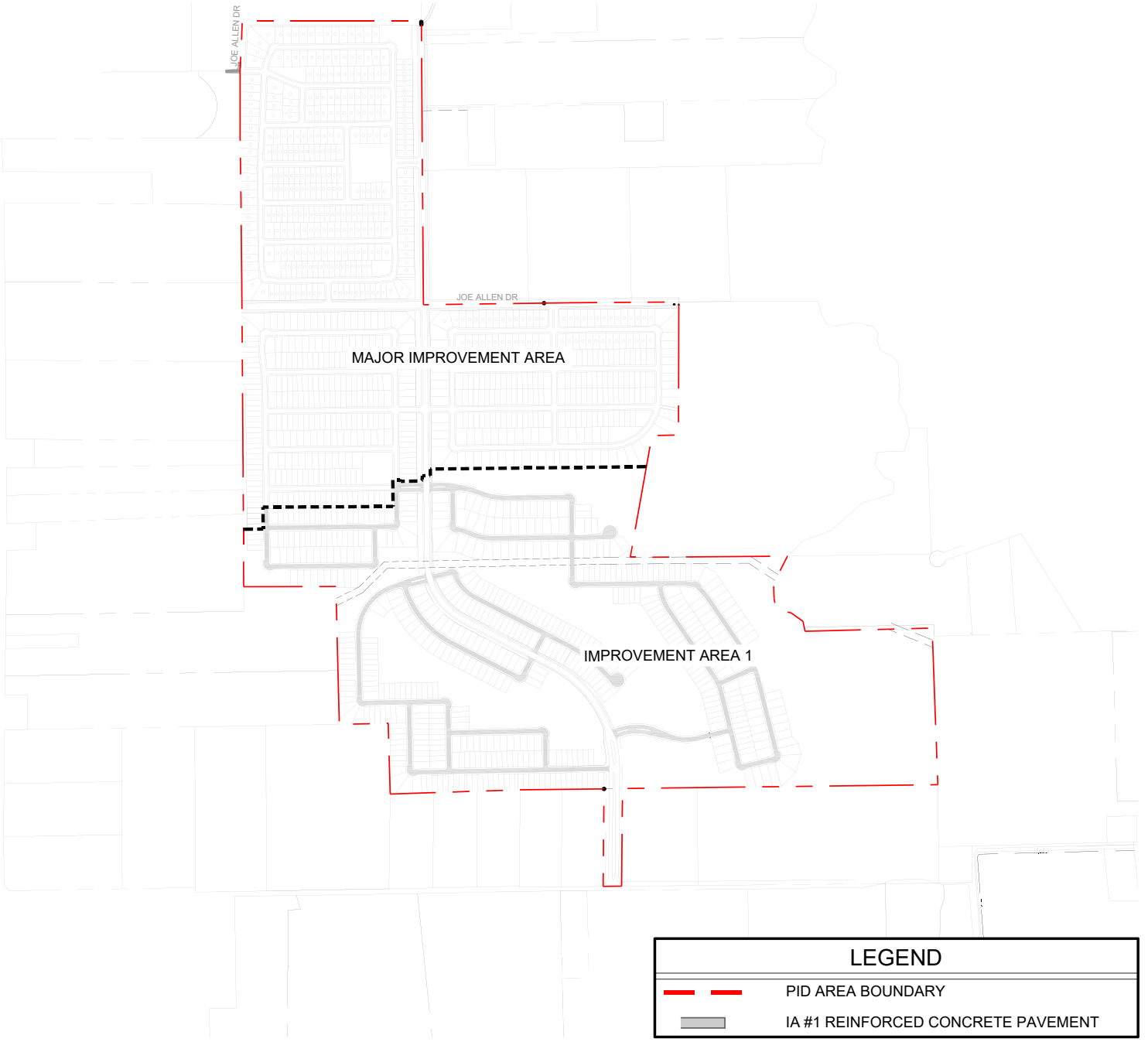

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DALLAS, TEXAS 75019
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WWW.KFM-LLC.COM
TBPE #: F-20821
TBPELS #: 10194934

PROJECT

MAVERICK FARMS
PILOT POINT, TEXAS

TITLE

PAVING
IMPROVEMENT AREA 1

CLIENT

ONE MARK

N

0 500 1000

1"=1000'

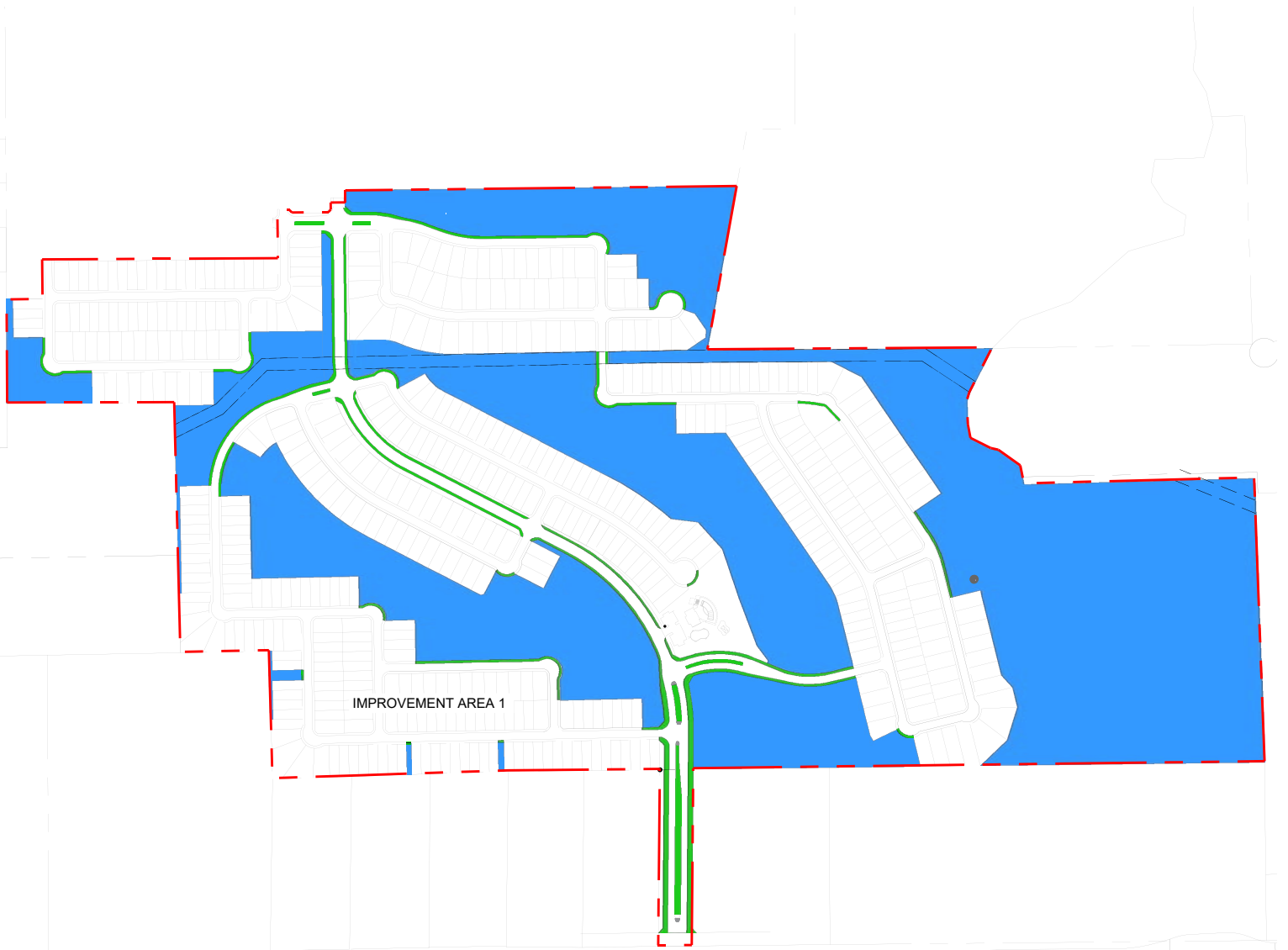
PROJECT NUMBER:
010170021

DATE:
2025/12/31

SHEET:

EXH 11

p:\010170\0021\cad\exhibit\20250520_pid_exhibits\010170021_pid_exhibits.dwg-ssnyder-1/6/2026 2:34 PM



LEGEND

- IMPROVEMENT AREA #1 BOUNDARY
- PARKWAY & MEDIANS
- DRAINAGE EASEMENT

KFM
ENGINEERING & DESIGN
3501 OLYMPUS BLVD, SUITE 100
DALLAS, TEXAS 75019
PHONE: (469) 899-0536
WWW.KFM-LLC.COM
TBPE #: F-20821
TBPELS #: 10194934

PROJECT

MAVERICK FARMS
PILOT POINT, TEXAS

TITLE

LANDSCAPE
IMPROVEMENT AREA 1

CLIENT

ONE MARK

N

0 300 600

1"=600'

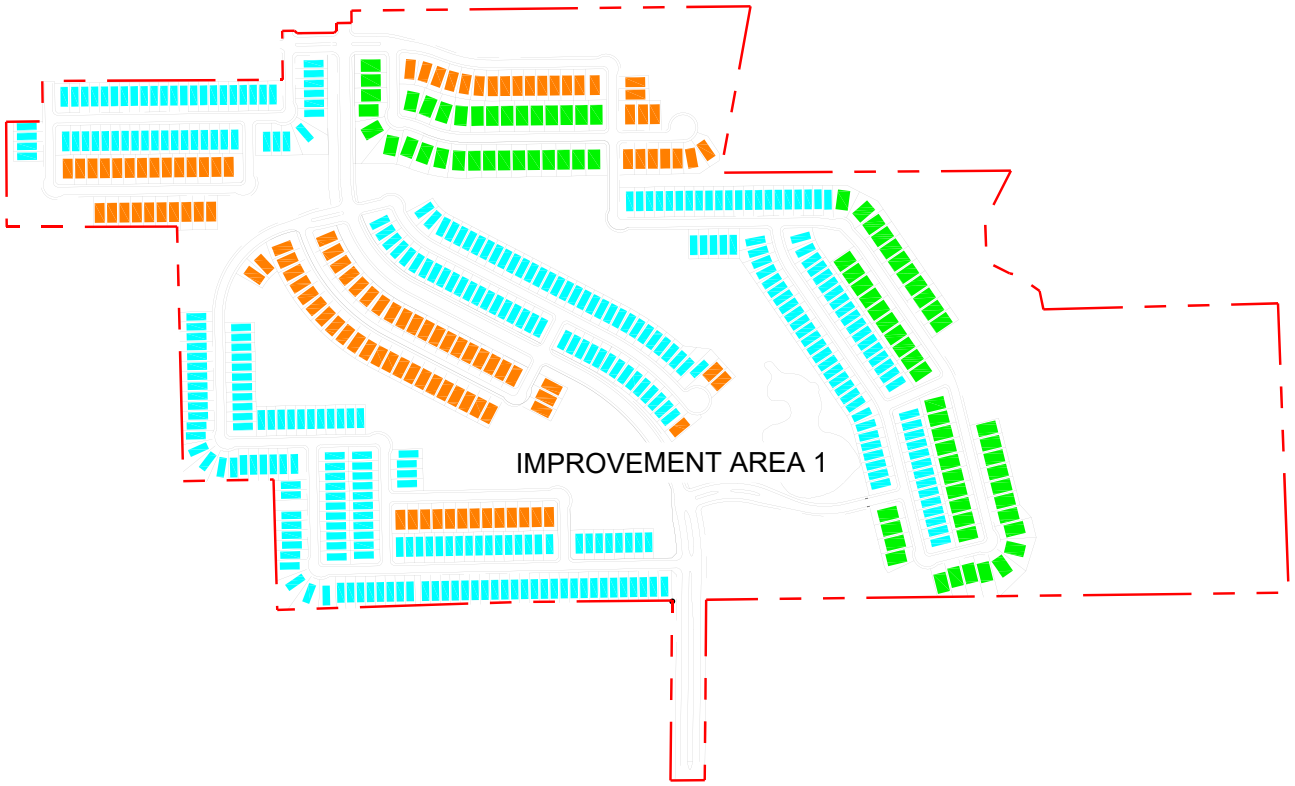
PROJECT NUMBER:
010170021

DATE:
2025/12/31

SHEET:

EXH 12

p:\010170\021\cad\exhibit\20250520_pid_exhibits\010170021_pid_exhibits_landscape.dwg-ssnyder-1/6/2026 2:35 PM



LEGEND

COLOR	LOT SIZE	LOT COUNT
	40' X 120'	345
	50' X 120'	113
	60' X 120'	81
	TOTAL	539

KFM
ENGINEERING & DESIGN
3501 OLYMPUS BLVD, SUITE 100
DALLAS, TEXAS 75019
PHONE: (469) 899-0536
WWW.KFM-LLC.COM
TBPE #: F-20821
TBPELS #: 10194934

PROJECT

MAVERICK FARMS
PILOT POINT, TEXAS

TITLE

LOT TYPE CLASSIFICATION
...

CLIENT

ONE MARK

N

0 350 700

1"=700'

PROJECT NUMBER:
010170021

DATE:
2025/12/31

SHEET:

EXH 13

p:\010170\0021\cad\exhibit\20250520_pid_exhibits\010170021_pid_exhibits.dwg-ssnyder-1/6/2026 2:06 PM

APPENDIX B – BUYER DISCLOSURES

Forms of the buyer disclosures for the following Lot Types are found in this appendix:

Improvement Area #1

- Initial Parcel
- Lot Type 1
- Lot Type 2
- Lot Type 3

Major Improvement Area

- Initial Parcel

[Remainder of page left intentionally blank.]

MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1
INITIAL PARCEL BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest.

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF PILOT POINT, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #1 INITIAL PARCEL PRINCIPAL ASSESSMENT: $33,469,000.00

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Pilot Point, 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 ***Maverick Farms 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 Pilot Point. The exact amount of each annual installment will be approved each year by the Pilot Point City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Pilot Point.

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 a 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 Denton 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 a 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 Denton 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 a 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 Denton County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 INITIAL PARCEL

Installment Due 1/31	Principal	Interest[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ -	$ 2,175,485	$ (1,087,743)	$ 167,345	$ 40,000	$ 1,295,088
2028	$ 417,000	$ 2,175,485	$ -	$ 167,345	$ 40,800	$ 2,800,630
2029	$ 445,000	$ 2,148,380	$ -	$ 165,260	$ 41,616	$ 2,800,256
2030	$ 473,000	$ 2,119,455	$ -	$ 163,035	$ 42,448	$ 2,797,938
2031	$ 504,000	$ 2,088,710	$ -	$ 160,670	$ 43,297	$ 2,796,677
2032	$ 537,000	$ 2,055,950	$ -	$ 158,150	$ 44,163	$ 2,795,263
2033	$ 572,000	$ 2,021,045	$ -	$ 155,465	$ 45,046	$ 2,793,556
2034	$ 609,000	$ 1,983,865	$ -	$ 152,605	$ 45,947	$ 2,791,417
2035	$ 649,000	$ 1,944,280	$ -	$ 149,560	$ 46,866	$ 2,789,706
2036	$ 691,000	$ 1,902,095	$ -	$ 146,315	$ 47,804	$ 2,787,214
2037	$ 736,000	$ 1,857,180	$ -	$ 142,860	$ 48,760	$ 2,784,800
2038	$ 784,000	$ 1,809,340	$ -	$ 139,180	$ 49,735	$ 2,782,255
2039	$ 835,000	$ 1,758,380	$ -	$ 135,260	$ 50,730	$ 2,779,370
2040	$ 889,000	$ 1,704,105	$ -	$ 131,085	$ 51,744	$ 2,775,934
2041	$ 947,000	$ 1,646,320	$ -	$ 126,640	$ 52,779	$ 2,772,739
2042	$ 1,008,000	$ 1,584,765	$ -	$ 121,905	$ 53,835	$ 2,768,505
2043	$ 1,074,000	$ 1,519,245	$ -	$ 116,865	$ 54,911	$ 2,765,021
2044	$ 1,144,000	$ 1,449,435	$ -	$ 111,495	$ 56,010	$ 2,760,940
2045	$ 1,218,000	$ 1,375,075	$ -	$ 105,775	$ 57,130	$ 2,755,980
2046	$ 1,297,000	$ 1,295,905	$ -	$ 99,685	$ 58,272	$ 2,750,862
2047	$ 1,381,000	$ 1,211,600	$ -	$ 93,200	$ 59,438	$ 2,745,238
2048	$ 1,471,000	$ 1,121,835	$ -	$ 86,295	$ 60,627	$ 2,739,757
2049	$ 1,567,000	$ 1,026,220	$ -	$ 78,940	$ 61,839	$ 2,733,999
2050	$ 1,669,000	$ 924,365	$ -	$ 71,105	$ 63,076	$ 2,727,546
2051	$ 1,777,000	$ 815,880	$ -	$ 62,760	$ 64,337	$ 2,719,977
2052	$ 1,892,000	$ 700,375	$ -	$ 53,875	$ 65,624	$ 2,711,874
2053	$ 2,015,000	$ 577,395	$ -	$ 44,415	$ 66,937	$ 2,703,747
2054	$ 2,147,000	$ 446,420	$ -	$ 34,340	$ 68,275	$ 2,696,035
2055	$ 2,286,000	$ 306,865	$ -	$ 23,605	$ 69,641	$ 2,686,111
2056	$ 2,435,000	$ 158,275	$ -	$ 12,175	$ 71,034	$ 2,676,484
Total	**$ 33,469,000**	**$ 43,903,730**	**$ (1,087,743)**	**$ 3,377,210**	**$ 1,622,723**	**$ 81,284,921**

Footnotes:

[a] Interest is calculated at 6.50% rate 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.

MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1
LOT TYPE 1 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest.

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF PILOT POINT, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 1 PRINCIPAL ASSESSMENT: $57,464.14

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Pilot Point, 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 ***Maverick Farms 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 Pilot Point. The exact amount of each annual installment will be approved each year by the Pilot Point City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Pilot Point.

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 a 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 Denton 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 a 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 Denton 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 a 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 Denton County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 1

Installment Due 1/31	Principal	Interest[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ -	$ 3,735.17	$ (1,867.58)	$ 287.32	$ 68.68	$ 2,223.58
2028	$ 715.96	$ 3,735.17	$ -	$ 287.32	$ 70.05	$ 4,808.50
2029	$ 764.04	$ 3,688.63	$ -	$ 283.74	$ 71.45	$ 4,807.86
2030	$ 812.11	$ 3,638.97	$ -	$ 279.92	$ 72.88	$ 4,803.88
2031	$ 865.34	$ 3,586.18	$ -	$ 275.86	$ 74.34	$ 4,801.72
2032	$ 921.99	$ 3,529.94	$ -	$ 271.53	$ 75.83	$ 4,799.29
2033	$ 982.09	$ 3,470.01	$ -	$ 266.92	$ 77.34	$ 4,796.36
2034	$ 1,045.61	$ 3,406.17	$ -	$ 262.01	$ 78.89	$ 4,792.69
2035	$ 1,114.29	$ 3,338.20	$ -	$ 256.78	$ 80.47	$ 4,789.75
2036	$ 1,186.40	$ 3,265.78	$ -	$ 251.21	$ 82.08	$ 4,785.47
2037	$ 1,263.67	$ 3,188.66	$ -	$ 245.28	$ 83.72	$ 4,781.32
2038	$ 1,346.08	$ 3,106.52	$ -	$ 238.96	$ 85.39	$ 4,776.95
2039	$ 1,433.64	$ 3,019.03	$ -	$ 232.23	$ 87.10	$ 4,772.00
2040	$ 1,526.36	$ 2,925.84	$ -	$ 225.06	$ 88.84	$ 4,766.10
2041	$ 1,625.94	$ 2,826.63	$ -	$ 217.43	$ 90.62	$ 4,760.62
2042	$ 1,730.67	$ 2,720.94	$ -	$ 209.30	$ 92.43	$ 4,753.35
2043	$ 1,843.99	$ 2,608.45	$ -	$ 200.65	$ 94.28	$ 4,747.37
2044	$ 1,964.18	$ 2,488.59	$ -	$ 191.43	$ 96.17	$ 4,740.36
2045	$ 2,091.23	$ 2,360.92	$ -	$ 181.61	$ 98.09	$ 4,731.84
2046	$ 2,226.87	$ 2,224.99	$ -	$ 171.15	$ 100.05	$ 4,723.06
2047	$ 2,371.09	$ 2,080.24	$ -	$ 160.02	$ 102.05	$ 4,713.40
2048	$ 2,525.61	$ 1,926.12	$ -	$ 148.16	$ 104.09	$ 4,703.99
2049	$ 2,690.44	$ 1,761.95	$ -	$ 135.53	$ 106.17	$ 4,694.10
2050	$ 2,865.57	$ 1,587.08	$ -	$ 122.08	$ 108.30	$ 4,683.02
2051	$ 3,051.00	$ 1,400.81	$ -	$ 107.75	$ 110.46	$ 4,670.03
2052	$ 3,248.44	$ 1,202.50	$ -	$ 92.50	$ 112.67	$ 4,656.12
2053	$ 3,459.63	$ 991.35	$ -	$ 76.26	$ 114.93	$ 4,642.16
2054	$ 3,686.26	$ 766.47	$ -	$ 58.96	$ 117.22	$ 4,628.92
2055	$ 3,924.92	$ 526.87	$ -	$ 40.53	$ 119.57	$ 4,611.88
2056	$ 4,180.74	$ 271.75	$ -	$ 20.90	$ 121.96	$ 4,595.35
Total	**$ 57,464.14**	**$ 75,379.91**	**$ (1,867.58)**	**$ 5,798.45**	**$ 2,786.11**	**$ 139,561.03**

Footnotes:

[a] Interest is calculated at 6.50% rate for illustrative purposes.

[b] Assumes 6 months of capitalized interest.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1
LOT TYPE 2 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest.

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF PILOT POINT, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 2 PRINCIPAL ASSESSMENT: $67,813.86

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Pilot Point, 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 ***Maverick Farms 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 Pilot Point. The exact amount of each annual installment will be approved each year by the Pilot Point City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Pilot Point.

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 a 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 Denton 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 a 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 Denton 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 a 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 Denton County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 2

Installment Due 1/31	Principal	Interest[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ -	$ 4,407.90	$ (2,203.95)	$ 339.07	$ 81.05	$ 2,624.07
2028	$ 844.91	$ 4,407.90	$ -	$ 339.07	$ 82.67	$ 5,674.55
2029	$ 901.65	$ 4,352.98	$ -	$ 334.84	$ 84.32	$ 5,673.79
2030	$ 958.38	$ 4,294.37	$ -	$ 330.34	$ 86.01	$ 5,669.10
2031	$ 1,021.19	$ 4,232.08	$ -	$ 325.54	$ 87.73	$ 5,666.54
2032	$ 1,088.05	$ 4,165.70	$ -	$ 320.44	$ 89.48	$ 5,663.68
2033	$ 1,158.97	$ 4,094.98	$ -	$ 315.00	$ 91.27	$ 5,660.22
2034	$ 1,233.94	$ 4,019.65	$ -	$ 309.20	$ 93.10	$ 5,655.88
2035	$ 1,314.98	$ 3,939.44	$ -	$ 303.03	$ 94.96	$ 5,652.42
2036	$ 1,400.08	$ 3,853.97	$ -	$ 296.46	$ 96.86	$ 5,647.37
2037	$ 1,491.26	$ 3,762.96	$ -	$ 289.46	$ 98.80	$ 5,642.48
2038	$ 1,588.52	$ 3,666.03	$ -	$ 282.00	$ 100.77	$ 5,637.32
2039	$ 1,691.85	$ 3,562.78	$ -	$ 274.06	$ 102.79	$ 5,631.47
2040	$ 1,801.26	$ 3,452.81	$ -	$ 265.60	$ 104.84	$ 5,624.51
2041	$ 1,918.78	$ 3,335.72	$ -	$ 256.59	$ 106.94	$ 5,618.04
2042	$ 2,042.38	$ 3,211.00	$ -	$ 247.00	$ 109.08	$ 5,609.46
2043	$ 2,176.11	$ 3,078.25	$ -	$ 236.79	$ 111.26	$ 5,602.40
2044	$ 2,317.94	$ 2,936.80	$ -	$ 225.91	$ 113.49	$ 5,594.13
2045	$ 2,467.87	$ 2,786.13	$ -	$ 214.32	$ 115.75	$ 5,584.08
2046	$ 2,627.94	$ 2,625.72	$ -	$ 201.98	$ 118.07	$ 5,573.71
2047	$ 2,798.14	$ 2,454.91	$ -	$ 188.84	$ 120.43	$ 5,562.32
2048	$ 2,980.50	$ 2,273.03	$ -	$ 174.85	$ 122.84	$ 5,551.21
2049	$ 3,175.01	$ 2,079.30	$ -	$ 159.95	$ 125.30	$ 5,539.55
2050	$ 3,381.68	$ 1,872.92	$ -	$ 144.07	$ 127.80	$ 5,526.47
2051	$ 3,600.50	$ 1,653.11	$ -	$ 127.16	$ 130.36	$ 5,511.14
2052	$ 3,833.51	$ 1,419.08	$ -	$ 109.16	$ 132.97	$ 5,494.72
2053	$ 4,082.73	$ 1,169.90	$ -	$ 89.99	$ 135.63	$ 5,478.25
2054	$ 4,350.19	$ 904.52	$ -	$ 69.58	$ 138.34	$ 5,462.62
2055	$ 4,631.82	$ 621.76	$ -	$ 47.83	$ 141.10	$ 5,442.52
2056	$ 4,933.72	$ 320.69	$ -	$ 24.67	$ 143.93	$ 5,423.01
Total	**$ 67,813.86**	**$ 88,956.40**	**$ (2,203.95)**	**$ 6,842.80**	**$ 3,287.91**	**$ 164,697.02**

Footnotes:

[a] Interest is calculated at 6.50% rate for illustrative purposes.

[b] Assumes 6 months of capitalized interest.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1
LOT TYPE 3 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest.

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF PILOT POINT, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 3 PRINCIPAL ASSESSMENT: $73,838.33

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Pilot Point, 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 ***Maverick Farms 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 Pilot Point. The exact amount of each annual installment will be approved each year by the Pilot Point City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Pilot Point.

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 a 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 Denton 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 a 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 Denton 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 a 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 Denton County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 3

Installment Due 1/31	Principal	Interest[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ -	$ 4,799.49	$ (2,399.75)	$ 369.19	$ 88.25	$ 2,857.18
2028	$ 919.97	$ 4,799.49	$ -	$ 369.19	$ 90.01	$ 6,178.67
2029	$ 981.75	$ 4,739.69	$ -	$ 364.59	$ 91.81	$ 6,177.84
2030	$ 1,043.52	$ 4,675.88	$ -	$ 359.68	$ 93.65	$ 6,172.73
2031	$ 1,111.91	$ 4,608.05	$ -	$ 354.47	$ 95.52	$ 6,169.95
2032	$ 1,184.71	$ 4,535.78	$ -	$ 348.91	$ 97.43	$ 6,166.83
2033	$ 1,261.93	$ 4,458.77	$ -	$ 342.98	$ 99.38	$ 6,163.06
2034	$ 1,343.56	$ 4,376.75	$ -	$ 336.67	$ 101.37	$ 6,158.34
2035	$ 1,431.80	$ 4,289.41	$ -	$ 329.95	$ 103.40	$ 6,154.57
2036	$ 1,524.46	$ 4,196.35	$ -	$ 322.80	$ 105.46	$ 6,149.07
2037	$ 1,623.74	$ 4,097.26	$ -	$ 315.17	$ 107.57	$ 6,143.74
2038	$ 1,729.64	$ 3,991.71	$ -	$ 307.05	$ 109.72	$ 6,138.13
2039	$ 1,842.15	$ 3,879.29	$ -	$ 298.41	$ 111.92	$ 6,131.76
2040	$ 1,961.29	$ 3,759.55	$ -	$ 289.20	$ 114.16	$ 6,124.19
2041	$ 2,089.24	$ 3,632.06	$ -	$ 279.39	$ 116.44	$ 6,117.14
2042	$ 2,223.82	$ 3,496.26	$ -	$ 268.94	$ 118.77	$ 6,107.79
2043	$ 2,369.43	$ 3,351.71	$ -	$ 257.82	$ 121.14	$ 6,100.11
2044	$ 2,523.86	$ 3,197.70	$ -	$ 245.98	$ 123.57	$ 6,091.10
2045	$ 2,687.12	$ 3,033.65	$ -	$ 233.36	$ 126.04	$ 6,080.16
2046	$ 2,861.40	$ 2,858.99	$ -	$ 219.92	$ 128.56	$ 6,068.87
2047	$ 3,046.72	$ 2,673.00	$ -	$ 205.62	$ 131.13	$ 6,056.46
2048	$ 3,245.28	$ 2,474.96	$ -	$ 190.38	$ 133.75	$ 6,044.37
2049	$ 3,457.07	$ 2,264.02	$ -	$ 174.16	$ 136.43	$ 6,031.67
2050	$ 3,682.10	$ 2,039.31	$ -	$ 156.87	$ 139.16	$ 6,017.43
2051	$ 3,920.37	$ 1,799.97	$ -	$ 138.46	$ 141.94	$ 6,000.73
2052	$ 4,174.08	$ 1,545.15	$ -	$ 118.86	$ 144.78	$ 5,982.86
2053	$ 4,445.43	$ 1,273.83	$ -	$ 97.99	$ 147.67	$ 5,964.93
2054	$ 4,736.65	$ 984.88	$ -	$ 75.76	$ 150.63	$ 5,947.91
2055	$ 5,043.31	$ 677.00	$ -	$ 52.08	$ 153.64	$ 5,926.02
2056	$ 5,372.03	$ 349.18	$ -	$ 26.86	$ 156.71	$ 5,904.78
Total	**$ 73,838.33**	**$ 96,859.13**	**$ (2,399.75)**	**$ 7,450.70**	**$ 3,580.00**	**$ 179,328.42**

Footnotes:

[a] Interest is calculated at 6.50% rate for illustrative purposes.

[b] Assumes 6 months of capitalized interest.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT MAJOR IMPROVEMENT AREA INITIAL PARCEL BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest.

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF PILOT POINT, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

MAJOR IMPROVEMENT AREA INITIAL PARCEL PRINCIPAL ASSESSMENT: $13,813,000.00

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Pilot Point, 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 ***Maverick Farms 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 Pilot Point. The exact amount of each annual installment will be approved each year by the Pilot Point City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Pilot Point.

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 a 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 Denton 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 a 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 Denton 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 a 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 Denton County.

ANNUAL INSTALLMENTS - MAJOR IMPROVEMENT AREA INITIAL PARCEL

Installment Due 1/31	Principal	Interest[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ -	$ 932,378	$ (932,378)	$ 69,065	$ 40,000	$ 109,065
2028	$ 165,000	$ 932,378	$ (466,189)	$ 69,065	$ 40,800	$ 741,054
2029	$ 176,000	$ 921,240	$ -	$ 68,240	$ 41,616	$ 1,207,096
2030	$ 188,000	$ 909,360	$ -	$ 67,360	$ 42,448	$ 1,207,168
2031	$ 201,000	$ 896,670	$ -	$ 66,420	$ 43,297	$ 1,207,387
2032	$ 214,000	$ 883,103	$ -	$ 65,415	$ 44,163	$ 1,206,681
2033	$ 229,000	$ 868,658	$ -	$ 64,345	$ 45,046	$ 1,207,049
2034	$ 244,000	$ 853,200	$ -	$ 63,200	$ 45,947	$ 1,206,347
2035	$ 261,000	$ 836,730	$ -	$ 61,980	$ 46,866	$ 1,206,576
2036	$ 278,000	$ 819,113	$ -	$ 60,675	$ 47,804	$ 1,205,591
2037	$ 297,000	$ 800,348	$ -	$ 59,285	$ 48,760	$ 1,205,392
2038	$ 317,000	$ 780,300	$ -	$ 57,800	$ 49,735	$ 1,204,835
2039	$ 339,000	$ 758,903	$ -	$ 56,215	$ 50,730	$ 1,204,847
2040	$ 362,000	$ 736,020	$ -	$ 54,520	$ 51,744	$ 1,204,284
2041	$ 386,000	$ 711,585	$ -	$ 52,710	$ 52,779	$ 1,203,074
2042	$ 412,000	$ 685,530	$ -	$ 50,780	$ 53,835	$ 1,202,145
2043	$ 440,000	$ 657,720	$ -	$ 48,720	$ 54,911	$ 1,201,351
2044	$ 469,000	$ 628,020	$ -	$ 46,520	$ 56,010	$ 1,199,550
2045	$ 501,000	$ 596,363	$ -	$ 44,175	$ 57,130	$ 1,198,667
2046	$ 535,000	$ 562,545	$ -	$ 41,670	$ 58,272	$ 1,197,487
2047	$ 571,000	$ 526,433	$ -	$ 38,995	$ 59,438	$ 1,195,865
2048	$ 610,000	$ 487,890	$ -	$ 36,140	$ 60,627	$ 1,194,657
2049	$ 651,000	$ 446,715	$ -	$ 33,090	$ 61,839	$ 1,192,644
2050	$ 695,000	$ 402,773	$ -	$ 29,835	$ 63,076	$ 1,190,683
2051	$ 742,000	$ 355,860	$ -	$ 26,360	$ 64,337	$ 1,188,557
2052	$ 792,000	$ 305,775	$ -	$ 22,650	$ 65,624	$ 1,186,049
2053	$ 845,000	$ 252,315	$ -	$ 18,690	$ 66,937	$ 1,182,942
2054	$ 902,000	$ 195,278	$ -	$ 14,465	$ 68,275	$ 1,180,018
2055	$ 963,000	$ 134,393	$ -	$ 9,955	$ 69,641	$ 1,176,988
2056	$ 1,028,000	$ 69,390	$ -	$ 5,140	$ 71,034	$ 1,173,564
Total	**$ 13,813,000**	**$ 18,946,980**	**$ (1,398,567)**	**$ 1,403,480**	**$ 1,622,723**	**$ 34,387,617**

Footnotes:

[a] Interest is calculated at a 6.75% rate 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 C

FORM OF OPINION OF BOND COUNSEL

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NORTON ROSE FULBRIGHT

[CLOSING DATE], 2026

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

Tel +1 214 855 8000
Fax +1 214 855 8200
nortonrosefulbright.com

IN REGARD to the authorization and issuance of the "City of Pilot Point, Texas, Special Assessment Revenue Bonds, Series 2026 (Maverick Farms Public Improvement District Improvement Area #1 Project)" (the "Bonds"), dated March 4, 2026, in the principal amount of $[_____], we have examined the legality and validity of the issuance thereof by the City of Pilot Point, Texas (the "City") solely to express legal opinions as to the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, or the history or prospects of the collection of the Pledged Revenues, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds, and have not assumed any responsibility with respect thereto. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Indenture.

THE BONDS are issued in fully registered form only and mature on September 15 in each of the years specified in an Indenture of Trust (the "Indenture"), dated as of March 1, 2026, with Wilmington Trust, National Association, as trustee (the "Trustee"), approved by the City Council of the City pursuant to an ordinance (the "Ordinance") adopted by the City Council of the City authorizing the issuance of the Bonds, unless redeemed prior to maturity in accordance with the terms stated on the Bonds. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Indenture.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings had in connection with the issuance of the Bonds, including the Indenture, the Ordinance and an examination of the initial Bond executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the City; and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATION, we are of the opinion that, under applicable law of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Bonds have been authorized, issued and delivered in accordance with law; that the Bonds are valid, legally binding and enforceable limited obligations of the City in accordance with their terms payable solely from the Trust Estate, except to the extent the

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enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditors' rights generally.

2. Assuming continuing compliance after the date hereof by the City with the provisions of the Indenture and in reliance upon representations and certifications of the City made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, interest on the Bonds for federal income tax purposes (i) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date hereof, of the owners thereof pursuant to Section 103 of such Code, existing regulations, published rulings, and court decisions thereunder, and (ii) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

We express no opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

APPENDIX D-1

FORM OF CITY DISCLOSURE AGREEMENT

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CITY OF PILOT POINT, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 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 Pilot Point, Texas (the "Issuer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent (the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2026 (Maverick Farms Public Improvement District Improvement Area #1 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 have the meaning assigned to such term in the Indenture. The initial Administrator is P3Works, LLC.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Annual Collections Report" shall mean any Annual Collections Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

"Annual Collections Report Filing Date" shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

"Annual Financial Information" shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in subsection 4(a) of this Disclosure Agreement.

"Annual 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.

"Annual Installment" shall have the meaning assigned to such term in the Indenture.

"Annual Service Plan Update" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to such term in the Indenture.

"Business Day" shall have the meaning assigned to such term in the Indenture.

"Collections Reporting Date" shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

"Delinquency Date" shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

"Developer" shall mean OMA Pilot Point, L.L.C., a Texas limited liability company.

"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 City Manager or Mayor of the Issuer or his or her designee or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean Maverick Farms Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access system currently available on the internet at http://emma.msrb.org.

"Filing Date" means, collectively, an Annual Financials Filing Date, an Annual Information Filing Date and an Annual Collections Report Filing Date, or, individually, as the context requires, an Annual Financials Filing Date, an Annual Information Filing Date or an 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.

"Improvement Area #1" shall have the meaning assigned to such term in the Indenture.

"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.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall have the meaning assigned to such term in the Indenture.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

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

"Prepayment" shall mean the payment of all or a portion of an Assessment before the due date thereof.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Tax Year" means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

"Trust Estate" shall have the meaning assigned to such term in the Indenture.

"Trustee" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual 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.

(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 applicable, to the Dissemination Agent together with written direction to file such Annual Financial Information or 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 receipt of such Annual Financial Information or Annual Financial Statements from the Issuer, but in no event later than the applicable Filing Date for such Fiscal Year.

If by the fifth (5th) 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 (2) 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, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the 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.

SECTION 4. Content 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) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date(s), the interest rate(s), the original aggregate principal amount(s), the principal amount(s) remaining Outstanding, and the total interest amount due on the aggregate principal amount Outstanding;

(B) The amounts in the funds and accounts securing the Bonds and a description of the related investments; and

(C) The assets and liabilities of the Trust Estate;

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Section 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; and

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) *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) See Exhibit B hereto for a form for submitting the information set forth in subsection 4(a) above. 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.

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 the date of receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5th) day before the Annual Collections Report Filing Date, the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection 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; 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, and stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) 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 on 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.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Developer of real property within Improvement Area #1 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.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent in writing to immediately file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of

such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

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, or 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 Listed 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 thirty (30) days of such discharge. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer. The Dissemination Agent may resign at any time with thirty (30) days' written notice to the Issuer.

SECTION 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) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive 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 Sections 3(a) and 3(b), respectively, or the Annual Collections Report in accordance with Section 5(a), the Dissemination Agent shall not be responsible for the failure to submit Annual Financial Information, Annual Financial Statements, or the Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

The Issuer, the Administrator and the Dissemination Agent agree that the legal expenses of the Dissemination Agent, which it is expressly entitled to be paid under this paragraph 12(a), are expenses which may be paid from the Annual Collection Costs.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #1, against any losses, expenses or liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

The Issuer, the Administrator and the Dissemination Agent agree that the legal expenses of the Administrator, which it is expressly entitled to be paid under this paragraph 12(b), are expenses which may be paid from the Annual Collection Costs.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds, or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners

and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications**.** The Dissemination Agent and the Administrator each respectively make the following representation and verifications pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or Administrator, as applicable, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

a. Not a Sanctioned Company. The Dissemination Agent and Administrator each respectively represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent, Administrator and each of their respective parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

b. No Boycott of Israel. The Dissemination Agent and Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

c. No Discrimination Against Firearm Entities. The Dissemination Agent and the Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

d. No Boycott of Energy Companies. The Dissemination Agent and Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties.

Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement.

Submitted herewith is a completed Form 1295 in connection with the Administrator's participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 21. Notice. Any written notice required to be given or made hereunder among or between any of the Issuer, the Trustee, the Administrator, the Dissemination Agent and/or Participating Underwriter, shall be given or made by e-mail, 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 to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such under this Disclosure Agreement.

If to the Trustee:
Wilmington Trust, National Association
Attn: Parker Merritt
15950 Dallas Parkway, Suite 200
Dallas, Texas 75248
Email: pmerritt@wilmingtontrust.com

If to the Dissemination Agent:
HTS Continuing Disclosure Services
Attn: Tanya Calvit
717 North Harwood Street, Suite 3400
Dallas, Texas 75201
Email: Tanya.calvit@hilltopsecurities.com

If to Administrator:		P3Works, LLC 9284 Huntington Square, Ste 100 North Richland Hills, Texas 76182
	Email:	admin@p3-works.com
If to the Issuer:		City of Pilot Point
	Attn:	Britt M. Lusk, City Manager 102 E. Main Street Pilot Point, Texas 76258
	Email:	blusk@cityofpilotpoint.org
If to Participating Underwriter:		FMSbonds, Inc. 5 Cowboys Way, Suite 300-25 Frisco, Texas 75034
	Email:	Tdavenport@fmsbonds.com

SECTION 22. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 23. 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 PILOT POINT, TEXAS

By: _____
Mayor

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.
(as Dissemination Agent)

By: _____
Authorized Officer

P3WORKS, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL FINANCIAL INFORMATION][ANNUAL COLLECTIONS REPORT]
[AUDITED/UNAUDITED FINANCIAL STATEMENTS]

Name of Issuer:	City of Pilot Point, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Maverick Farms Public Improvement District Improvement Area #1 Project) (the "Bonds")
CUSIP Nos.	[insert CUSIP NOs.]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that the City of Pilot Point, Texas (the "Issuer"), has not provided [an Annual Financial Information][an Annual Collections Report][audited/unaudited financial statements] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of March 1, 2026, by and among the Issuer, P3Works, LLC, as "Administrator," and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as "Dissemination Agent." The Issuer anticipates that [the Annual Financial Information][the Annual Collections Report][audited/unaudited financial statements] will be filed by _____.

Dated:_____

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.,
on behalf of the City of Pilot Point, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Pilot Point, Texas

EXHIBIT B

CITY OF PILOT POINT, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____]
City: [_]
Telephone: (___) ___-____
Contact Person: Attn: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
				–
				–
		Total		

Section 4(a)(i)(B)

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value(1)	Book Value(1)	Market Value(1)

(1) As such information is provided by the Trustee.

*Excluding audited financial statements of the Issuer

Section 4(a)(i)(C)

ASSETS AND LIABILITIES OF TRUST ESTATE

Cash Position of Trust Estate for statements dated September 30, 20[__]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding Assessment Amount to be collected		C
Net Position of Trust Estate and Outstanding Bonds and Assessments		A-B+C

September 30, 20[__] Trust Statements: ☐ Audited ☐ Unaudited

Accounting Type: ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

Year Ending (September 30)	Principal	Interest	Total

Top [Five] Assessment Payers in Improvement Area #1 (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 Improvement Area #1 of the District

The [YEAR] certified total assessed value for the Assessed Property in Improvement Area #1 of the District is approximately $[AMOUNT] according to the Denton Central Appraisal District.

Foreclosure History Related to the Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Delinquent Assessment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Assessment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
	$		$		$
20__					
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Total Annual Installment Billed	Parcels Levied[(1)]	Delinquent Amount as of 3/1	Delinquent % as of 3/1	Delinquent Amount as of [9/1]	Delinquent % as of [9/1]	Total Annual Installments Collected[(2)]
	$		$	%	$	%	$
20__							
20__							
20__							
20__							
20__							

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

[(2)] [Does/does not] include interest and penalties.

Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

Fiscal Year Ended (9/30)	Delinquent % as of 9/1	Parcel Numbers
20__	%	
20__		

History of Prepayment of Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Number of Prepayments	Amount of Prepayments	Bond Call Date	Amount of Bonds Redeemed
		$		$
20__				
20__				
20__				
20__				
20__				

[insert any necessary footnotes]

ITEMS REQUIRED BY SECTION 4(a)(iii) - (iv)

[Insert a line item for each applicable listing]

EXHIBIT C

CITY OF PILOT POINT, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____]
City: [_____, Texas _____]
Telephone: (___) ___-____
Contact Person: Attn: _____

SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE COLLECTION OF ASSESSMENTS COVERING THE PERIOD BEGINNING WITH THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN COMPLIANCE WITH SUBSECTION 5(A) OF THE ISSUER'S DISCLOSURE AGREEMENT

Foreclosure History Related To The Annual Installments[1]

Succeeding Fiscal Year	Delinquent Annual Installment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Annual Installment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
20__	$		$		$

(i) Period covered includes 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.
March 1	29/30	Immediately upon receipt, but in no event later than March 1, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies. Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. Issuer and Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.
March 15	43/44	Trustee pays bond interest payments to Owners.
April 1	59/60	At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of a draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw on the Reserve Fund.

[1] Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33, and 34, Texas Tax Code, as amended (the "Code"), and the Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas, an amendment to the Code, or otherwise, such modifications shall control.

July 1	**152/153**	**Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments, in accordance with the County Tax Assessor/Collector procedures.** [2] **Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.** **Issuer notifies Trustee and 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. Dissemination Agent notifies Owners**. If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

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.

[2] If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

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APPENDIX D-2

FORM OF DEVELOPER DISCLOSURE AGREEMENT

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CITY OF PILOT POINT, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 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 OMA Pilot Point, L.L.C., a Texas limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent (the "Dissemination Agent") with respect to the captioned bonds (the "Bonds"). The Developer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust, dated as of 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 have the meaning assigned to such term in the Indenture. The Issuer has selected P3Works, LLC, as the initial Administrator.

"Affiliate" shall mean an entity that owns property within Improvement Area #1 of the District and is controlled by, controls, or is under common control with the Developer, including any Homebuilder.

"Amenities" shall mean the hike and bike trails, playgrounds, open space improvements, screening walls, and ponds located in Improvement Area #1 and the amenity center in the District.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Annual Installment" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to such term in the Indenture.

"Business Day" shall have the meaning assigned to such term in the Indenture.

"Certification Letter" shall mean a certification letter provided by the Developer or Homebuilder, if any, pursuant to Section 3, in substantially the form attached as Exhibit D.

"Developer" shall mean OMA Pilot Point, L.L.C., a Texas limited liability company, its successors and assigns, including any Affiliate of the Developer.

"Developer Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"Disclosure Agreement of Issuer" shall mean the Continuing Disclosure Agreement of Issuer with respect to the Bonds dated as of even date herewith executed and delivered by the Issuer, the Administrator, and the Dissemination Agent.

"Dissemination Agent" shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer, and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean the Maverick Farms Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access System administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at http://emma.msrb.org.

"Homebuilder(s)" shall mean any merchant homebuilder who enters into a Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

"Improvement Area #1" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #1 Private Improvements" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #1 Projects" shall have the meaning assigned to such term in the Indenture.

"Issuer" shall mean the City of Pilot Point, Texas.

"Listed Events" shall mean, collectively, Developer Listed Events and Significant Homebuilder Listed Events.

"Lot Purchase Agreement" shall mean, with respect to lots or land within Improvement Area #1 of the District, any agreement between a Homebuilder and the Developer to purchase lots or to purchase land.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall have the meaning assigned to such term in the Indenture.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

"Person" shall have the meaning assigned to such term in the Indenture.

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

"Quarterly Ending Date" shall mean each March 31, June 30, September 30 and December 31, beginning June 30, 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 substantially similar to that attached as Exhibit A hereto.

"Reporting Party" shall mean, collectively, the Developer and any Significant Homebuilder who has acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Significant Homebuilder" shall mean a Homebuilder that then owns 54 or more of the single family residential lots within Improvement Area #1.

"Significant Homebuilder Listed Events" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

"Trustee" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder that is a Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with June 30, 2026, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to Section 3(d) (with respect to each Reporting Party, the "Quarterly Information"). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party's obligations terminate pursuant to Section 7 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder and (ii) the Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until a Significant Homebuilder

Acknowledgement (as defined herein) with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than twenty (20) days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any recommended changes to the applicable Quarterly Information or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any recommended changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than thirty (30) days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly Information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Parties pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than twenty (20) days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and direct the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, with a copy to each Reporting Party, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in Section 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting

Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Each Quarterly Report shall consist of the information listed in Exhibit A attached hereto.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #1 on a parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within Improvement Area #1, including the Improvement Area #1 Projects, the Improvement Area #1 Private 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 Improvement Area #1 undertaken by the Developer or any of the Developer's Affiliates;

(iv) Material default by the Developer or any of Developer's Affiliates on any loan secured by property within Improvement Area #1 owned by the Developer or any of the Developer's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages in excess of $1,000,000 against the Developer or any of the Developer's Affiliates that may adversely affect the completion of development of Improvement Area #1, or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any change in the legal structure, chief executive officer, or controlling ownership of the Developer;

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 hereof; and

(x) Early termination of or material default by a Homebuilder under a Lot Purchase Agreement.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #1 on a lot or parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer, or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Lot Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall 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 ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if a Reporting Party is providing Quarterly Information on behalf of any other Reporting Party. Additionally, if a Significant Homebuilder does not execute the Significant Homebuilder Acknowledgement pursuant to Section 6 hereof, and, therefore, the Developer is reporting on behalf of the Significant Homebuilder, the Developer shall not be required to conduct an independent investigation of the occurrence of a Significant Homebuilder Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been 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 who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Projects, the Improvement Area #1 Private Improvements, or the Amenities to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement. The Developer shall deliver to the

Dissemination Agent, the Administrator, and the Issuer a written acknowledgement from each Person who assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Projects, the Improvement Area #1 Private Improvements, or Amenities in substantially the form attached as Exhibit E (the "Developer Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent in writing to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person's delivery of written acknowledgement of assumption of Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilder.

(a) If a Homebuilder acquires ownership of real property in Improvement Area #1 resulting in such Homebuilder becoming a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer's disclosure obligations under Section 3 and Section 4(b) hereof, with respect to such acquired real property, until such party's disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (i) above, the Developer shall deliver to the Dissemination Agent, Administrator and the Issuer a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit F, acknowledging and assuming the Developer's obligations under this Disclosure Agreement with respect to the real property transferred (the "Significant Homebuilder Acknowledgment"). Pursuant to Section 4(a)(ix) above, the Developer shall 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) above. Upon any such transfer to a Significant Homebuilder and such Significant Homebuilder's delivery of the Significant Homebuilder Acknowledgment, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until the Significant Homebuilder Acknowledgement with respect to such real property is delivered to the Dissemination Agent, Administrator, the Issuer and the MSRB, in accordance with this Section 6(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership of real property, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of a Reporting Party under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Reporting Party, including their respective affiliates and/or successors and assigns, no longer owns 54 or more single family residential lots within Improvement Area #1, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or parcel owned by the Reporting Party, including their respective Affiliates and/or successors and assigns, respectively; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with Section 6(a) above, the reporting obligations of the Developer under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns, collectively no longer own 54 or more single family residential lots within Improvement Area #1, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or parcel owned by the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) of this Section 7 and any Termination Notice required by subsection (b) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist the Developer and any other Reporting Party in carrying out their obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' notice to the Issuer, the Developer, and the Administrator; provided, however, that if the Dissemination Agent is serving in the same capacity under the Disclosure Agreement of Issuer, the Dissemination Agent shall resign under the Disclosure Agreement of Issuer simultaneously with its resignation hereunder; provided, further, that if the Issuer is the Dissemination Agent, the Issuer may not resign without first appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer

shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each Reporting Party of any change in the identity of the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator, and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of a Reporting Party, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Issuer may be made without the Issuer's prior written consent.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into in accordance with this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent a Reporting Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, such Reporting Party shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided on their behalf by a Reporting Party provided hereunder.

SECTION 12. Default. In the event of a failure of any Reporting Party or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the 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, 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 the 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 shall not be deemed a default under the Disclosure Agreement of Issuer, and a default under the Disclosure Agreement of Issuer shall not be deemed a default under this Disclosure Agreement. Additionally, a default by the Developer of its obligations under this Disclosure Agreement shall not be deemed a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement; and, likewise, a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement shall not be deemed a default of the Developer of the Developer's obligations under this Disclosure Agreement.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by the Developer, Significant Homebuilder, and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's breach, negligence or willful misconduct. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to indemnify and hold harmless the Administrator, its officers, directors, employees, and agents against any loss, expense, and liabilities

which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence, or willful misconduct. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The Developer, the Administrator, and the Dissemination Agent agree that the legal expenses of the Dissemination Agent or the Administrator to which it is expressly entitled to be paid pursuant to this paragraph 13(c) are Administrative Expenses.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 12 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of any Reporting Party, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future officer, agent, or employee of the Reporting Party, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder, or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or

other covenant, stipulation, obligation, agreement, act, or action, or part thereof, is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof, shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Area #1, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made hereunder among or between any of the Reporting Parties, the Administrator, the Dissemination Agent and/or Participating Underwriter, shall be given or made by e-mail, 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:		OMA Pilot Point, L.L.C.
	Attn:	Cameron Castaldo
		8400 Belleview Drive, Suite 110
		Plano, Texas 75024
	Email:	cameron@onemarkadvisors.com
With a copy to:		The Law Offices of Robert D. Daake, PLLC
	Attn:	Rob Daake
		322 West Walnut Street, Suite 210
		Celina, Texas 75009
	Email:	rob@daake-law.com
And to:		Moraine & Associates, P.L.L.C.
	Attn:	David Moraine
		1560 East Southlake Boulevard, Suite 110A
		Southlake, Texas 76092
	Email:	david@us-lex.com
If to the Trustee:		Wilmington Trust, National Association
	Attn:	Parker Merritt
		15950 Dallas Parkway, Suite 200
		Dallas, Texas 75248
	Email:	Pmerritt@WilmingtonTrust.com
If to the Dissemination Agent:		HTS Continuing Disclosure Services
	Attn:	Tanya Calvit
		717 North Harwood Street, Suite 3400
		Dallas, Texas 75201
	Email:	Tanya.calvit@hilltopsecurities.com
If to Administrator:		P3Works, LLC
		9284 Huntington Square, Ste 100
		North Richland Hills, Texas 76182
	Email:	admin@p3-works.com
If to the Issuer:		City of Pilot Point
	Attn:	Britt M. Lusk, City Manager
		102 E. Main Street
		Pilot Point, Texas 76258
	Email:	blusk@cityofpilotpoint.org
If to Participating Underwriter:		FMSbonds, Inc.
		5 Cowboys Way, Suite 300-25
		Frisco, Texas 75034
	Email:	Tdavenport@fmsbonds.com

SECTION 21. Term of Disclosure Agreement. Except for surviving indemnities of the parties to this Disclosure Agreement, this Disclosure Agreement terminates on the earlier of (i) the first date on which none of the Bonds remain Outstanding and (ii) the first date on which the reporting obligations of all Reporting Parties have terminated in accordance with the terms of this Disclosure Agreement.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.,
Dissemination Agent

By: _____
Authorized Officer

DEVELOPER:

OMA PILOT POINT, L.L.C.,
a Texas limited liability company

By: One Mark Advisors, LLC
a South Dakota limited liability company
Its Manager

By: One Mark, Inc.
a South Dakota Corporation
Its Manager

By: _____
Name: Cameron Castaldo
Its President

P3Works, LLC,
Administrator

By: _____
Name: _____
Title: _____

EXHIBIT A

CITY OF PILOT POINT, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

DEVELOPER QUARTERLY REPORT
[*INSERT QUARTERLY ENDING DATE*]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT
Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address:
City:
Telephone:
Contact Person: Attn:

I. Expenditures Paid from Accounts under Indenture

1. TOTAL BUDGETED COSTS REQUIRED TO COMPLETE IMPROVEMENT AREA #1 PROJECTS: $_____

2. Of the budgeted costs for Improvement Area #1 Projects shown in the Service and Assessment Plan:

    a. Actual costs drawn from the Improvement Area Improvement Account[1]: $_____
    b. Actual costs drawn from the Major Improvement Account: $_____[2]
    c. Actual costs drawn from the Developer Improvement Account: $_____[3]

3. Of the budgeted costs for Improvement Area #1 Private Improvements shown in the Service and Assessment Plan:

    a. Actual costs drawn from the Improvement Area #1 Private Improvements Account: $_____

II. Status of Improvement Area #1 Projects

[1] Improvement Area Improvement Account means the account titled Improvement Area #1 Projects Account held under the Project Fund in the Indenture.
[2] Not applicable.
[3] Not applicable.

Projected/actual completion date of the Improvement Area #1 Projects

1. [Actual/Expected] date of completion of the Improvement Area #1 Projects: [_____]
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [_____]

III. Unit Mix in Improvement Area #1

Product Type	Number of Units
Single Family __'	
Single Family __'	

IV. Lot Status in Improvement Area #1

Of the 539 lots in Improvement Area #1, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 539
2. Planned lots as of the date of this Quarterly Report: _____
3. Lots developed: _____
4. Lots platted: _____
5. Expected completion date of all lots in Improvement Area #1 (if incomplete): _____

V. Ownership of Lots/Units in Improvement Area #1

PLANNED LOTS IN IMPROVEMENT AREA #1: 539

Of the 539 lots in Improvement Area #1:

1. Number of lots owned by the Developer: _____
2. Number of lots under contract but not closed to Homebuilder(s): _____
3. Number of lots owned by all Homebuilder(s): _____[4]
    a. a. Number of lots owned by [*insert name of Homebuilder*]: _____[5]
    b. b. Number of lots owned by [*insert name of Homebuilder*]: _____
4. Number of units owned by homeowners: _____

VI. Home Sales Information in Improvement Area #1

PLANNED HOMES IN IMPROVEMENT AREA #1: 539

Of the 539 homes planned for Improvement Area #1:

1. How many total building permits were issued **during the current quarter**? _____

[4] If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

[5] Include a line item for each individual Homebuilder.

a. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____[2]
b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____[2]

2. How many total homes have closed with homebuyers **during the current quarter**? _____
   a. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____[2]
   b. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____][6]
3. How many total homes have closed with homebuyers **cumulatively**? _____
   a. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____[3]
   b. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____[3]

VII. Amenities[7]

TOTAL [EXPECTED/ACTUAL] COSTS OF AMENITIES: $[_____]

Of the $[_____] [expected/actual] costs of the Amenities:

1. Amount spent as of Quarterly Ending Date: $[_____]
2. [Actual/Expected] completion date of Amenities: [_____]

VIII. Material Changes

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to 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.

---

[6] Include a line item for each individual Homebuilder.

[7] Amenities means the hike and bike trails, playgrounds, open space improvements, screening walls, and ponds located in Improvement Area #1 and the amenity center in the District.

4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Lot Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgement pursuant to the Disclosure Agreement?

5. **Reserved**

6. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.

7. **Other** – Provide any other material information that should be disclosed.

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]

[DATE]

Name of Issuer:	City of Pilot Point, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Maverick Farms Public Improvement District Improvement Area #1 Project) (the "Bonds")
CUSIP Numbers:	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Developer[8]"] ["Significant Homebuilder"]) has not provided the [Quarterly Information][Quarterly Report] [the [Quarterly Information][Quarterly Report] was not filed in a timely manner due to [_____]] for the period ending on [*Insert Quarterly Ending Date*] with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer related to such Bonds, by and among OMA Pilot Point, L.L.C., a Texas limited liability company (the "Developer"), P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent. The [Developer][Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.,
on behalf of the Developer,
as Dissemination Agent

By: _____

Title: _____

cc: City of Pilot Point, Texas

[8] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer:	City of Pilot Point, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Maverick Farms Public Improvement District Improvement Area #1 Project) (the "Bonds")
CUSIP Numbers.	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
717 North Harwood Street, Suite 3400
Dallas, Texas 75201

City of Pilot Point, Texas
102 E. Main Street
Pilot Point, Texas 76258

OMA Pilot Point, L.L.C.
8400 Belleview Drive, Suite 110
Plano, Texas 75024

[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 OMA Pilot Point, L.L.C., a Texas limited liability company (the "Developer"), P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent.

Dated: _____

P3Works, LLC
on behalf of [OMA Pilot Point, L.L.C.] [the 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 Pilot Point, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Maverick Farms Public Improvement District Improvement Area #1 Project)
CUSIP Numbers:	[insert CUSIP Numbers]
Quarterly Ending Date:	_____, 20__

Re: Quarterly Report for Maverick Farms Public Improvement District – Improvement Area #1

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among OMA Pilot Point, L.L.C., a Texas limited liability company[1] (the "Developer"), P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent, this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][_____, as a "Significant Homebuilder"], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [*Insert Quarterly Ending Date*], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

OMA PILOT POINT, L.L.C.,
a Texas limited liability company
By: One Mark Advisors, LLC
a South Dakota limited liability company
Its Manager
By: One Mark, Inc.
a South Dakota Corporation
Its Manager
By: _____
Name: Cameron Castaldo
Its President

[OR SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)]

By: _____
Name: _____
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: Maverick Farms Public Improvement District – Improvement Area #1 – 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 Improvement Area #1 Projects or Amenities (as those terms are defined in the Disclosure Agreement of Developer (as defined herein) within Improvement Area #1 of the Maverick Farms Public Improvement District (the "District").

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the "Disclosure Agreement of Developer") by and among OMA Pilot Point, L.L.C., a Texas limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the "Dissemination Agent"), with respect to the "City of Pilot Point, Texas, Special Assessment Revenue Bonds, Series 2026 (Maverick Farms Public Improvement District Improvement Area #1 Project)," any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Projects or Amenities is defined as a Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

OMA PILOT POINT, L.L.C.,
a Texas limited liability company
By: One Mark Advisors, LLC
a South Dakota limited liability company
Its Manager
By: One Mark, Inc.
a South Dakota Corporation
Its Manager
By: _____
Name: Cameron Castaldo
Its President

Acknowledged by:
[INSERT ASSIGNEE NAME]
By: _____
Title: _____

EXHIBIT F

FORM OF SIGNIFICANT HOMEBUILDER ACKNOWLEDGEMENT

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

Re: Maverick Farms Public Improvement District – Improvement Area #1 – Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you own ____ lots within Improvement Area #1 of the Maverick Farms Public Improvement District (the "District"). Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer related to the captioned Bonds (the "Disclosure Agreement of Developer") by and among OMA Pilot Point, L.L.C., a Texas limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the "Dissemination Agent"), with respect to the "City of Pilot Point, Texas, Special Assessment Revenue Bonds, Series 2026 (Maverick Farms Public Improvement District Improvement Area #1 Project)," any entity that owns 54 or more of the single family residential lots within Improvement Area #1 of the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations under Sections 3(d) 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,

OMA PILOT POINT, L.L.C.,
a Texas limited liability company

By: One Mark Advisors, LLC
a South Dakota limited liability company
Its Manager

By: One Mark, Inc.
a South Dakota Corporation
Its Manager

By: _____
Name: Cameron Castaldo
Its President

Acknowledged by:
[INSERT ASSIGNEE NAME]
By: _____
Title" _____

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APPENDIX E

APPRAISAL

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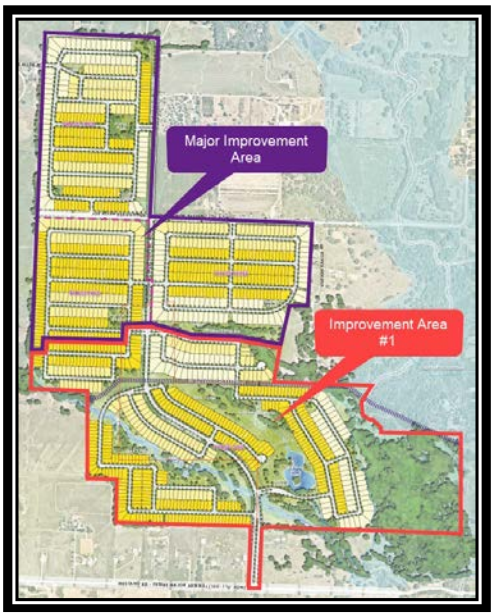
APPRAISAL REPORT

PROJECT # A25-0610-01



MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT
539 PROSPECTIVE RESIDENTIAL LOTS ON APPROXIMATELY 200.632 ACRES IN IMPROVEMENT AREA #1, AND 809 RESIDENTIAL PAPER LOTS ON APPROXIMATELY 164.014-AC IN THE MAJOR IMPROVEMENT AREA
PILOT POINT, TX 76258

FOR:

FMSBONDS, INC.
5 COWBOYS WAY, SUITE 300-25
FRISCO, TEXAS 75034

EFFECTIVE DATE OF APPRAISAL:
MARCH 1, 2027 (DATE OF SUBSTANTIAL COMPLETION) FOR 539 RESIDENTIAL LOTS, AND FOR MAJOR IMPROVEMENT RELATING TO 809 RESIDENTIAL PAPER LOTS

PREPARED BY:
JAMES L. MAIBACH, CPM, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER,
LESLIE TOLLIVER, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER,
BROOKE CLOCK, LICENSED RESIDENTIAL APPRAISER, AND
BRANDON LAWSON, APPRAISER TRAINEE
OF:

PEYCO SOUTHWEST REALTY, INC.
1703 NORTH PEYCO DRIVE
ARLINGTON, TEXAS 76001

December 23, 2025

Mr. R.R "Tripp" Davenport, III
Director
FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034
tdavenport@fmsbonds.com

SUBJECT: Prospective Market Value "Upon Completion" Appraisal
Maverick Farms Public Improvement District, Improvement Area #1 and Major Improvement Area
Pilot Point, Denton County, Texas

Mr. Davenport,

At your request, we have inspected and appraised the above-referenced property. The purpose of the appraisal is to develop an opinion of prospective market value of the Fee Simple interest of the 539 residential lots located in Phase 1 (Improvement Area #1) of the Maverick Farms Public Improvement District (Referred to as "Maverick Farms PID"), and the prospective market value of 809 residential paper lots on approximately 164.014-acres in the Major Improvement Area (MIA). Maverick Farms PID has a total of 364.646-acres consisting of the following is valued herein:

- Prospective Market Value "Upon Completion" as of **March 1, 2027 for 539 detached residential lots in Improvement Area #1 on approximately 200.632 acres. The lots are as follows:**
  - **345 lots with 40-foot frontages**
  - **113 lots with 50-foot frontages, and**
  - **81 lots with 60-foot frontages**
- Prospective Market Value "Upon Completion" as of **March 1, 2027 for 809 detached residential paper lots of various sizes on approximately 164.014 acres within the Major Improvement Area**

The client for the assignment is FMSbonds, Inc., The intended users are FMSbonds, Inc. and the City of Pilot Point. The intended use is underwriting of a proposed Public Improvement District bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by the City of Pilot Point or Denton County, nor is it the basis of a determination of the benefit of any constructed or installed public improvements will have on properties within Maverick Farms PID.

At Substantial Completion, which is March 1, 2027 for Improvement Area #1 of the Maverick Farms PID (which is comprised of Phase 1), and for the Major Improvement Area, the subject property is expected to consist of the infrastructure necessary to provide residential streets, drainage, and utilities to the individual lots within Maverick Farms PID. Maverick Farms PID is governed by a Development Agreement between the City of Pilot Point and OMA Pilot Point, LLC which the Development Agreement will allow single-family development at the subject property. Each of the lots are located in Pilot Point Independent School District.

Per discussion with the developer, Maverick Farms PID is comprised of a total of approximately 364.646 contiguous acres of land with an estimated build-out of 345 detached single-family residential 40-foot frontage lots, 113 detached single-family residential 50-foot frontage lots, and 81 detached single-family residential 60-foot frontage (FF) lots totaling 539 improved residential lots within Improvement Area #1 on approximately

200.632-acres, along with 809 paper lots on approximately 164.014-acres within the Major Improvement Area of Maverick Farms PID located in the City of Pilot Point, Denton County, Texas. The subject property of this assignment - Maverick Farms PID - will be developed in four phases.

Within Improvement Area #1, each of the 40-FF lot types will have an average of 4,800-square feet (SF), 50-FF lot types will have an average of 6,000-SF, and each of the 60-FF lot types will have an average of 7,200-SF in size. The average lot depths for each of the 40-FF**,** 50-FF and the 60-FF lots of the subject property will be 120' in depth. We have considered any difference in market value based on lot depth is marginal, and other attributes, such as overall situs of the PID, are more important to the market value consideration of a single lot.

Within the Major Improvement Area, the subject property contains approximately 164.014 acres and is projected to contain approximately 809 residential paper lots of various sizes and the development will be in three phases (Phase 2, Phase 3, and Phase 4). The breakdown of the subject property improved lots within each phase are as follows:

Maverick Farms PID Projected Phases					
		Major Improvement Area			
Lot Type	***Phase 1***	***Phase 2***	***Phase 3***	***Phase 4***	***Total***
40-FF	345	175	134	126	780
50-FF	113	82	56	92	343
60-FF	81	0	67	77	225
Improvement Area #1 Total	**539**				
Total Major Improvement Area Paper Lots		**257**	**257**	**295**	**809**
Total Lots at Maverick Farms PID					**1,348**

The focus of our appraisal of the Maverick Farms PID for Improvement Area #1 and the Major Improvement Area Paper Lots are as follows:

Maverick Farms PID					
Area Type	**Size (Acres)**	**40' Lot Type**	**50' Lot Type**	**60' Lot Type**	**Total Lots Appraised**
Improvement Area #1	*200.632-AC*	***345***	***113***	***81***	***539***
Major Improvement Area Paper Lots	**164.014-AC**	435	230	144	***809***

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **Extraordinary Assumptions** that may affect the assignment results. An Extraordinary Assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Effective Date of the appraisal, we reserve the right to modify our value conclusions. Extraordinary Assumptions are used in this assignment because the improved residential lots to be delivered by the date utilized in this report are currently incomplete for Improvement Area #1 and the Major Improvement Area as of the report date.

- Our opinions of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications by KFM Engineering & Design, the Professional Engineers, as of October 21, 2024 for 539 improved residential lots in Improvement Area #1 and 809 paper lots within the Major Improvement Area in Maverick Farms PID.
- All information relative to the property located within Maverick Farms PID including land areas, lot totals, lot sizes, and other pertinent data that was provided by OMA Pilot Point, LLC(Owner/Developer), KFM Engineering & Design (Professional Engineers/Surveyor), the City of Pilot Point, Denton County, and the Denton Central Appraisal District is assumed to be correct.
- The subject is proposed residential lots construction with an expected prospective completion date of March 1, 2027 for Improvement Area #1 and the Major Improvements benefitting the Major Improvement Area; therefore, this report contains a prospective opinion of value. Considering this, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable global events that alter market conditions prior to the prospective Effective Date.
- Based on our review of the Development Agreement, dated September 26, 2024, between the Developer and the City of Pilot Point, it indicates that the property will be annexed into the City of Pilot Point and zoned Planned Development. This zoning will provide the property with entitlement rights. Therefore, for the purposes of this report, we are operating under the Extraordinary Assumption that the proposed development of Maverick Farms will comply with the Development Agreement and subsequently be zoned Planned Development.
- Following discussions with the client, 27.65 acres within IA #1 are planned to be reclaimed for residential lot development. As of the Effective Date of this report, the project has not yet received a Letter of Map Revision (LOMR). However, the LOMR is anticipated upon completion of grading. Accordingly, this report is prepared under the Extraordinary Assumption that the proposed Maverick Farms development will obtain the LOMR and reclaim the 27.65 acres in IA #1.

The use of these Extraordinary Assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **Hypothetical Conditions** that may affect the assignment results. A Hypothetical Condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

- No Hypothetical Conditions are used in this report.

This appraisal report is intended to conform with the 2024-2025 Uniform Standards of Professional Appraisal Practice (USPAP) and applicable state appraisal regulations. To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. Based upon the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our final value conclusion as of the Expected Substantial Completion Date are as follows:

FINAL MARKET VALUE CONCLUSION MAVERICK FARMS PID			
	Cost	***Sales***	***Income (Subdivision)***
Fee Simple Interest, Complete March 1, 2027	***N/A***	***N/A***	***$49,378,000 ($91,600/Lot)***
Improvement Area #1			
539 Improved Residential Lots in Improvement Area #1			
Fee Simple Interest, Complete March 1, 2027	***$41,923,800 ($51,800/Lot)***	***N/A***	***N/A***
Major Improvement Area			
809 Residential Paper Lots on ~164.014 Acres			

Attached is our Appraisal Report which summarizes the investigation and analyses undertaken in arriving at our value conclusions. Should you have any questions, please contact our office.

Respectfully submitted,

Peyco Southwest Realty

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EXECUTIVE SUMMARY

Property Name	**Maverick Farms PID; Improvement Area #1 and Major Improvement Area**
Property Type	Master-Planned Community
Location	North line of Mustang Road and the south line of Joe Allen Road
City, County, State, Zip	City of Pilot Point, Denton County, TX 76258
Legal Descriptions (Denton CAD)	Multiple Legal Descriptions for Improvement Area #1
	Multiple Legal Descriptions for Major Improvement Area
Owner of Record	OMA Pilot Point, LLC
Census Tract	0201.29
Tax ID's – Denton Central Appraisal District	Multiple Tax ID's for Improvement Area #1
	Multiple Tax ID's for the Major Improvement Area
Total Land Area	364.646-AC - Total Land Area (Per Developer)
Total Lots	345 40-FF Width Lots in Improvement Area #1 113 50-FF Width Lots in Improvement Area #1 81 60-FF Width Lots in Improvement Area #1 809 Paper Lots of various sizes on ~164.014 Acres in Major Improvement Area
Topography	Gently Sloping
FEMA Flood Zones	Unshaded Zone X and Shaded Zone A
FEMA Panel	48121C0260G
FEMA Map Date	4/18/2011
Utilities	
Water	Mustang Special Utility District
Sewer	Mustang Special Utility District
Electric	Co-Serv
Natural Gas	Atmos
Zoning (City of Pilot Point)	Development Agreement & Planned Development
Future Land Use	Single-Family Residential Subdivision
Highest & Best Use	Single-Family Residential Subdivision
Final Value Conclusion	**$49,378,000 ($91,600/Lot) Effective Date of March 1, 2027, for 539 Improved Residential Lots in Improvement Area #1 on 200.632 Acres**
	$41,923,800 ($51,800/Lot) Effective Date of March 1, 2027, for 809 Residential Paper Lots on ~164.014 Acres in Major Improvement Area
Exposure Period	6-12 Months
Marketing Period	6-12 Months
Date of Inspection	June 19, 2025
Dates of Valuation	March 1, 2027 for Improvement Area #1
	March 1, 2027 for Major Improvement Area
Report Date	December 23, 2025

CERTIFICATION

We certify that, to the best of our knowledge and belief that:

(1) The statements of fact contained in this report are true and correct.

(2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

(3) We have no present or prospective interest in the property that is the subject of this analysis, and we have no personal interest with respect to the parties involved.

(4) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

(5) Our compensation for completing this assignment is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this report, or upon developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our engagement in this assignment is not contingent upon developing or reporting predetermined results.

(6) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

(7) Brandon Lawson has physically viewed the subject property. James L. Maibach, Leslie Tolliver, and Brooke Clock have not viewed the subject property.

(8) This assignment was not based on a requested minimum value, a specific valuation, or the approval of a loan.

(9) The signatories previously performed services as an appraiser for the subject property within the prior three-year period preceding the acceptance of this assignment. The appraisal report was performed for 363.437-acres "Land-Only" on January 20, 2025. The Fee Simple interests on the Effective Date of January 8, 2025, for the 363.437-acres was $36,340,000. No other services have been performed in any other capacity in the three years prior to the Effective Date.

(10) James L. Maibach and Brooke Clock are not members of the Appraisal Institute. Leslie Tolliver and Brandon Lawson are Associate Members of the Appraisal Institute. As of the date of this report, Leslie Tolliver and Brandon Lawson have completed the Standards and Ethics Education Requirements for Associate Members of the Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

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SCOPE OF WORK

Scope of Work is defined by the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." Under the Scope of Work Rule, the appraiser must:

- Identify the problem to be solved;
- Determine and perform the scope of work necessary to develop credible assignment results; and
- Disclose the scope of work in the report.

The problems to be solved are:

- Determine the *Prospective Market Value* with a Substantial Completion Date of March 1, 2027 for the Fee Simple interest of 539 improved single-family residential lots in Improvement Area #1 of Maverick Farms PID as such.
  - 345 lots with 40-FF
  - 113 lots with 50-FF
  - 81 lots with 60-FF
- Determine the *Prospective Market Value "Upon Completion"* for the Fee Simple interest of 809 paper lots* with 164.014-acres within the Major Improvement Area with an expected Substantial Completion Date of March 1, 2027 for the Major Improvements allocable to the Major Improvement Area.

**Note: A paper lot consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.*

The definition of market value[1] utilized herein is as follows:

Market Value is defined as the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite for a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[2]

1 The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice, Washington, D.C.: Appraisal Standards Board (2020-2021), DEFINITIONS

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice, in a manner necessary to produce a credible result.

This Appraisal Report has been prepared under Standards Rule 2-2(a) of an appraisal performed under Standards Rule 1 of USPAP. The value set forth herein was determined after consideration and appropriate application and analysis by three approaches to value i.e., the Cost Approach, the Income (Subdivision Development) Approach, and the Sales Comparison Approach.

As part of this appraisal, we completed a thorough investigation and analysis of the data considered pertinent to valuing the subject property.

Property Identification
The property has been identified using the following sources:

- Public records – Denton Central Appraisal District (DCAD)
- Legal descriptions
- Deed Records – Denton County
- Maverick Farms PID Concept Plan Exhibit by KFM Engineering & Design, Professional Engineers

Type and Extent of Data Researched
The following information was reviewed in preparing this report:

- Public record data
- City of Pilot Point Maps and Land Use Plans
- Flood plain maps
- Topographic maps
- Site visit notes
- Demographics – CoStar, ESRI, and US Census Bureau
- Market Conditions Data – S&P Case Schiller, CoreLogic, NTREIS, JLL, CBRE, Integra, CoStar, etc.
- Zoning requirements from the City of Pilot Point and other municipalities in DFW
- Concept Plan Exhibit by KFM Engineering & Design, Professional Engineers
- Estimated development costs provided by KFM Engineering & Design, the Professional Engineers
- Conversations with developers and homebuilders in DFW market
- Information provided by the client
- Development Agreement between OMA Pilot Point, LLC and The City of Pilot Point dated September
- 26, 2024

VALUATION METHODOLOGY

Three approaches to value are typically considered when developing a market value opinion for real property. These are the Cost Approach, the Sales Comparison Approach, and the Income (Subdivision Development) Approach. A summary of each portion of the subject property that requires valuation is shown below:

- 539 Improved Single-Family Residential Lots (40-FF, 50-FF, and 60-FF) in Improvement Area #1
- 164.014-Acres with 809 Paper Lots for future single-family residential use in the Major Improvement Area

Improved Detached Single-Family Residential Lots in Improvement Area #1 (539 Improved Residential Lots)

Cost Approach

The Cost Approach involves research, verification, and comparison of sales of other vacant land with the subject land. The sales are then adjusted for value-related differences. Cost figures are obtained from the developer and engineer and compared to cost figures on competing developments. A developer's profit is based on profit expectations reported by developers as well as actual profit on similar developments.

The Cost Approach provides information that contrasts with information from the Income Capitalization and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when finished lots make up a substantial portion of the entire project. The subject property is being developed in multiple phases and there are no major improvements in place, *the Cost Approach is not the most appropriate and thus was not utilized* for the 539 Improved Residential Lots in Improvement Area #1 of the Maverick Farms PID.

Income (Subdivision Development) Approach

In the Income Capitalization Approach, the retail value of the residential lots is estimated. The individual lot values are based on lot sales in competing developments. The absorption rates, expenses, and discount rates are also based on competing developments. Since sales of individual lots to an end-user homeowner is exceedingly rare in tract home subdivisions in this market, the value of an individual retail lot is effectively the same value of a portion of lots to a homebuilder because homebuilders tend to be the exclusive buyers of vacant developed lots from land developers. In addition, discussions with developers and homebuilders as well as review of contracts indicate that lots are typically received by the builders on a takedown schedule with annual price escalations of approximately 6% so the lots are not released in bulk to the home builders. The indicated value by the Income (Subdivision) Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since one of the problems to be solved in this assignment is to determine the bulk sale value of 539 improved residential lots, as of the date of Substantial Completion (Effective Date), *the Income (Subdivision Development) Approach is appropriate and was developed.*

Sales Comparison Approach

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires

recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify**,** *the Sales Comparison Approach was not fully developed by the appraisers.* Use of the approaches for the valuation of the improved lots in Improvement Area #1 of the Maverick Farms PID is summarized on the following page:

Approach	***Applicability to Subject***	***Use in Assignment***
Cost Approach	*Not Appropriate in Improvement Area #1 Portion of the Subject Property Since the Subject Property will be Developed in Multiple Phases*	*Not Utilized*
Income (Subdivision Development) Approach	*Appropriate in Determining Residential Subdivision Value*	*Utilized*
Sales Comparison Approach	*Aspects Used in Subdivision Valuation to Determine Retail Market Value of the 40-FF, 50-FF, and the 60-FF Lots*	*Partially Utilized*

Major Improvement Area - 809 Paper Lots on 164.014 Acres

**Note: A paper lot consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.*

Cost Approach

The Cost Approach is the most appropriate method of valuing paper residential lots. We concluded the paper lot value by conducting the following steps:

1) Estimate the value of the underlying land (*Sales Comparison Approach used here*)
2) Gather hard and soft costs associated to develop the raw ground to paper lot status which includes engineering, zoning costs, and any infrastructure to the site
3) Apply appropriate entrepreneurial incentive that a developer would expect to undertake the project
4) Subtract any depreciation from the project
5) Add in the value of the underlying land

Income Approach

Since paper lots are not yet improved to a state where they are available for sale to builders or other end users, the Income Approach is not applicable for the Major Improvement Area and was not developed.

Sales Comparison Approach

Sales of paper lots are relatively infrequent in the market. Our due diligence could not uncover sufficient reliable sales to develop the Sales Comparison Approach for the paper lots, so we did not develop this approach for the residential paper lots in the Major Improvement Area. Aspects of the Sales Comparison Approach were utilized to determine the market value of the vacant land prior to any development.

Use of the approaches for the valuation of the 809 paper lots on 164.014 acres in the Major Improvement Area of the Maverick Farms PID is summarized on the following pages:

Approach	*Applicability to Subject*	*Use in Assignment*
Cost Approach	*Appropriate Since the Paper Lots will be Improved from an Undeveloped State*	*Utilized*
Income (Subdivision Development) Approach	*Not Appropriate Since the Land is Not Utilized to Generate Income and Land is Not Yet Developed*	*Not Utilized*
Sales Comparison Approach	*Aspects Used in Cost Approach to Determine the Value of the Land Prior to Development*	*Partially Utilized*

COMPETENCY OF THE APPRAISER

James L. Maibach, C.P.M. is a State Certified General Real Estate Appraiser according to the Texas Appraiser Licensing and Certification Board and has appraised numerous properties similar to the subject since 1993. The appraiser also manages, through his commercial real estate management company, approximately 2.25 million SF of which 70% is industrial warehouse, 20% is Class B and C office and 10% in retail product in Tarrant, Dallas, and Johnson counties. Mr. Maibach has been personally involved in over 35 residential development projects as a broker, developer, bank director, and zoning consultant in the past 35 years. Leslie Tolliver is a State Certified General Real Estate Appraiser who has assisted in the analysis and appraisal of numerous properties similar to the subject. Brooke Clock is a Licensed Residential Appraiser and Brandon Lawson is an Appraiser Trainee and have assisted in numerous properties similar to the subject property. Attention is paid to the qualifications of each individual, which are presented in the Addenda of this report.

Peyco Southwest Realty is a full-service professional real estate appraisal and consulting firm, providing service to a variety of corporate, institutional, governmental, and private clientele. In the past 12 months, our firm has completed numerous valuation assignments involving similar properties. Mr. Maibach currently owns, represents, and manages multiple properties throughout the DFW Metroplex, mostly in Tarrant, Dallas, Johnson, and Ellis Counties. The subject is located in Pilot Point, Denton County, Texas.

INTENDED USE AND USERS

The intended use of the appraisal is to estimate the market value upon completion of the underwriting of a proposed Public Improvement District bond transaction as of the Effective Date of Substantial Completion. The client and intended user is FMSbonds, Inc. The City of Pilot Point is also an intended user. The appraisal is not intended for any other use or user. No party or parties other than the City of Pilot Point and FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in this report; provided, however, it is acknowledged that this Appraisal will be used in a preliminary and final limited offering memorandum for the Public Improvement District bonds. The Client may, without Appraiser's prior authorization or notice to Appraiser, provide the Appraisal to other parties for their use in analysis-related activities, however, it does not make the recipient an intended user of this engagement.

DATE OF THE APPRAISAL REPORT

The preparation of this Appraisal Report was completed on **December 23, 2025.** The initial draft of this appraisal report was completed on **July 1, 2025.**

EFFECTIVE DATES OF THE APPRAISAL

The descriptions, analyses, and conclusions of this report for the designated Market Values of the subject property are applicable as of **March 1, 2027** for Improvement Area #1 and for the Major Improvement Area, which is the expected date of Substantial Completion of the Improvement Area #1 Improvements and the Major Improvements. Brandon Lawson inspected the property on **June 19, 2025**. James L. Maibach, Leslie Tolliver and Brooke Clock have not inspected the subject property.

ASSIGNMENT CONDITIONS
Assignment conditions include assumptions that affect the scope of work, other than those previously discussed in the "Assumptions and Limiting Conditions". There are no other material and specific hypothetical conditions or extraordinary assumptions other than those referenced in this report.

PROPERTY RIGHTS APPRAISED
The property rights appraised in this assignment are the Fee Simple Estate in the subject property. A commitment for Title Insurance was not submitted to the appraisers and reservations, if any, are unknown. If property rights differ from the above definitions, the value may be affected.

ASSETS APPRAISED
The assets appraised in this appraisal assignment include land, any primary and ancillary site improvements. No furniture, fixtures, equipment (FF&E), personal property, mineral rights or business value were included in the valuation process.

ENVIRONMENTAL CONDITIONS
No environmental report was available to us, and no recent environmental tests were performed. Because we have no evidence to the contrary, we have assumed that the property is free of any material defects, other than those noted, which would adversely affect the value, including, but not limited to, asbestos and toxic waste. Our value conclusions are subject to revision should these assumptions prove incorrect. We caution and advise the user of this report to obtain environmental studies which may be required to ascertain the status of the property regarding asbestos and other hazardous materials.

HISTORY OF SUBJECT PROPERTY
Denton Central Appraisal District (DCAD) records indicate the ownership of the subject property is owned by OMA Pilot Point, LLC. The history of each parcel is provided below:

- OMA Pilot Point, LLC was deeded parcels 43012, 155239, 43015, 43060, 76442, 155240, 179635, 155239, 683740, 683738, 683739, 155235, 683737, 155236, 112223, and 168283 from Broken Rock Ranch LLC and Speese Properties, LTD via deed instrument 2025-124060 dated October 31, 2025. According to the financial consultant (T. Wilson), OMA Pilot Point, LLC purchased +/- 363.439 AC for $27,100,000 ($75,565/AC). This transaction appears to be arms-length, and the sales price was within market rates.
- OMA Pilot Point, LLC was deeded parcels 1049640 and 1049641 from Patrick & Tracy Burns via deed instrument 2024-46662 dated May 1, 2024. According to the developer, OMA Pilot Point, LLC purchased +/- 1.209-AC for $525,000 ($434,243/AC). This transaction appears to be arms-length, and the sales price was within market rates.
- OMA Pilot Point, LLC was deeded parcels 155233, 155234, 155238, and 155237 from Ricky L. Pickard via deed instrument 2025-124061 dated October 31, 2025. According to the developer, OMA Pilot Point, LLC purchased +/- 10.00-AC for $2,800,000 ($280,000/AC). This transaction appears to be arms-length, and the sales price was within market rates.

We are unaware of any other attempts to sell or divest the subject property, as of the report date. This historical ownership data was researched and reported in order to comply with USPAP which requires a 3-year history of the subject property. It should not be used in lieu of a title search and is not intended as a guarantee to the chain of title.

LEGAL DESCRIPTIONS

ID	Owner	Legal Description
43015	OMA Pilot Point, LLC	A1329A I WALTERS, TR 56, 99.523 ACRES, OLD DCAD SHT 1, TR 15
43060	OMA Pilot Point, LLC	A1329A I WALTERS, TR 48, 25.15 ACRES
43012	OMA Pilot Point, LLC	A1329A I WALTERS, TR 46, 24.4839 ACRES, OLD DCAD SHT 1, TR 14
76442	OMA Pilot Point, LLC	A1329A I WALTERS, TR 45, 40.0 ACRES, OLD DCAD SHT 1, TR 12A
155240	OMA Pilot Point, LLC	A1329A I WALTERS, TR 47, 12.0 ACRES, OLD DCAD SHT 1, TR 21H
179635	OMA Pilot Point, LLC	A1329A I WALTERS, TR 43B, 40.0 ACRES
155239	OMA Pilot Point, LLC	A1329A I WALTERS, TR 44, 35.0 ACRES, OLD DCAD SHT 1, TR 21G
683740	OMA Pilot Point, LLC	A1329A I WALTERS, TR 32A, 10.25 ACRES
683738	OMA Pilot Point, LLC	A1329A I WALTERS, TR 35A, 24. ACRES
683739	OMA Pilot Point, LLC	A1329A I WALTERS, TR 31A, 8.067 ACRES
155235	OMA Pilot Point, LLC	A1329A I WALTERS, TR 33, 10.0 ACRES, OLD DCAD SHT 1, TR 21C
683737	OMA Pilot Point, LLC	A1329A I WALTERS, TR 34A, 8.44 ACRES
155236	OMA Pilot Point, LLC	A1329A I WALTERS, TR 30, 10.0 ACRES, OLD DCAD SHT 1, TR 21D
112223	OMA Pilot Point, LLC	A1329A I WALTERS, TR 37, 1.0 ACRES, OLD DCAD SHT 1, TR 19A(1)
168283	OMA Pilot Point, LLC	A1329A I WALTERS, TR 36A, .044 ACRES
1049640	OMA Pilot Point, LLC	A1329A I WALTERS, TR 36C(1), 0.8 ACRES
1049641	OMA Pilot Point, LLC	A1329A I WALTERS, TR 36D, 0.409 ACRES
155234	OMA Pilot Point, LLC	A1329A I WALTERS, TR 32, 1.4 ACRES, OLD DCAD SHT 1, TR 21B
683739	OMA Pilot Point, LLC	A1329A I WALTERS, TR 31A, 8.067 ACRES
155237	OMA Pilot Point, LLC	A1329A I WALTERS, TR 35, 0.1 ACRES, OLD DCAD SHT 1, TR 21E
155238	OMA Pilot Point, LLC	A1329A I WALTERS, TR 31, 6.94 ACRES, OLD DCAD SHT 1, TR 21F
155233	OMA Pilot Point, LLC	A1329A I WALTERS, TR 34, 1.56 ACRES, OLD DCAD SHT 1, TR 21A

PENDING TRANSACTIONS TO BUILDERS

Maverick Farms PID is currently owned by OMA Pilot Point, LLC. The subject property has three executed sales contracts. The first Purchase and Sale Agreement, dated March 27, 2025, as amended, between OMA Pilot Point, LLC (Seller) and Mattamy Texas, LLC (Buyer) covers approximately 181 fully developed single-family residential lots in Phase 1. Mattamy Texas, LLC will acquire 115 of the 40-FF lots at $76,000 each, along with 38 of the 50-FF lots at $95,000 each. Additionally, they will purchase 28 of the 60-FF lots in Phase 1 at $114,000 each. The Additional Consideration for these Phase 1 and Phase 2 lots will accrue at a rate of 6.0%. Additionally, Mattamy Texas, LLC will pay closing fees to OMA Pilot Point, LLC, including $2,000 for an amenity fee, $500 for a marketing fee, and $250 for a mailbox fee. The agreed-upon sales prices align with market values for comparable vacant improved residential lots, and the transaction appears to be arm's-length.

The second Purchase and Sale Agreement, dated May 30, 2025, is between OMA Pilot Point, LLC (Seller) and Castlerock Communities, LLC (Buyer) for approximately 180 fully developed single-family residential lots in Phase 1. Under the contract terms, Castlerock Communities, LLC will acquire 115 of the 40-FF lots at $76,000 each, 38 of the 50-FF lots at $95,000 each, and 27 of the 60-FF lots at $114,000 each. The Additional Consideration for these Phase 1 lots will accrue at a rate of 6.0%. Additionally, Castlerock Communities, LLC will pay closing fees to OMA Pilot Point, LLC, including $2,000 for an amenity fee, $500 for a marketing fee, and $250 for a mailbox fee. The agreed-upon sales prices align with market values for comparable vacant improved residential lots, and the transaction appears to be arm's-length.

The third Purchase and Sale Agreement, dated July 31, 2025, between OMA Pilot Point, LLC (Seller) and Imagination Homes (Buyer) covers approximately 173 fully developed single-family residential lots across Phase 1 and Phase 2. Imagination Homes will acquire 115 of the 40-FF lots in Phase 1 at $76,000 each. The Additional Consideration for these Phase 1 lots will accrue at a rate of 6.0%. Additionally, Imagination Homes will pay closing fees to OMA Pilot Point, LLC, including $2,000 for an amenity fee, $500 for a marketing fee, and $250 for a mailbox fee. The agreed-upon sales prices align with market values for comparable vacant improved residential lots, and the transaction appears to be arm's-length.

Note: The fourth purchase and sale contract has not been provided to the appraisers. The appraisers were informed by the developer that the contract would follow similar terms as the other purchase and sale contracts.

The chart on the following page shows the breakdown of the subject's lots for each of the 4 phases. The Substantial Completion Date for Improvement Area #1 is March 1, 2027, and the projected Substantial Completion Date for the Major Improvements allocable to the Major Improvement Area is March 1, 2027.

Maverick Farms PID Projected Phases					
		Major Improvement Area			
Lot Type	*Phase 1*	*Phase 2*	*Phase 3*	*Phase 4*	*Total*
40-FF	345	175	134	126	780
50-FF	113	82	56	92	343
60-FF	81	0	67	77	225
Improvement Area #1 Total	**539**				
Total Major Improvement Area Paper Lots		**257**	**257**	**295**	**809**
Total Lots at Maverick Farms PID					**1,348**

**Note the focus of our appraisal report is to value the improved lots in Improvement Area #1 and the 809 paper lots on 164.014-acres in the Major Improvement Area of the Maverick Farms* PID.

According to the Purchase and Sales Agreements we were provided by the Developer, the following quarterly takedowns are projected for the 539 improved residential lots within Improvement Area #1 of the Maverick Farms PID.

Projected Quarterly Takedown Summary - Maverick Farms PID Improvement Area #1										
Lot Type	*March-2027*	*Apr-2027*	*Jul-2027*	*Oct-2027*	*Jan-2028*	*Apr-2028*	*Jul-2028*	*Oct-2028*	*Jan-2029*	**TOTAL**
40-FF	44	38	38	38	38	38	38	38	35	**345**
50-FF	20	17	17	17	17	17	8	-	-	**113**
60-FF	14	13	13	13	13	13	2	-	-	**81**
Total	**78**	**68**	**68**	**68**	**68**	**68**	**48**	**38**	**35**	**539**

As seen in the previous table, sales are expected to begin in January 2027 for all lots sizes. The sell out date for the 40-FF lots expected to sell out in March 2029, the 50-FF and 60-FF lots are expected to sell out in July 2028.

There is not a projected takedown schedule for the Major Improvement Area as this area has not been devised and development within the Major Improvement Area has not yet commenced.

Real Estate Taxes
Denton Central Appraisal District

Real estate tax assessments are administered by the Denton Central Appraisal District (DCAD) and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by $100, then multiplying the estimate by the composite rate.

Real estate taxes and assessments for the projected 2025 tax year are shown in the following table which include taxes to Denton County, Pilot Point ISD, and the City of Pilot Point. The projected combined tax rate for those entities is **1.800255 per $100 assessed** as shown in the table below:

Projected Property Taxes - 2026	
Entity	**Rate**
Denton County	0.187869
Pilot Point ISD	1.026260
City of Pilot Point	0.586126
Total	**1.800255**

The Maverick Farms PID is twenty contiguous tracts of land consisting of twenty tax parcels. The 2025 tax burden for the subject property – which is currently undeveloped land – is $29,894.49, which is heavily reduced due to the Agricultural exemptions. A table of the assessed values and property taxes for 2025 of the subject property is shown below:

TAXES (DENTON CAD - 2025)							
ID	Owner	Size (AC)	Improvement Market Value	Land Market Value	Agricultrual Market Value	Assessed Value	Estimated Taxes
43015	OMA Pilot Point, LLC	99.523	$ -	$ 6,001,117	$ 5,982,904	$ 18,213	$ 327.88
43060	OMA Pilot Point, LLC	25.150	$ -	$ 1,155,012	$ 1,154,182	$ 830	$ 14.94
43012	OMA Pilot Point, LLC	24.484	$ -	$ 1,124,422	$ 1,123,614	$ 808	$ 14.55
76442	OMA Pilot Point, LLC	40.000	$ 55,237	$ 1,836,998	$ 1,789,786	$ 102,449	$ 1,844.34
155240	OMA Pilot Point, LLC	12.000	$ -	$ 551,099	$ 550,703	$ 396	$ 7.13
179635	OMA Pilot Point, LLC	40.000	$ -	$ 1,653,298	$ 1,651,978	$ 1,320	$ 23.76
155239	OMA Pilot Point, LLC	35.000	$ -	$ 1,607,373	$ 1,606,218	$ 1,155	$ 20.79
683740	OMA Pilot Point, LLC	10.250	$ -	$ 470,731	$ 470,393	$ 338	$ 6.08
683738	OMA Pilot Point, LLC	24.000	$ -	$ 1,102,199	$ 1,101,815	$ 384	$ 6.91
683739	OMA Pilot Point, LLC	8.067	$ 215,057	$ 370,477	$ 370,211	$ 215,323	$ 3,876.36
155235	OMA Pilot Point, LLC	10.000	$ 39,151	$ 459,249	$ 458,919	$ 39,481	$ 710.76
683737	OMA Pilot Point, LLC	8.440	$ -	$ 387,607	$ 387,328	$ 279	$ 5.02
155236	OMA Pilot Point, LLC	10.000	$ -	$ 459,249	$ 458,919	$ 330	$ 5.94
112223	OMA Pilot Point, LLC	1.000	$ -	$ 45,925	$ -	$ 34,159	$ 614.95
168283	OMA Pilot Point, LLC	0.044	$ -	$ 3,637	$ -	$ 3,637	$ 65.48
1049640	OMA Pilot Point, LLC	0.800	$ -	$ 58,783	$ -	$ 58,783	$ 1,058.24
1049641	OMA Pilot Point, LLC	0.409	$ -	$ 30,557	$ -	$ 30,557	$ 550.10
155234	OMA Pilot Point, LLC	1.400	$ 207,199	$ 114,008	$ -	$ 321,207	$ 5,782.55
683739	OMA Pilot Point, LLC	8.067	$ 215,057	$ 370,477	$ 370,211	$ 215,323	$ 3,876.36
155237	OMA Pilot Point, LLC	0.010	$ -	$ 16,287	$ 16,284	$ 3	$ 0.05
155238	OMA Pilot Point, LLC	6.940	$ 612,998	$ 452,123	$ 256,551	$ 615,544	$ 11,081.36
155233	OMA Pilot Point, LLC	1.560	$ -	$ 101,630	$ 101,579	$ 51	$ 0.92
Total Combined:		**367.14**	**$1,344,699**	**$18,372,258**	**$17,851,595**	**$1,660,570**	**$29,894.49**

Maverick Farms Public Improvement District

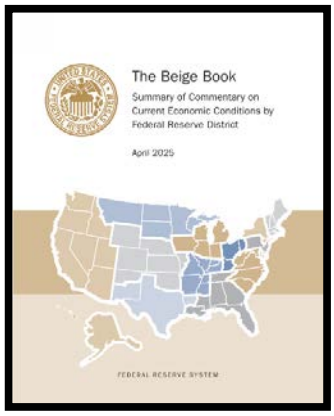
The Land area represented by Denton Central Appraisal District ("Denton CAD") is not necessarily accurate. The land market that Denton CAD has determined - $19,716,957 ($53,704/AC, $1.23/SF) – would lead to a tax burden of $354,955.50 if fully taxed. When the property is redeveloped into residential lots, there may be rollback taxes due to the municipal entities. We have not considered the effect of rollback taxes herein and that is beyond the scope of work of this report.

Upon substantial completion of the improved lots, the appraised value is expected to increase significantly; however, based on our company's experience as licensed property tax consultants working with tax districts and homebuilders, we believe the finished lots will be assessed by the appraisal district at below retail lot value. Finished lots are often assessed by tax districts at approximately 70% of the retail value because the tax district does not have reliable information on updated costs and because developers are eligible for an inventory reduction on their lots.

MARKET OVERVIEW

ECONOMIC INDICATORS: BEIGE BOOK

FEDERAL RESERVE BANK (JUNE 4, 2025)



Due to the subject's location in North Texas, coupled with integrated business economies, it is relevant to consider the national and regional economic indicators presented by the Federal Reserve Bank of Dallas in the Beige Book. Excerpts from the most recent Beige Book are presented below:

Overall Economic Activity

Economic activity was little changed since the previous report, but uncertainty around international trade policy was pervasive across reports. Just five Districts saw slight growth, three Districts noted activity was relatively unchanged, and the remaining four Districts reported slight to modest declines. Non-auto consumer spending was lower overall; however, most Districts saw moderate to robust sales of vehicles and of some nondurables, generally attributed to a rush to purchase ahead of tariff-related price increases. Both leisure and business travel were down, on balance, and several Districts noted a decline in international visitors. Home sales rose somewhat, and many Districts continued to note low inventory levels. Commercial real estate (CRE) activity expanded slightly as multifamily propped up the industrial and office sectors. Loan demand was flat to modestly higher, on net. Several Districts saw a deterioration in demand for non-financial services. Transportation activity expanded modestly on balance. Manufacturing was mixed, but two-thirds of Districts said activity was little changed or had declined. The energy sector experienced modest growth. Agricultural conditions were fairly stable across multiple Districts. Cuts to federal grants and subsidies along with declines in philanthropic donations caused gaps in ser vices provided by many community organizations. The outlook in several Districts worsened considerably as economic uncertainty, particularly surrounding tariffs, rose.

Labor Markets

Employment was little changed to up slightly in most Districts, with one District reporting a modest increase, four reporting a slight increase, four reporting no change, and three reporting a slight decline. This is a slight deterioration from the previous report with a few more Districts reporting declines. Hiring was generally slower for consumer-facing firms than for business-to-business firms. The most notable declines in headcount were in government roles or roles at organizations receiving government funding. Several Districts reported that firms were taking a wait-and-see approach to employment, pausing or slowing hiring until there is more clarity on economic conditions. In addition, there were scattered reports of firms preparing for layoffs. Most Districts and markets reported an improvement in overall labor availability, although there were some reports of constraints on labor supply resulting from shifting immigration policies in certain sectors and regions. Wages generally grew at a modest pace, as wage growth slowed from the previous report in multiple Districts.

Prices

Prices increased across Districts, with six characterizing price growth as modest and six characterizing it as moderate, similar to the previous report. Most Districts noted that firms expected elevated input cost growth resulting from tariffs. Many firms have already received notices from suppliers that costs would be increasing. Firms reported adding tariff surcharges or shortening pricing horizons to account for uncertain trade policy. Most businesses expected to pass through additional costs to customers. However, there were reports about margin compression amid increased costs, as demand remained tepid in some sectors, especially for consumer-facing firms.

ELEVENTH DISTRICT
FEDERAL RESERVE BANK OF DALLAS – JUNE 4, 2025

Summary of Economic Activity
Growth in the Eleventh District economy slowed to a slight pace over the reporting period. Non-financial services activity was flat, but manufacturing output rose modestly. Retail sales dipped, and loan demand increased slightly. Commercial real estate activity was stable, while housing demand remained tepid. Oilfield activity rose modestly. Employment and wages grew, while input cost pressures accelerated largely due to the expected pass through of higher tariff costs. Out looks worsened with weakening demand, policy uncertainty, and inflation cited as primary concerns going forward. Numerous contacts voiced concern that heightened uncertainty stemming from on-again, off-again tariffs was making it increasingly challenging to plan. Stricter immigration policy, federal government layoffs, and a cutback in spending were also cited as headwinds for growth.

Labor Markets
Employment rose modestly over the reporting period. Several contacts noted a wait-and-see posture on hiring amid elevated domestic and trade policy uncertainty, while some firms, including airlines, cited layoffs. Energy executives said layoffs are expected this year, and that the pace may increase if oil prices remain close to or fall below $60. Wage pressures were stable during the reporting period. One manufacturer noted cutting wages due to cash flow issues. Firms expect wage growth to slow to 3.4% over the next 12 months, down from 3.8% over the past 12 months.

Prices
Prices continued to increase at a moderate pace. Firms broadly expressed trepidation about the effect of tariffs on demand and costs, with some contacts indicating they will not be able to pass on the increases to clients. Several manufacturers cited higher raw material prices. The impact of tariffs on steel and machinery prices was a drag on the energy sector, particularly for firms with ongoing construction projects for whom the materials were a sizable share of costs. A few construction and real estate contacts said that tariffs had given their suppliers an excuse to raise prices, and some retailers cited being notified by their vendors of forthcoming tariff surcharges. Manufacturers and retailers expect selling price increases to accelerate over the next 12 months, while service sector executives expect price growth to remain moderate.

Manufacturing
Manufacturing output rebounded in March after weakening in February. The pickup in production spanned both durable and nondurable goods, with strength seen in transportation equipment, machinery, computer products, and food manufacturing. Utilization rates at Gulf Coast refineries remained at healthy levels despite seasonal softness. While manufacturing activity picked up, out looks worsened. Manufacturers widely voiced concern that tariffs were becoming an increasing source of uncertainty, dampening demand, pushing up prices, and delaying and complicating business planning.

Retail Sales
Retail sales dipped during the reporting period. Declining growth in sales of nondurable consumer products outweighed growth in durable goods. Among durables, auto vehicle sales strengthened in anticipation of the announced tariffs. Overall retail outlooks weakened, as the potential impact of tariffs on pricing and demand weighed on sentiment.

Nonfinancial Services
Activity in nonfinancial services stalled out following moderate growth in the previous reporting period. Revenue rose in some sectors, however, with increases seen in transportation, health, and professional and business services. Demand for staffing services was flat to slightly up. Airlines noted that passenger demand had softened, with some of the weakness attributable to a marked decline in federal government travel. Port traffic remained strong as companies accelerated their inventory purchases ahead of tariffs. Growth paused in the leisure and hospitality sector, which was

attributed to uncertainty causing consumers to be more cautious with their discretionary spending. Outlooks deteriorated overall, with numerous contacts stating that heightened uncertainty surrounding domestic and trade policy was hindering their ability to plan with confidence.

Construction and Real Estate
Housing demand remained tepid. The spring selling season was characterized as modest and choppy, with a slight pickup in sales seen toward the end of the reporting period. Incentives for new homes, including price discounts, remained prevalent. However, there were scattered reports of builders being less aggressive on mortgage rate buy downs due to high costs. Home inventories rose, and prices were flat to down. Outlooks were cautious, weighed down by sluggish demand, high mortgage rates, and concerns regarding the impact of immigration and trade policy on consumer sentiment, labor supply, and construction costs.

Commercial real estate activity was stable during the reporting period. Apartment demand remained solid, though rent growth continued to be lackluster. Office absorption was positive in some major markets, though vacancies remained elevated. Industrial demand stayed positive but there was apprehension about the impact of shifting trade policies on leasing activity and investment sales.

Financial Services
Loan volume and loan demand growth decelerated sharply in March. Credit tightening continued, but loan pricing declined. Loan nonperformance increased. In addition, bankers reported that business activity contracted after expanding over the last three months, and their outlooks retreated to cautiously optimistic. While respondents expect an improvement in loan demand and business activity six months from now, the sentiment is less broad-based, and it is tempered by expectations of a continued increase in loan nonperformance.

Energy
Activity in the oil and gas sector increased modestly over the reporting period. While drilling and completion activity is expected to remain steady over the next few months, contacts were worried that lower oil prices, eroding global growth outlooks, and tariffs would dampen activity later this year and lower spending plans for 2026. Outlooks worsened, and contacts expressed concern that heightened uncertainty surrounding tax, trade, and regulatory policy was making planning difficult and would likely hinder investment decisions.

Agriculture
Drought conditions persisted in parts of the district, though widespread rainfall was received late in the reporting period and provided much-needed moisture. Some extreme weather was seen, from wind and dust storms in the Texas panhandle to flooding along the coast. Grain prices moved down. Cattle and beef prices continued to trend up over most of the reporting period, with beef prices rising to new highs, though cattle prices faltered somewhat in early April. Drought conditions are a hurdle for ranchers looking to expand their herds. Looking ahead, contacts expressed some concern for agricultural exports due to tariff impacts.

Community Perspectives
Demand for social services remained elevated. Contacts said many private companies were under a hiring freeze, and the jobs posted online were not being filled. Nonprofit organizations, particularly those heavily reliant on federal funding, reported trimming budgets, implementing hiring freezes, laying off workers, and downsizing programming. There was a report of a housing services nonprofit possibly shutting down operations in mid-2025 due to funding disruptions. One contact noted that landlords were less willing to rent apartments to tenants reliant on federal funds due to the current policy climate and funding freezes. Some social service organizations said they have observed a slowdown in applications for new benefits and trepidation among clients seeking services in light of recent immigration policies. Research universities were also facing significant uncertainty due to the funding cuts from the National Institute of Health and National Science Foundation.

TEXAS ECONOMIC OUTLOOK (EXCERPTS)
Texas A&M University – Texas Real Estate Research Center
Jorge Barro (Updated June 17, 2025)

Summary
The U.S. economy showed signs of resilience in May as concerns over the global trade war mounted. The macroeconomic data indicated a growing divergence between "hard data," reflecting actual economic activity, and "soft data," reflecting general economic sentiment and the business outlook. First quarter 2025 gross domestic product declined 0.2%, largely resulting from efforts to front-load imports ahead of tariffs. Aside from this preemptive shift, macroeconomic aggregates remained largely unchanged. May labor market data showed almost no signs of impact from the trade war. Unemployment, labor force participation, hiring, and separations all remained roughly constant, indicating signs of current labor market stability.

While the historical data shows signs of resilience, the soft data paints a different picture of the macroeconomic outlook. The University of Michigan's Consumer Sentiment Index remained low in May after dropping sharply to one of its lowest levels on record in April. The business outlook also deteriorated as uncertainty over the trade war affected business planning. Business survey data from several sources showed declines in expected hiring, which could lead to a spike in the unemployment rate. Although the soft data is showing signs of concern among consumers and businesses, the outlook could change quickly with a de-escalation of the global trade war.

Federal trade and fiscal policy also weighed on financial markets as the 10-year Treasury yield rose more than 25 basis points (bps) in May. Three policy-related factors are placing upward pressure on long-term interest rates. First, the recent passage of the federal budget in the U.S. House of Representatives is expected to add $4.3 trillion to U.S. debt over the next ten years, contributing to rising long-term interest rates. Second, tariffs have introduced upside inflation risk, raising both the inflation premium and an interest rate premium, accounting for the monetary policy response. Finally, the trade war introduces risk to foreign investors in U.S. assets, which increases domestic interest rates. Rising interest rates further constrain households and businesses seeking to finance expenditures.

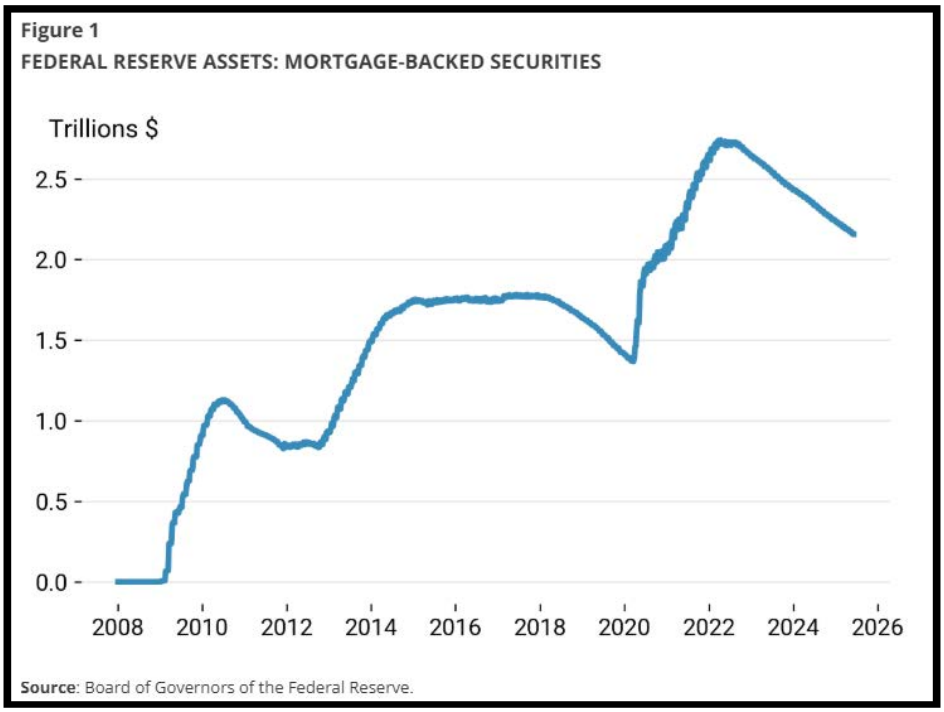
Stories We're Following

- *Tariffs*
  - *The issue: On April 2, 2025, President Trump initiated a series of tariffs on global imports. These tariffs and the retaliatory tariffs levied by other countries impacted trade and capital markets while adding risk to the macroeconomic outlook. As uncertainty over the duration and magnitude of the tariffs hangs over consumers and businesses, the possibility of sustained tariffs could contribute to disruptions and restructuring of economic activity.*
  - *Updates: Aside from preemptive spending shifts to avoid tariffs, the macroeconomic landscape remains largely unchanged and the outlook largely uncertain. The current macroeconomic data shows no signs of impact on labor markets and a modest impact on financial markets. However, the Fed's May 2025 Beige Book, which highlights regional economic activity in the 12 Federal Reserve Bank districts, showed growing concerns over the economic outlook, largely stemming*

from tariffs and policy uncertainty.

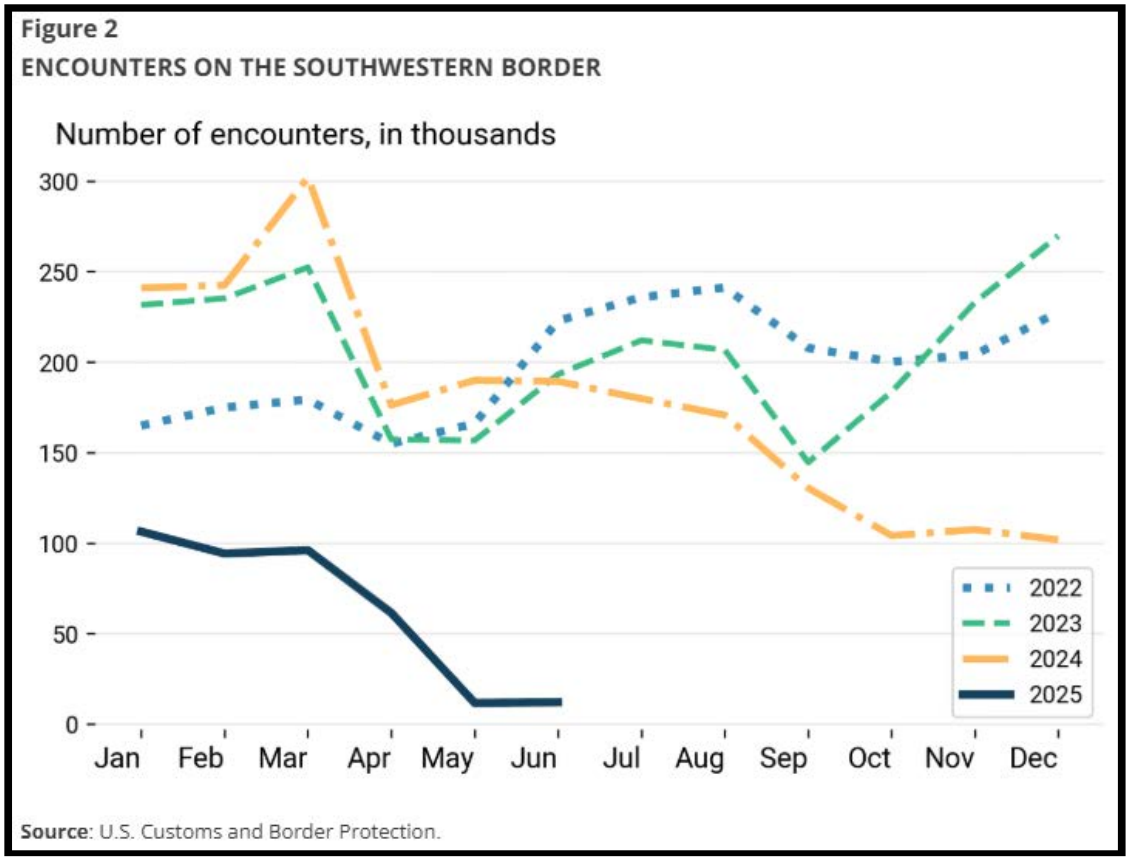
- *Federal Tax Return*
  - *The issue: President Trump and Congressional Republicans are working on a fiscal package that could extend several provisions of the 2017 tax reform. While reducing rates could stimulate economic growth, restructuring deductions could have implications for real estate and economic growth in Texas. Expanding the state and local tax deduction, for example, could dampen Texas' low-tax appeal, impacting future migration decisions.*
  - *Updates: On May 22, 2025, the U.S. House of Representatives passed the One Big Beautiful Bill Act, which is expected to grow the deficit. Financial markets responded by increasing yields on long-term government debt, reflecting tightening capital supply, heightened inflation risk, and rising credit risk on federal debt.*

- *Federal Reserve Policy*
  - *The issue: Since the middle of 2022, the Federal Reserve (Fed) has been implementing contractionary monetary policy to combat inflation. The federal funds rate, which the Fed targets to influence the broader economy, remains elevated. As part of a larger asset reduction effort, the Fed is also reducing its holdings of certain private assets, including mortgage-backed securities (MBS) (Figure 1). Reducing the share of mortgages held by the Fed causes other private investors to absorb the new debt issuance, which contributes to heightened mortgage rates.*
  - *Updates: In March 2025, the Fed reaffirmed its commitment to allowing MBS to run off its balance sheet and reinvest debt payments in Treasuries instead of new MBS. Although the Fed caps this MBS runoff at $35 billion per month, the actual average monthly runoff is roughly half of this amount. As long as the Fed continues reducing MBS holdings, the policy will contribute to elevated mortgage rates, adding to headwinds in the real estate market.*



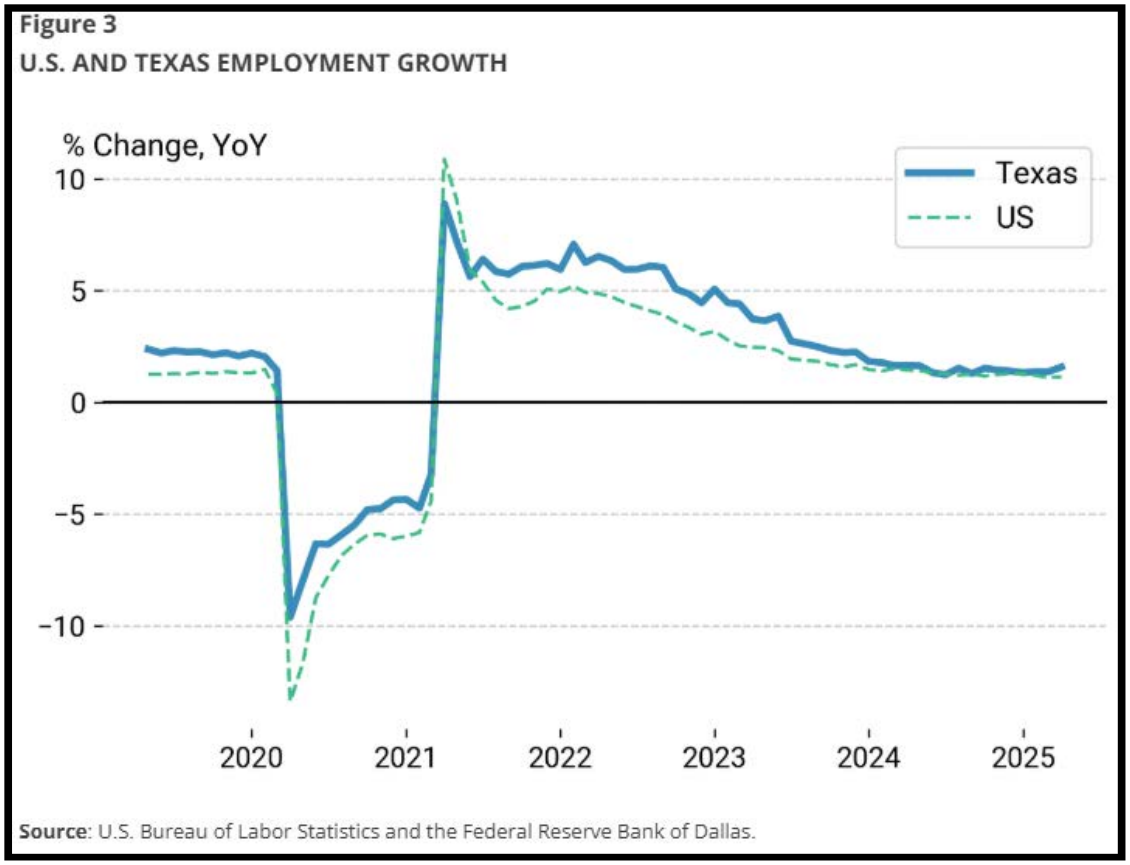
- *Immigration*

- *The issue: Immigration—both legal and illegal—influences domestic population growth and labor markets. An estimated 8.1% of the Texas labor market and 4.8 percent of the U.S. labor market is comprised of unauthorized immigrants. The Trump administration is increasing enforcement of immigration laws, leading to a sharp reduction in border crossings (Figure 2). This, combined with possible deportations, could impact certain industries, like the construction industry, that employ a disproportionately large share of undocumented immigrants. Moreover, stemming the flow of legal immigration could also contribute to changes in economic activity.*
- *Update: A recent survey of Texas business executives conducted by the Federal Reserve Bank of Dallas showed that 18% of firms expect immigration policy to impact their ability to hire and retain workers this year. Many of these firms indicated an inclination to respond by increasing current worker productivity, implementing labor-saving technology, and taking other actions.*



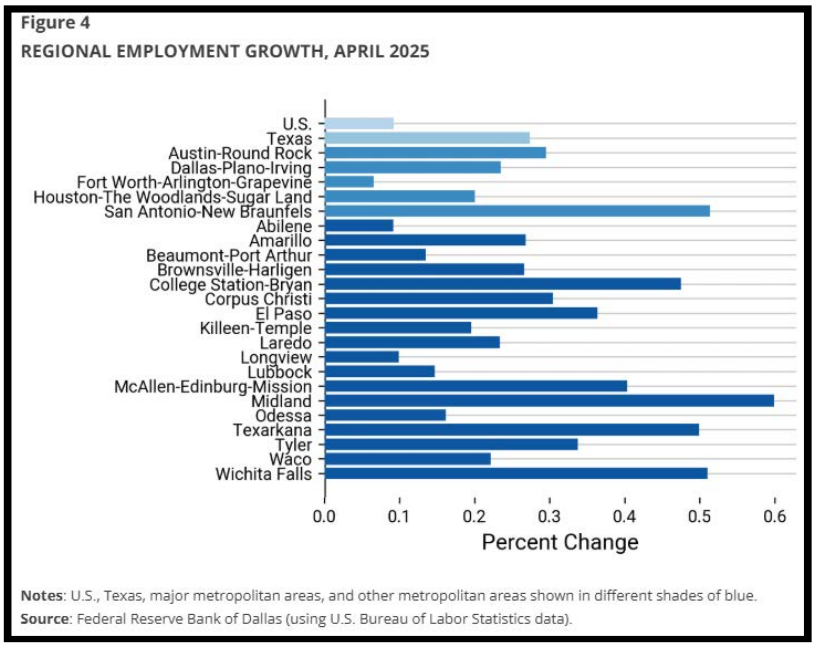
Texas Economic Indicators

The Texas economy mirrored the national economy in the disparity between the historical "hard" data and the forward-looking "soft" data. Employment growth remained strong and slightly above the U.S. employment growth rate (Figure 3). Survey data from the Federal Reserve Bank of Dallas, however, showed growing weakness in the business outlook, which could materialize as a decline in economic activity in the coming months.

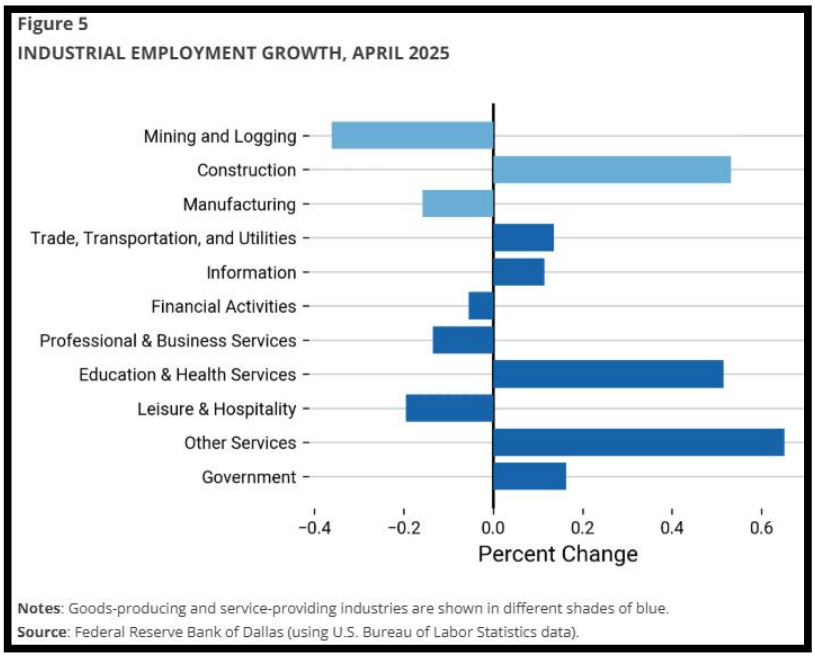


Employment

Month-over-month (MoM) employment growth was positive in every metropolitan area of Texas (Figure 4). The San Antonio metropolitan area experienced extraordinary employment growth in April, led by significant growth in the service industry.

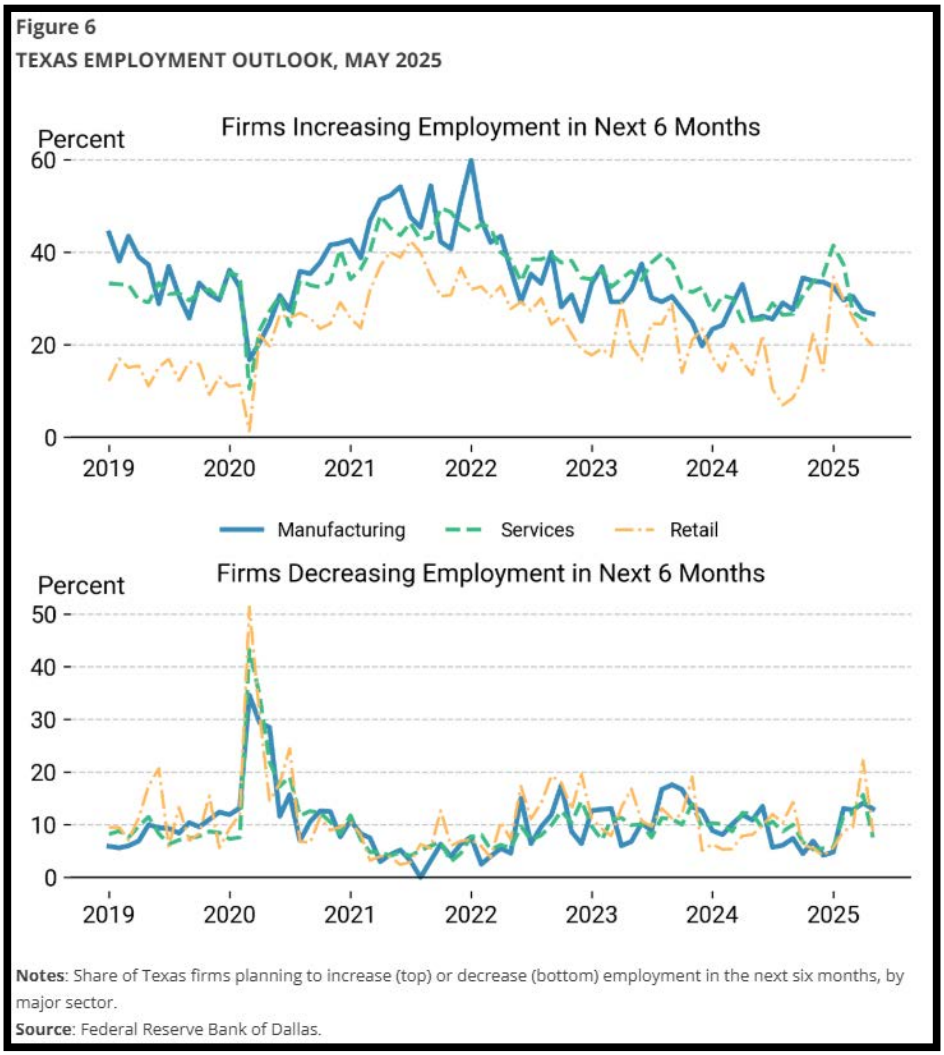


Industrial MoM employment growth in Texas varied significantly across the sectors, with five of the 11 sectors showing negative growth in April (Figure 5). Mining and logging experienced the largest losses with a 0.36% decline in employment, while Construction, Education, and Health Services, and Other Services led employment gains with 0.53%, 0.51%, and 0.65% increases, respectively.



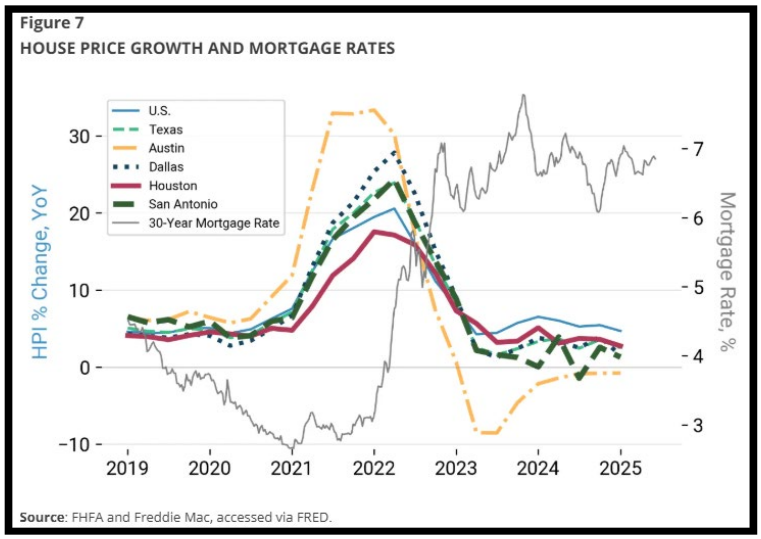
Employment Outlook

The business outlook survey administered by the Federal Reserve Bank of Dallas provides a summary of Texas firms' expectations of employment changes over the next two quarters (Figure 6). The share of firms planning on hiring remained low in all major sectors, reflecting the impact of tariff announcements. The number of firms planning to decrease employment has also dropped significantly in every industry. This reflects a moderation in the employment outlook as many firms wait for more clarity on the economic outlook before making employment changes. However, even if layoffs remain low, a slowdown in hiring could lead to an increase in the unemployment rate.

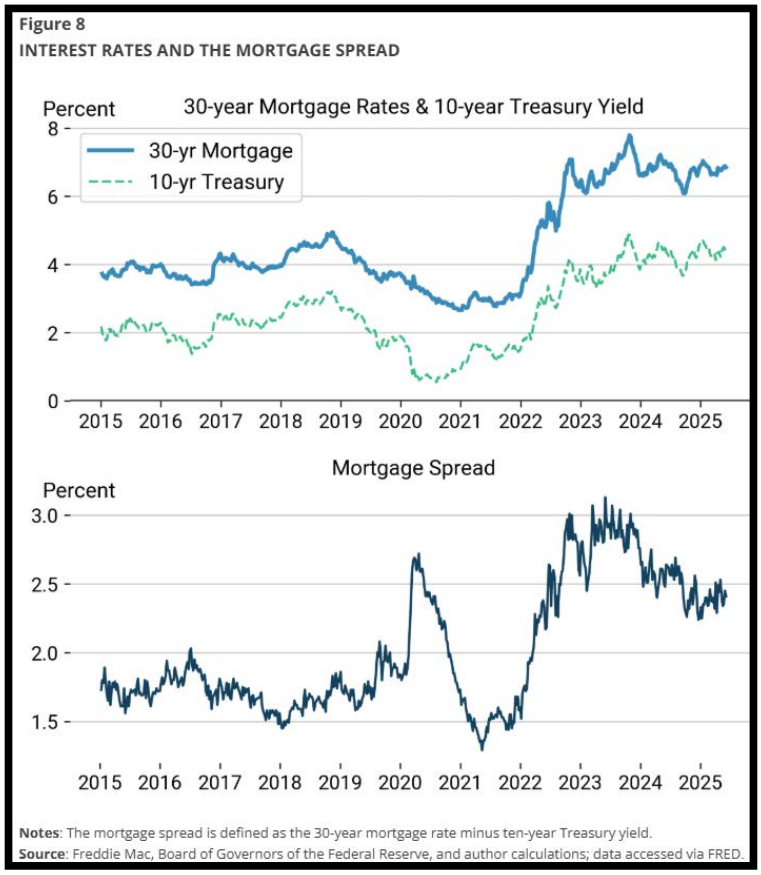


Housing

High mortgage rates continued weighing on house prices in the U.S. and across Texas. According to first quarter 2025 house price index data, Texas house prices grew below the national average (Figure 7), but price growth was positive at the state level. The Austin metropolitan area experienced the slowest growth and remains the only large Texas metropolitan area in negative territory.



The average mortgage rate remains elevated and continues to create headwinds in the housing market. The mortgage spread, conventionally defined as the difference between the average 30-year mortgage rate and the ten-year Treasury yield, indicates an interest rate premium paid by mortgage borrowers. Although the mortgage spread remains well above its typical range of around 150-175 bps, it has been steadily declining since the middle of 2023 (Figure 8). This means the mortgage rate could follow the ten-year Treasury yield more closely as the economic expansion matures.



TEXAS HOUSING INSIGHT (EXCERPTS)
Texas A&M University – Texas Real Estate Research Center
Yanling Mayer (May 27, 2025)

Summary
Total home sales declined in first quarter 2025. The recent surge in inventory was not enough to counteract a slowdown in home sales, with February and March contributing to the overall decline. As mortgage rates held high near 6.75% and 7%, the slowdown in sales underscored ongoing affordability challenges weighing on buyer demand.

New listings entering the market continue to accelerate at a record pace, contributing to rapid inventory growth and pushing availability to its highest levels since the 2007-08 housing crash. The current rate of inventory growth is nearly double that of the build-up during the Great Financial Crisis, when foreclosures flooded the market and demand plummeted.

Entry-level homes lead the surge in inventory growth, underscoring how high mortgage rates have disproportionately impacted first-time and moderate-income homebuyers who often have limited savings and rely heavily on financing.

High inventory and slow sales have motivated sellers to slash prices at record rates to attract buyers. Price cuts in 1Q2025 accelerated compared to 2023 and 2024, reaching their highest since 2011, a period marked by widespread foreclosures and a sharp decline in housing activity.

The Federal Reserve's latest decision to hold interest rates steady at 4.25% to 4.5% means mortgage rates will remain elevated this spring and likely beyond, offering no relief from high borrowing costs while further limiting affordability and dampening demand. Whether this move—eliminating interest rate uncertainty—will encourage previously hesitant buyers to re-enter the market remains to be seen with the incoming data. While affordability is unlikely to improve soon, current inventory conditions have put pressure on sellers, giving buyers more room to negotiate lower prices.

Slow First Quarter Sales
Despite the surge in inventory in recent months, total home sales declined in first quarter 2025, weighed down by weak home sales in February and March.

Mar-2025	Monthly Closed Sales	Year-Over-Year % *vs. Mar 2024*	Year-To-Date % *vs. Q1 2024*	Median Sale Price
Texas	28,190	(1.8%)	(1.7%)	$340,000
U.S.	315,000	(3.1%)	(2.2%)	$403,700

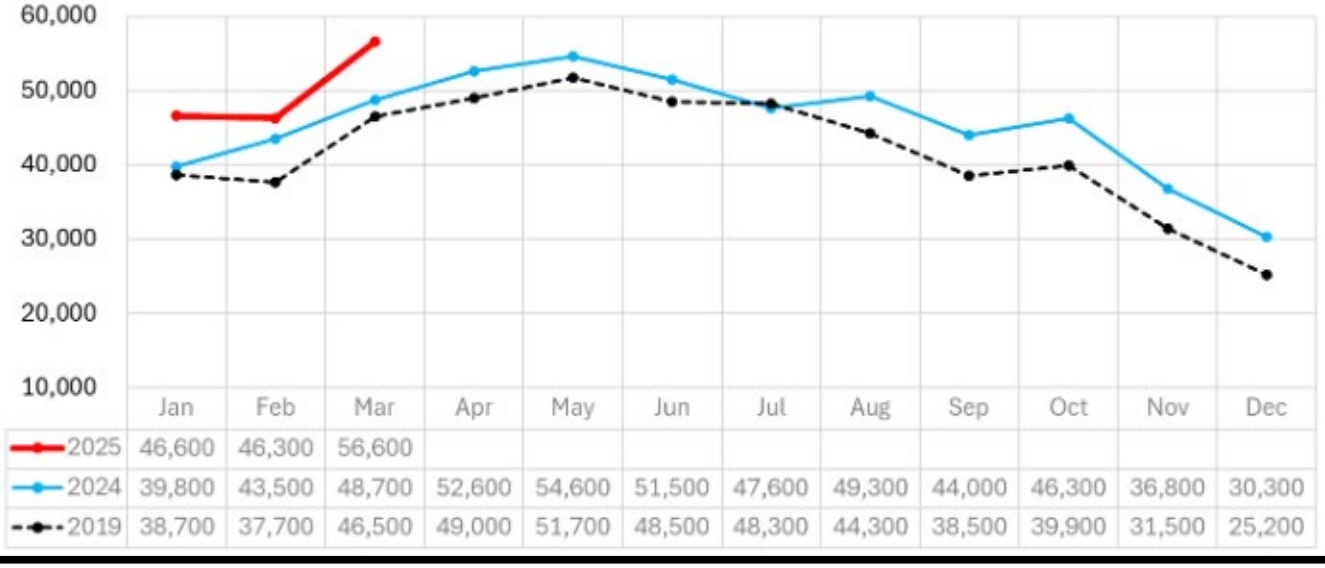
A total of 28,020 home sales (including new and existing homes) were recorded statewide, comprising 8.9% of homes sales nationwide.

- *March home sales declined 1.8% from last year, contributing to the 1.7% decline in 1Q home sales.*
- *March home sales increased month-over-month (MoM) from February (not shown), but the seasonal momentum was softer than normal.*
- *Nationally, March and 1Q home sales were down at 3.1% and 2.2%, respectively, weighed down by weak home sales in Southern states, according to the National Association of Realtors.*
- *Statewide median sales price was $340,000, up by 1% from a year ago ($336,600). The national median home was $403,700.*

New Listing Drive Continued Inventory Growth

The rise in new listings continues to drive rising inventory availability. As highlighted in the January and February issues of Texas Housing Insights, inventory has reached its highest level since 2016, driven in part by the influx of new listings.

Figure 1: Rising New Listings Now Exceed Pre-Pandemic Rates



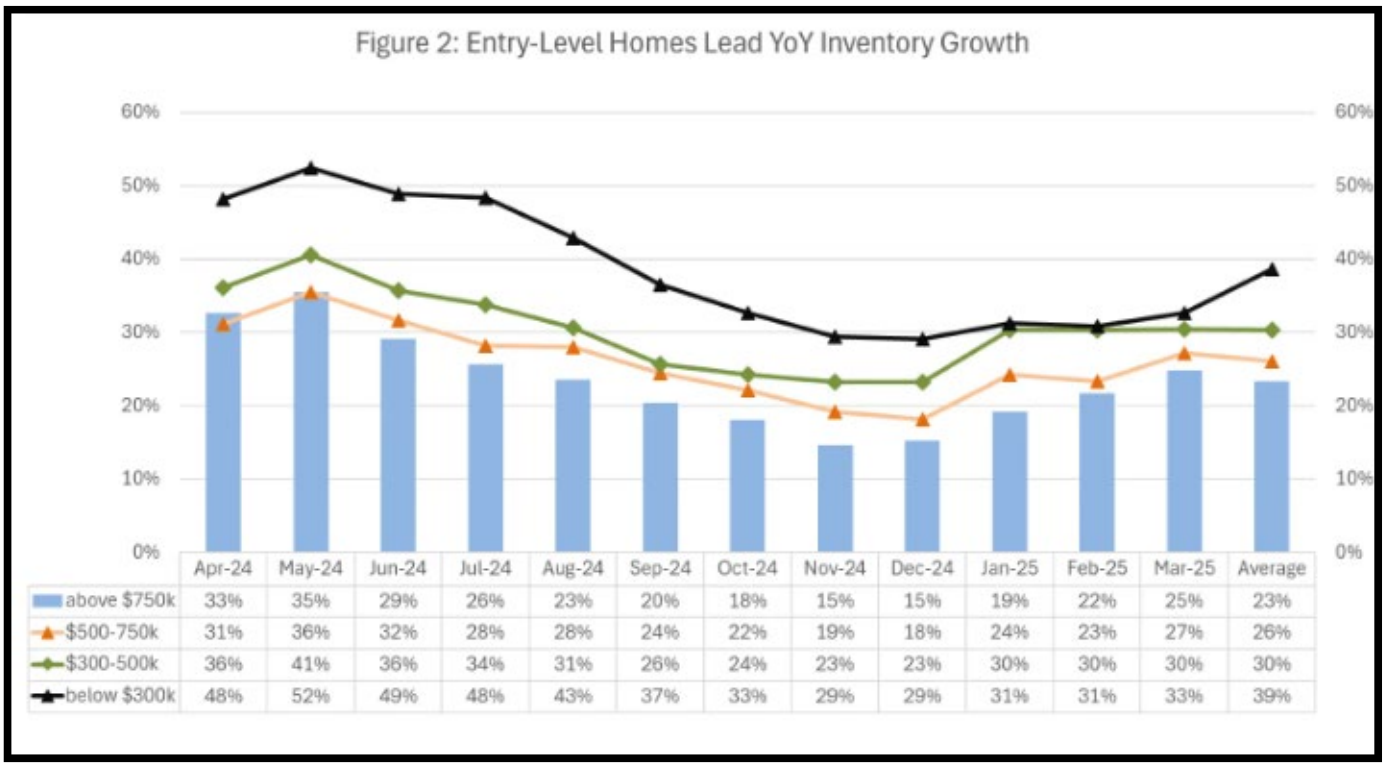
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2025	46,600	46,300	56,600									
2024	39,800	43,500	48,700	52,600	54,600	51,500	47,600	49,300	44,000	46,300	36,800	30,300
2019	38,700	37,700	46,500	49,000	51,700	48,500	48,300	44,300	38,500	39,900	31,500	25,200

In Figure 1:

- *New listings surged by 16.2% year-over-year (YoY) in March following increases of 6.4% in February and 17.1% in January. These gains sent 1Q new listings to 13.3% above 1Q2024 levels.*
- *March and 1Q new listings surpassed pre-pandemic levels by approximately 22%.*
- *With the current surge in new listings and slowing demand, inventory is on track to expand and push availability to new highs.*

Entry-Level Homes Lead Inventory Surge

Total active inventory has been rising at an average of 31% YoY since spring 2024, reaching 132,140 at the end of March. The current pace of inventory growth is nearly double that of the build-up following the 2007-08 housing market crash and the Great Financial Crisis. When broken down by different price tiers, entry-level homes have seen fastest accelerations in inventory growth.



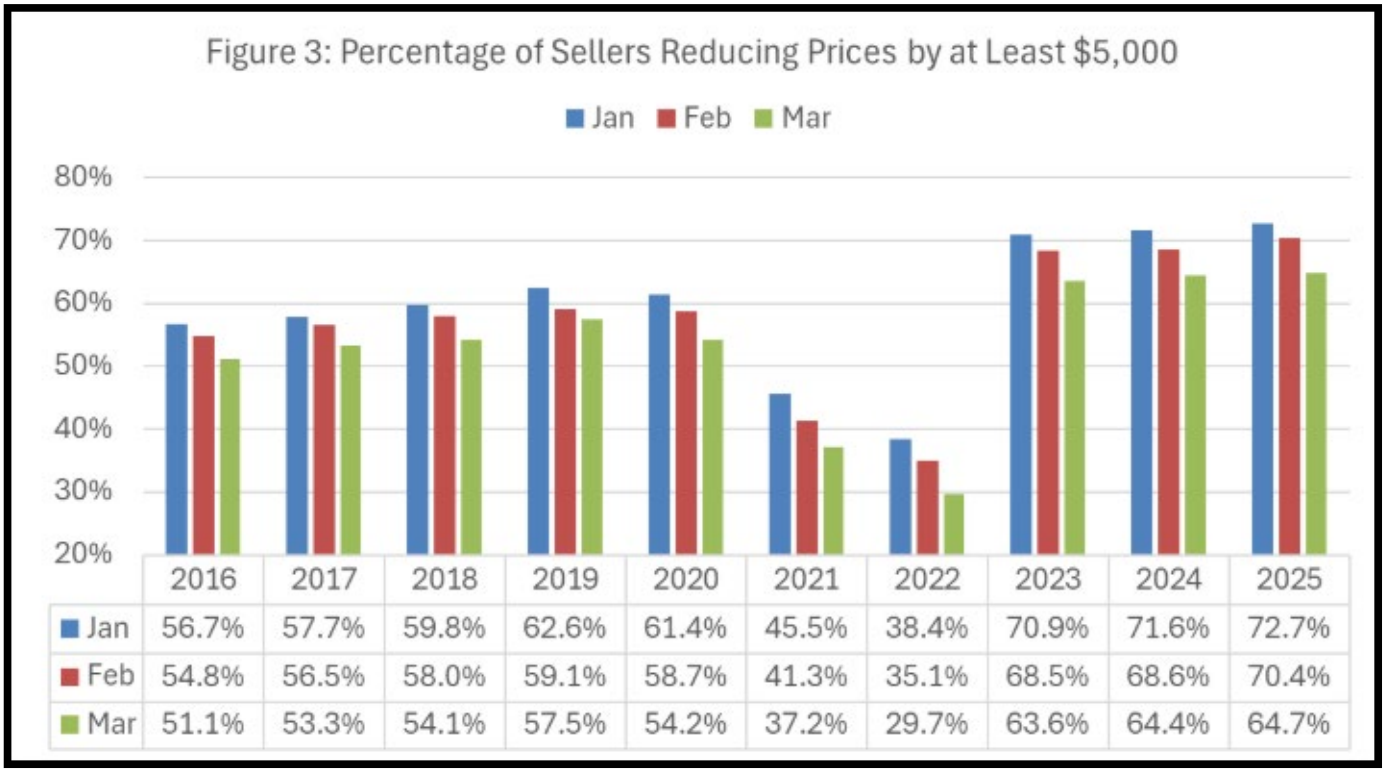
	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Average
above $750k	33%	35%	29%	26%	23%	20%	18%	15%	15%	19%	22%	25%	23%
$500-750k	31%	36%	32%	28%	28%	24%	22%	19%	18%	24%	23%	27%	26%
$300-500k	36%	41%	36%	34%	31%	26%	24%	23%	23%	30%	30%	30%	30%
below $300k	48%	52%	49%	48%	43%	37%	33%	29%	29%	31%	31%	33%	39%

In Figure 2:

- *Entry-level homes (listing price below $300,000) have shown the steepest inventory accelerations, reaching an average of 39% YoY since April 2024. While still reflecting a record-setting pace, inventory growth of other price tiers was not as rapid as entry-level homes.*
- *In March, entry-level home inventory increased 33% YoY, followed by a 30% rise for homes listed between $300,000 and $500,000, 27% for homes priced between $500,000 and $750,000, and 25% for homes listed above $750,000.*
- *Not shown: Entry-level homes accounted for 34% of all active listings. The remaining 66% is distributed as follows: 37% in the low mid-price range ($300,000-$500,000), 16% in the high mid-price range ($500,000-$750,000), and 13% in the top price tier (above $750,000).*

More Sellers Are Cutting Prices amid Wak Sales and Rising Inventory

High inventory and weak demand have motivated sellers to slash prices at record rates to attract buyers. More than 70% of closed sales in 1Q cut prices by $5,000 or more. The rate of price cuts was even slightly higher than in 1Q2011, a time when foreclosure rates were high. As highlighted in the January and February Texas Housing Insights, recent market indicators—including inventory buildup, days on market (DOM), and inventory turnover ratios—reveal home sales are at their slowest rates since 2016 while homes are sitting on the market longer than usual, prompting sellers to cut prices to attract offers.



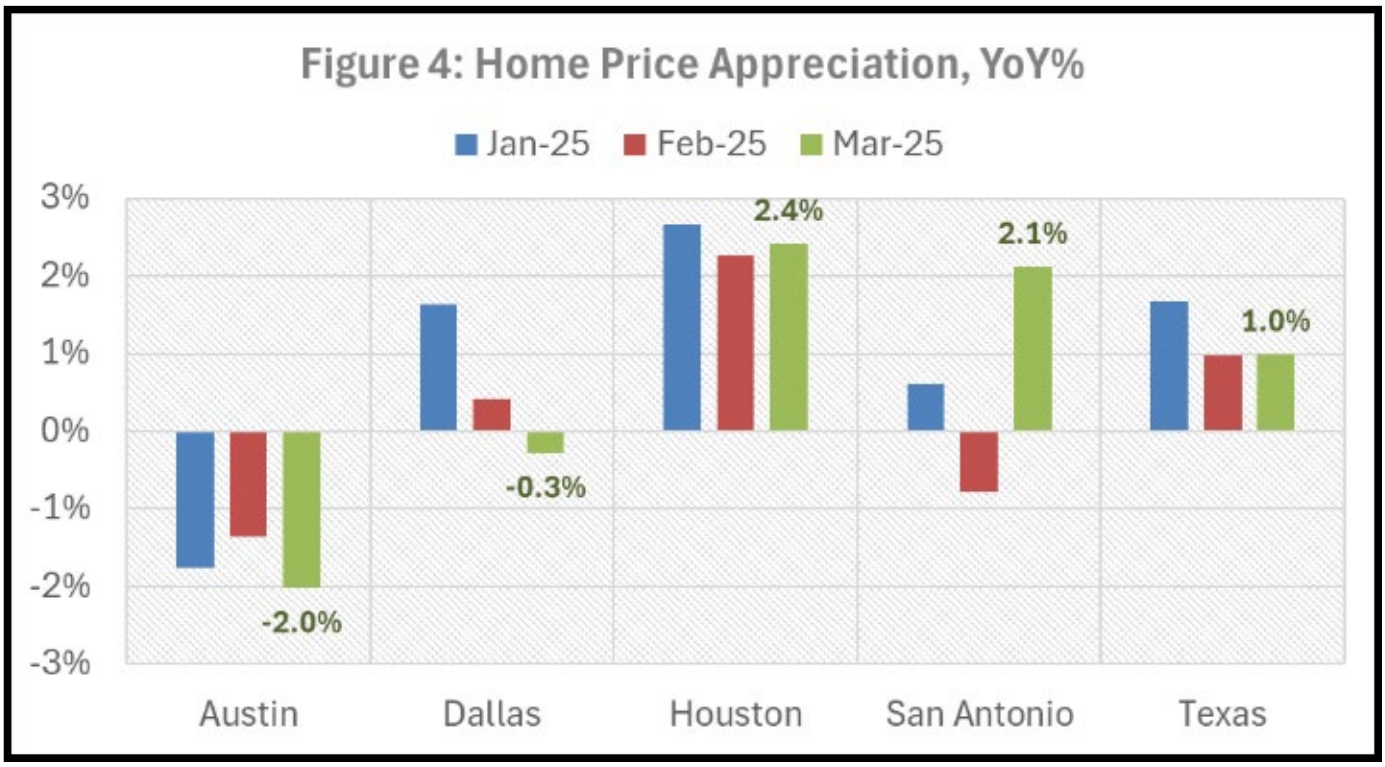
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Jan	56.7%	57.7%	59.8%	62.6%	61.4%	45.5%	38.4%	70.9%	71.6%	72.7%
Feb	54.8%	56.5%	58.0%	59.1%	58.7%	41.3%	35.1%	68.5%	68.6%	70.4%
Mar	51.1%	53.3%	54.1%	57.5%	54.2%	37.2%	29.7%	63.6%	64.4%	64.7%

In Figure 3:

- *In March, 64.7% of home sales saw price reductions of at least $5,000. In January and February, the percentage of sales with price cuts was higher, at 72.7% and 70.4%, respectively. Slower winter sales months typically see more price cuts by sellers.*
- *Sellers have become more aggressive with price reductions than in 2024 and 2023. Not shown: In March, median price reductions were $12,500, compared to $10,000 in March 2024.*
- *As a percentage, the median price reduction amounted to 3.6% of the listing price.*
- *Price reductions have reached their highest levels compared to the pre-pandemic market or to 2023 and 2024.*

Houston Leads with Steady Home Price Appreciation

The Texas Real Estate Center Home Price Index (Texas HPI) continues to capture steady prices with gradual home price appreciation across the state. In March, the Texas HPI recorded a 1% increase YoY after rising at a similar pace in January (1.7%) and February (1%).



In Figure 4:

- *Houston continues to lead with the largest YoY increase at 2.4%, making the 17th consecutive month of steady-pace upward momentum in home prices.*
- *In Dallas, home prices weakened over the past three months, driven by rapid inventory growth, especially in the Dallas-Plano-Irving area.*
- *The March San Antonio HPI recorded a 2.1% YoY increase. Compared to Dallas, Houston, and Austin, San Antonio's HPI tend to exhibit greater volatility, as reflected in its fluctuating YoY trends over the past three months. Overall, the city's 1Q2025 home prices rose 0.7% YoY.*
- *As of March 2025, Austin continues to experience a modest 2% price decline YoY.*

Local Housing Markets Indicators

March 2025 Inventory Velocity

Texas Metros	Active Listings	Active Listings YoY%	New Listings YoY%
Dallas-Fort Worth-Arlington	29,819	36.1%	18.6%
Statewide	132,140	29.7%	17.1%

Source: Texas Real Estate Research Center

New Construction Year-to-Date (January through March 2025)

Building Permits	Year-to-Date (YTD)	YTD% from a Year Ago	Permit Unit Value $
Dallas-Fort Worth-Arlington	10,988	(10.0%)	$299,484
Statewide	38,426	(6.8%)	$289,307

Note: Texarkana, Victoria, and Eagle Pass have few building permits authorized and are not reported.
Source: U.S. Census Bureau

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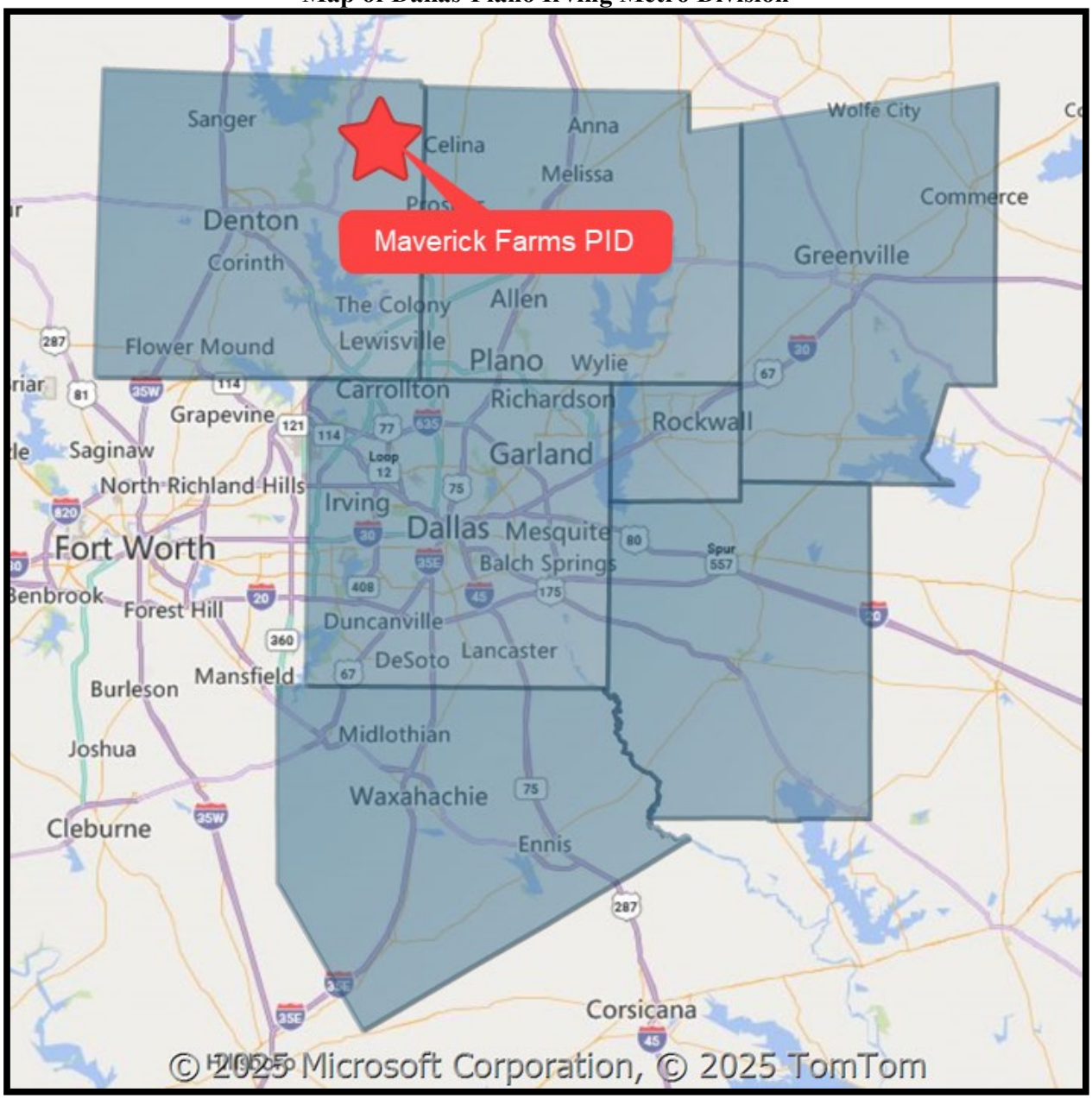
Source: U.S. Census Bureau

DALLAS-PLANO-IRVING METRO DIVISION QUARTERLY HOUSING REPORT (EXCERPTS)
Texas A&M University – Texas Real Estate Research Center
(First Quarter, 2025)

Executive Summary

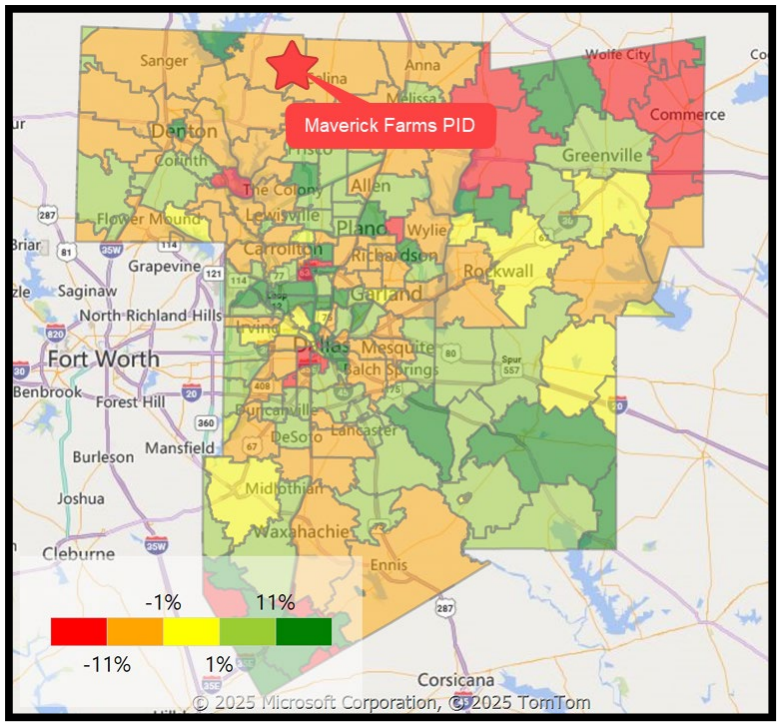
- *Metro area sales volume increased 0% to 13,424 transactions. Median price decreased 0.1% year-over-year to $412,400.*
- *2025 Q1 months inventory for all residential properties rose 38.3% year-over-year to 4 months.*
- *Metro area residential property listings increased 42.8% year over-year to 20,678 active listings.*

Map of Dallas-Plano Irving Metro Division



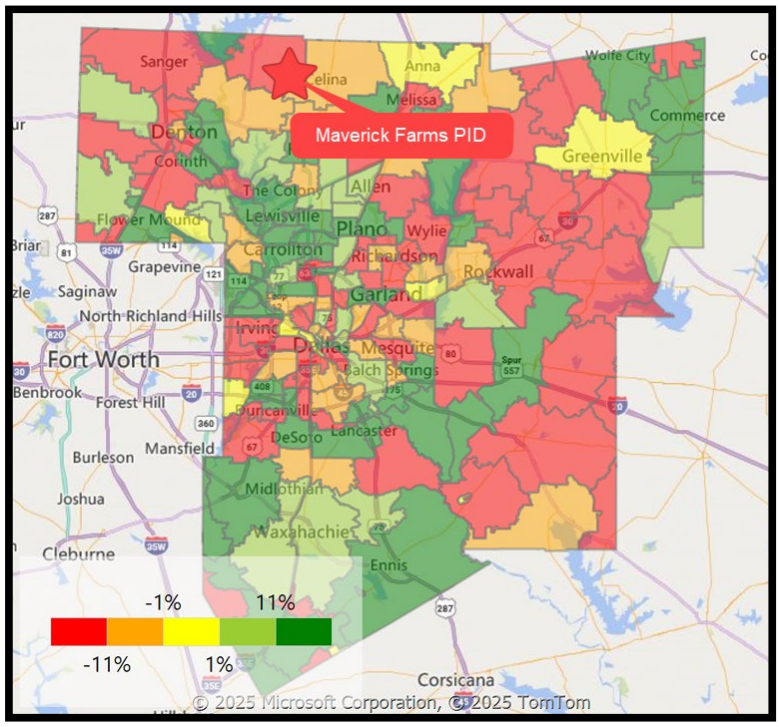
Median Price Change (YoY)

According to TREC, median sale price change year-over-year (YoY) in the subject's market area near Maverick Farms PID decreased between 1% and 11%.

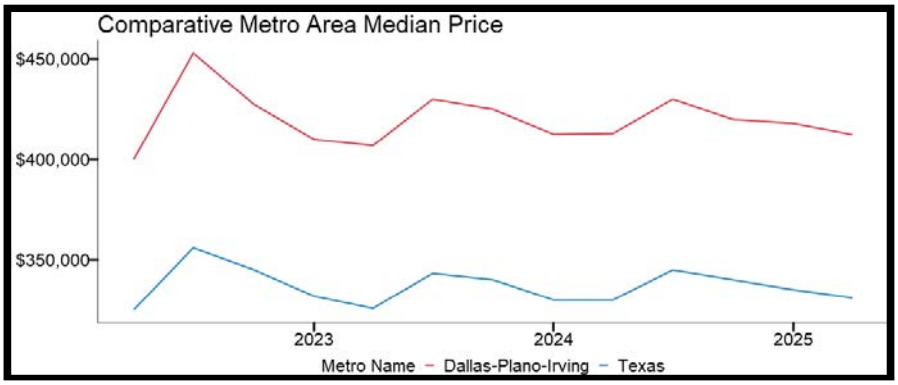


Sales Volume Change (YoY)

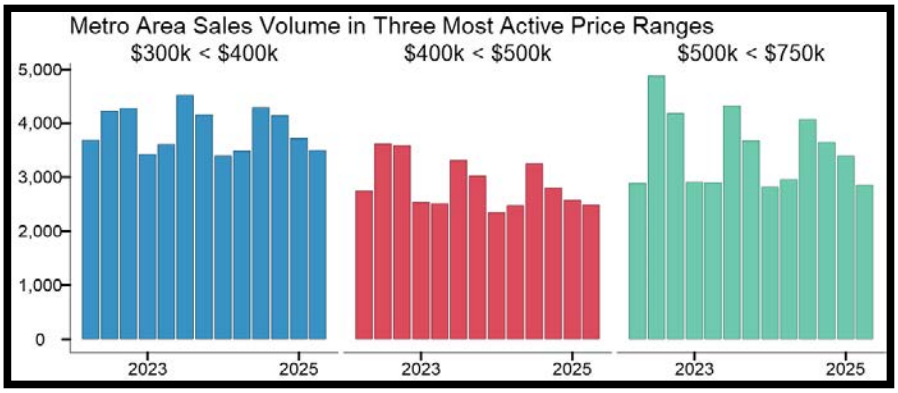
According to TREC, sales volume change year-over-year (YoY) in the subject's area near Maverick Farms PID decreased more than 11%.



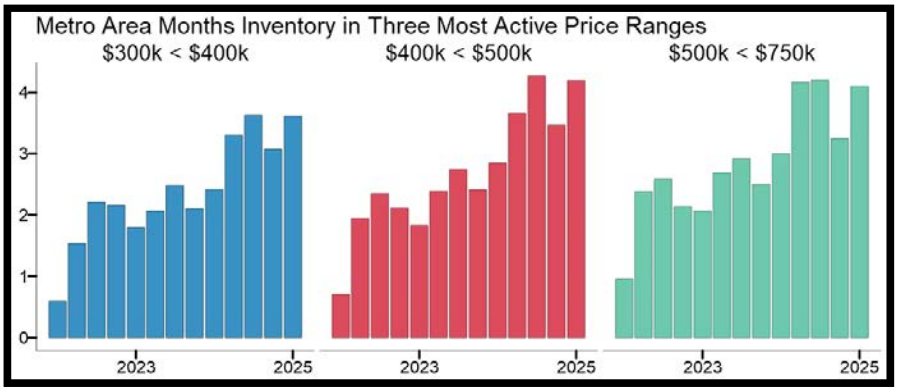
Median price in the Dallas-Plano Irving metro decreased by approximately 0.1% year-over-year, from $413,000 to $412,400. Metro area price exceeded the statewide median price of $331,000 by $81,400 as shown in the following chart:



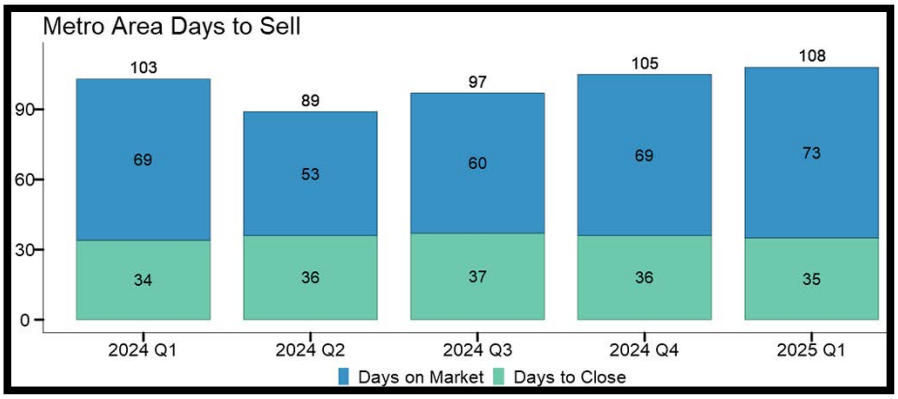
2025 Q1 total sales volume increased by approximately 0% year-over-year, from 13,423 to 13,424. Sales of homes between $300k and $400k rose from 3,492 to 3,500, while homes between $500k and $750k dipped from 2,958 to 2,858, and homes between $400k and $500k rose from 2,469 to 2,482 as shown in the following graph:



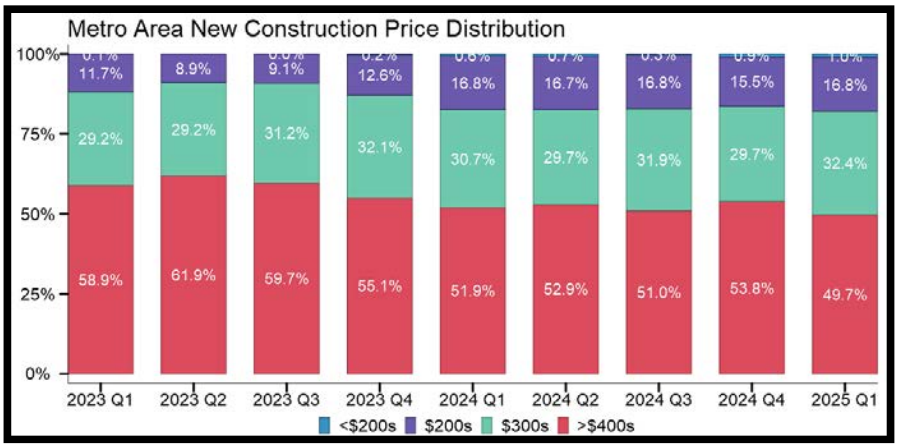
Metro area months inventory increased year-over-year from 2.89 to 4 months. Homes between $300k and $400k rose year-over-year, from 2.41 to 3.61 months, while homes between $500k and $750k rose year-over-year, from 3 to 4.1 months and homes between $400k and $500k rose year-over-year, from 2.84 to 4.19 months as shown in the following graph:



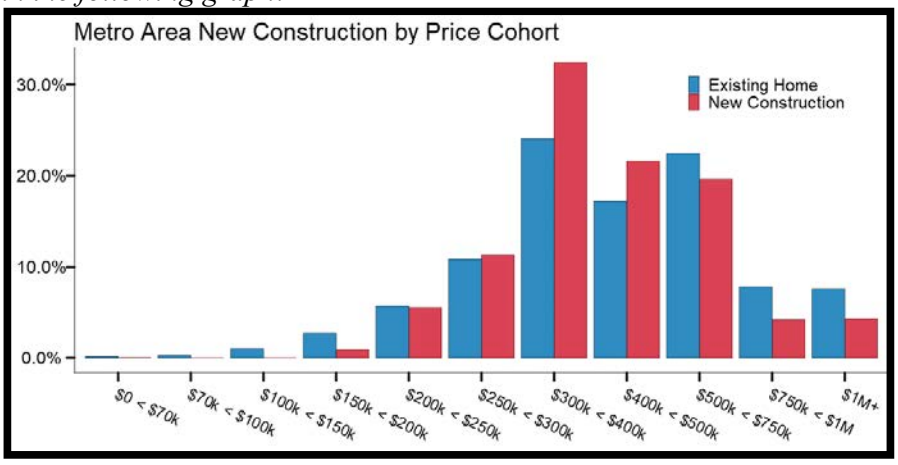
Average days to sell throughout the metro area increased from 87 to 97 days, an increase of 11.5%-year over-year. Average days to sell for homes between $300k and $400k increased from 84 to 95 days, a 13.1% increase year-over-year as shown in the following graph:



Homes in the $400s and above fell to 49.7% of single-family new construction sales through the MLS. The second most active price range was homes in the $300s, which grew from 30.7% to 32.4% year-over-year as shown in the following graph:



In the latest quarter, the average price was $485,688 for new homes sold through the MLS, a decrease over last year's figure of $488,832. Average price for existing homes was $543,722, an increase over last year's figure of $528,019 as shown in the following graph:



The following chart shows the housing metrics for Denton County:

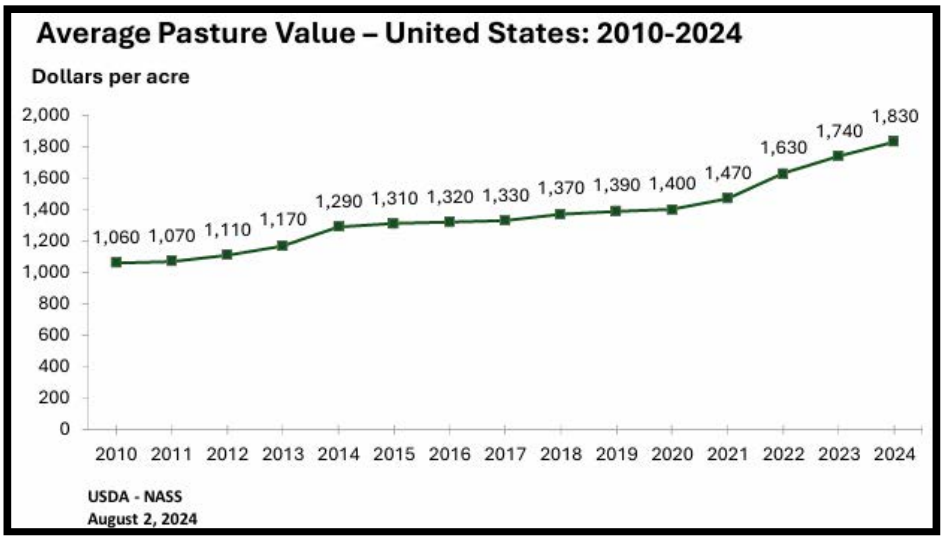
Denton County

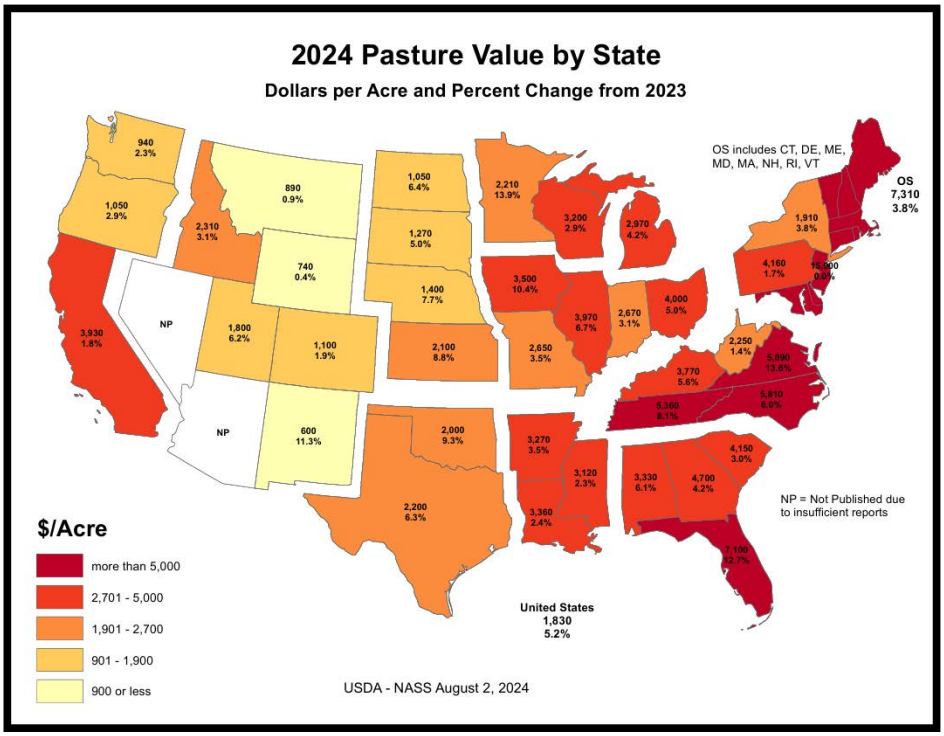
Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	2	100%	0%	***	***	***	***	1	1.7	***	***
$70k < $100k	1	0%	0%	***	***	***	***	0	0.0	***	***
$100k < $150k	5	25%	0%	$135,000	8%	$147.92	16%	3	3.0	832	1959
$150k < $200k	11	0%	0%	$185,000	3%	$146.69	-17%	17	4.1	1,193	1962
$200k < $250k	60	50%	2%	$230,000	-2%	$170.10	-16%	47	3.0	1,311	1980
$250k < $300k	222	28%	7%	$280,495	0%	$195.39	-2%	153	2.2	1,434	2006
$300k < $400k	865	-2%	29%	$353,000	0%	$193.49	1%	966	3.1	1,817	2013
$400k < $500k	665	1%	22%	$444,717	1%	$195.88	-2%	1,088	4.3	2,278	2018
$500k < $750k	743	-6%	25%	$590,000	1%	$206.00	0%	1,133	3.6	2,879	2016
$750k < $1M	246	9%	8%	$840,000	0%	$240.10	0%	431	3.9	3,538	2014
$1M+	202	4%	7%	$1,300,500	4%	$313.29	6%	470	5.5	4,244	2016

*** Not displayed when fewer than five sales

USDA NASS

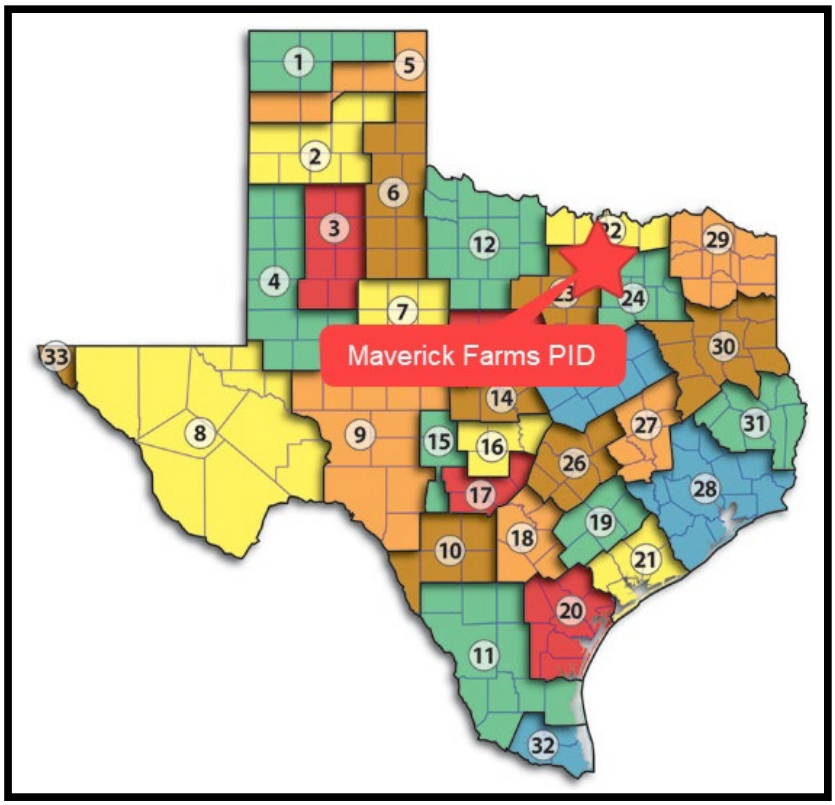
We reviewed research from the Texas A&M Real Estate Center, the United States Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS), and the Texas Chapter of the American Society of Farm Managers & Rural Appraisers to establish the market trends of rural land transactions. According to the USDA NASS, the value of a typical US pasture (measuring land) averaged $1,830 per acre for 2024. Below shows the average pasture value national and by state which was $2,200/acre in Texas – up 6.3% annually

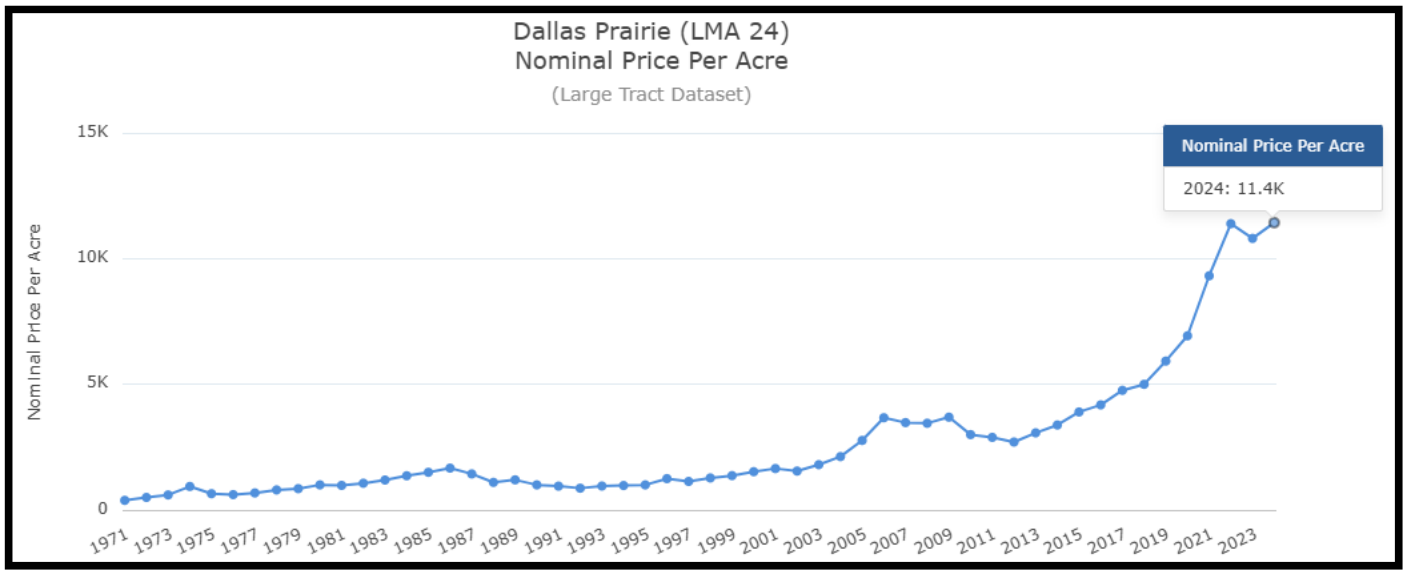




Texas Real Estate Research Center – *Texas Rural Land Value Trends*

According to the Texas A&M Real Estate Center, the nominal median price per acre in the area around the subject property – Dallas Prairie increased 5.79% in 2024. Prices from 2023 were down -5.13%. This shift in change can be attributed to the continued relocation of out-of-state home buyers to the Dallas-Fort Worth Market. Our research shows that this increase in prices in the subject's market area continues to reflect sales well into the second quarter of 2025.

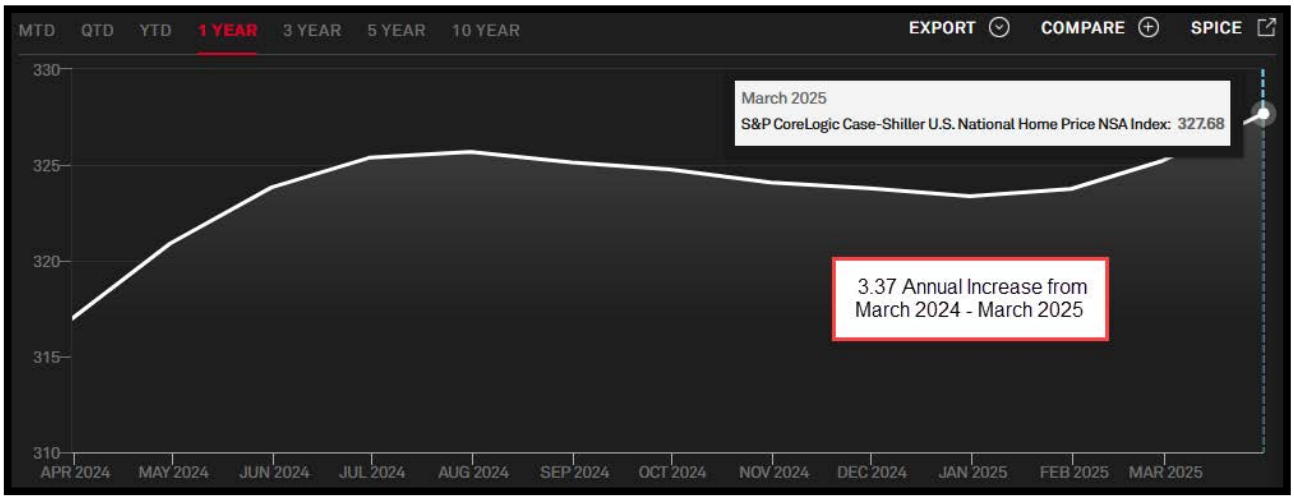


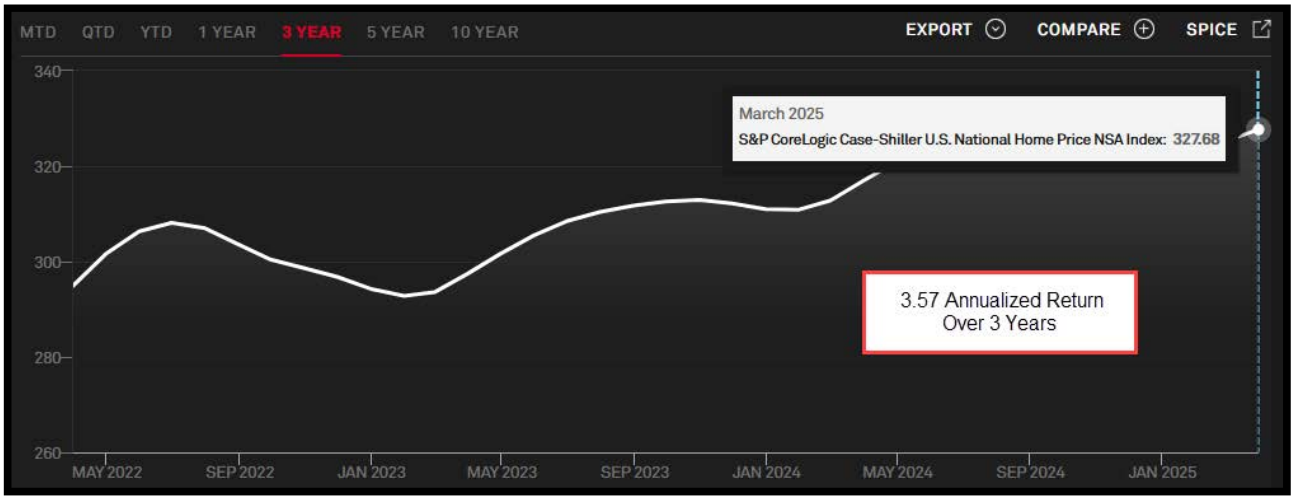


S&P CORELOGIC CASE-SHILLER INDEX

March 2025

Data reported from the Standard & Poor Dow Jones Indices (1-year and 3-year graphs shown below) from end of March 2025 showed that home prices nationally were up 3.37% YoY while the Dallas Metropolitan also increased by 0.19% (Dallas Metro). Prices have retreated in mostly the western and northern states; however, the southern region has remained steady compared to the national average.





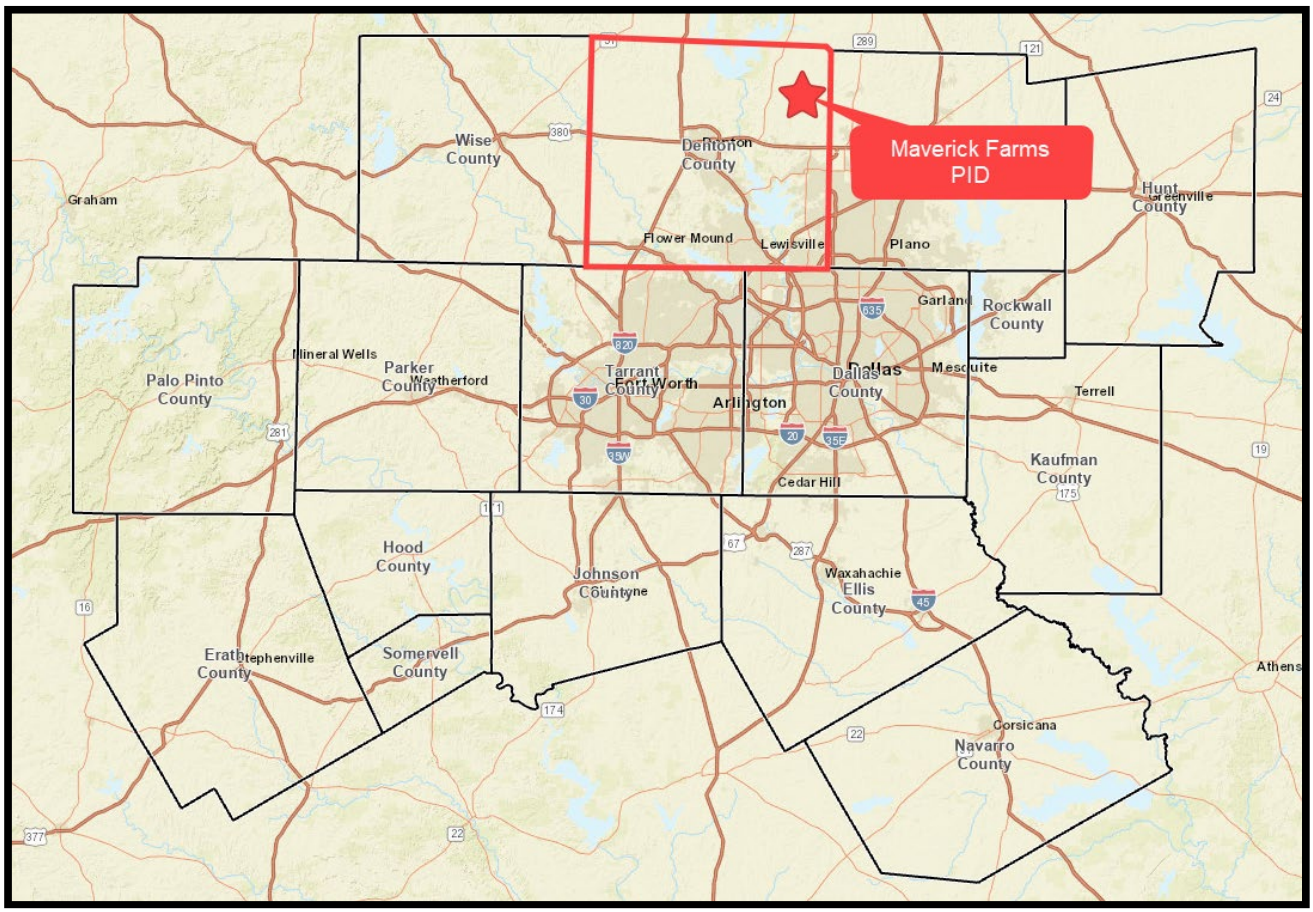
Metropolitan Area	March 2025 Level	March/February Change (%)	February/January Change (%)	1-Year Change (%)
Dallas	295.71	0.52%	0.12%	0.19%
Composite-10	358.64	1.20%	0.84%	4.76%
Composite-20	338.89	1.11%	0.73%	4.07%
U.S. National	327.68	0.76%	0.45%	3.37%

Sources: S&P Dow Jones Indices and CoreLogic
Data through March 2025

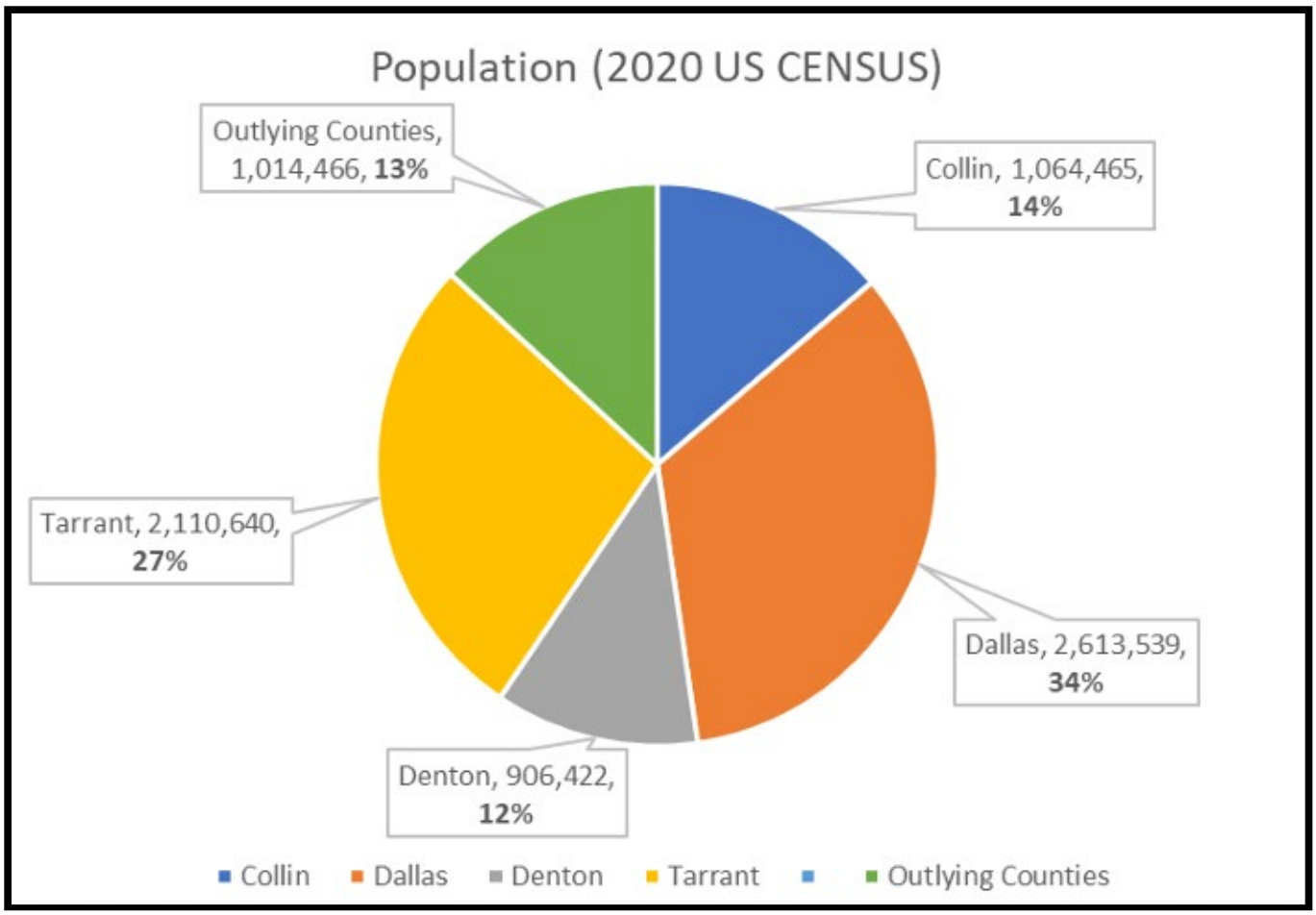
REGIONAL ANALYSIS

The subject is located in Denton County within the Dallas-Plano-Irving Metropolitan Statistical Area (MSA), often combined with the Fort Worth-Arlington-Grapevine MSA, and more commonly referred to as the Metroplex (DFW), which encompasses parts of 16 counties and contains 23 cities with populations over 50,000 in North Central Texas. As reported by the North Central Texas Council of Governments (NCTCOG), the estimated January 1, 2024, population for the NCTCOG region is 8,481,512. Last year the region added just under 200,000 people, nearly 40,000 more residents than were added in 2022. Dallas (30,201) added more population than any other city, followed by Fort Worth with just under 27,000 and surpassing 1 million residents. Celina (10,826), Frisco (6,696), and Princeton (6,374) round out the top 5 growth cities. For the second straight year, Collin County added more than 53,000 new residents while Dallas County added almost 42,000 and Tarrant County added over 35,000 new people. Since 2020, 650,000 new residents now call north Texas home. Contributing about one-third of Texas' GDP, the economy is the most diverse in the state. DFW is home to many business and professional services from major financial institutions to international law firms. It is also home to one of the top ranked container ports in the US and an extensive infrastructure network that serves multiple hotbeds for e-commerce fulfillment.

The region is anchored by two major passenger airports: Dallas-Fort Worth International Airport (DFW), which is the second busiest airport in the world in terms of aircraft movements and the largest hub for American Airlines, and Dallas Love Field Airport (DAL), which is a city-owned airport and the largest hub for Southwest Airlines – the largest carrier in the nation in terms of passengers carried.



When compared to the national economy, the DFW Metroplex is expected to experience expansion arising from growth in a variety of sectors including construction, transportation, manufacturing, finance, healthcare, business services, science and technology, education, and real estate. The expansion is fueled by the region's strategic location in the center of the country and is located at the nexus of major roadways such as Interstates 35, 30, 20, and 45. It is predicted by most analysts that economic activity in the area will exceed the state and national growth averages across most indicators. The region is set for long-term development due in part to its transportation infrastructure, low cost-of-living, business friendly regulatory environment, mild weather, young population, and large work force. A chart of the four counties in the Metroplex, with the highest populations is shown below. Dallas County is the most populated county in the region with 2,613,539 residents, followed closely by Tarrant County with 2,110,640, Collin County with 1,064,465, and Denton County with 906,422. Other outlying counties such as Ellis, Johnson, Parker, Kaufman, Rockwall, Wise etc. add up to another 1,014,476 residents. The subject property is in the northeast area of Denton County.

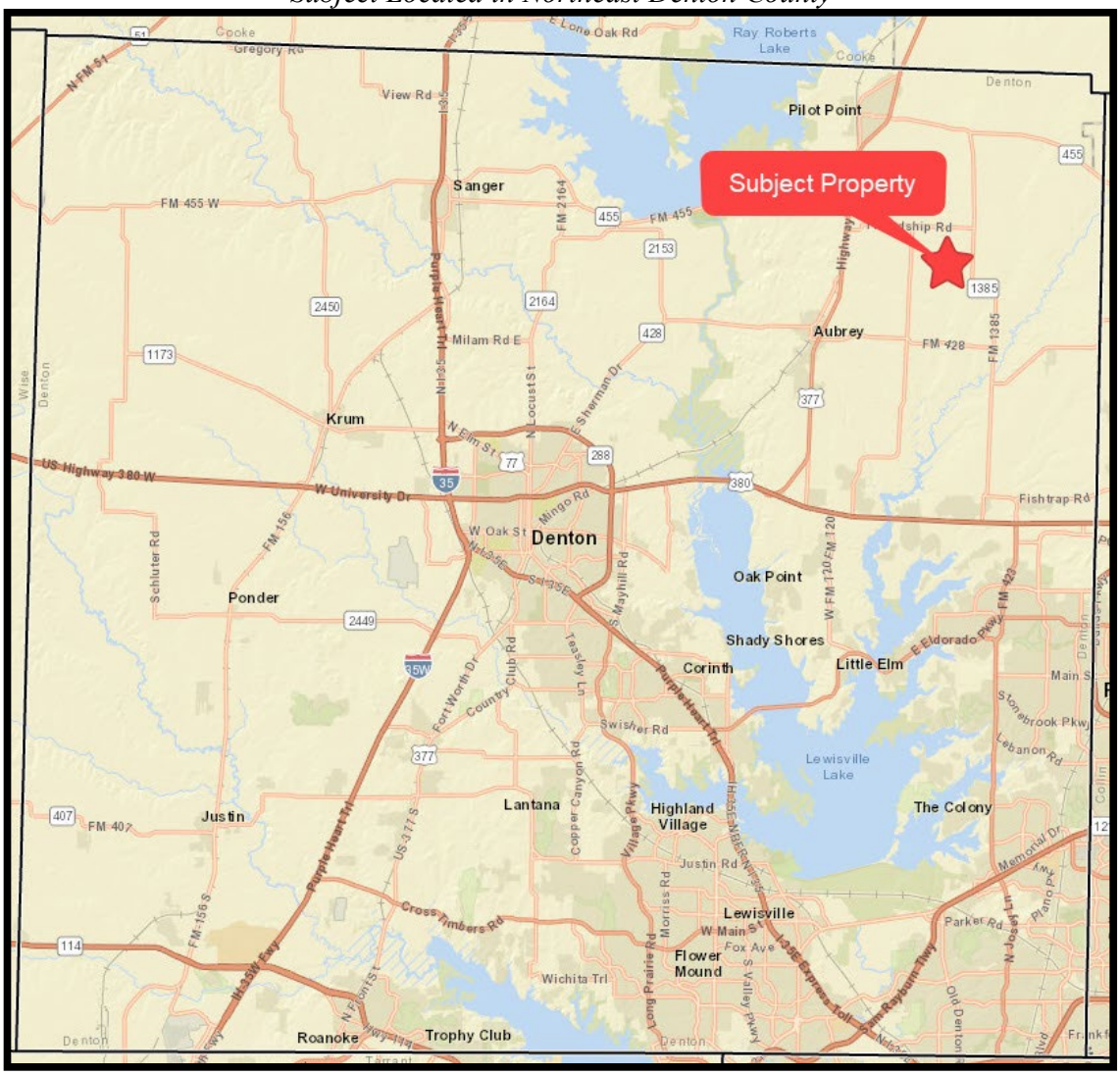


DENTON COUNTY OVERVIEW

Denton County, located in north-central Texas, is a rapidly growing part of the Dallas-Fort Worth metroplex. The county seat, Denton, is known for its lively arts scene, historic downtown, and educational institutions like the University of North Texas and Texas Woman's University. As of the 2020 census, Denton County had a population of 906,422, making it the seventh-most populous county in Texas. The county's growth has been fueled by its strategic location, diverse economy, and high quality of life. Geographically, Denton County covers approximately 953 square miles, featuring a mix of urban and rural landscapes. The county is home to significant bodies of water, including Lewisville Lake and Lake Ray Roberts, which provide recreational opportunities. The terrain includes parts of the Grand Prairie and the Texas Blackland Prairies. The county's economy is bolstered by sectors such as education, healthcare, retail, and technology, with a growing emphasis on sustainable development. Additionally, Denton County's cultural diversity is reflected in its numerous festivals, community events, and a strong sense of community among its residents.

MAP OF DENTON COUNTY

Subject Located in Northeast Denton County



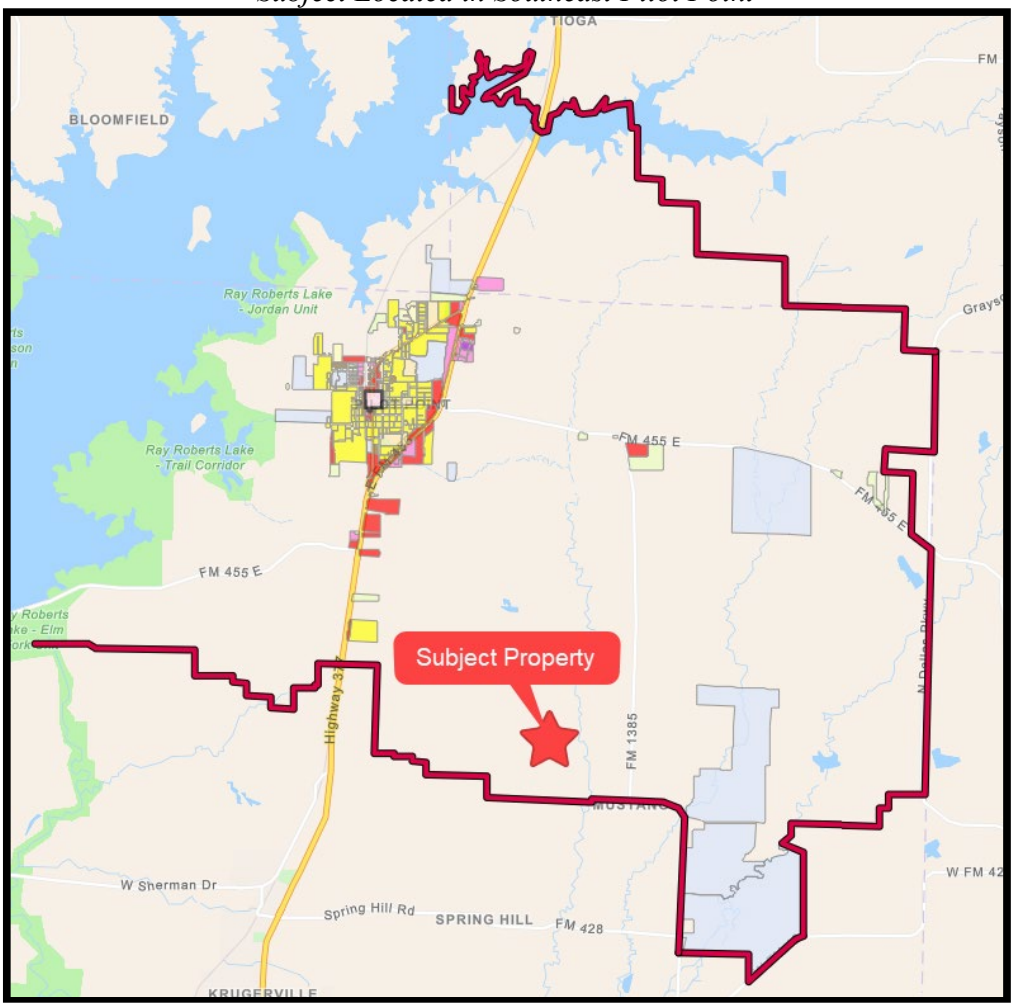
CITY OF PILOT POINT OVERVIEW

Pilot Point, Texas, is located in Denton County, about 50 miles north of Dallas. Known for its rich history, Pilot Point was established in 1845 and has grown into a community that values its heritage while embracing modern development. The city is home to the Pilot Point Commercial Historic District, which features well-preserved buildings from the late 19th and early 20th centuries. This area is a focal point for local events and festivals. Additionally, the downtown area boasts a variety of local businesses, including antique shops, cafes, and boutiques.

Pilot Point offers a variety of outdoor activities, with its proximity to Lake Ray Roberts. The lake provides opportunities for fishing, boating, and camping, making it a popular destination for both residents and visitors. The Ray Roberts Lake State Park, which encompasses parts of the lake, offers hiking and equestrian trails, picnic areas, and wildlife viewing opportunities. The city's location along U.S. Highway 377 and Farm Road 455 also makes it a convenient spot for travelers exploring the North Texas region. With a population of around 4,381 as of the 2020 census, Pilot Point maintains a close-knit community atmosphere while continuing to grow and develop. The local schools, parks, and community centers play a significant role in fostering a sense of community and providing residents with a high quality of life.

MAP OF THE CITY OF PILOT POINT

Subject Located in Southeast Pilot Point

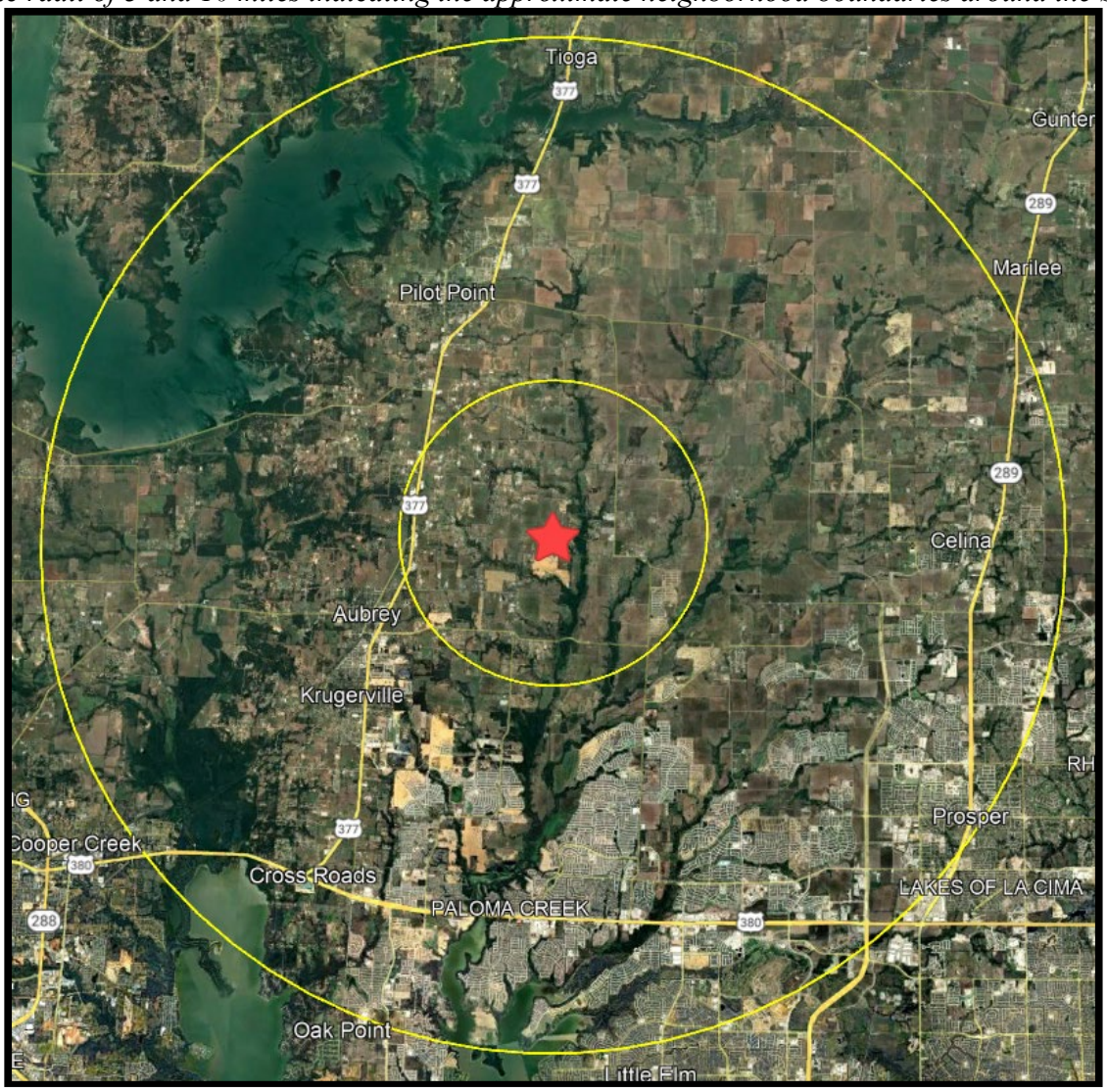


NEIGHBORHOOD ANALYSIS

A neighborhood may be defined as a section of a community or an entire community. It refers to relatively unified areas with definite boundaries which exhibit a fairly high degree of homogeneous uses – basically a group of complimentary land uses that exhibit a greater degree of commonality than the larger area. The boundaries of a neighborhood define the geographical area which exerts influence on the value of the subject property. Maverick Farms PID is located within the City of Pilot Point, Denton County, Texas.

NEIGHBORHOOD MAP

Geographic radii of 3 and 10 miles indicating the approximate neighborhood boundaries around the Subject



	3 Miles	10 Miles
North	Fouch Road	Tioga, Texas
East	Hames Road	Celina, Texas
South	Farm-to-Market 2931	Little Elm, Texas
West	State Highway 377	Farm-to-Market 2153

NEIGHBORHOOD DEMOGRAPHICS

The subject is located in census tract 0201.29 with the FFIEC Geocode Census Report shown on the following page. The census tract report for 0201.29 indicates that 4,232 people reside in the tract and family median income levels are in the middle tier with estimated median family incomes of $111,624. Within census tract 0201.29, approximately 74% of housing units are owner-occupied with 12% being renter-occupied and 14% being vacant. These housing and demographics statistics indicate that the immediate vicinity is primarily rural with agricultural uses and jobs.

Census Tract 0201.29 Map

Tract 0201.29 Census Report

FFIEC

2024 FFIEC Geocode Census Report

Address: Selected Tract
MSA: 19124 - DALLAS-PLANO-IRVING, TX
State: 48 -
County: 121 - DENTON COUNTY
Tract Code: 0201.29

Summary Census Demographic Information

Tract Income Level	Middle
Underserved or Distressed Tract	No
2024 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$110,300
2024 Estimated Tract Median Family Income	$111,624
2020 Tract Median Family Income	$89,375
Tract Median Family Income %	101.20
Tract Population	4232
Owner-Occupied Units	676
1- to 4- Family Units	915

Census Income Information

Tract Income Level	Middle
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$88,315
2024 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$110,300
% below Poverty Line	11.16
Tract Median Family Income %	101.20
2020 Tract Median Family Income	$89,375
2024 Estimated Tract Median Family Income	$111,624
2020 Tract Median Household Income	$89,219

Census Population Information

Tract Population	4232
Number of Families	520
Number of Households	787

Census Housing Information

Total Housing Units	915
1- to 4- Family Units	915
Median House Age (Years)	20
Owner-Occupied Units	676
Renter Occupied Units	111
Owner Occupied 1- to 4- Family Units	676
Inside Principal City?	NO
Vacant Units	128

DEMOGRAPHIC SUMMARY

Analytics from CoStar of the area are provided below. Within a 10-mile radius of the subject there are 196,969 people which represents a 8.80% annual increase in population since 2020 and highlights steady growth that has occurred in this portion of the Dallas-Fort Worth Area. The population growth is expected to slow slightly in the coming years and grow another 7.70% annually over the next five years. Median household incomes in the 10-mile radius is $121,234.

Population	2 miles	5 miles	10 miles
2020 Population	807	11,115	145,481
2024 Population	719	15,736	196,969
2029 Population Projection	934	21,830	273,150
Annual Growth 2020-2024	-2.7%	10.4%	8.8%
Annual Growth 2024-2029	6.0%	7.7%	7.7%
Median Age	50	38.7	36.8
Bachelor's Degree or Higher	30%	35%	47%
U.S. Armed Forces	0	7	321

Income	2 miles	5 miles	10 miles
Avg Household Income	$126,777	$107,335	$143,714
Median Household Income	$123,999	$85,922	$121,234
< $25,000	34	594	3,416
$25,000 - 50,000	11	1,069	5,208
$50,000 - 75,000	23	781	6,489
$75,000 - 100,000	47	840	7,493
$100,000 - 125,000	25	410	10,109
$125,000 - 150,000	80	544	7,467
$150,000 - 200,000	23	874	10,287
$200,000+	35	510	11,916

EMPLOYMENT DATA

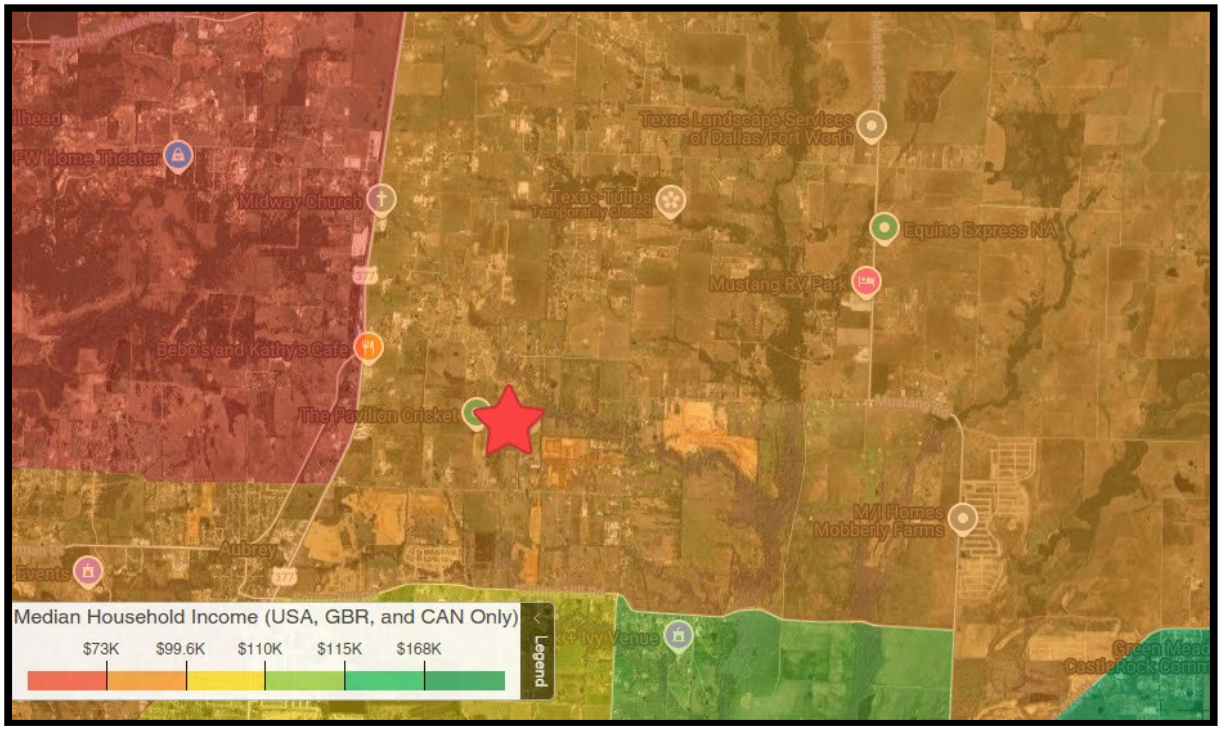
A table of the 2, 5, and 10-mile radius employment figures are shown below. The numbers highlight the area's economy with most employees in the area surrounding the subject in service-producing industries.

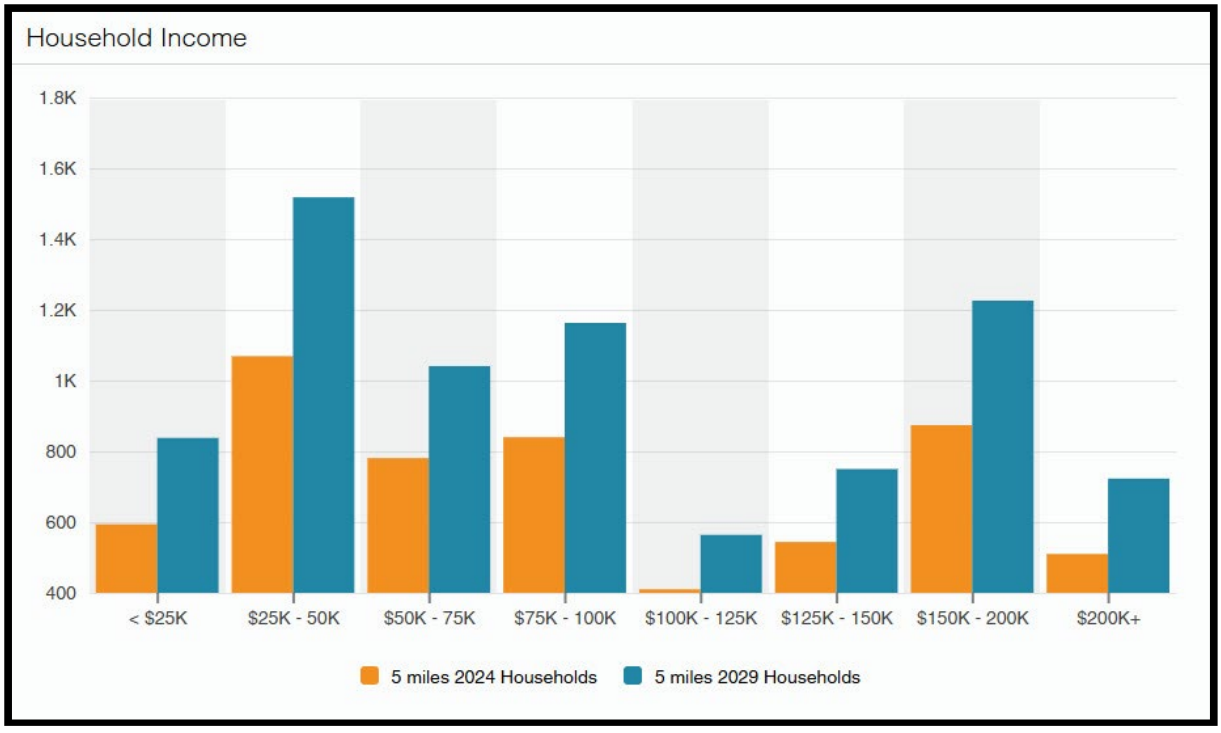
Daytime Employment

Radius	2 miles		5 miles		10 miles	
	Employees	Businesses	Employees	Businesses	Employees	Businesses
Service-Producing Industries	**76**	**16**	**2,501**	**425**	**23,411**	**3,694**
Trade Transportation & Utilit…	11	3	498	76	3,790	529
Information	0	0	59	5	335	45
Financial Activities	9	3	174	47	2,281	484
Professional & Business Se…	30	5	366	78	2,379	509
Education & Health Services	8	2	600	92	7,428	1,191
Leisure & Hospitality	16	2	356	41	4,307	386
Other Services	2	1	275	78	1,975	501
Public Administration	0	0	173	8	916	49
Goods-Producing Industries	**61**	**10**	**814**	**114**	**3,040**	**591**
Natural Resources & Mining	10	2	87	22	216	55
Construction	23	6	495	72	1,894	428
Manufacturing	28	2	232	20	930	108
Total	**137**	**26**	**3,315**	**539**	**26,451**	**4,285**

CoStar Analytics – Map of Median Household Income

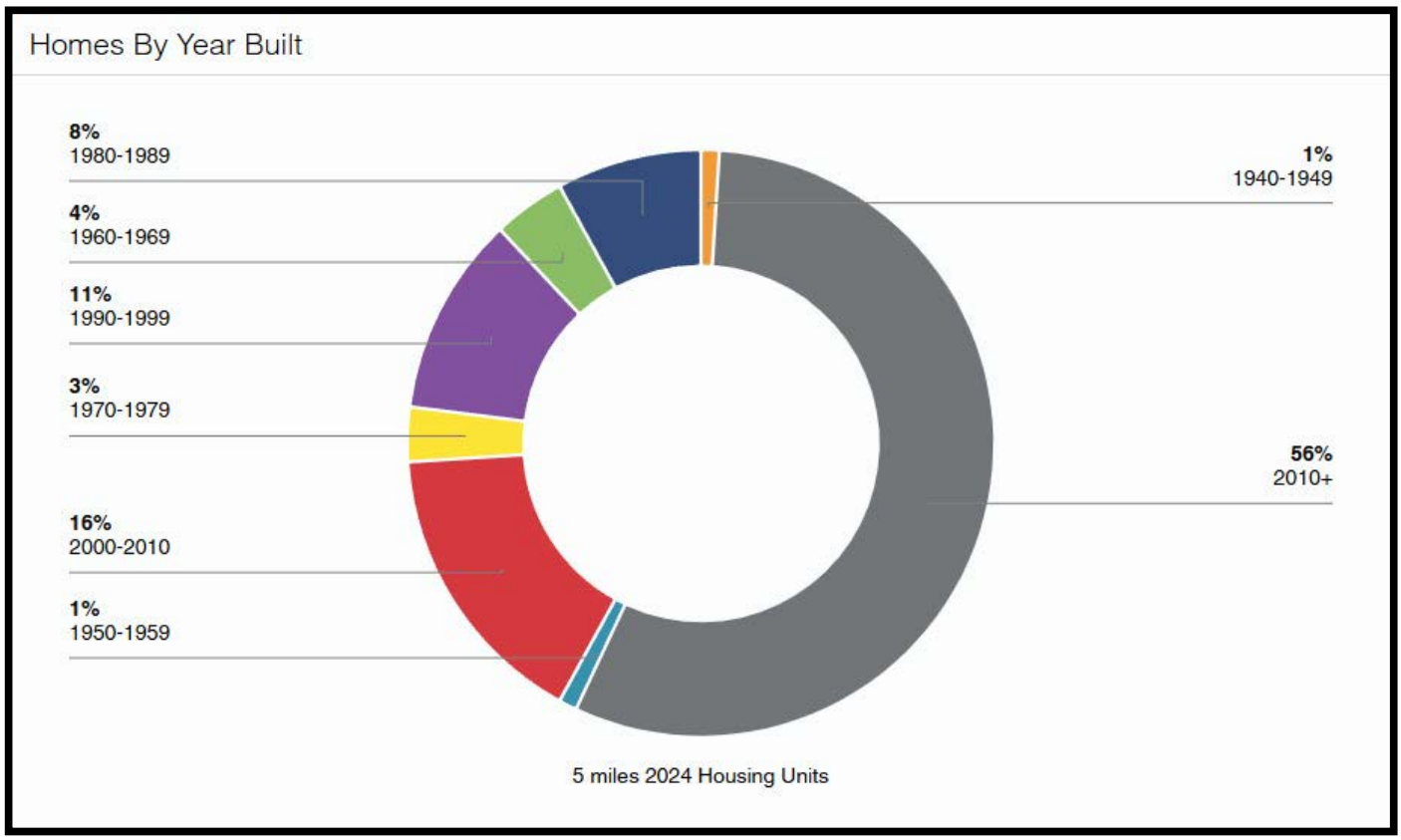
As indicated by the map below, median incomes in the vicinity of the subject property are around $73.0k-$99.6k. Median incomes north of the DFW metroplex tend to be higher in suburban areas outside the population centers in Dallas and Fort Worth. This is especially true in areas North of Dallas where affluent communities have concentrated for the past few decades.





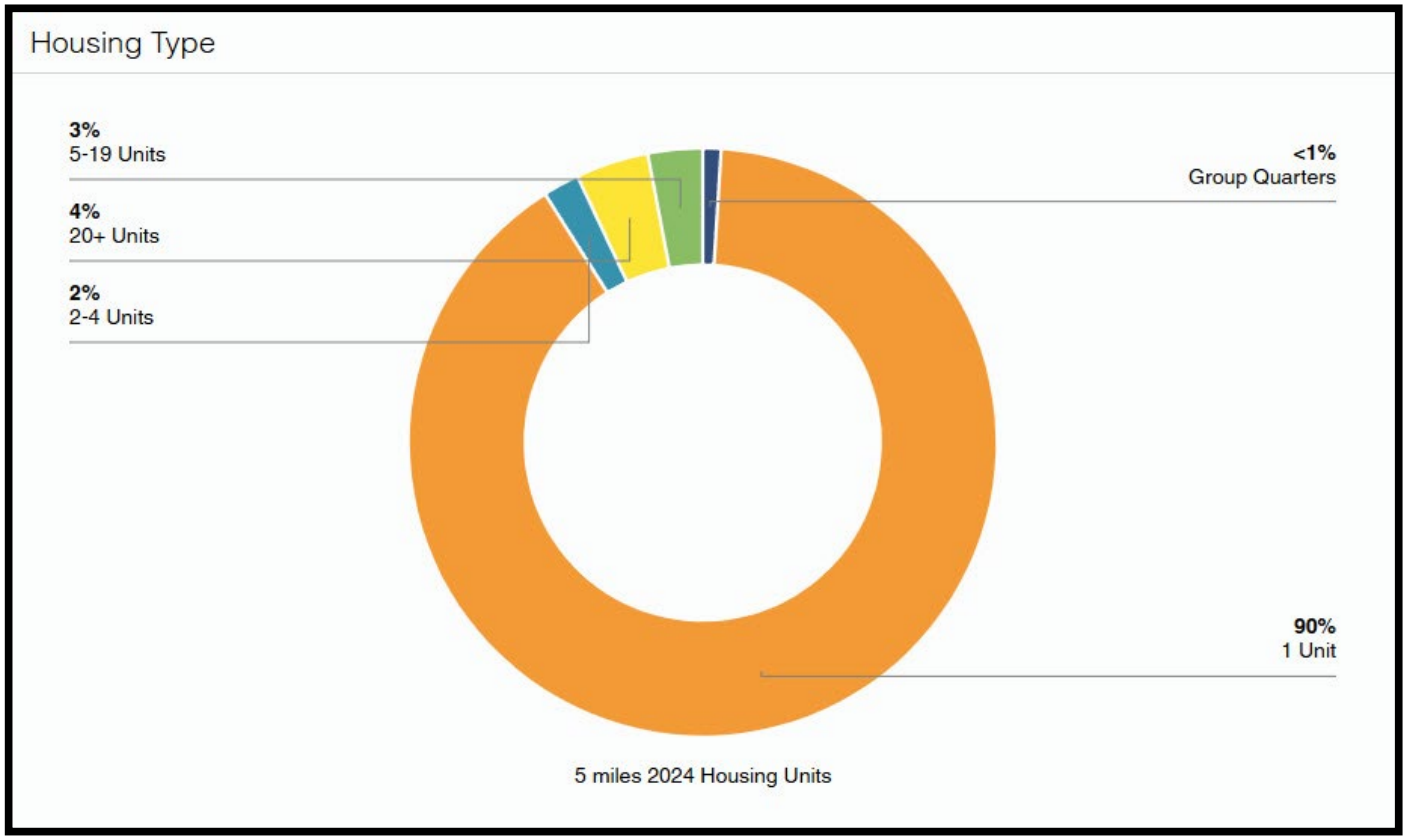
CoStar Analytics – Housing Statistics

Most housing in the area (72%) are homes that were built after 2000. This is consistent with the surrounding area which has been in a growth stage and has experienced numerous residential subdivision developments in recent years.



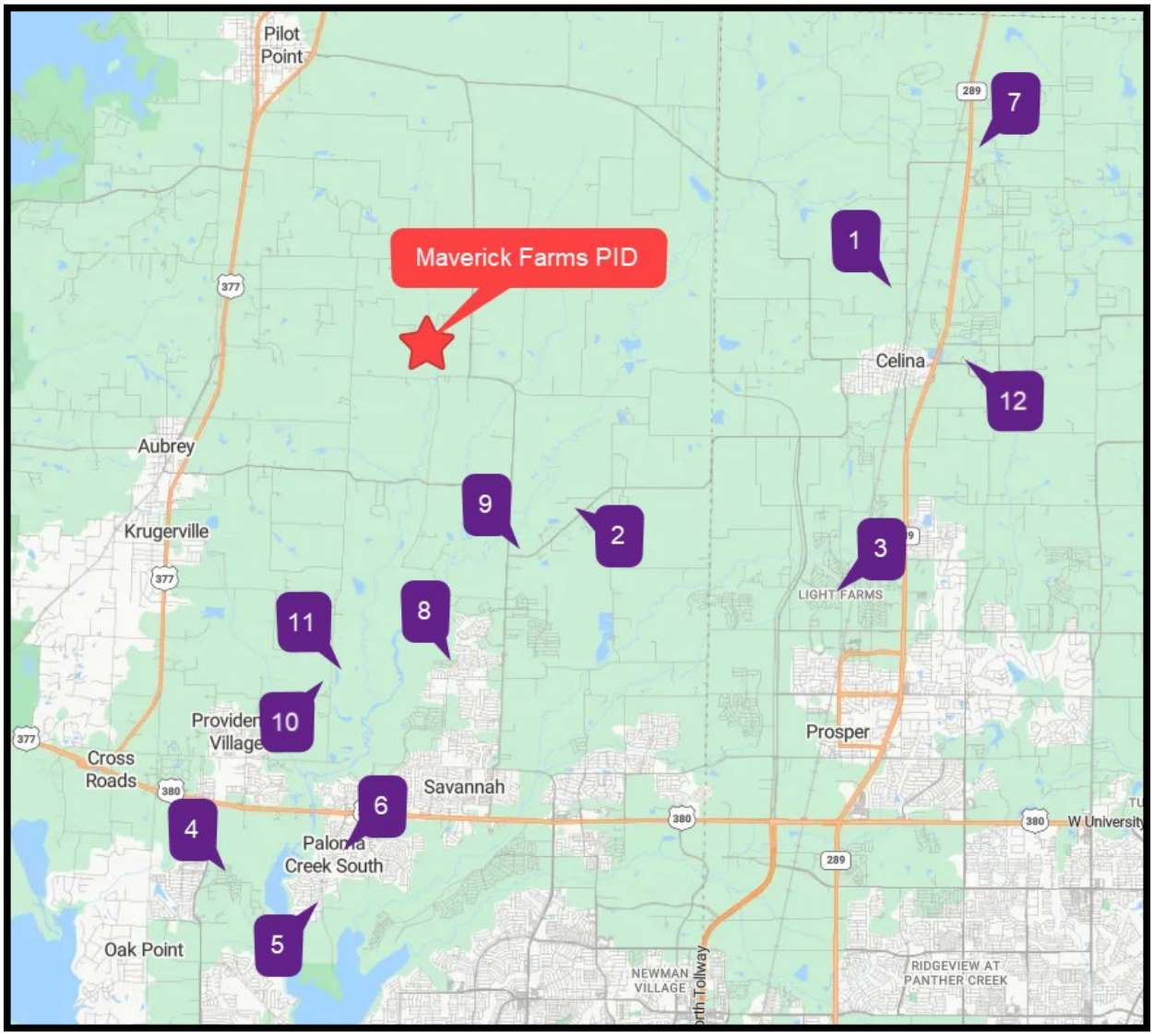
CoStar Analytics – Housing Statistics

In addition, the vast majority (90%) of housing in the 5-mile radius consists of single unit housing stock. The subject property is being developed with detached single-family housing that is consistent with the surrounding area.



Map of Notable Nearby Developing Residential Subdivisions

A map of notable built out, developing, and planning single-family residential subdivisions are shown below which highlights the similar and conforming uses around the subject property.



MAP KEY			
1	The Cottages	*7*	Chalk Hill
2	Creekview Meadows	*8*	Winn Ridge
3	Light Farms	*9*	Edgewood Creek
4	Prairie Oaks South	*10*	Woodstone
5	Northlake Estates	*11*	The Enclave at Pecan Creek
6	Paloma Creek South	*12*	Ten Mile Creek

ABSORPTION ANALYSIS

RESIDENTIAL ANALYSIS

The subject property is Maverick Farms PID which consists of approximately 364.646 acres in Denton County being developed into detached single-family lots for residential use. Maverick Farms PID is currently owned by OMA Pilot Point, LLC. OMA Pilot Point, LLC is the developer of the property which is under the corporate umbrella of One Mark Advisors. One Mark Advisors is a regionally recognized homebuilder and is also well-known within the subject's market area for building affordable housing for first- and second-time homebuyers.

When analyzing the financially feasible and maximally productive use of the site, uses that are both physically possible and legally permissible must be considered. An important factor affecting the development of the subject is the surrounding land usage. For the subject property, the primary potential use is single-family residential development as that conforms to recent land development in the surrounding cities near Pilot Point. The neighborhood is best described as the area north of Mustang Road and south of Joe Allen Road. The neighborhood is rural farmland with scattered single-family residential dwellings surrounding the subject property. Approximately 4.0 miles west is U.S. Highway 377, and approximately 8.5 miles south is U.S. Highway 380. Generally, the main retail and commercial options near the subject site are found along U.S. Highway 377, which has been rapidly developing with a number of master-planned communities in the past decade.

Since the recession in 2008, the residential real estate market in this area of North Texas has continuously improved, and Pilot Point has experienced this consistent population growth. Low interest rates persisted nationally in 2021, and the markets rose significantly, but from 2022-2024 and into the beginning of 2025 we have seen higher interest rates as the Fed seeks to combat inflation. Still, with large numbers of migration from outside DFW from higher cost-of-living states and an abundance of steady jobs, demand for residential real estate in growing communities like Pilot Point is expected to remain strong. Those end-user homebuyers in Maverick Farms PID are expected to be middle-to-upper income earners as the average home price for finished single-family homes in the community is expected to be $372,000 for the 40-FF lots, $439,000 for the 50-FF lots, and $478,000 for the 60-FF lots.

Demand for vacant developed lots (VDLs) for home builders is currently very high; however, material and labor shortages were well-publicized in 2021 and have continued to ease in late-2022 and in 2023 according to the Texas Real Estate Research Center. Developable residential land in DFW with good access to Fort Worth and Dallas is in high demand with developments moving ever further away from the Dallas and Fort Worth CBDs and highly developed areas south of Dallas and Fort Worth where vacant land is scarce after decades of growth. The subject property –Maverick Farms PID– is removed from the large Central Business Districts in the Metroplex but relatively near areas of Denton and Collin Counties where many young families have migrated when searching for safe neighborhoods, good schools, relatively affordable new homes, and desirable residential amenities.

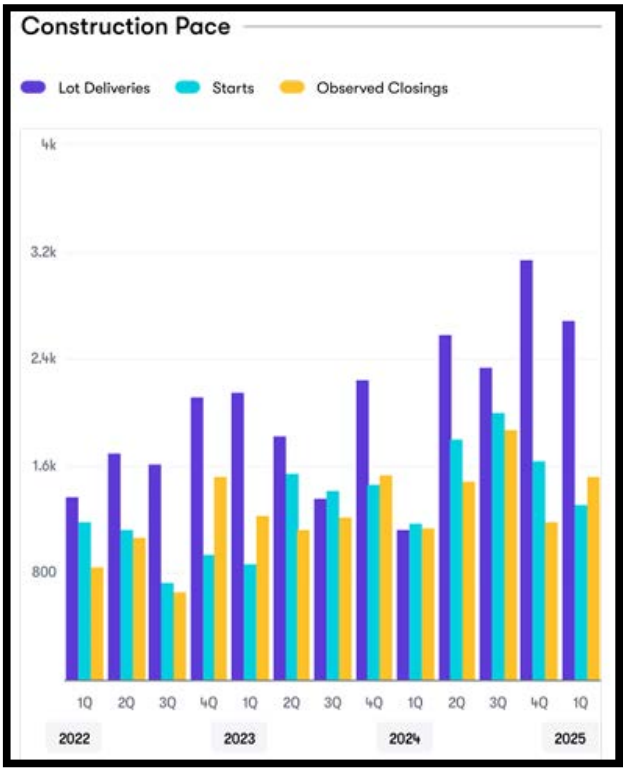
Based on the preceding, the proposed absorption of single-family home lots in the subject's neighborhood will be analyzed using historical absorption data provided by Zonda as well as information obtained from area market participants and developers. It is important to note that our absorption data is based on historical trends and current available data. Since the first residential lots are not scheduled to be complete until March 1, 2027, we will analyze the historical trends and attempt to forecast the absorption rates based off data, analytics, and our conversations with developers in the market.

We determined a 10-mile radius around the subject property is suitable for our absorption analysis as the competitive supply of lots is within this area. Further, we examined residential communities with lot widths between 35'-65'.

The Construction Pace data and chart below illustrate significant shifts in lot deliveries, housing starts, and closings. Quarterly lot deliveries surged in Q1 2025, rising 137.95% from the previous year to 2,696. This increase aligns with annual delivery, which climbed 63.70% to 10,770 in 2025. Housing starts fluctuated throughout the period, peaking at 2,006 in Q3 2024 before dropping to 1,318 in Q1 2025, though this still represents a 12.00% increase year-over-year. Annual housing starts maintained steady growth, rising 21.00% to 6,775 in 2025. Observed closings followed a similar trend, with 1,524 closings recorded in Q1 2025, marking a 33.00% increase over Q1 2024. Annual closings also saw gains, reaching 6,079, up 20.00% from the prior year. These figures suggest that while lot deliveries and closings remain strong, housing starts have experienced some volatility, potentially influenced by market conditions or regulatory factors.

Construction & Supply

	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	1Q 2025 VS 1Q 2024
Pace						
Quarterly VDL Deliveries	1,133	2,584	2,347	3,143	2,696	137.95%
Annual VDL Deliveries	6,579	7,335	8,312	9,207	10,770	63.70%
Quarterly Starts	1,176	1,811	2,006	1,640	1,318	12.00%
Annual Starts	5,618	5,883	6,464	6,633	6,775	21.00%
Quarterly Observed Closings	1,147	1,493	1,876	1,186	1,524	33.00%
Annual Observed Closings	5,050	5,410	6,058	5,702	6,079	20.00%

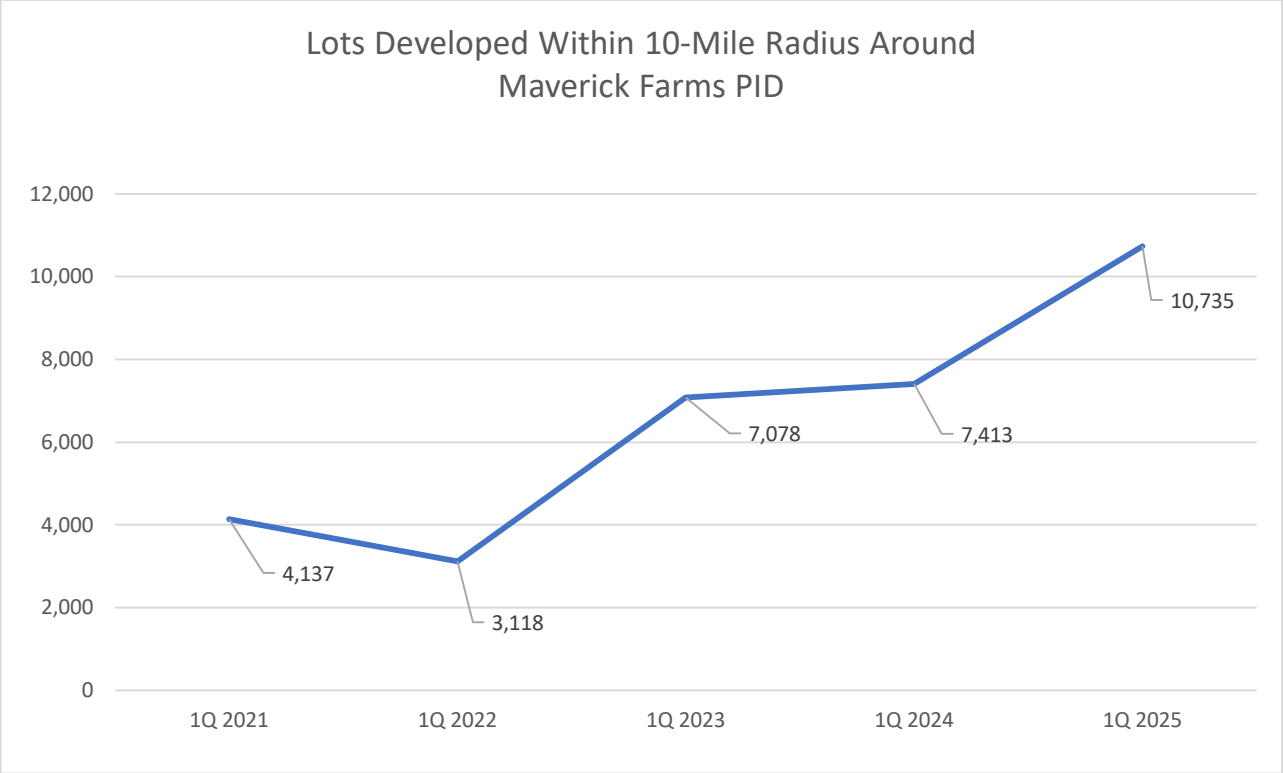


DEFINED SUBMARKET AREA

According to Zonda, the selected area absorbed the following number of 35'-65' lots year-over-year from 1Q 2021 to 1Q 2025:

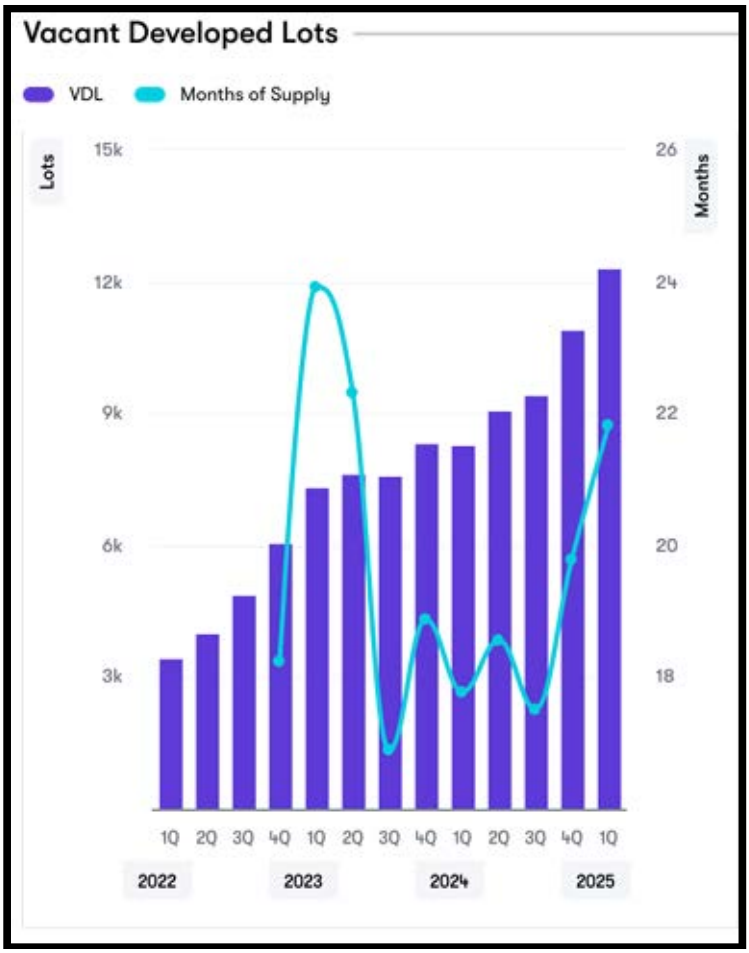
- 4,137 – lots absorbed
- 3,118 – lots absorbed
- 7,078 – lots absorbed
- 7,413 – lots absorbed
- 10,735 – lots absorbed

From 2021-2025, the *annual average* of lots absorbed was 6,496. Utilizing the more recent 24-month absorption of lots (1Q2023 to 1Q2025), the annual average of lots absorbed increases to 8,409 lots in the area.



COMPETITIVE SUPPLY (LOT INVENTORY)

According to Zonda, the existing supply of available housing is presently below balanced levels in our selected submarket as the number of VDLs in the area has increased from 1Q2022 with a low of just over ~3,000 VDLs to a present VDL high in 1Q2025 of ~12,000 VDLs with ~22 months of supply. It should be noted that this is a large radius – 10 miles – for such a developed single-family residential area but we determined prospective buyers would search subdivisions throughout Denton and Collin Counties and with a preference to be outside of the major infrastructure but close enough to commute for employment.



Thus, the total lot supply is considered to be considerably below the ideal supply levels for a significantly developing market. Also, taking into consideration that new developments require a typical 12-to-18-month construction period, with increasing demand and declining lot supply, it appears that additional lot product in the submarket is feasible and needed at the current time. This corresponds to discussions we had with DFW homebuilders who state there is a scarcity of vacant developed lots currently on the market which is pushing prices higher. Having considered the supply of lots in the market, it is now prudent to examine the absorption history of specific competing subdivisions in the subject's market area with similar lot features and amenities relative to the subject to determine the projected absorption of the subject's proposed lots.

ABSORPTION ANALYSIS – 40', 50', AND 60' LOTS

The similarities considered to be most important are lot size, home price range, and amenity features. The tables that follow detail the active subdivisions that are considered to compete with the subject's lots. All data is per Zonda as of 1Q2025.

40' Lots

We included data for lots that were 35'-45' lots within a 10-mile radius. Since data on 40' lots is somewhat limited, we selected four comparable absorption schedules at nearby communities we concluded are similar to the subject and considered some of these communities are smaller and some larger than Maverick Farms PID.

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
The Cottages	35'-45'	70	36	12	23.3	**3.0**
Creekview Meadows	40'	266	122	12	26.2	**10.2**
Light Farms	40'	18	24	12	9.0	**2.0**
Prairie Oaks South	40'	1	79	12	0.2	**6.6**
AVERAGE		***88.8***	***65.3***	***12.0***	***14.7***	***5.4***

Our analysis indicates Starts/Month is between 2.0 and 10.2 with an average of 5.4 starts/month and a median of 4.8 starts/month. We similarly weighed and considered **the subject property's 40' lots would likely absorb 6 lots/month, or approximately 18 lots per quarter.**

50' Lots

We included data for lots that were 50'-55' lots within a 10-mile radius. Since data on 50' lots is relatively plentiful, we selected eight comparable absorption schedules at nearby communities we concluded are similar to the subject and considered some of these communities are smaller and some larger than Maverick Farms PID.

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Northlake Estates	50'	29	163	12	2.1	**13.6**
Paloma Creek South	50'	0	1	12	0.0	**0.1**
Chalk Hill	50'	175	117	12	17.9	**9.8**
Winn Ridge	50'	0	15	12	0.0	**1.3**
Edgewood Creek	50'	200	45	12	53.3	**3.8**
Creekview Meadows	50'	223	141	12	19.0	**11.8**
Woodstone	50'-55'	143	102	12	16.8	**8.5**
The Enclave at Pecan Creek	50'	12	266	12	0.5	**22.2**
AVERAGE		***97.8***	***106.3***	***12.0***	***13.7***	***8.9***

Our analysis indicates Starts/Month is between 0.1 and 22.2 with an average of 8.9 starts/month and a median of 9.1 starts/month. We similarly weighed and considered **the subject property's 50' lots would likely absorb higher than historical numbers due to the expected influx of demand with 9 lots/month, or approximately 27 lots per quarter.**

60' Lots

Again, for the 60' lots, we included data for lots within a 10-mile radius and included 55'-60' lots in our analysis. Data on 60' lots is limited, so we selected one comparable absorption schedules at a nearby community which is shown as follows:

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Ten Mile Creek	55'-60'	158	24	12	79.0	**2.0**
AVERAGE		***158.0***	***24.0***	***12.0***	***79.0***	***2.0***

Our analysis indicates Starts/Month is 2.0. We similarly weighted and considered **the subject property's 60' lots would likely absorb 2 lots/month, or approximately 6 lots per quarter.**

Absorption Summary Projection: 40', 50', and 60' Lots in Improvement Area #1

Based on the preceding, we estimate that lots in the subject property's development will sell 18 lots/quarter for 40' lots, 27 lots/quarter for 50' lots and 2.0 lots/quarter for 60' lots with absorption beginning January 2027. An Absorption Summary Projection for all lot sizes is shown in the table below for the 539 lots in Improvement Area #1 of Maverick Farms PID.

Projected Quarterly Absorption Summary - Maverick Farms PID Improvement Area #1										
Lot Type	*Mar-2027*	*Apr-2027*	*Jul-2027*	*Oct-2027*	*Jan-2028*	*Apr-2028*	*Jul-2028*	*Oct-2028*	*Jan-2029*	*Apr-2029*
40-FF	18	18	18	18	18	18	18	18	18	18
50-FF	27	27	27	27	5	-	-	-	-	-
60-FF	6	6	6	6	6	6	6	6	6	6
Total	**51**	**51**	**51**	**51**	**29**	**24**	**24**	**24**	**24**	**24**

▼
▼

Projected Quarterly Absorption Summary - Maverick Farms PID Improvement Area #1											
Lot Type	*Jul-2029*	*Oct-2029*	*Jan-2030*	*Apr-2030*	*Jul-2030*	*Oct-2030*	*Jan-2031*	*Apr-2031*	*Jul-2031*	*Oct-2031*	**TOTAL**
40-FF	18	18	18	18	18	18	18	18	18	3	**345**
50-FF	-	-	-	-	-	-	-	-	-	-	**113**
60-FF	6	6	6	3	-	-	-	-	-	-	**81**
Total	**24**	**24**	**24**	**21**	**18**	**18**	**18**	**18**	**18**	**3**	**539**

The total absorption period for the 40' lots is expected to be 58 months (345 ÷ 6 lots/month), and expected to sell out in October 2031, The total absorption period of the 50' lots is expected to be 13 months (113 lots ÷ 9 lots/month), and lots are expected to sell out in January 2028. The total absorption period for the 60' lots is expected to be 41 months (81 lots ÷ 2 lots/month), and lots are expected to be sold out in May 2030.

SUBJECT PROPERTY ANALYSIS

The entire development of Maverick Farms PID represents a total of approximately 364.646 acres (15,883,980-SF) is currently being developed into two distinct areas as follows:

- Improvement Area #1 within Maverick Farms PID will consist of 345 40-FF lots, 113 50-FF lots, and 81 60-FF lots with a total of 539 improved residential lots on approximately 200.632 acres.
- The Major Improvement Area Paper Lots will include 435 40-FF lots, 230 50-FF lots, and 144 60-FF lots with a total of 809 residential paper lots on approximately 164.014 acres.

The following chart shows the two distinct areas of Maverick Farms PID:

Maverick Farms PID					
Area Type	**Size (Acres)**	**40' Lot Type**	**50' Lot Type**	**60' Lot Type**	**Total Lots Appraised**
Improvement Area #1	*200.632-AC*	***345***	***113***	***81***	***539***
Major Improvement Area Paper Lots	**164.014-AC**	435	230	144	***809***

Maverick Farms PID is currently owned by OMA Pilot Point, LLC. OMA Pilot Point, LLC is the developer of the property which is under the corporate umbrella of One Mark Advisors. One Mark Advisors is a regionally recognized homebuilder and is also well-known within the subject's market area for building affordable housing for first- and second-time homebuyers. Maverick Farms PID is located in the southeast portion of the City of Pilot Point. This location is in the northeast portion of Denton County. The area surrounding the subject property is primarily rural with scattered detached single-family homes and but is the in the process of being developed with large master-planned communities commonly seen in Pilot Point and nearby cities that are generally suitable for middle- to upper-income households.

Access to the subject property is considered average as it is located about 4.0 miles east of U.S. Highway 377, and approximately 8.5 miles north of U.S. Highway 380. Generally, the main retail and commercial options near the subject site are found along U.S. Highway 377, which has been rapidly developing with a number of master-planned communities in the past decade.

The subject property will have a mandatory homeowner's association (HOA) over residential portions of the subject property in order to maintain open spaces, common areas, detention areas, and other related improvements or appurtenances that are not dedicated or maintained by the City of Pilot Point.

Based on research and discussion with the development team, the price point of homes in the subject's community will be around $372,000 for the 40-FF lots, $439,000 for the 50-FF lots, and $478,000 for the 60-FF lots, which should be a desirable price point for families and first- and second-time homebuyers looking for a quiet community with the small-town charm of Pilot Point but with the amenities of a planned residential community. The chart on the following page shows a breakdown of the costs associated with each area of Maverick Farms PID provided by KFM Engineering & Design, the Professional Engineers.

Client Name: One Mark
City: Pilot Point ETJ, Denton County, Texas
Date: 11/3/2025

Project Number: 01.0170.003
Total Lots: 539
Total Acreage: 193

CONSTRUCTION COST SUMMARY - MAVERICK FARMS - PH 1

	Units	Wet Utilities	Dry Utilities	Roadway and Paving	Earthwork and E&S	Hardscape/ Landscape Cost	Sum of Construction Costs	Fees & Bonds	District Formation	Construction Cost w/ Fees	Total Cost/Unit
Offsite Infrastructure - Total Construction Cost	N/A	$ 16,755,186					$ 16,755,186	$ 2,051,169	$ 460,000	$ 19,266,355	$ 35,745
Offsite Infrastructure - PID Reimbursable		$ 9,173,355					$ 9,173,355	$ 94,563	$ 460,000	$ 9,727,918	$ 18,048
Onsite Master Infrastructure Phase 1		$ 2,333,936	$ -	$ 2,112,900	$ 606,450	$ -	$ 5,053,286	$ 799,662	$ 460,000	$ 6,312,948	$ 11,712
Phase 1 PID Direct	539	$ 7,633,205	$ 379,174	$ 4,690,085	$ 713,248	$ 1,363,412	$ 14,779,124	$ 2,552,312	$ 2,340,000	$ 19,671,435	$ 36,496
Phase 1 Private		$ -	$ -	$ -	$ 1,119,811	$ 1,206,761	$ 2,326,572	$ 391,609	$ -	$ 2,718,181	$ 5,043
TOTAL PID REIMBURSEMENT AMOUNT:		$ 19,140,497	$ 379,174	$ 6,802,985	$ 1,319,698	$ 1,363,412	$ 29,005,765	$ 3,446,537	$ 3,260,000	$ 35,712,301	$ 66,257
TOTAL CONSTRUCTION COST:		$ 26,722,327	$ 379,174	$ 6,802,985	$ 2,439,509	$ 2,570,173	$ 38,914,167	$ 5,794,752	$ 3,260,000	$ 47,968,919	$ 88,996

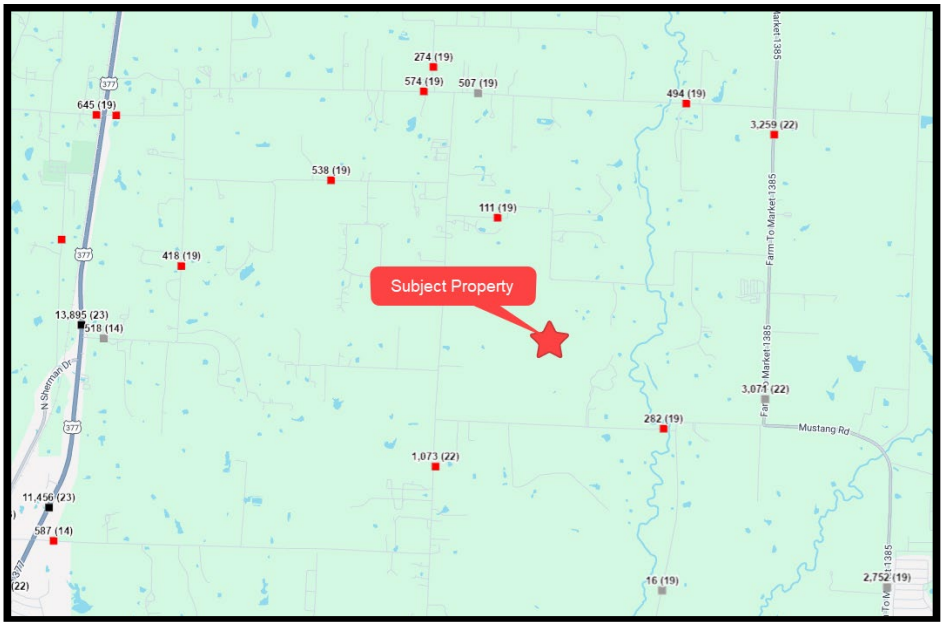
The preceding general descriptions of the subject's characteristics are based on review of available maps and data sources, as well as our physical on-site observations. Please refer to copies of the maps, photographs, and renderings for a visual perspective of the subject's physical characteristics.

ACCESSIBILITY, FRONTAGE, AND STREETS

The subject property has approximately ±143 feet of frontage on the north side of Mustang Road which will act as the entrance to a future home development. Mustang Road is a two-lane, east and west direction, and asphalt paved road. The subject property also has approximately ±5,218 feet of frontage on the south side of Joe Allen Road which is a two-lane, east and west direction, and asphalt paved road. Joe Allen Road meanders around the north boundary of the subject property.

A map and data from TXDOT and CoStar are shown below which highlight traffic counts in the vicinity. Per TXDOT, the traffic along Mustang Road to the south of the subject has over 260 vehicles per day, State Highway 377 to the west has under 13,900 vehicles per day, and Joe Allen Road to the north of the subject has over 110 vehicles per day

TXDOT Traffic Web Viewer



Traffic

Collection Street	Cross Street	Traffic Volume	Count Year
Mustang Rd	Coffey Rd E	204	2025
Joe Allen Rd	Pecan Valley Dr NE	376	2018
FM 1385	Mustang Rd S	1,688	2025
Joe Allen Rd	FM 2931 W	77	2025
I 20-N Business	Spring Hill Rd S	1,589	2020
FM 2931	Spring Hill Rd S	1,583	2024
FM 428	Hospital Rd W	3,313	2025
Friendship Rd	Foutch Rd W	379	2025
FM 1385	Friendship Rd N	1,765	2025
Friendship Rd	FM 2931 W	444	2025

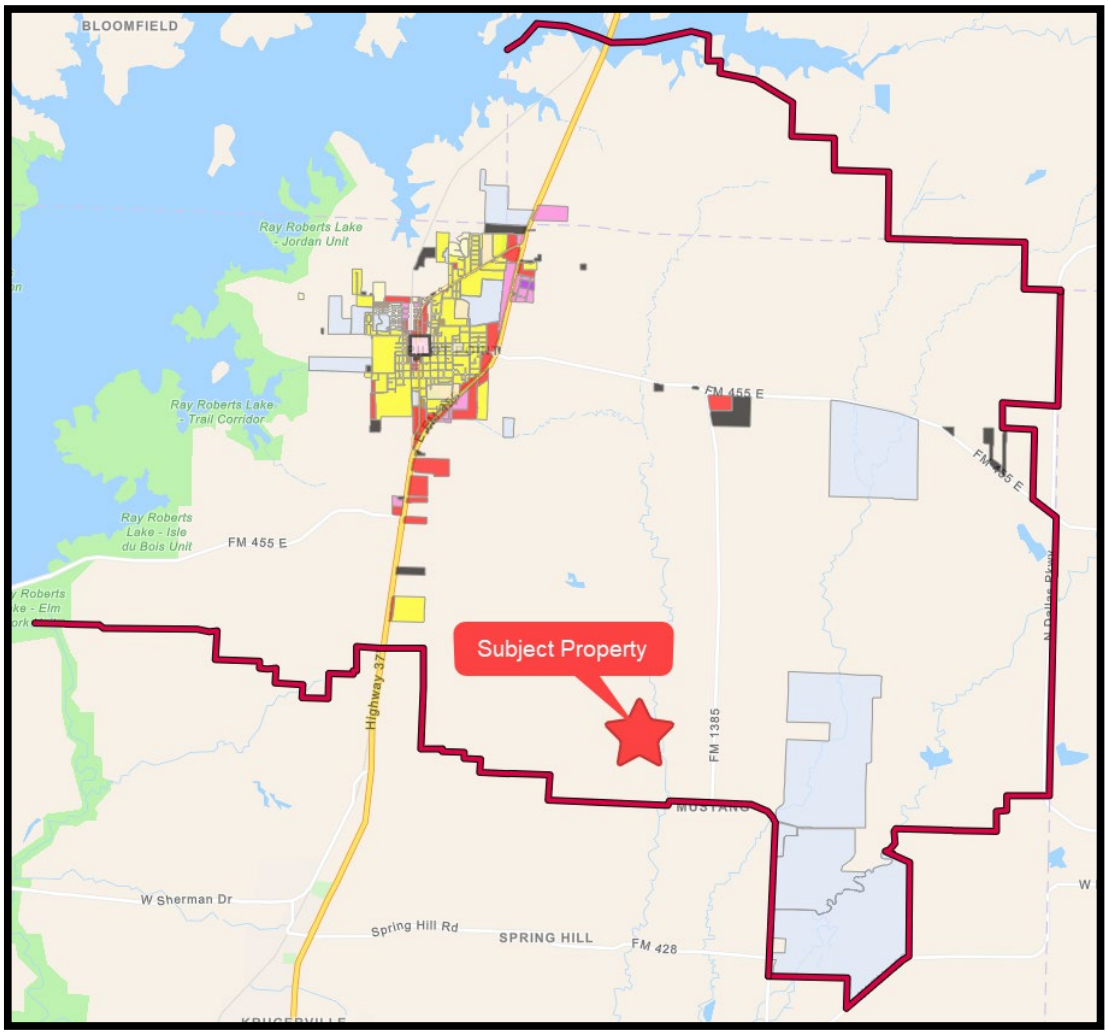
ZONING AND RESTRICTIONS (CITY OF PILOT POINT)

Development of the subject property will be governed by a Development Agreement between the Developer and the City of Pilot Point. The Development Agreement for the subject property we are evaluating allows for single-family residential uses on the subject property and sets forth requirements and standards for residential development for the subject property.

Upon approval of the ETJ Petition and annexation into the City of Pilot Point, the subject property will be zoned Planned Development District (PD) by the City of Pilot Point. The Planned Development zoning in the City of Pilot Point is intended to provide for combining and mixing of uses to permit flexibility in the use and design of land and buildings.

The subject must adhere to the City of Pilot Point's ordinance for PD zoning and the Development Agreement between the Developer and the City of Pilot Point. The proposed lot construction appears to be a conforming land use. A zoning map from the City of Pilot Point , which will be outdated upon development, is shown below.

CITY OF PILOT POINT ZONING MAP

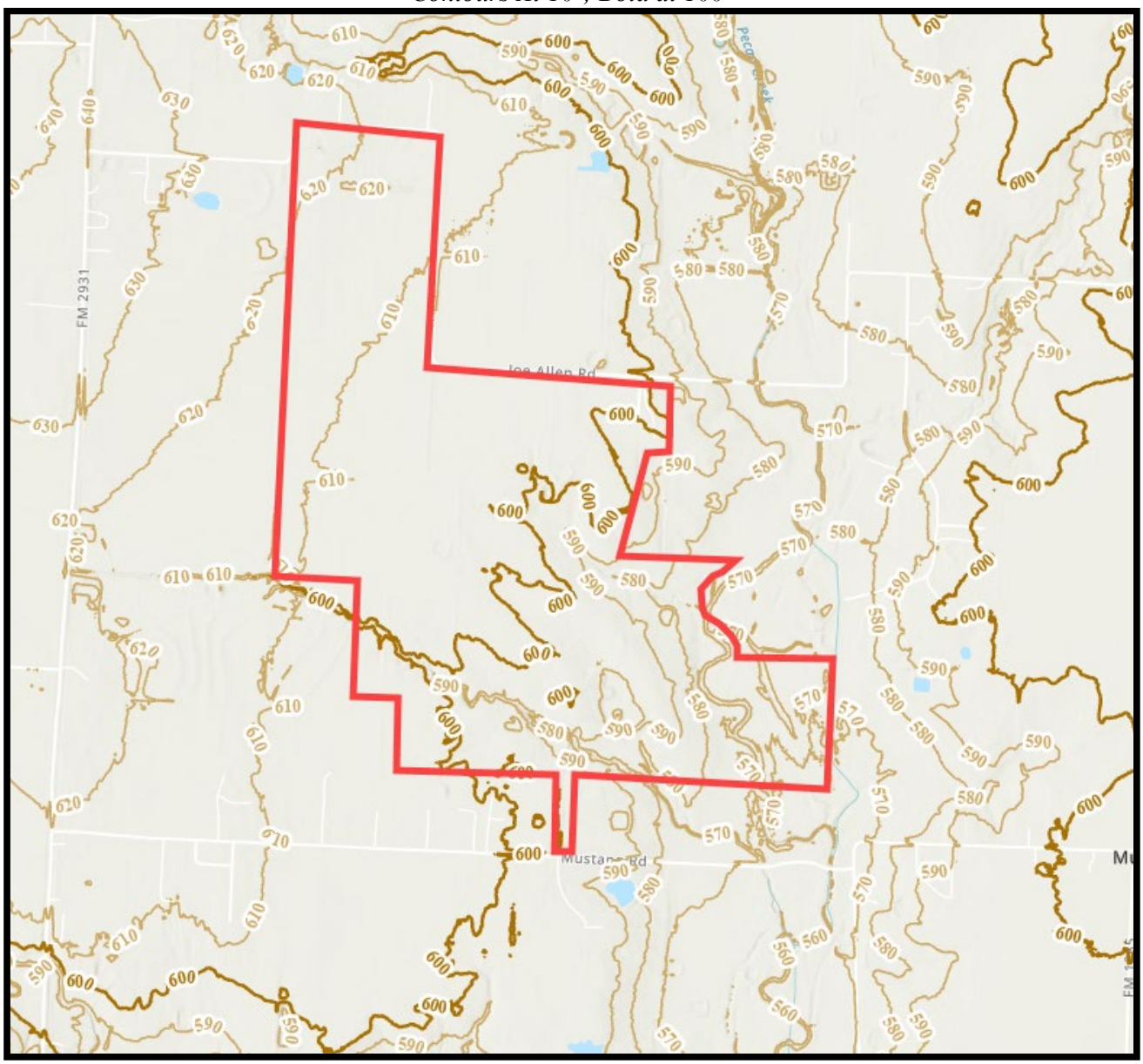


TOPOGRAPHY

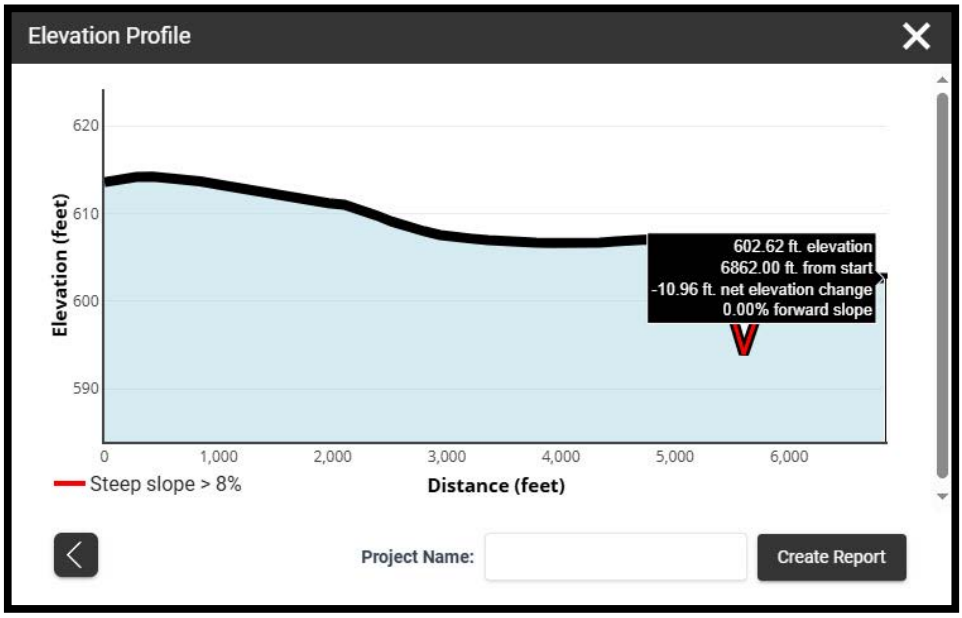
The topography of the subject property is described as gently sloping As of the substantial completion date, March 1, 2027, these topographic maps showing the contours will be slightly out-of-date as the site will be in the process of being improved for single-family lots with streets, storm sewer, and utilities in place. Topographic information is provided by the North Central Texas Council of Governments and Texas A&M Forest Service.

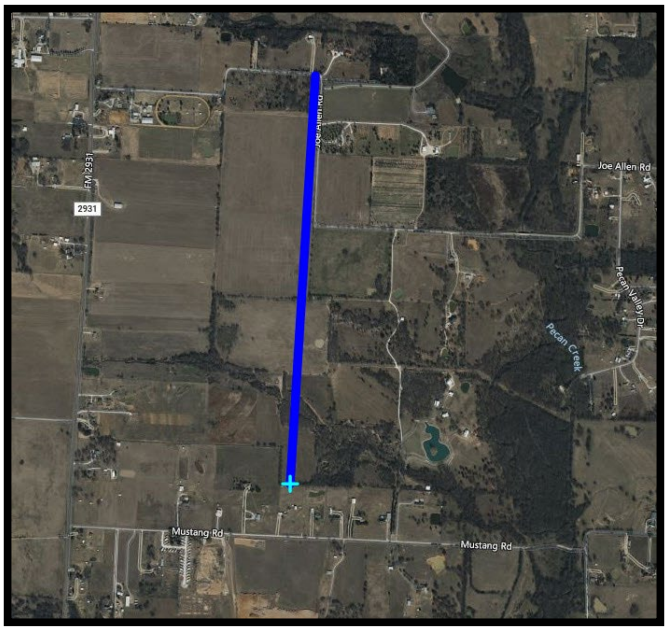
TOPOGRAPHIC MAP

Contours At 10'; Bold at 100'



TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY

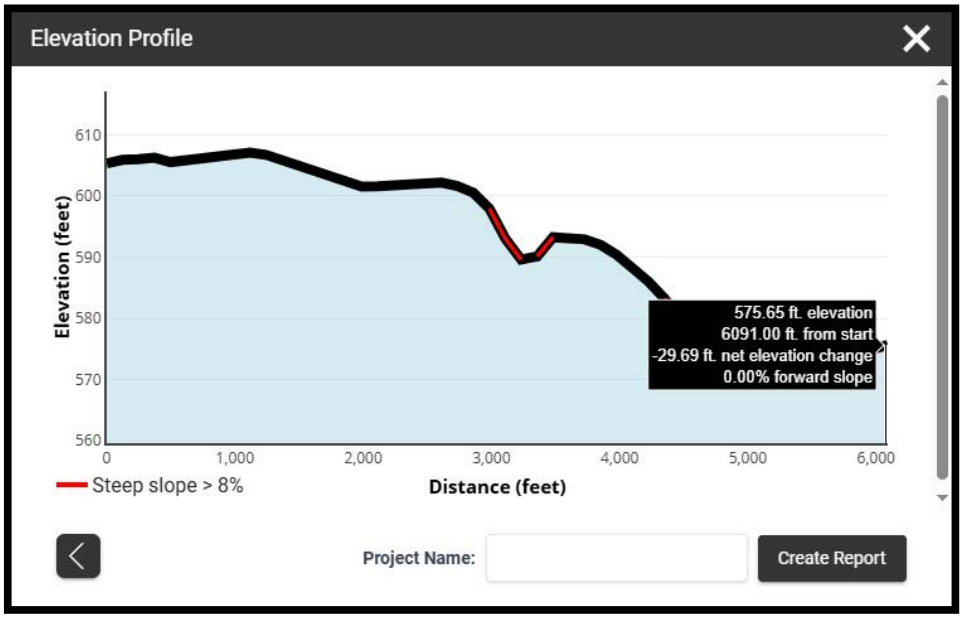




General Slope of the Property Moving from North to South

- *Note that measurements <u>are in feet</u>*
- *Elevation profile is represented along illustrated axis*
- *Property slopes north to south with approximately 10.96 feet of variation over approximately 6,862 feet of run*

TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY



General Slope of the Property Moving from West to East

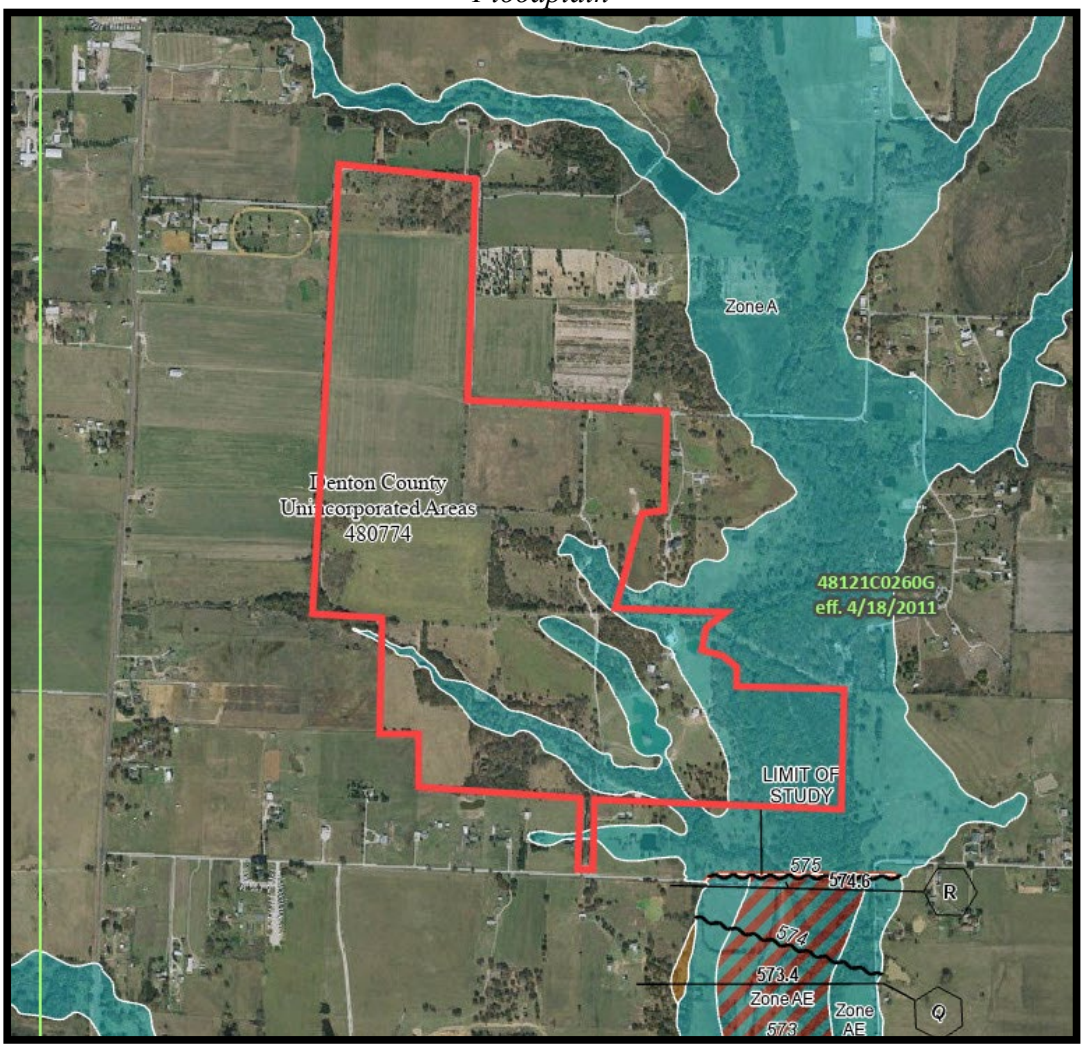
- *Note that measurements <u>are in feet</u>*
- *Elevation profile is represented along illustrated axis*
- *Property slopes west to east with approximately 29.69 feet of variation over approximately 6,091 feet of run*

FEMA FLOOD ZONE

Maverick Farms PID is within Unshaded Zone X and Shaded Zone A according to Map 48121C0260G, effective April 18, 2011. Per the provided Concept Plan, it appears that the improvements within Improvement Area #1 and in the Major Improvement Area will be developed entirely within Unshaded Zone X. Development within Unshaded Zone X does not appear to be detrimental to the development of the subject property. The areas within Zone A are undevelopable, however, those areas may provide areas of waterflow streams and ponds that may be aesthetically appealing in developed communities.

FLOODPLAIN MAP

Property is in Unshaded Zone X – Area of Minimal Flood Hazard and Shaded Zone A – Within 100-Year Floodplain



UTILITIES

Electricity to the property will be maintained by Co-Serv and natural gas will be maintained by Atmos. Water and sanitary sewer services are provided by the Mustang Special Utility District. The subject property is served by the Pilot Point Police Department and the Pilot Point Fire Department for fire and emergency medical services with an on-site EMS location. Telephone, fiber-optic, and internet are available through Sparklight and Nextlink.

SOIL AND SUB-SOIL CONDITIONS

No soil engineer's report was available to the appraisers and no recent soil tests are known to have been performed. We have assumed a stable soil condition that would ensure the structural integrity of any improvement to be constructed. As of the report date, the developer has not yet begun excavation and earthwork. Our value conclusions are subject to revision should assumptions that land is stable prove incorrect. We caution and advise the user of this report to obtain engineering studies which may be required to ascertain any structural integrity.

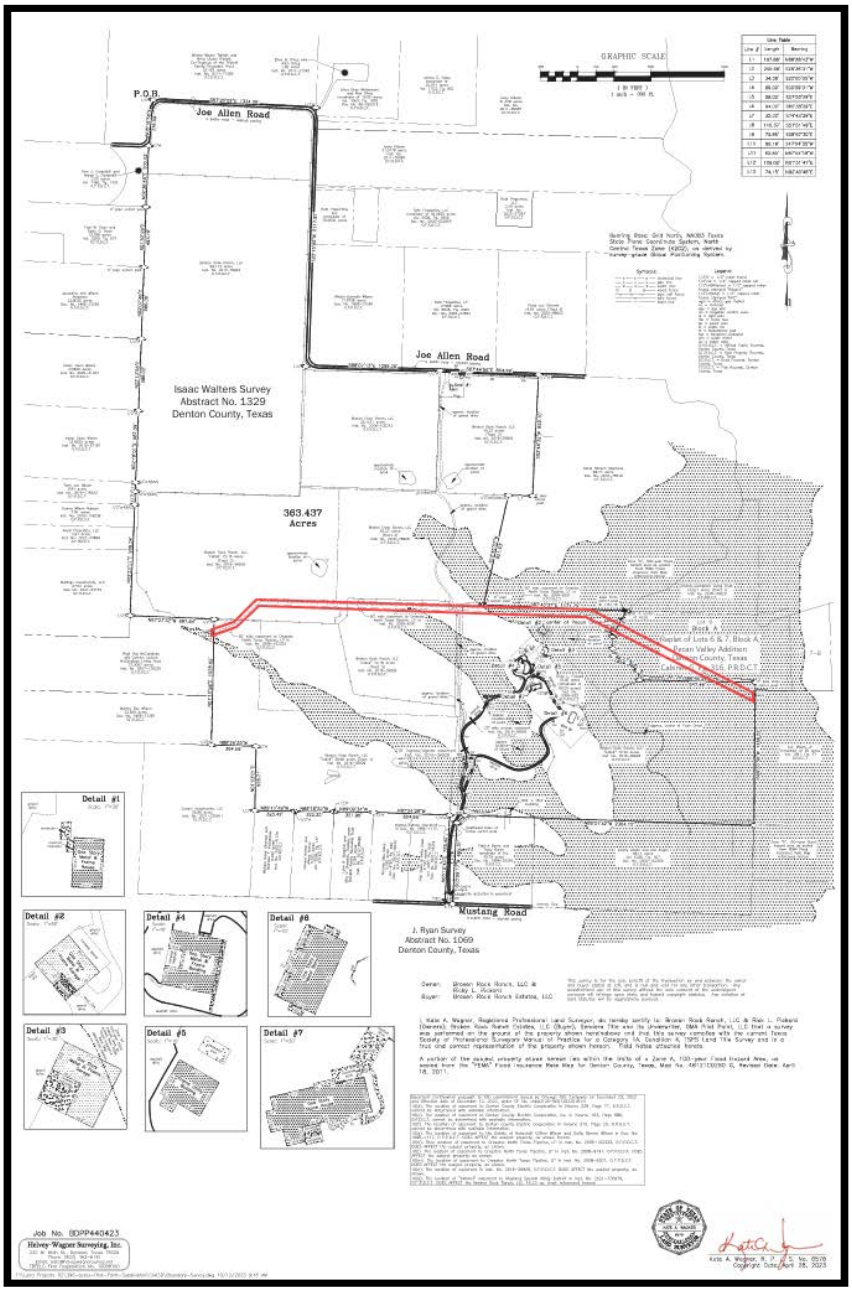
EASEMENTS/ENCROACHMENTS

A survey by Helvey-Wagner Surveying, Inc., Professional Land Surveyor, dated April 28, 2023, was provided to the appraisers by the client. Based on a review of GIS online maps, our physical site visit, warranty deeds, and review of available maps, there is a 50' Crosstex North Texas Pipeline Easement bisecting the southern portion of the property running east to west which prevents development within the easement area. There are typical setbacks and easements that exist on the property that will not impact development on the remainder portion of the subject property.

Subject Survey to Show Easements

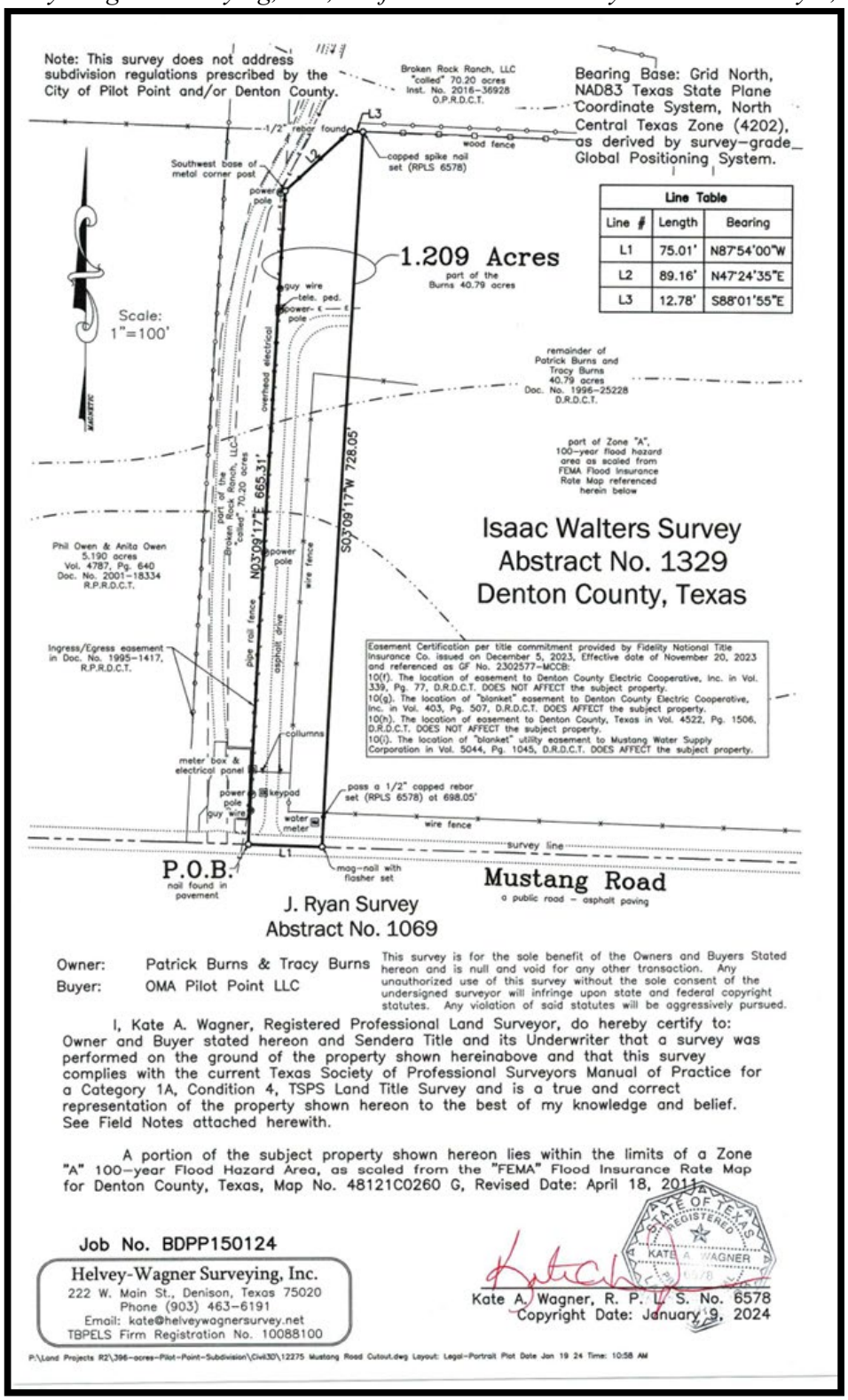
By Helvey-Wagner Surveying, Inc., Professional Land Surveyor dated April 28, 2023

Easement Outlined in Red

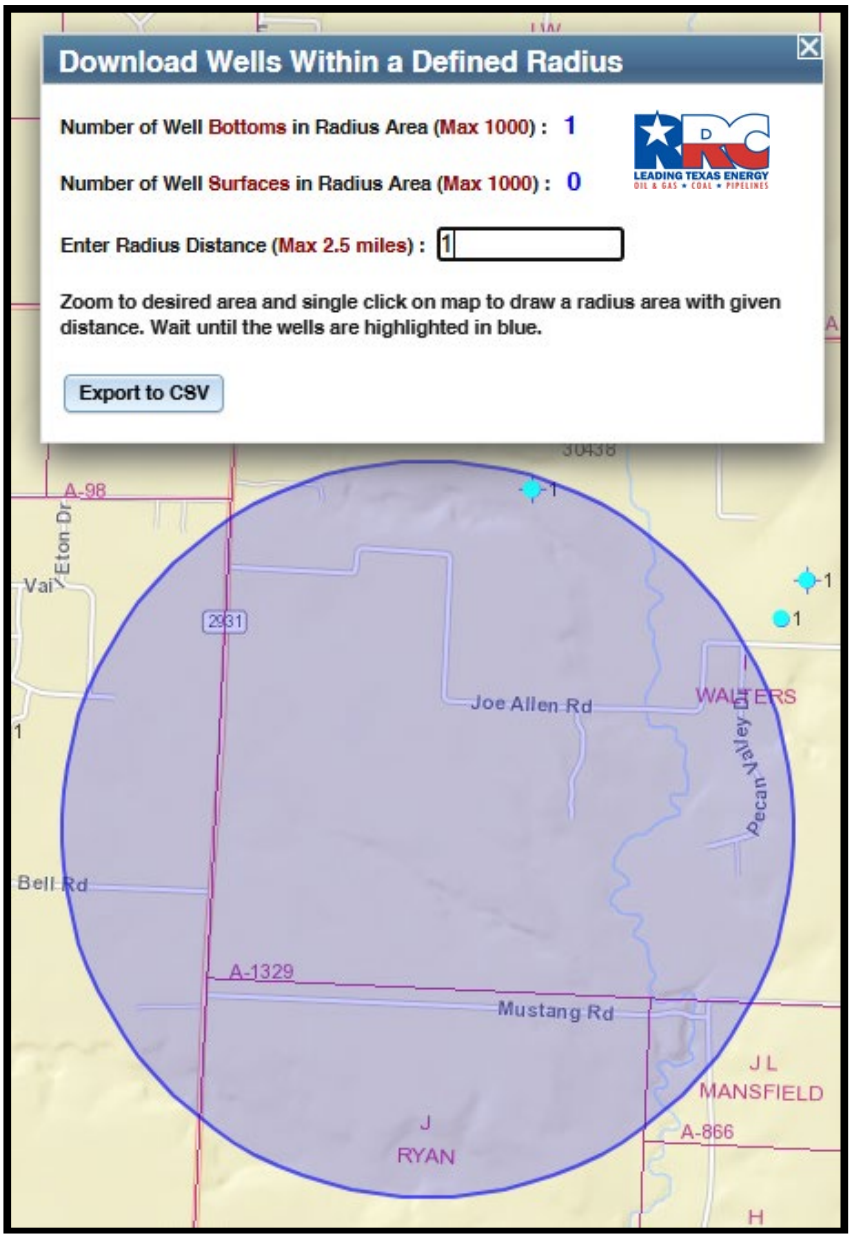


Subject Survey

By Helvey-Wagner Surveying, Inc., Professional Land Surveyor dated January 9, 2024

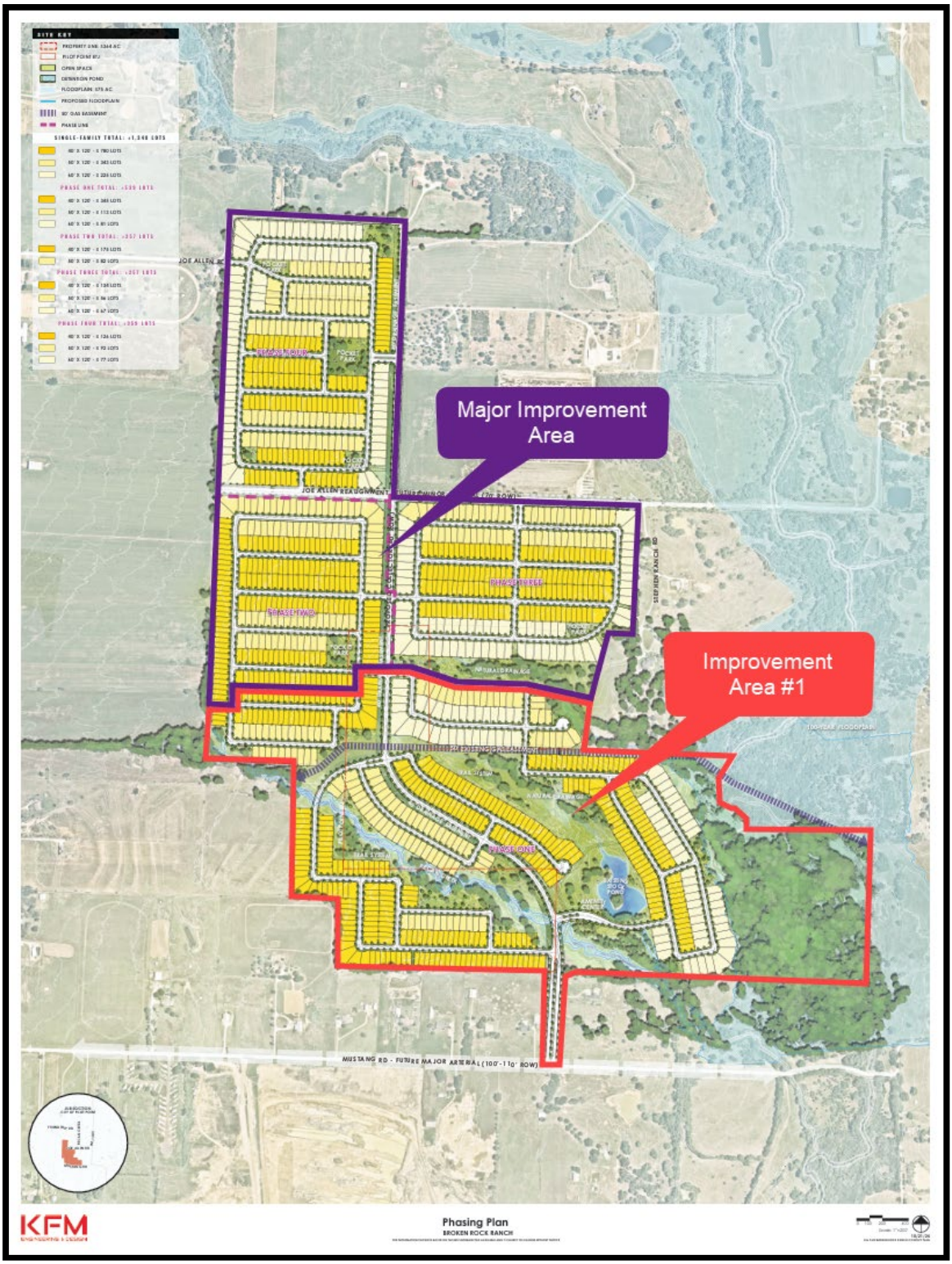


OIL AND GAS WELLS
Texas Railroad Commission

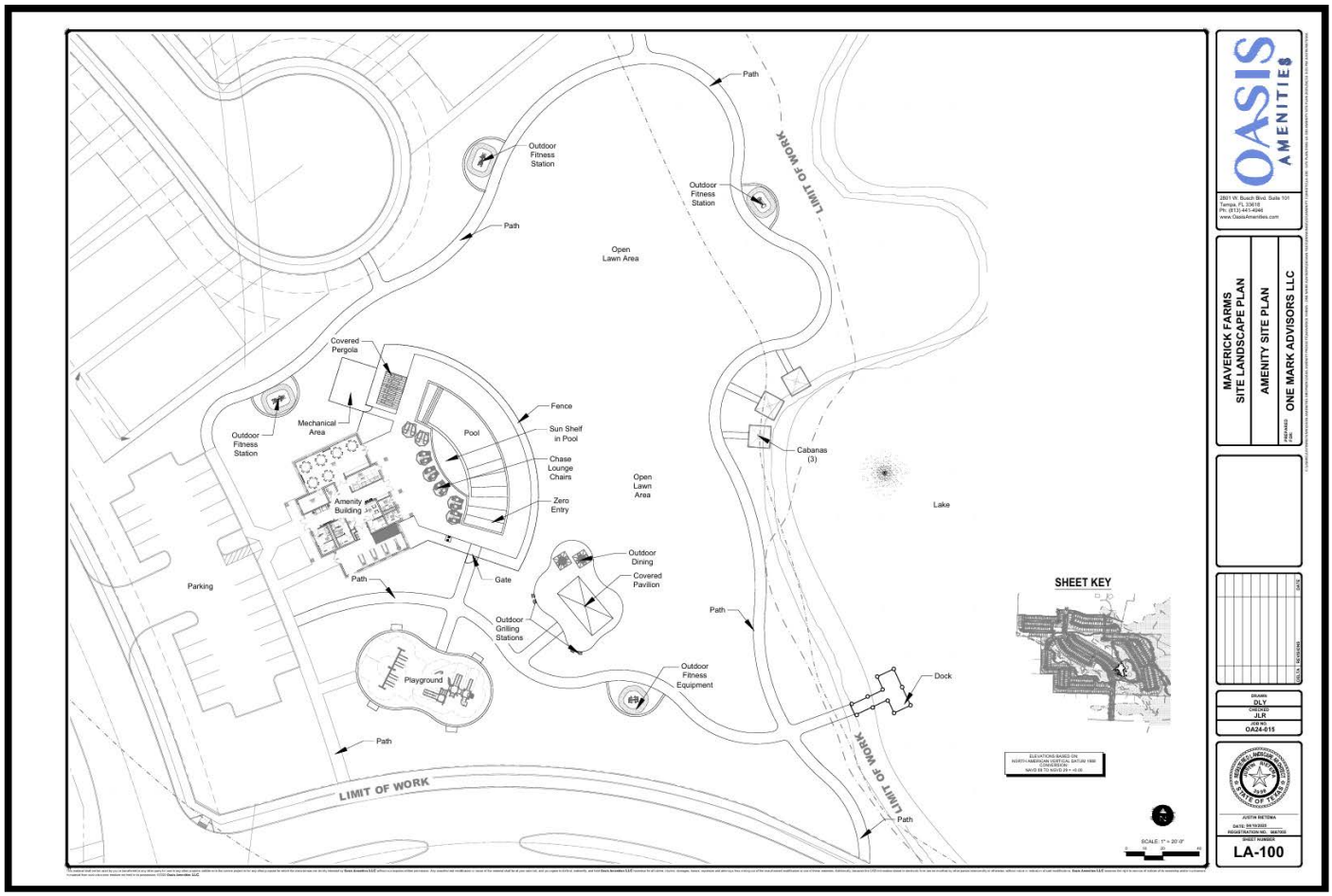


There are 1 well bottom sites and 0 well surface sites within 1.00 mile from the subject property according to the above referenced map from the Texas Railroad Commission. The subject site does not appear to be encumbered by any detrimental restrictions due to the proximity to surface or subsurface well locations because this area of Sherman-Denison MSA is minimally active in mineral extraction.

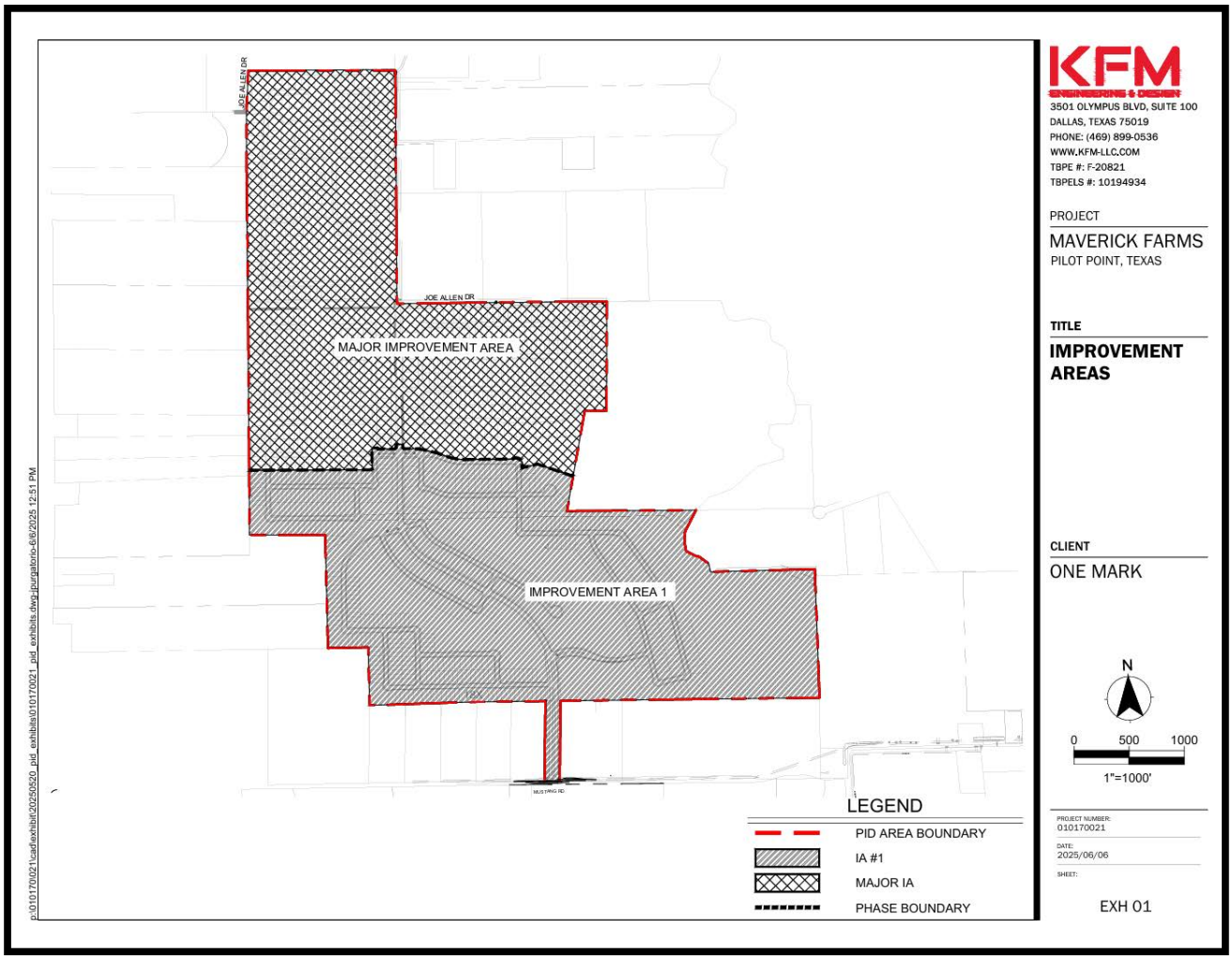
MAVERICK FARMS PID PHASING PLAN
IMPROVEMENT AREA #1 AND MAJOR IMPROVEMENT AREA



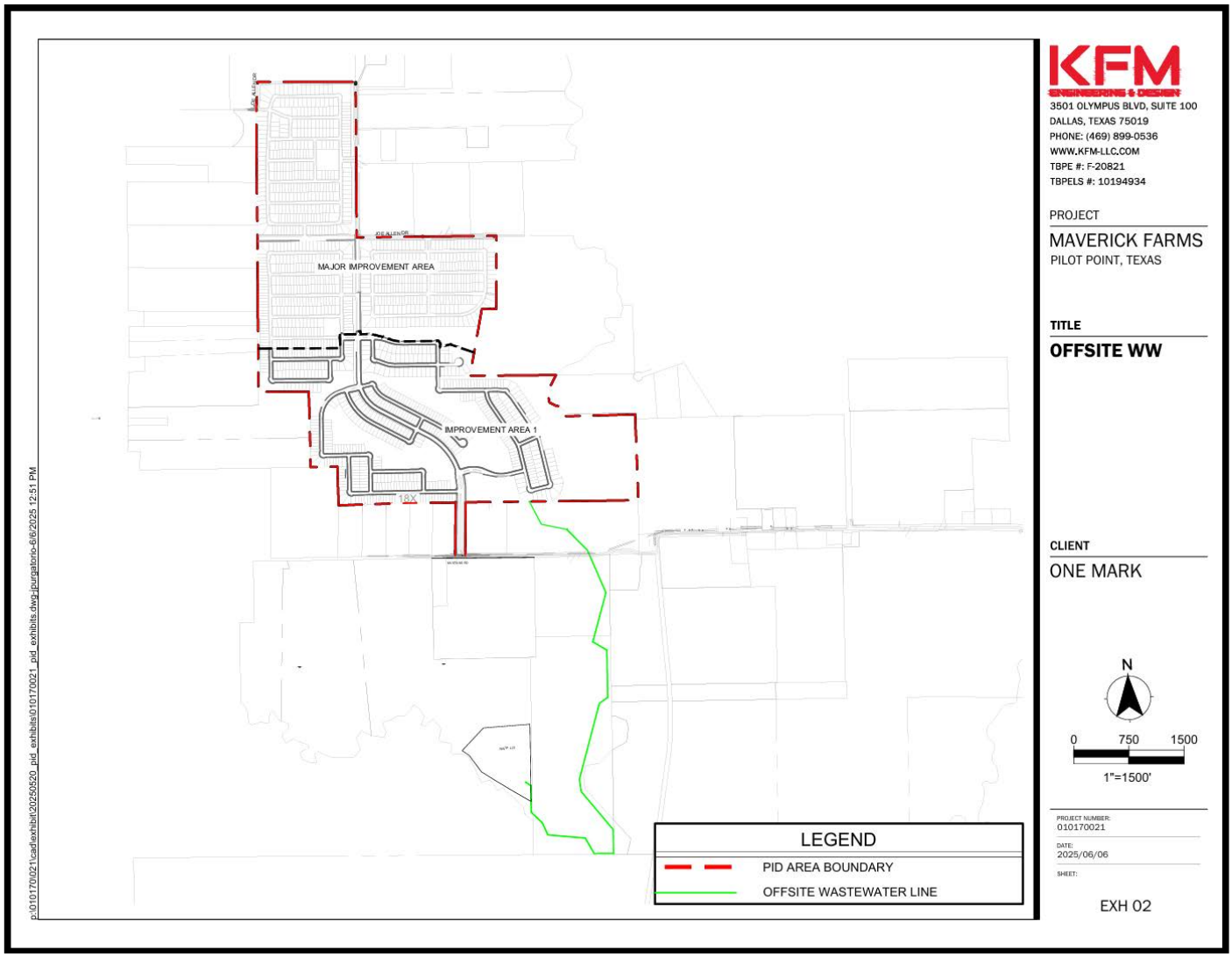
SITE LANDSCAPE PLAN – AMENITY SITE PLAN
BY OASIS AMENITIES



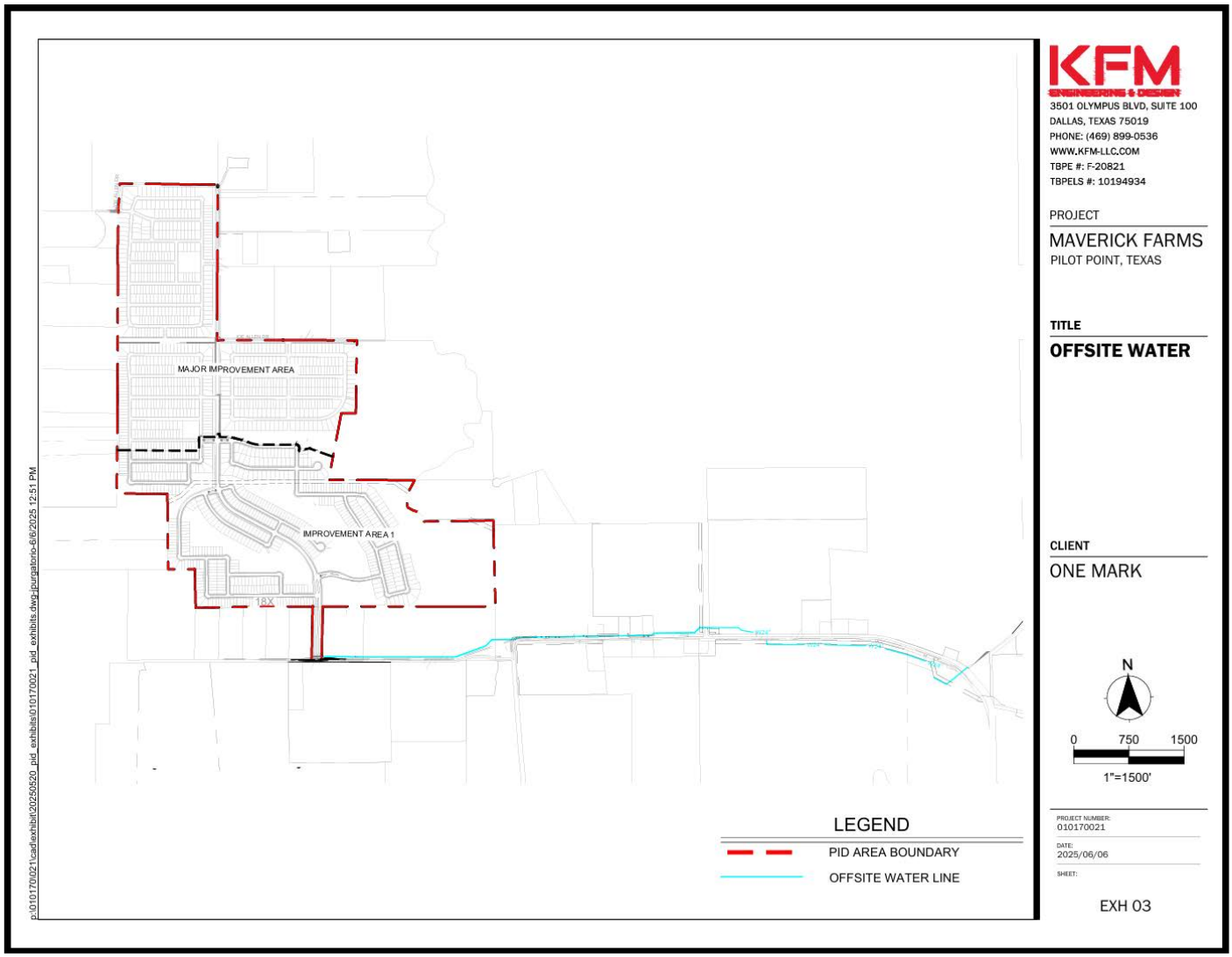
IMPROVEMENT AREAS EXHIBIT
BY KFM ENGINEERING & DESIGN



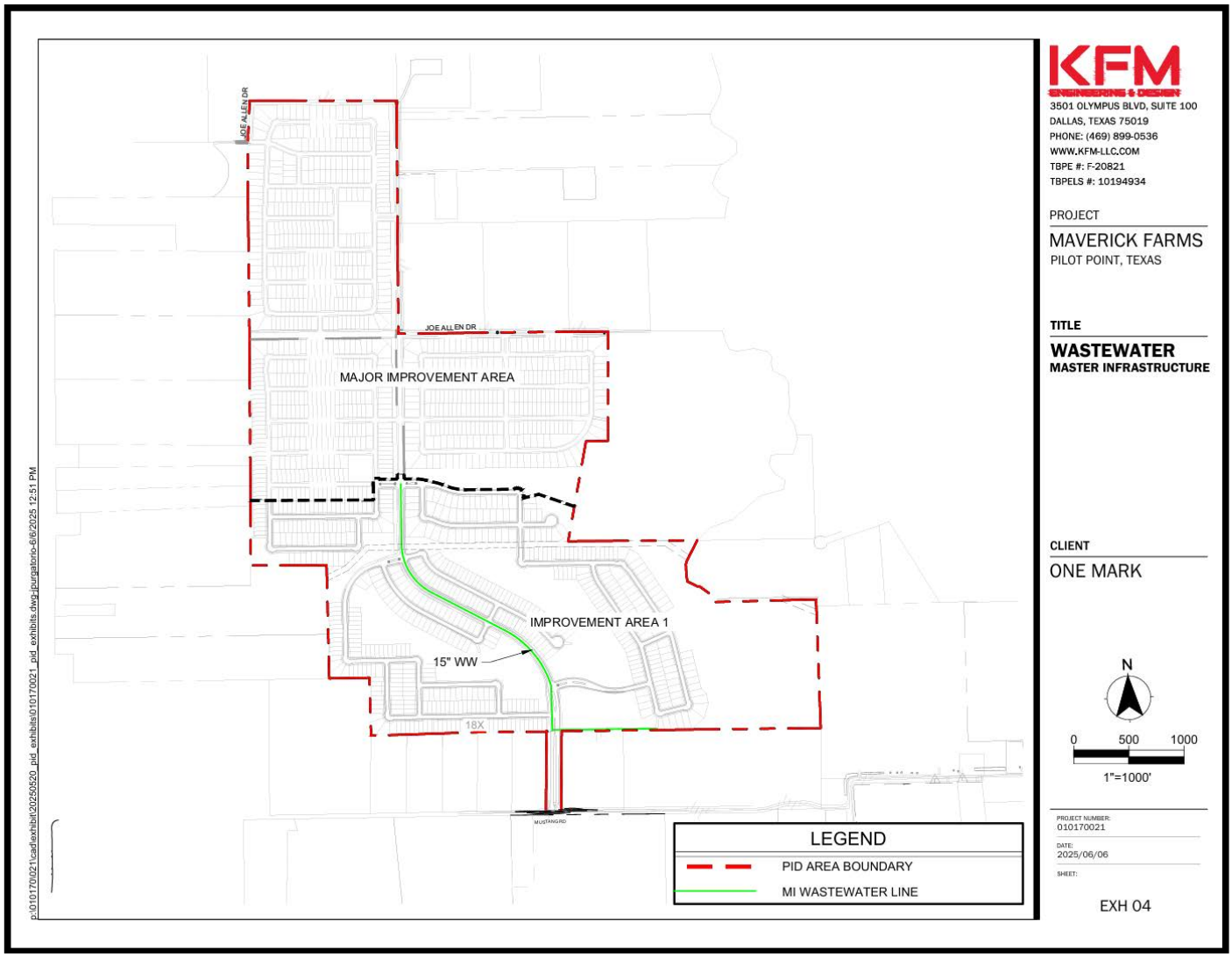
OFFSITE WASTEWATER EXHIBIT
BY KFM ENGINEERING & DESIGN



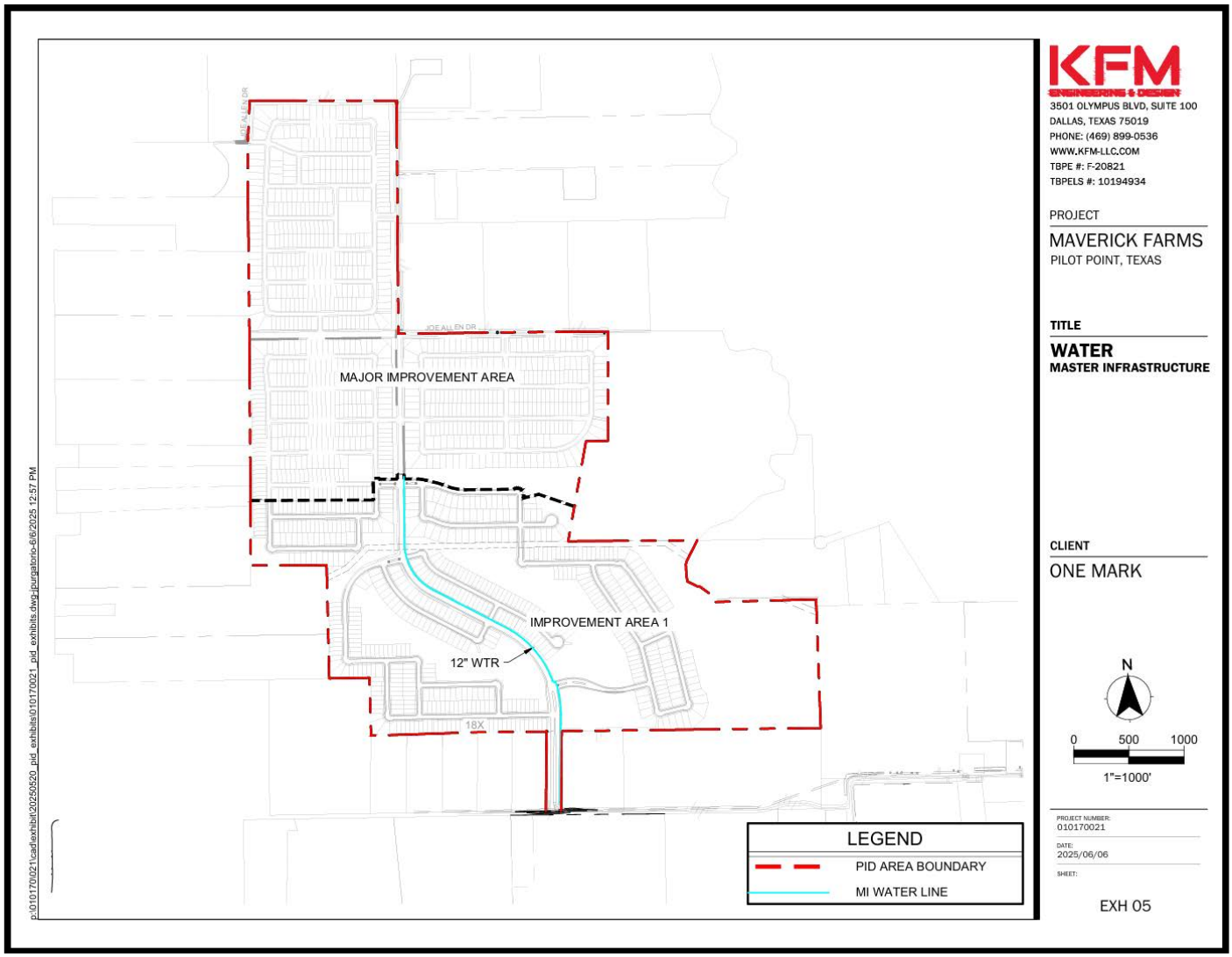
OFFSITE WATER EXHIBIT
BY KFM ENGINEERING & DESIGN



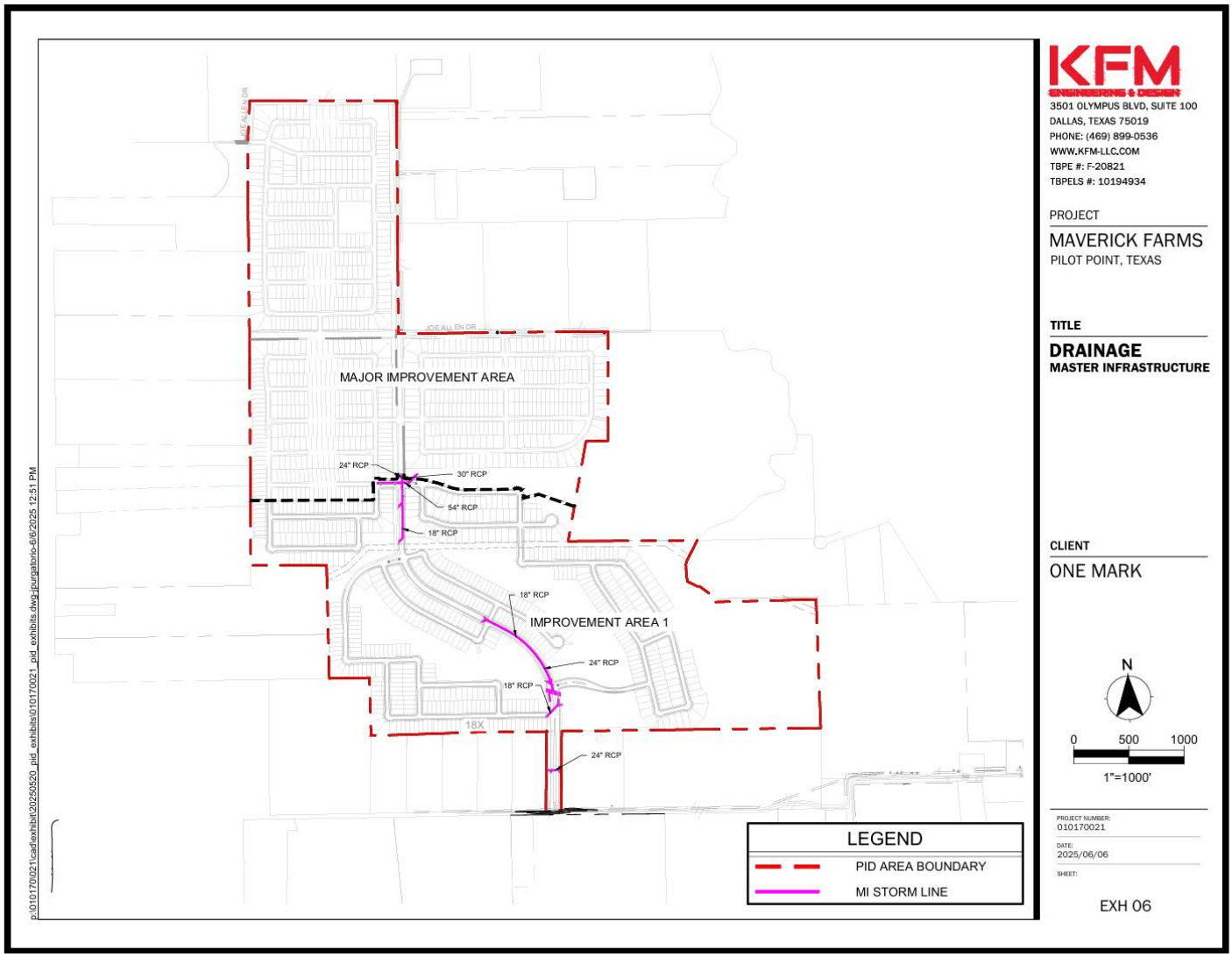
WASTEWATER MASTER INFRASTRUCTURE EXHIBIT
BY KFM ENGINEERING & DESIGN



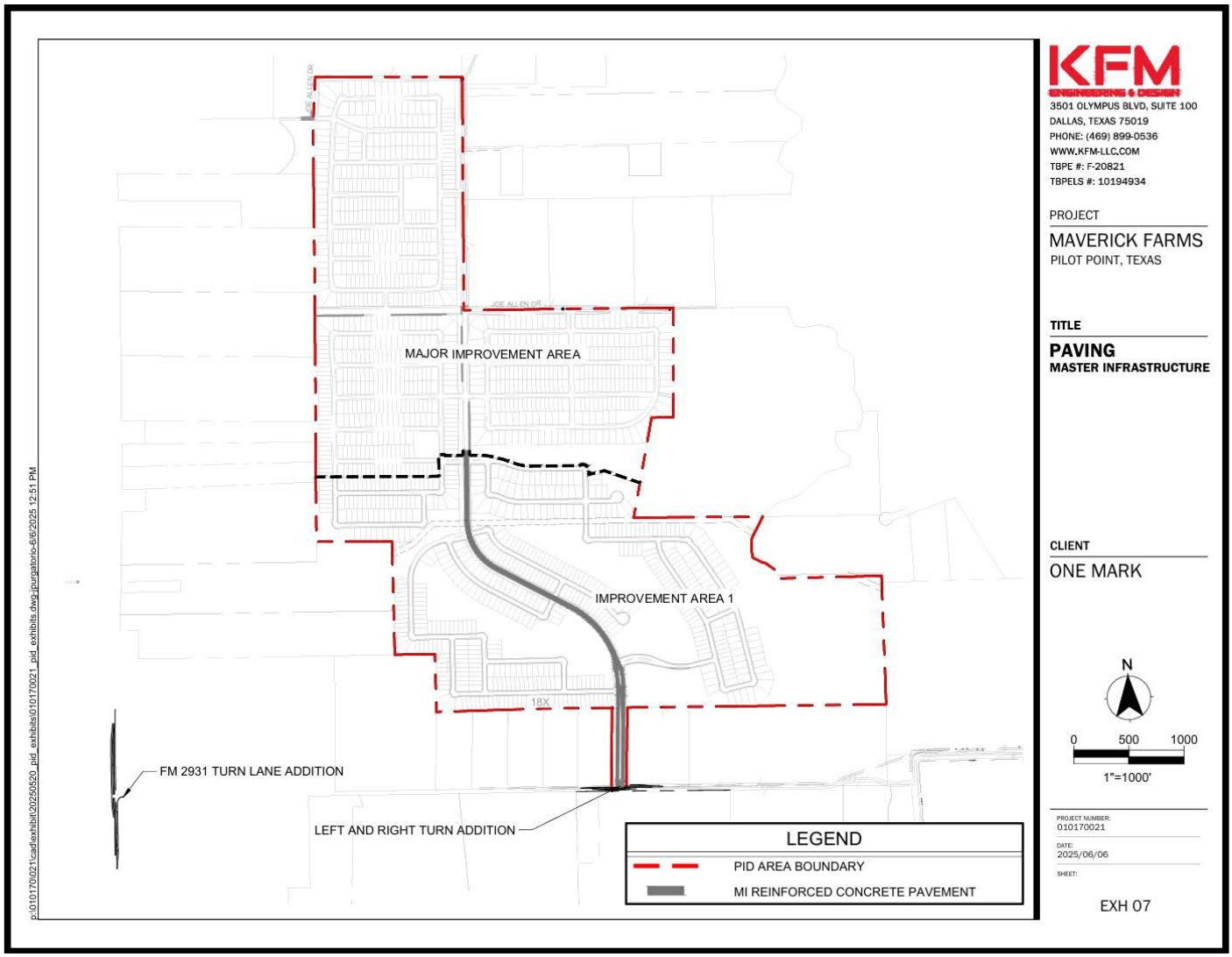
WATER MASTER INFRASTRUCTURE EXHIBIT
BY KFM ENGINEERING & DESIGN



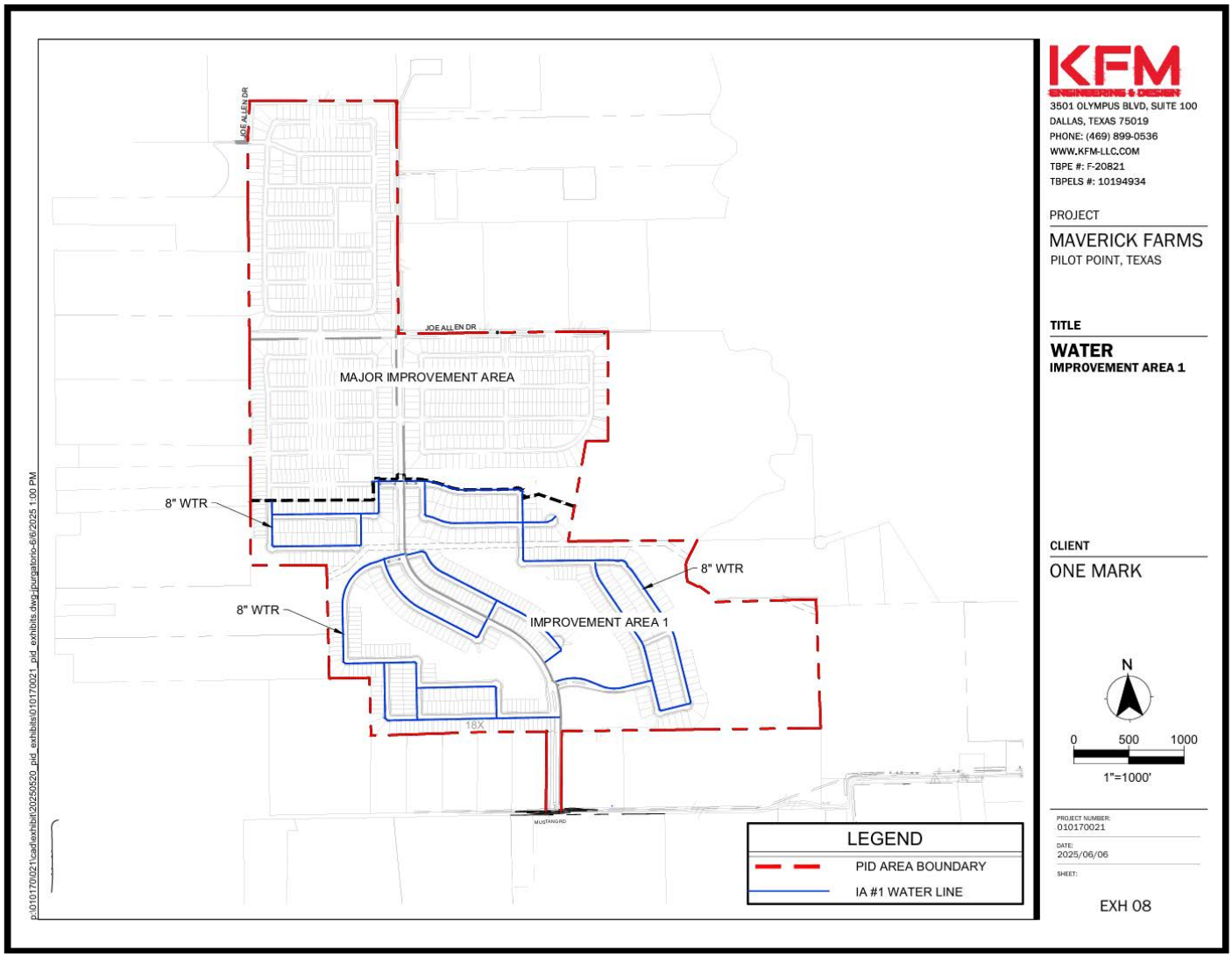
DRAINAGE MASTER INFRASTRUCTURE EXHIBIT
BY KFM ENGINEERING & DESIGN



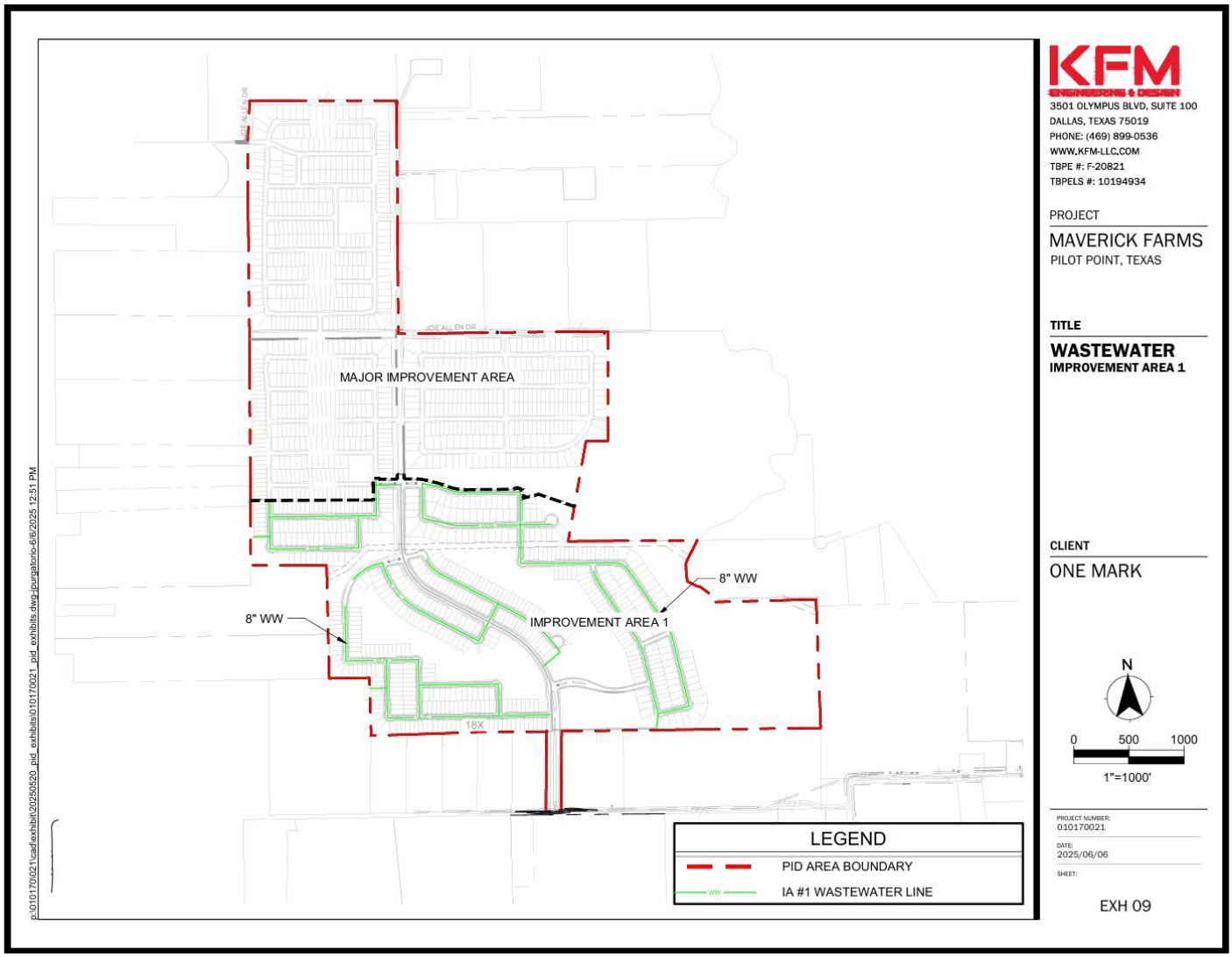
PAVING MASTER INFRASTRUCTURE EXHIBIT
BY KFM ENGINEERING & DESIGN



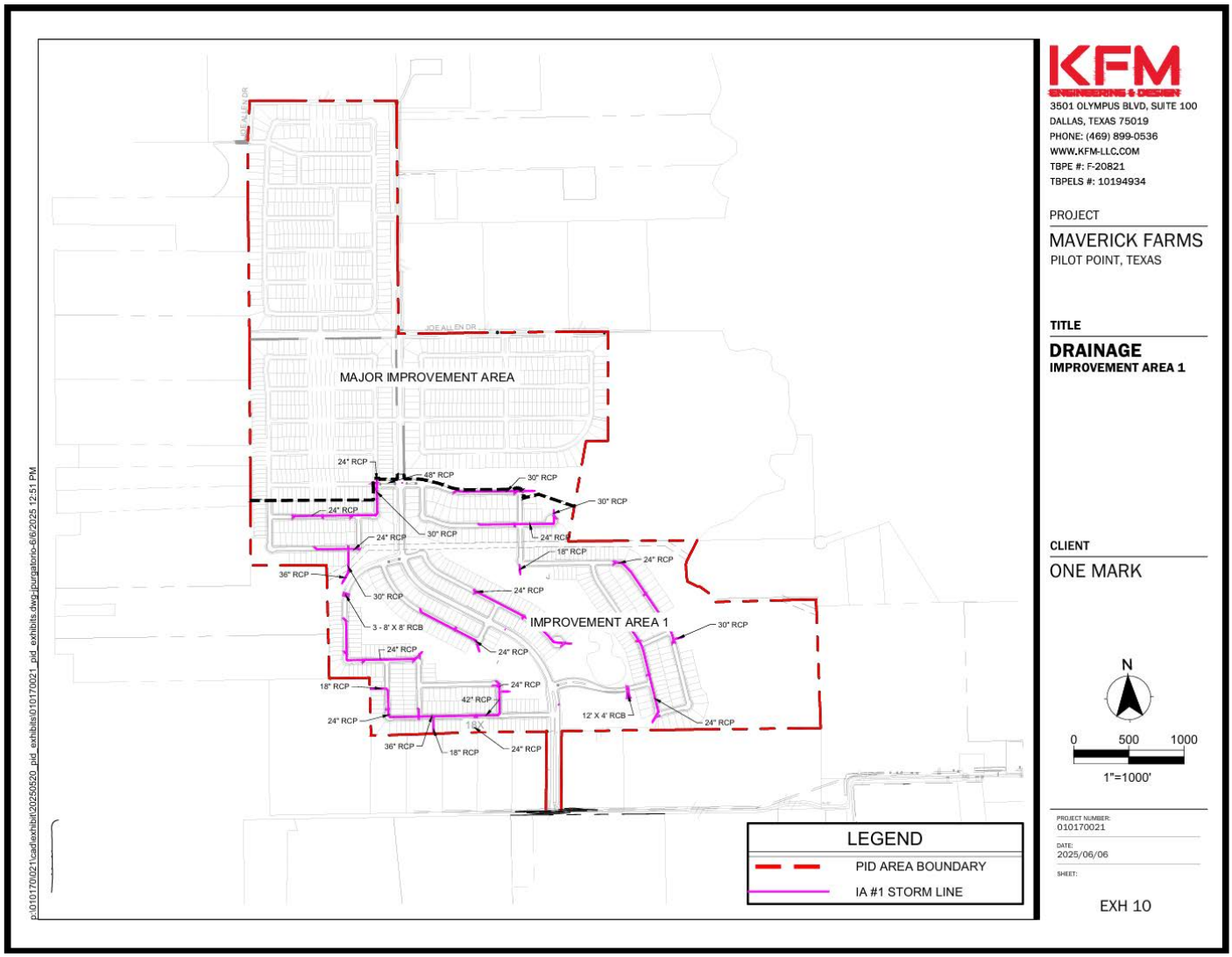
WATER IMPROVEMENT AREA 1
BY KFM ENGINEERING & DESIGN



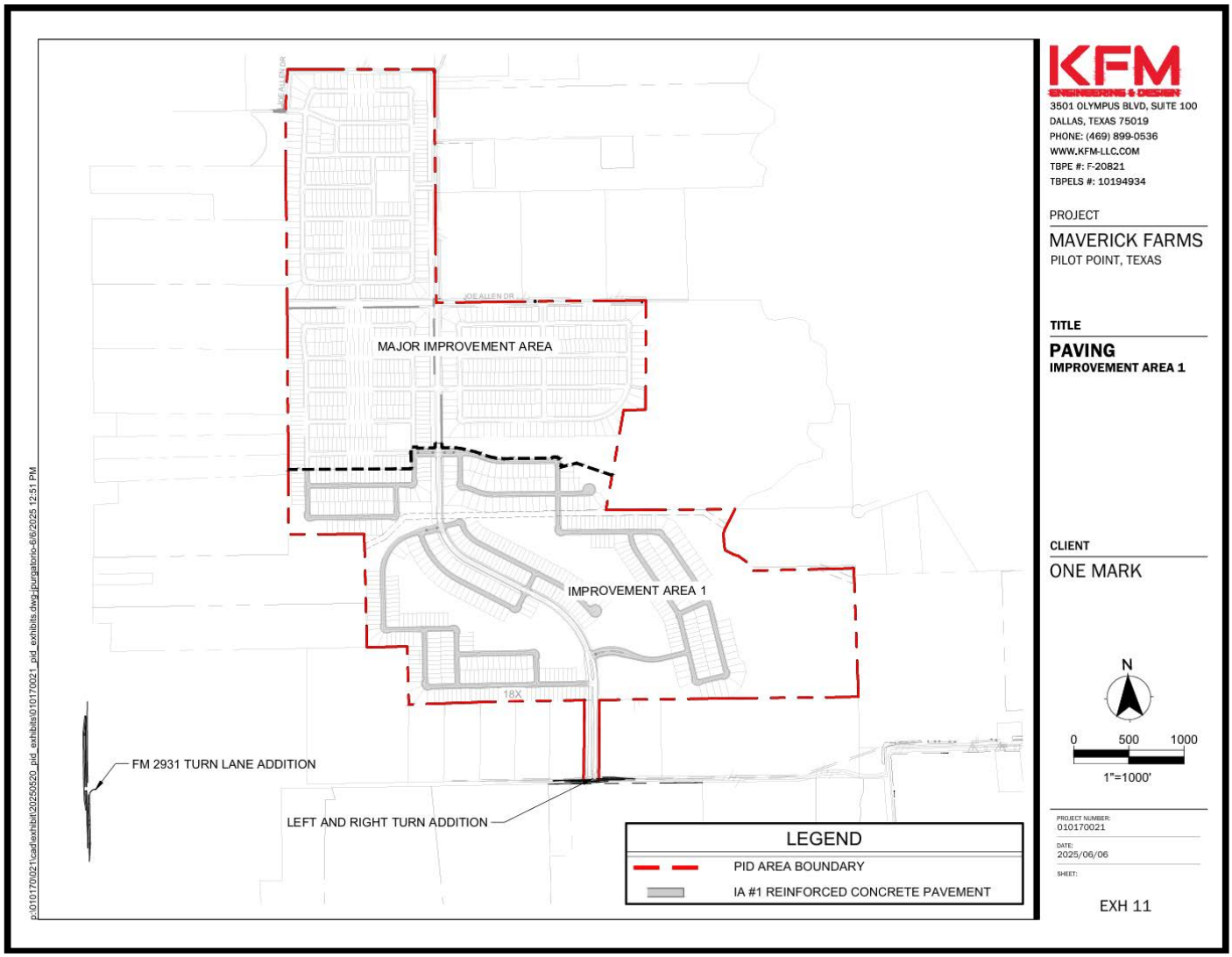
WASTEWATER IMPROVEMENT AREA 1
BY KFM ENGINEERING & DESIGN



DRAINAGE IMPROVEMENT AREA 1
BY KFM ENGINEERING & DESIGN



PAVING IMPROVEMENT AREA 1
BY KFM ENGINEERING & DESIGN



PROPERTY PHOTOGRAPHS

Mustang Road Facing West

Mustang Road Facing East

Main Entrance to Subject

Creek Bisecting Subject

Creek Bisecting Subject

Southern Portion of Property Facing East

SUBJECT PHOTOGRAPHS

Southern Portion of Property Facing North

Southern Portion of Property Facing West

Central Portion of Property Facing North

Central Portion of Property Facing West

Central Portion of Property Facing South

Northern Portion of Property Facing North

SUBJECT PHOTOGRAPHS

Northern Portion of Property Facing West

Northern Portion of Property Facing East

Joe Allen Road Facing West

Joe Allen Road Facing East

HIGHEST AND BEST USE

The highest and best use may be defined as the most profitable or likely profitable legal use for which a property may be utilized. The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand in the reasonably near future. Also, that reasonable and probable use that will support the highest present value, as defined, as of the Prospective Effective Date of the appraisal.

Alternatively, that use, from among reasonably probable and legal alternative uses, is found to be:

a. Legally Permissible
b. Physically Possible
c. Financially Feasible
d. Maximally Productive

The definition, immediately above, applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

There are two distinct types of highest and best use, that being the highest and best use as if the site were vacant, and the highest and best use as improved. Both use determinations require consideration of the physical, legal, financial feasibility and maximal productivity for the site and improvements.

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use "As-Vacant"

Legally Permissible
The subject property will be within the City of Pilot Point and has a Development Agreement with the City of Pilot Point and will be zoned Planned Development (PD) which, at the subject property, allows for detached single-family residential use.

No private deed restrictions were uncovered during a normal investigation, which would further limit the potential uses of the subject site. No other legal restrictions or covenants were found to be imposed on the subject property at the time of the appraisal which would further restrict development.

Given surrounding land use patterns in the area, only detached single-family residential use is given further consideration in determining the highest and best use of the site as vacant.

Physically Possible
Considering the subject's physical characteristics including jurisdiction, location, size, shape, and availability of utilities, the site is capable of numerous uses which are physically possible without being constrained by the property itself.

Financially Feasible
In order to be economically feasible, the improvements should conform to the surrounding land uses. To meet the test of being financially feasible, the project must provide a net return over a reasonable period of time. The area surrounding the subject property is rural, however the development of the surrounding area (Aubrey, Celina, Prosper, Pilot Point) has accelerated considerably over the past decade as development north of Dallas and Fort Worth and along major highways has shown almost endless demand. Developers and home builders have moved

further away from the center of the Metroplex to quasi-rural areas of Denton County like those surrounding the subject property are being developed with middle-to-middle-upper class housing stock. Based on review of homes on the market, we would expect home prices between $300,000-$500,000 would be in demand in Maverick Farms PID.

Based on our analysis of the market, it is reasonable to expect a rise in demand for vacant developed lots (VDLs) in 2025 as homebuilders sell more homes when mortgage rates begin to fall precipitously as they did in 2024; Along with this, due to the lack of supply for VDLs and the long-term prospects of the subject's area, we expect ample demand for single-family lots in the next 2-5 years. When looking at the longer time horizon, it appears that a newly developed single-family residential use on the site would have a value commensurate with its cost. Therefore, single-family residential use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the subject property that would generate a higher residual land value than single-family residential use. Accordingly, it is our opinion that single-family residential use, developed to the normal market density allowed by the Planned Development is the maximally productive use of the property.

The resilient business climate in North Texas, the addition of new jobs to the area, and the continual development of neighborhoods similar to Pilot Point and Denton County has created increased demand for homes in the area. Coupled with increasing movement into DFW, and northward in the Metroplex in particular, it is our opinion that the highest and best use of the property "As-Vacant" would be for the development of single-family residential community. Thus, the highest and best use of the property "As-Vacant" is for development of single-family residential use.

Highest and Best Use "As-Improved"

Development of the subject property, as proposed utilizing our extraordinary assumptions, is the only use that meets the four tests of highest and best use. Therefore, we conclude that the highest and best use of the property "As-Improved" is similar to our conclusion "As-Vacant" which is for single-family residential use.

We believe that the **most probable buyers** would be a developer of large single-family communities or a large homebuilder who is active in the DFW Metroplex market. Also, given that the developer of the subject property (OMA Pilot Point, LLC) is a regionally recognized homebuilder, an additional most probably buyer would be the end-user seeking affordable housing in a quasi-rural area such as Pilot Point.

VALUATION – IMPROVED RESIDENTIAL LOTS IN IMPROVEMENT AREA #1

Three approaches to value are typically considered when developing a market value opinion for real property. These are the Cost Approach, the Sales Comparison Approach, and the Income (Subdivision Development) Approach. Use of the approaches in this assignment is summarized as follows:

Approach	***Applicability to Subject***	***Use in Assignment***
Cost Approach	*Not Appropriate Since the Single-Family Residential Portion will be Constructed in Phases*	*Not Utilized*
Income (Subdivision Development) Approach	*Appropriate in Determining Residential Subdivision Value*	*Utilized*
Sales Comparison Approach	*Aspects Used in Subdivision Valuation to Determine Retail Market Value of the Vacant Developed Lots*	*Partially Utilized*

Residential Subdivision 539 (Improved Lots)

Cost Approach

The Cost Approach provides information that contrasts with information from the Income and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project. Since the subject property is being developed in multiple phases and there are no major improvements in place, *the Cost Approach is not the most appropriate and thus was not utilized for Improvement Area #1.*

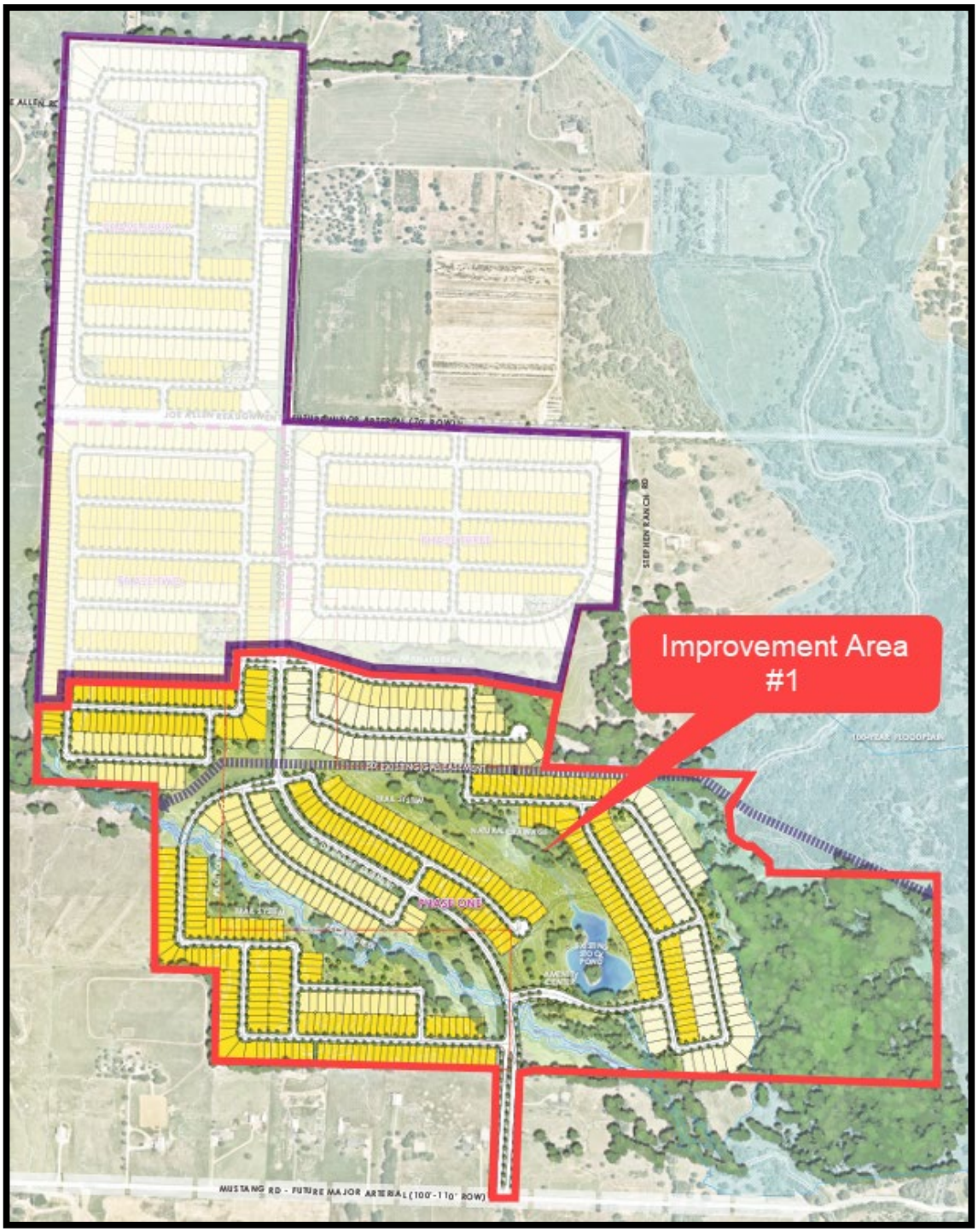
Income (Subdivision Development) Approach

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since one of the problems to be solved in this assignment is to determine the bulk sale value of 539 improved lots, as of the Prospective Effective Date of March 1, 2027, which is based on the Substantial Completion Date, *the Income (Subdivision Development) Approach is appropriate and was fully developed.*

Sales Comparison Approach

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify**,** *the Sales Comparison Approach was not fully developed by the appraisers.* Aspects of the Sales Comparison Approach were utilized to determine the retail value of the improved lots for analysis within the Income (Subdivision Development) Approach.

INCOME (SUBDIVISION DEVELOPMENT) APPROACH
IMPROVED RESIDENTIAL LOTS IMPROVEMENT AREA #1



NOTE: Improvement Area #1 comprises 539 *improved residential lots completed as vacant developed lots (VDLs) with a Prospective Effective Date of March 1, 2027. Phase 2, Phase 3, and Phase 4 are within the Major Improvement Area Paper Lots and are not included in the Income Subdivision Development Approach.*

Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. The income methodology applied in subdivision analysis has been adapted to simulate what occurs in a bulk sale where one buyer purchases a group of lots at a discount. It provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

In order to complete the analysis, the appraisers:

- Determined the value of the lots through aspects of the Sales Comparison Approach based on the concept plan provided by the developers
- Calculated the absorption period (earlier in the report) for the finished lots after construction is complete
- Analyzed the effect of appreciation, taxes, and sales costs over the absorption period
- Estimated the appropriate discount rate necessary to undertake the risks associate with the project
- Utilized discount cash flow (DCF) analysis to determine the present value of future cash flows realized by selling the lots at market prices over time

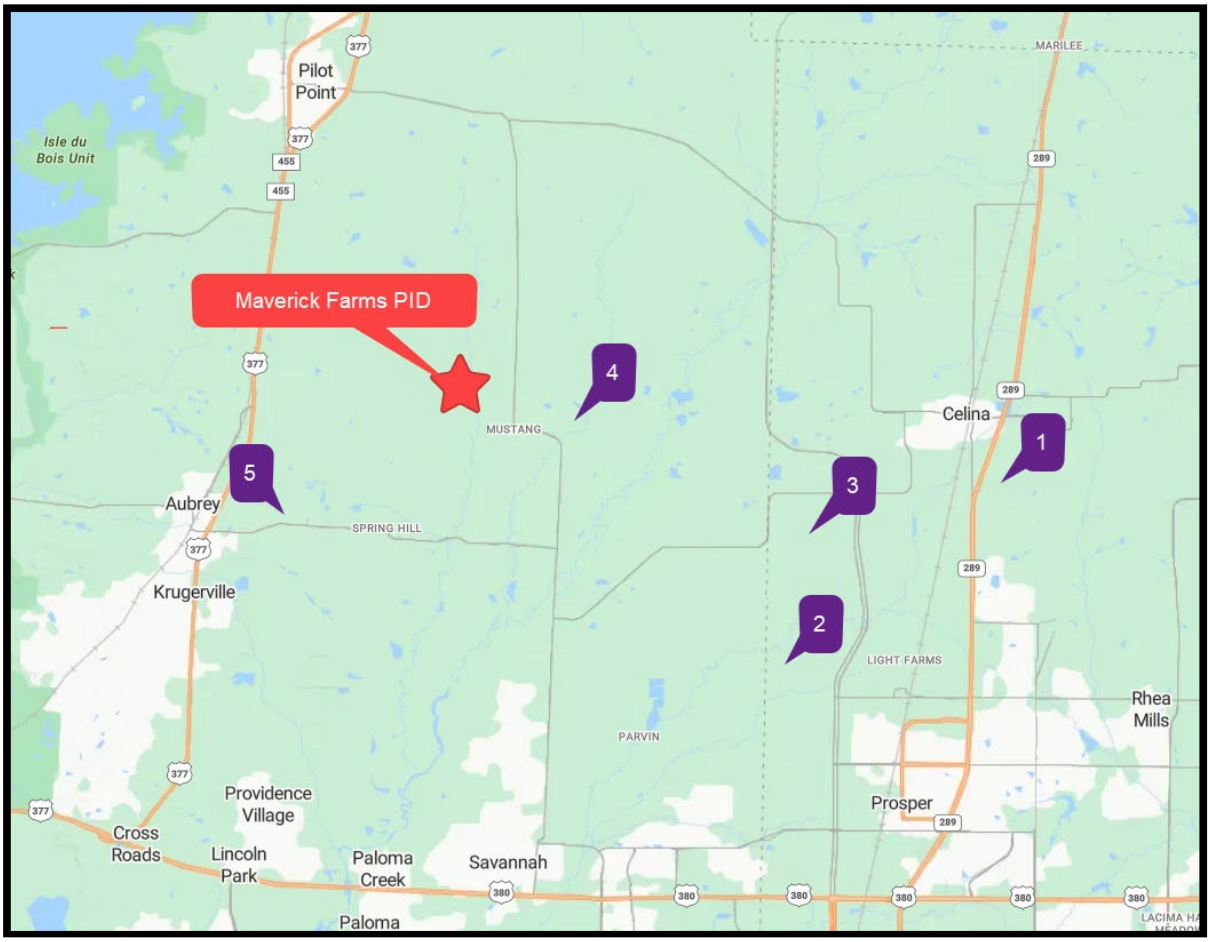
We utilized the following unit of comparison which is the measure most commonly found in the market:

Sales Price Per Front Foot *– Obtained by dividing sale price by the front footage of the lot*

Following is our analysis of the 40-FF, 50-FF, and 60-FF lots for Improvement Area #1 of Maverick Farms PID.

First, we will analyze the retail market value of the 40-FF improved residential lots in Improvement Area #1 of Maverick Farms PID.

MAP OF COMPARABLE LOT SALES –40' LOTS

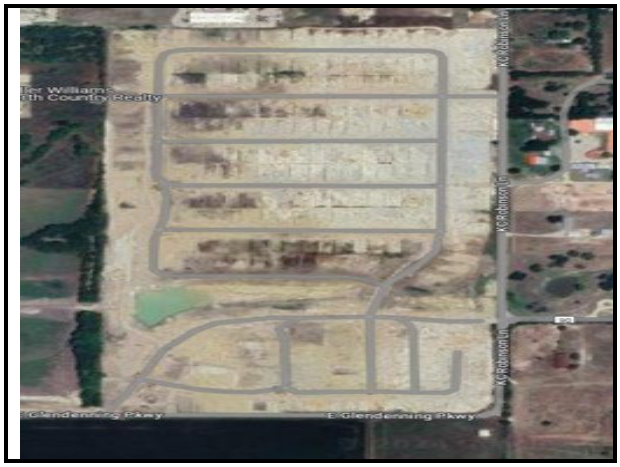


Subject: Maverick Farms PID, Pilot Point, TX 76258 Improvement Area #1

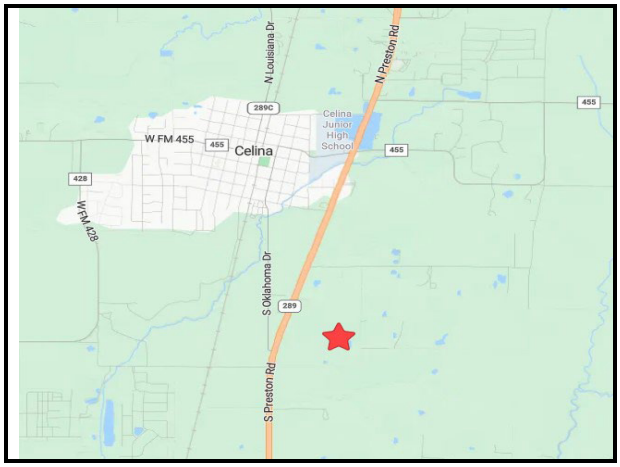
We selected the best and most recent comparable lot sales for our analysis of the 40-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 40' LOTS								
Sale	**Subdivision/Address**	**City**	**ISD**	**Contract Date**	**Sale Date**	**Base Lot Price**	**Front Feet (FF)**	***$/FF***
1	Hillside Village	Celina	Celina	Feb - 2023	In-Contract	$77,800	40	*$ 1,945*
2	Mosaic	Prosper	Prosper	Jan - 2023	Closed	$98,000	40	*$ 2,450*
3	Cambridge Crossing	Celina	Celina	Sept - 2022	Closed	$65,000	40	*$ 1,625*
4	Bryson Ranch	Pilot Point	Pilot Point	Mar - 2024	In-Contract	$72,000	40	*$ 1,800*
5	Aubrey (Keenland)	Aubrey	Aubrey	May - 2023	In-Contract	$68,000	40	*$ 1,700*
Subject	**Maverick Farms PID Improvement Area #1**	**Pilot Point**	**Pilot Point**	-	-	-	**40**	-

SALE COMPARABLE 1 – 40' LOTS



Comparable 1 Aerial

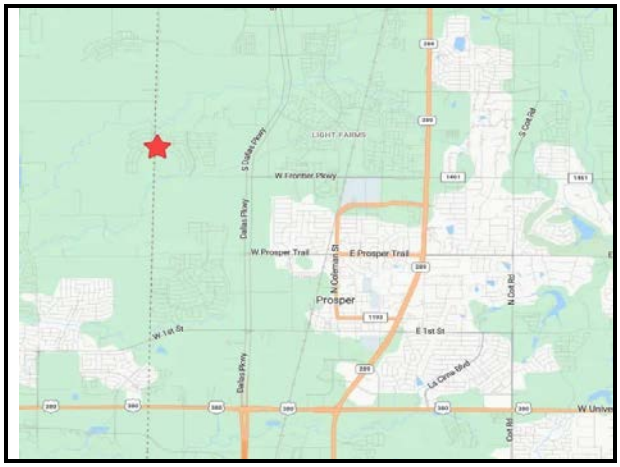


Comparable 1 Map

40-FF Sale Comparable 1				
Property Information				
Address	Hillside Village			
Property Class	Residential Lot			
Address	Northwest quadrant of Glendenning Parkway and County Road-89, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	4,800	SF	0.11	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	Feburary - 2023			
Seller	Qynne/Jackson, L.P.			
Buyer	HMH Lifestyle, L.P.			
Sale Price	$77,800			
Price per SF Land	$16.21			
Price per Front Foot	**$1,945**			

SALE COMPARABLE 2 – 40' LOTS

Comparable 2 Aerial

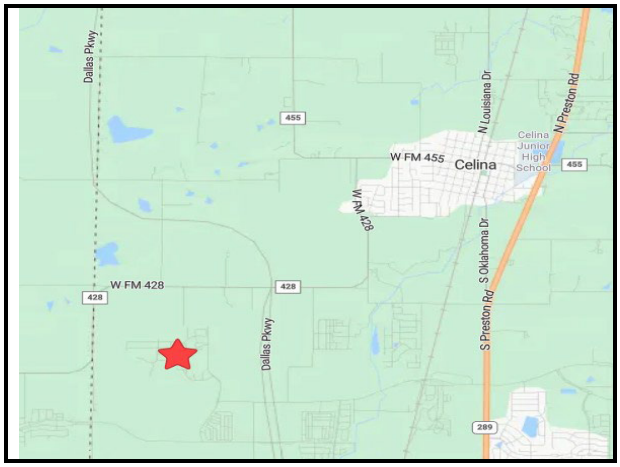


Comparable 2 Map

40-FF Sale Comparable 2				
Property Information				
Subdivision	Mosaic			
Property Class	Residential Lot			
Address	West side of CR-6 at Frontier Parkway, Prosper			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	4,800	SF	0.11	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	January - 2023			
Seller	Tellus Texas, LLC			
Buyer	Highland Homes - Dallas, LLC			
Sale Price	$98,000			
Price per SF Land	$20.42			
Price per Front Foot	**$2,450**			

SALE COMPARABLE 3 – 40' LOTS

Comparable 3 Aerial

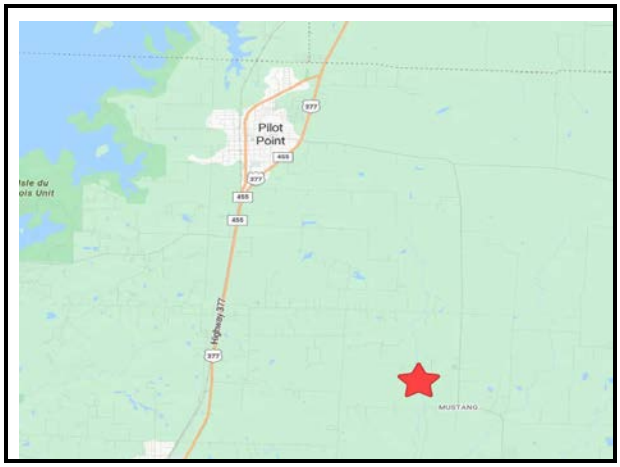


Comparable 3 Map

40-FF Sale Comparable 3				
Property Information				
Subdivision	Cambridge Crossing			
Property Class	Residential Lot			
Address	Northeast quadrant of Legacy Drive and Punk Carter Parkway, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	4,800	SF	0.11	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	September - 2022			
Seller	Tollway/Outerloop LP			
Buyer	Highland Homes - Dallas, LLC			
Sale Price	$65,000			
Price per SF Land	$13.54			
Price per Front Foot	**$1,625**			

SALE COMPARABLE 4 – 40' LOTS

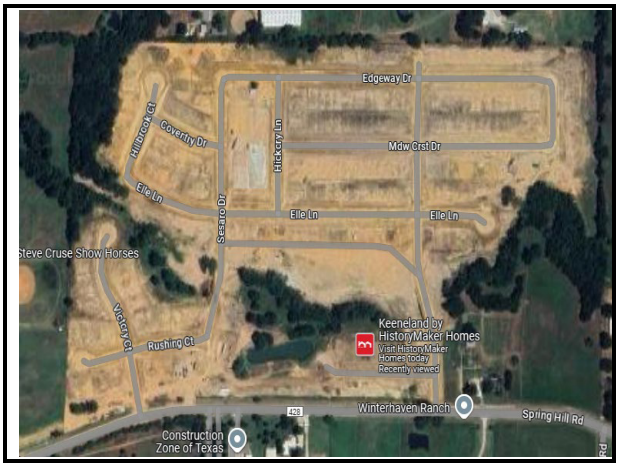
Comparable 4 Aerial



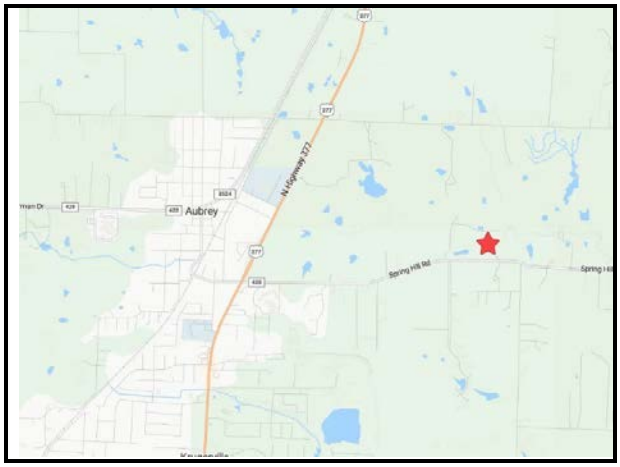
Comparable 4 Map

40-FF Sale Comparable 4				
Property Information				
Subdivision	Bryson Ranch			
Property Class	Residential Lot			
Address	Northwest Quadrant of Moberly Road and Hames Road, Pilot Point			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	4,600	SF	0.11	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	March - 2024			
Seller	Centurion American Acqusitions, LLC			
Buyer	Ashton Dallas Residential, LLC			
Sale Price	$72,000			
Price per SF Land	$15.65			
Price per Front Foot	**$1,800**			

SALE COMPARABLE 5 – 40' LOTS



Comparable 5 Aerial



Comparable 5 Map

40-FF Sale Comparable 5				
Property Information				
Subdivision Name	Aubrey (Keenland)			
Property Class	Residential Lot			
Address	1612 Macadamia Ct, Aubrey			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	4,800	SF	0.11	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	May - 2023			
Seller	Aubrey 81 West, LP			
Buyer	HMH Lifestyles, LP			
Sale Price	$68,000			
Price per SF Land	$14.17			
Price per Front Foot	**$1,700**			

SALES ADJUSTMENT COMPARISON GRID –40' LOTS

Subdivision	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Maverick Farms PID Improvement Area #1	Hillside Village	Mosaic	Cambridge Crossing	Bryson Ranch	Aubrey (Keenland)
	Pilot Point	Celina	Prosper	Celina	Pilot Point	Aubrey
Transactional Adjustments						
Sales Price/FF		$1,945	$2,450	$1,625	$1,800	$1,700
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		$1,945	$2,450	$1,625	$1,800	$1,700
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		$1,945	$2,450	$1,625	$1,800	$1,700
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		$1,945	$2,450	$1,625	$1,800	$1,700
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		$1,945	$2,450	$1,625	$1,800	$1,700
Time/Market Conditions		+16%	+17%	+18%	+12%	+15%
ADJUSTED Price/FF:		$2,256	$2,867	$1,918	$2,016	$1,955
Physical Adjustments						
Location/Access	Southeast Pilot Point, North of Mustang Road	-4%	-6%	-4%	0%	-2%
Amenities	Amenity Building, Pool, Outdoor Fitness Area, Playground, Grilling Station, Pavilion, Cabanas, Lake with Dock, Trails, Greenspace	+3%	+3%	-4%	-3%	+8%
Size	40-FF	0%	0%	0%	0%	0%
Topography/View	Gently Sloping; Unshaded Zone X	0%	0%	0%	0%	0%
Zoning	Planned Development	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		-1%	-3%	-8%	-3%	+6%
ADJUSTED Price/FF:		$2,234	$2,781	$1,764	$1,956	$2,072
SUMMARY OF COMPARABLE VALUES						
Value Range/FF			$1,764	to	$2,781	
Average Value/FF			$2,161			
Median Value/FF			$2,072			
Size			40-FF			
Unit Value Indication			$2160/FF			
Overall Value Indication			$86,400			
Rounded			$86,400			

ANALYSIS OF ADJUSTMENTS –40' LOTS

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $1,625 per front foot to $2,450 per front foot (FF) with all Sales being 40-FF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale
Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase
Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions
The residential real estate market increased significantly in 2020-2024 but now appears to be cooling following another interest rate increased by the Federal Reserve that has lowered mortgage rates by 19 basis points to 6.65% as of May 2025. Price increased from 2020-2024 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. We also considered that according to data from Zonda there is a shortage of 40-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically within Collin and Denton County which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +4% year-over year (YoY) increase throughout 2023, 2024, and into the second quarter of 2025 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +12% and +18% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is located in the City of Pilot Point near the modestly expanding quasi-suburban sprawl of residential neighborhoods north of Fort Worth and Dallas. Development in the subject area has been substantial and consistent throughout the decades. The subject is located along Mustang Road, which is a asphalt paved road that is on the southern line of the property. The area around the subject is primarily rural land with housing subdivisions beginning to be developed. Also in the area are municipal uses, agricultural uses, and some commercial uses along U.S. Highway 377 and U.S. Highway 289.

Northwest of the subject property, about 9.5 miles, is Pilot Point High School which is the only high school in Pilot Point ISD. Pilot Point ISD is a district with a "C" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. Accessibility is considered average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Superior; Located in Celina, which has superior access to commercial uses and is located in Celina ISD which has a "B" rating and considered to be a superior ISD; Adjusted -4%
- Sale 2: Superior; Located in Prosper, with superior access to commercial uses and is located in Prosper ISD which has an "A" rating and considered to be a superior ISD; Adjusted -6%
- Sale 3: Superior; Located in Celina, with superior access to commercial uses and is located in Celina ISD which has a "B" rating and considered to be a superior ISD; Adjusted -4%
- Sale 4: Similar; Located in Pilot Point, with similar access to commercial uses and is located in Pilot Point ISD which is the same ISD as the subject; Adjusted 0%
- Sale 5: Superior; Located in Aubrey, with superior access to commercial uses and is located in Aubrey ISD which has a "B" rating and considered to be a superior ISD; Adjusted -2%

Amenities

The subject property's amenities will consist of an amenity building, pool, outdoor fitness area, playground, grilling station, pavilion, cabanas, lake with a dock, trails, and greenspace. According to the site visit, earthwork on the site is not yet underway. The subject's amenities are above average for a master planned community the size of Maverick Farms PID development being built-out with 539 homes within Improvement Area #1. We have made the following adjustments for Amenities:

- Sale 1: Inferior; Hillside Village Subdivision, which has inferior amenities such a resort-style pool with a cabana, community trails, a playground, and parks; Adjusted +3%
- Sale 2: Inferior; Mosaic Subdivision, which has inferior amenities such as an amenity center, a pool, a lazy river, a fishing pond, playgrounds, a fitness center, trails, and open spaces; Adjusted +3%
- Sale 3: Superior; Cambridge Crossing Subdivision, which has superior amenities such as lakes, an amenity center, a fitness center, pickleball courts, a half-court basketball court, jogging trails, a fishing pond, a playground, a lap pool, a resort style pool and cabanas, and an event lawn; Adjusted -4%
- Sale 4: Superior; Bryson Ranch Subdivision, which has superior amenities such as a commercial space, amenity centers, pool, playground, fitness center, trails, and open spaces; Adjusted -3%
- Sale 5: Inferior; Aubrey (Keenland) Subdivision, which has inferior amenities such a park with a playground and a path with a pond; Adjusted +8%

Size
Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). All Sales are also 40' lots that can accommodate the same building pad, so no adjustment is made for Size.

Topography/View
The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that is generally lacking remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

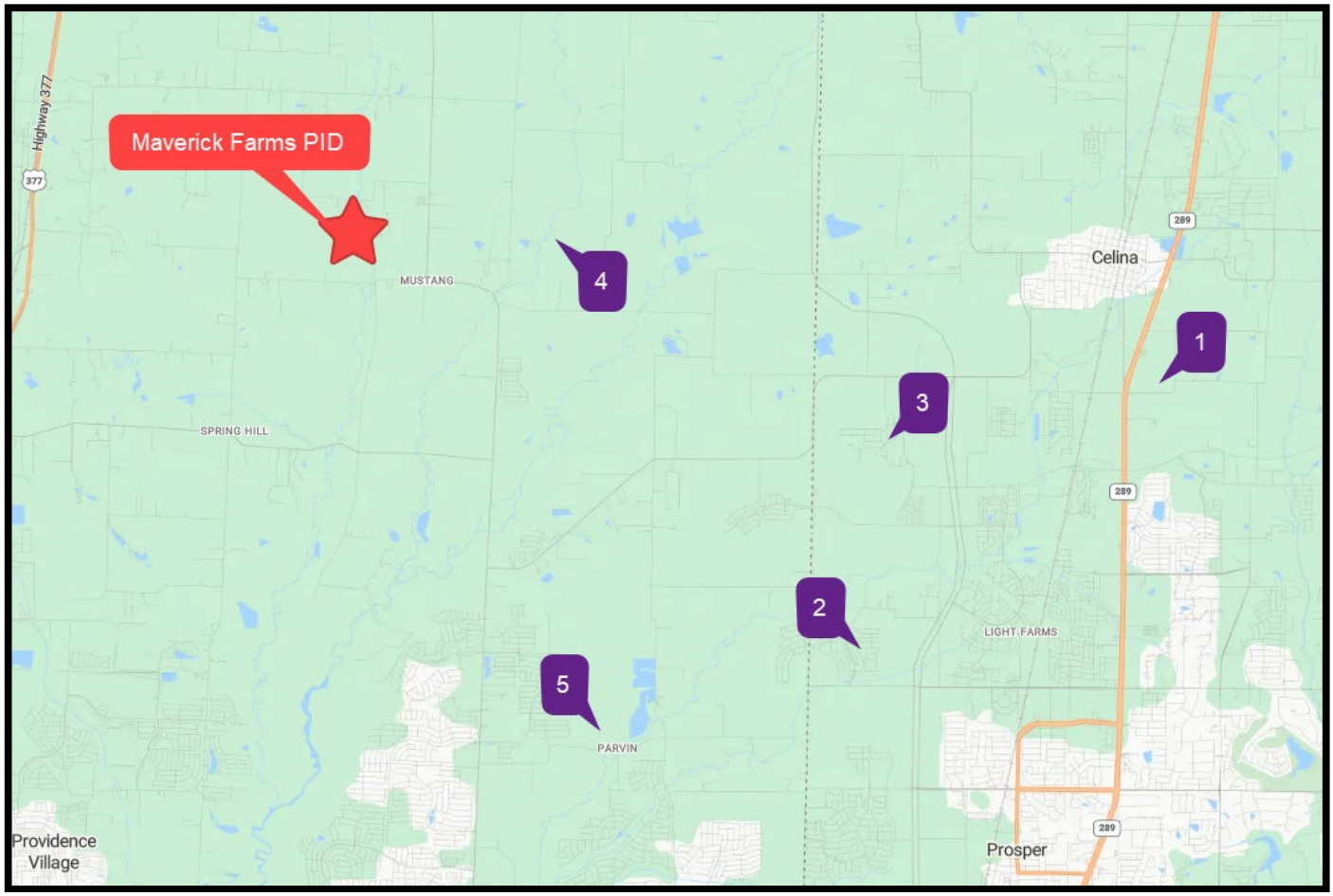
Zoning
The subject property is zoned planned development and each of the comparable sales are in planned developments with residential subdivision zoning for similar sized residential lots; thus, no adjustment is made for zoning.

Conclusion for 40' Lots – The 40' Lot Sales have an adjusted range of $1,764/FF to $2,781/FF with an average of $2,161/FF and a median of $2,072/FF. We considered each of the five sales as being reflective of the market and considered increasing development costs due to increases in material (especially concrete) and labor which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 40' lots is $2160/FF, or $86,400/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
40' Detached Lots	345	March 1, 2027	$86,400

Next, we will analyze the retail market value of the 50' improved residential lots within Improvement Area #1 of Maverick Farms PID.

MAP OF COMPARABLE LOT SALES –50' LOTS

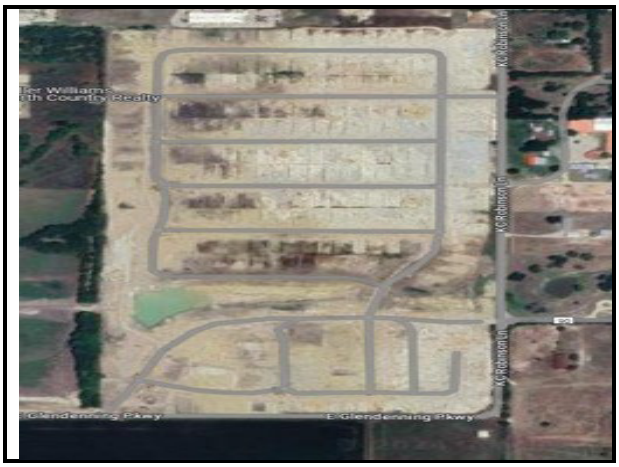


Subject: Maverick Farms PID, Pilot Point, TX 76258 Improvement Area #1

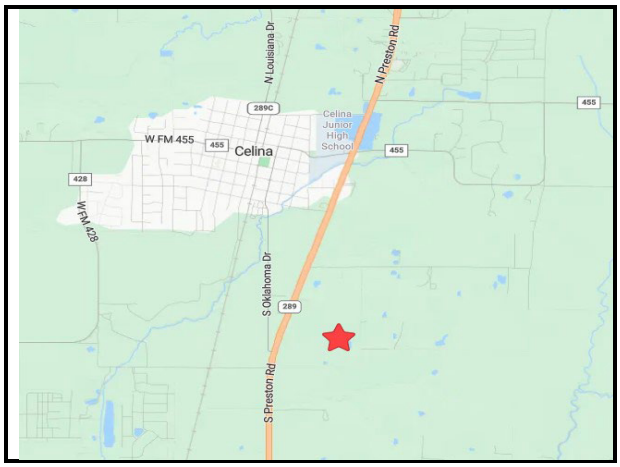
We selected the best and most recent comparable lot sales for our analysis of the 50-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 50' LOTS								
Sale	**Subdivision/Address**	**City**	**ISD**	**Contract Date**	**Sale Date**	**Base Lot Price**	**Front Feet (FF)**	***$/FF***
1	Hillside Village	Celina	Celina	May - 2024	Closed	$97,250	50	*$ 1,945*
2	Mosaic	Prosper	Prosper	Sept - 2023	Closed	$115,000	50	*$ 2,300*
3	Cambridge Crossing	Celina	Celina	Feb - 2024	Closed	$100,000	50	*$ 2,000*
4	Bryson Ranch	Pilot Point	Pilot Point	Mar - 2024	In-Contract	$90,000	50	*$ 1,800*
5	Lily Creek at Sutton Fields	Celina	Celina	Feb - 2023	In-Contract	$100,000	50	*$ 2,000*
Subject	**Maverick Farms PID Improvement Area #1**	**Pilot Point**	**Pilot Point**	-	-	-	**50**	-

SALE COMPARABLE 1 – 50' LOTS



Comparable 1 Aerial

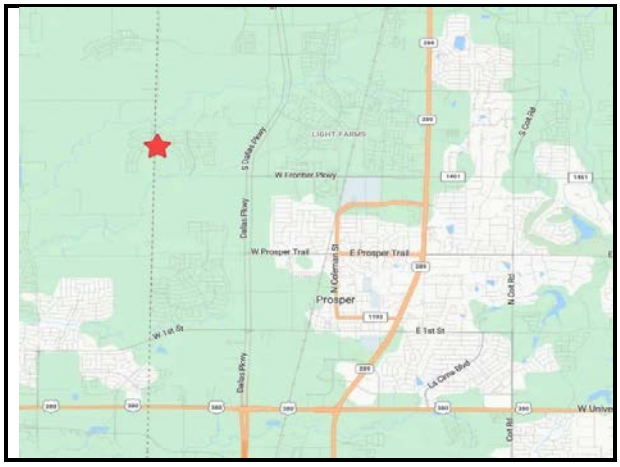


Comparable 1 Map

50-FF Sale Comparable 1				
Property Information				
Subdivision Name	Hillside Village			
Property Class	Residential Lot			
Address	Northwest quadrant of Glendenning Parkway and County Road 89, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Development Agreement			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	May - 2024			
Seller	WJ Hillside GP, LLC Partner			
Buyer	Shaddock Homes, LTD			
Sale Price	$97,250			
Price per SF Land	$16.21			
Price per Front Foot	**$1,945**			

SALE COMPARABLE 2 – 50' LOTS

Comparable 2 Aerial

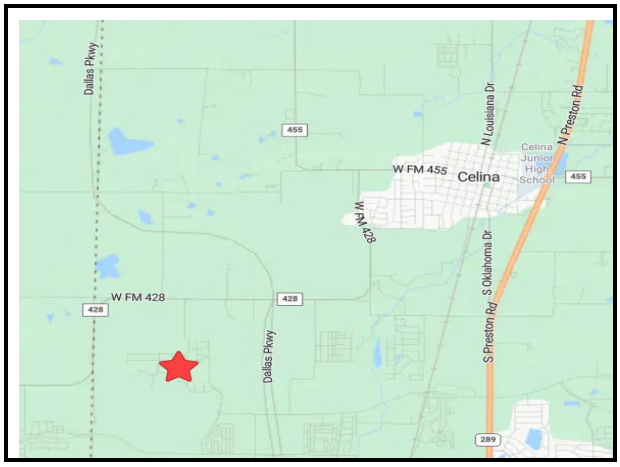


Comparable 2 Map

50-FF Sale Comparable 2				
Property Information				
Subdivision Name	Mosaic			
Property Class	Residential Lot			
Address	West side of CR-6 at Frontier Parkway, Prosper			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	January - 2023			
Seller	Tellus Texas, LLC			
Buyer	Highland Homes - Dallas, LLC			
Sale Price	$115,000			
Price per SF Land	$19.17			
Price per Front Foot	**$2,300**			

SALE COMPARABLE 3 – 50' LOTS

Comparable 3 Aerial

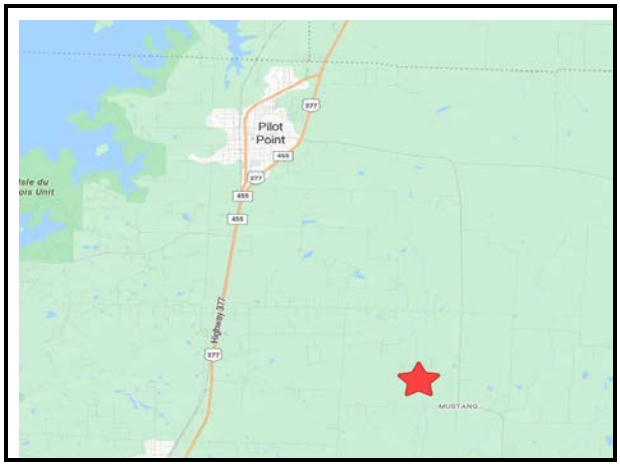


Comparable 3 Map

50-FF Sale Comparable 3				
Property Information				
Subdivision Name	Cambridge Crossing			
Property Class	Residential Lot			
Address	Northeast quadrant of Legacy Drive and Punk Carter Parkway, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	February - 2024			
Seller	Tollway/Outerloop LP			
Buyer	Perry Homes, LLC			
Sale Price	$100,000			
Price per SF Land	$16.67			
Price per Front Foot	**$2,000**			

SALE COMPARABLE 4 – 50' LOTS

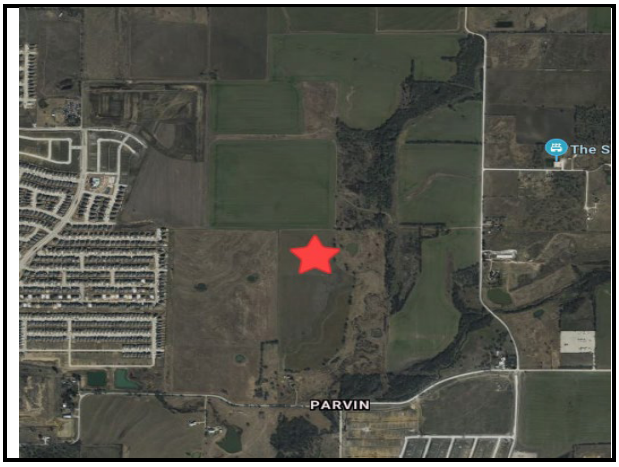
Comparable 4 Aerial



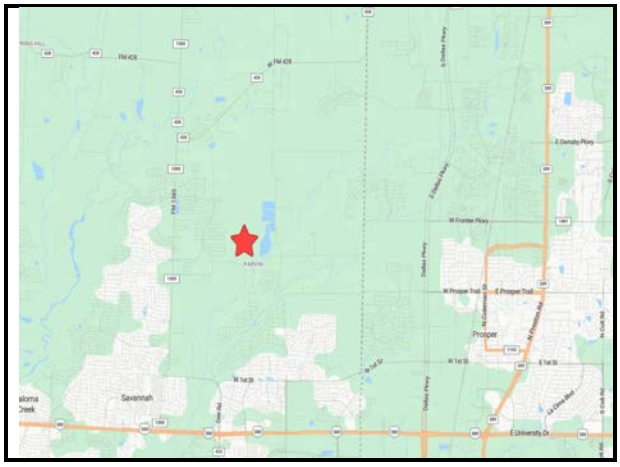
Comparable 4 Map

50-FF Sale Comparable 4				
Property Information				
Subdivision Name	Bryson Ranch			
Property Class	Residential Lot			
Address	Northwest Quadrant of Moberly Road and Hames Road, Pilot Point			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	March - 2024			
Seller	Centurion American Acqusitions, LLC			
Buyer	Ashton Dallas Residential, LLC			
Sale Price	$90,000			
Price per SF Land	$15.00			
Price per Front Foot	**$1,800**			

SALE COMPARABLE 5 – 50' LOTS



Comparable 5 Aerial



Comparable 5 Map

50-FF Sale Comparable 5				
Property Information				
Subdivision Name	Lily Creek at Sutton Fields			
Property Class	Residential Lot			
Address	North side of Parvin Road, East of Farm to Market Road 1375 and Sutton Fields, Celina			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	February - 2023			
Seller	MM Celina Parvin 101, LLC			
Buyer	M/I Homes			
Sale Price	$100,000			
Price per SF Land	$16.67			
Price per Front Foot	**$2,000**			

SALES ADJUSTMENT COMPARISON GRID –50' LOTS

Subdivision	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Maverick Farms PID Improvement Area #1	Hillside Village	Mosaic	Cambridge Crossing	Bryson Ranch	Lily Creek at Sutton Fields
	Pilot Point	Celina	Prosper	Celina	Pilot Point	Celina
Transactional Adjustments						
Sales Price/FF		$1,945	$2,300	$2,000	$1,800	$2,000
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		$1,945	$2,300	$2,000	$1,800	$2,000
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		$1,945	$2,300	$2,000	$1,800	$2,000
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		$1,945	$2,300	$2,000	$1,800	$2,000
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		$1,945	$2,300	$2,000	$1,800	$2,000
Time/Market Conditions		+11%	+14%	+12%	+12%	+16%
ADJUSTED Price/FF:		$2,159	$2,622	$2,240	$2,016	$2,320
Physical Adjustments						
Location/Access	Southeast Pilot Point, North of Mustang Road	-4%	-6%	-4%	0%	-4%
Amenities	Amenity Building, Pool, Outdoor Fitness Area, Playground, Grilling Station, Pavilion, Cabanas, Lake with Dock, Trails, Greenspace	+3%	+3%	-3%	-2%	+3%
Size	50-FF	0%	0%	0%	0%	0%
Topography/View	Gently Sloping; Unshaded Zone X	0%	0%	0%	0%	0%
Zoning	Planned Development	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		-1%	-3%	-7%	-2%	-1%
ADJUSTED Price/FF:		$2,137	$2,543	$2,083	$1,976	$2,297
SUMMARY OF COMPARABLE VALUES						
Value Range/FF			$1,976	to	$2,543	
Average Value/FF			$2,207			
Median Value/FF			$2,137			
Size			50-FF			
Unit Value Indication			$2210/FF			
Overall Value Indication			$110,500			
Rounded			$110,500			

ANALYSIS OF ADJUSTMENTS –50' LOTS

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $1,800 per front foot to $2,300 per front foot (FF) with all Sales being 50-FF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale
Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase
Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions
The residential real estate market increased significantly in 2020-2024 but now appears to be cooling following another interest rate increased by the Federal Reserve that has lowered mortgage rates by 19 basis points to 6.65% as of May 2025. Price increased from 2020-2024 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. We also considered that according to data from Zonda there is a shortage of 50-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically within Collin and Denton County which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +4% year-over year (YoY) increase throughout 2023, 2024, and into the second quarter of 2025 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +11% and +16% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is located in the City of Pilot Point near the modestly expanding quasi-suburban sprawl of residential neighborhoods north of Fort Worth and Dallas. Development in the subject area has been substantial and consistent throughout the decades. The subject is located along Mustang Road, which is a asphalt paved road that is on the southern line of the property. The area around the subject is primarily rural land with housing subdivisions beginning to be developed. Also in the area are municipal uses, agricultural uses, and some commercial uses along U.S. Highway 377 and U.S. Highway 289.

Northwest of the subject property, about 9.5 miles, is Pilot Point High School which is the only high school in Pilot Point ISD. Pilot Point ISD is a district with a "C" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. Accessibility is considered average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Superior; Located in Celina, which has superior access to commercial uses is located in Celina ISD which has a "B" rating and considered to be a superior ISD; Adjusted -4%
- Sale 2: Superior; Located in Prosper, with superior access to commercial uses and is located in Prosper ISD which has an "A" rating and considered to be a superior ISD; Adjusted -6%
- Sale 3: Superior; Located in Celina, with superior access to commercial uses and is located in Celina which has a "B" rating and considered to be a superior ISD; Adjusted -4%
- Sale 4: Similar; Located in Pilot Point, with similar access to commercial uses and is located in Pilot Point ISD which is the same ISD as the subject; Adjusted 0%
- Sale 5: Inferior; Located in Celina, which feeds into the Celina ISD which has a "B" rating and considered to be a superior ISD. Sale 5 is also has similar access to commercial uses; Adjusted -4%

Amenities

The subject property's amenities will consist of an amenity building, pool, outdoor fitness area, playground, grilling station, pavilion, cabanas, lake with a dock, trails, and greenspace. According to the site visit, earthwork on the site is not yet underway. The subject's amenities are above average for a master planned community the size of Maverick Farms PID development being built-out with 539 homes within Improvement Area #1. We have made the following adjustments for Amenities:

- Sale 1: Inferior; Hillside Village Subdivision, which has inferior amenities such a resort-style pool with a cabana, community trails, a playground, and parks; Adjusted +3%
- Sale 2: Inferior; Mosaic Subdivision, which has inferior amenities such as an amenity center, a pool, a lazy river, a fishing pond, playgrounds, a fitness center, trails, and open spaces; Adjusted +3%
- Sale 3: Superior; Cambridge Crossing Subdivision, which has superior amenities such as lakes, an amenity center, a fitness center, pickleball courts, a half-court basketball court, jogging trails, a fishing pond, a playground, a lap pool, a resort style pool and cabanas, and an event lawn; Adjusted -3%
- Sale 4: Superior; Bryson Ranch Subdivision, which has superior amenities such as a commercial space, amenity centers, pool, playground, fitness center, trails, and open spaces; Adjusted -2%
- Sale 5: Superior; Lily Creek at Sutton Fields Subdivision, which has inferior amenities such as a pool, ponds, playgrounds, a community garden, and trails; Adjusted +3%

Size
Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). All Sales are also 50' lots that can accommodate the same building pad, so no adjustment is made for Size.

Topography/View
The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that is generally lacking remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

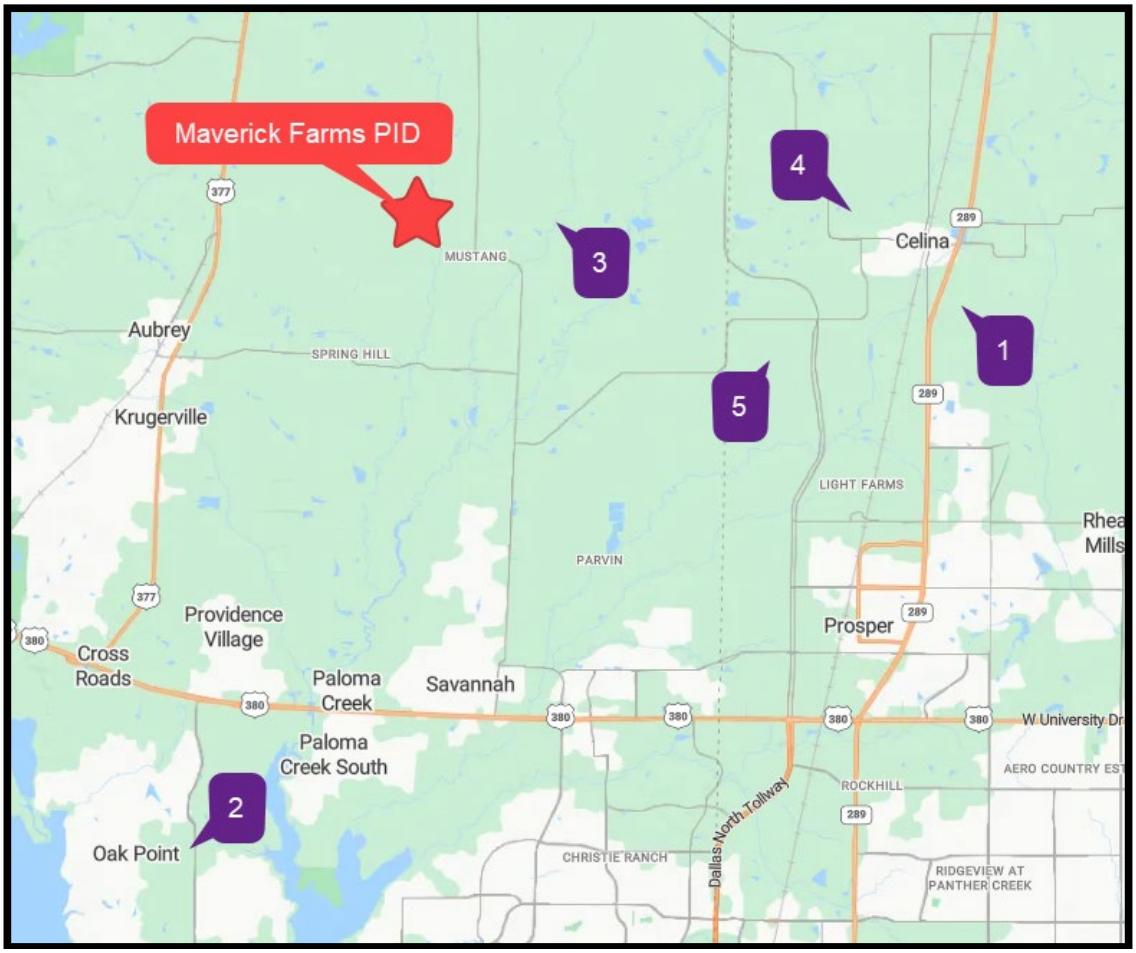
Zoning
The subject property is zoned planned development and each of the comparable sales are in planned developments with residential subdivision zoning for similar sized residential lots; thus, no adjustment is made for Zoning.

Conclusion for 50' Lots – The 50' Lot Sales have an adjusted range of $1,976/FF to $2,543/FF with an average of $2,207/FF and a median of $2,137/FF. We considered each of the five sales as being reflective of the market and considered increasing development costs due to increases in material (especially concrete) and labor which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 50' lots is $2210/FF, or $110,500/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
50' Detached Lots	113	March 1, 2027	$110,500

Next, we will analyze the retail market value of the 60' improved residential lots within Improvement Area #1 of Maverick Farms PID.

MAP OF COMPARABLE LOT SALES –60' LOTS



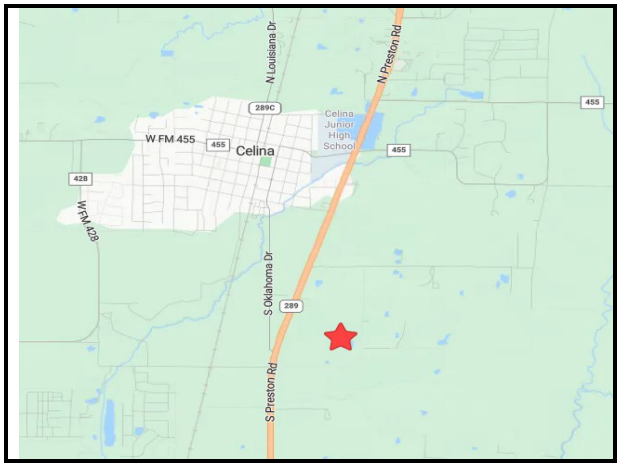
Subject: Maverick Farms PID, Pilot Point, TX 76258 Improvement Area #1

We selected the best and most recent comparable lot sales for our analysis of the 60-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 60' LOTS								
Sale	**Subdivision/Address**	**City**	**ISD**	**Contract Date**	**Sale Date**	**Base Lot Price**	**Front Feet (FF)**	***$/FF***
1	Hillside Village	Celina	Celina	Jan -2023	In-Contract	$114,000	60	*$ 1,900*
2	Chaparral Park	Oak Point	Denton	May-2024	In-Contract	$138,000	60	*$ 2,300*
3	Bryson Ranch	Pilot Point	Pilot Point	Mar - 2024	In-Contract	$108,000	60	*$ 1,800*
4	Villages at Uptown	Celina	Celina	Jan - 2024	Closed	$114,000	60	*$ 1,900*
5	Cambridge Crossing	Celina	Celina	Feb - 2024	Closed	$120,000	60	*$ 2,000*
Subject	**Maverick Farms PID Improvement Area #1**	**Pilot Point**	**Pilot Point**	-	-	-	**60**	-

SALE COMPARABLE 1 – 60' LOTS

Comparable 1 Aerial

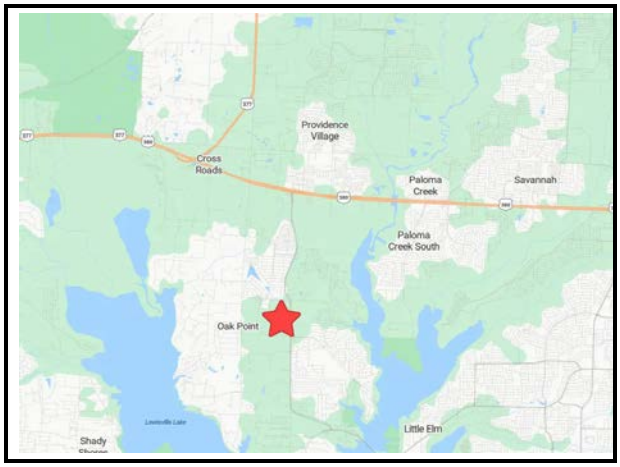


Comparable 1 Map

60-FF Sale Comparable 1				
Property Information				
Subdivision Name	Hillside Village			
Property Class	Residential Lot			
Address	East side of Dallas North Tollway, north of proposed G. A. Moore Parkway, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,500	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	January - 2023			
Seller	MM Celina Dynavest 294,LLC			
Buyer	D.R. Horton Homes			
Sale Price	$114,000			
Price per SF Land	$15.20			
Price per Front Foot	**$1,900**			

SALE COMPARABLE 2 – 60' LOTS

Comparable 2 Aerial

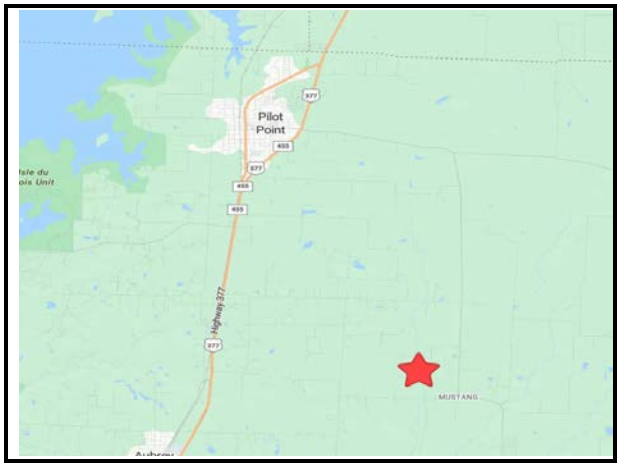


Comparable 2 Map

60-FF Sale Comparable 2				
Property Information				
Subdivision Name	Chaparral Park			
Property Class	Residential Lot			
Address	West of W FM 720; South of Martop Road			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,200	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	May-2024			
Seller	Bloomfield Homes, L.P.			
Buyer	M/I Homes of DFW, LLC			
Sale Price	$138,000			
Price per SF Land	$19.17			
Price per Front Foot	**$2,300**			

SALE COMPARABLE 3 – 60' LOTS

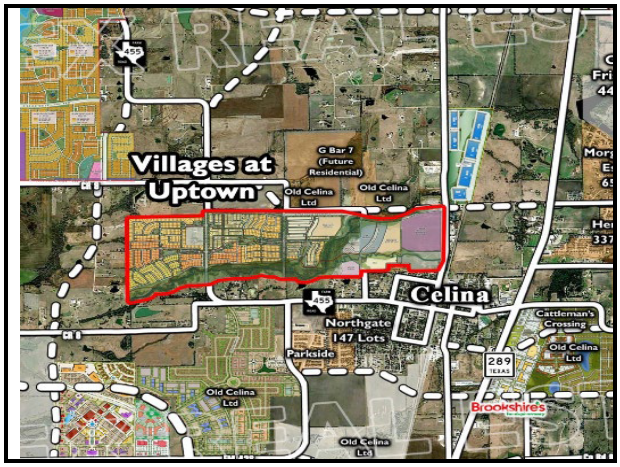
Comparable 3 Aerial



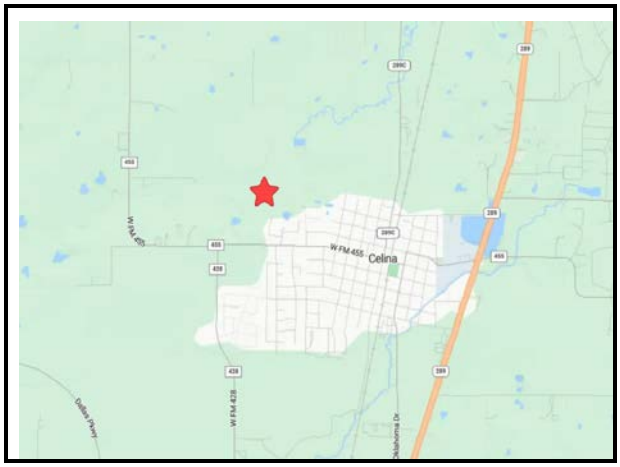
Comparable 3 Map

60-FF Sale Comparable 3				
Property Information				
Subdivision Name	Bryson Ranch			
Property Class	Residential Lot			
Address	Northwest Quadrant of Moberly Road and Hames Road, Pilot Point			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,200	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	March - 2024			
Seller	Centurion American Acqusitions, LLC			
Buyer	Ashton Dallas Residential, LLC			
Sale Price	$108,000			
Price per SF Land	$15.00			
Price per Front Foot	**$1,800**			

SALE COMPARABLE 4 – 60' LOTS



Comparable 4 Aerial

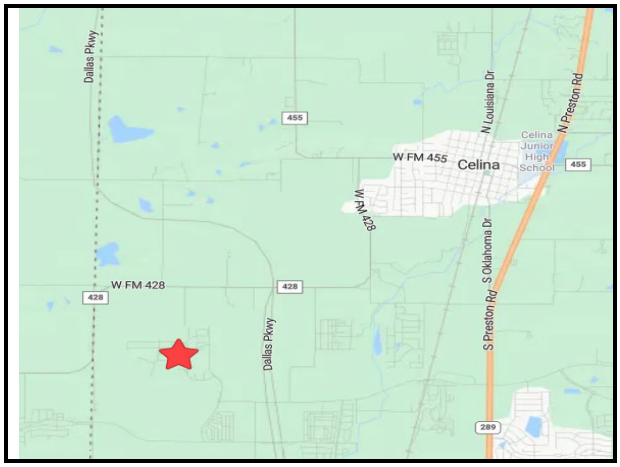


Comparable 4 Map

60-FF Sale Comparable 4				
Property Information				
Subdivision Name	Villages at Uptown			
Property Class	Residential Lot			
Address	South of Farm to Market 57, North of Farm to Market 455, West of North Louisiana Drive, and East of Farm to Market 455, Celina			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,200	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	January - 2024			
Seller	CND-Pecan Square II, LLC			
Buyer	Weekly Homes LLC			
Sale Price	$114,000			
Price per SF Land	$15.83			
Price per Front Foot	**$1,900**			

SALE COMPARABLE 5 – 60' LOTS

Comparable 5 Aerial



Comparable 5 Map

60-FF Sale Comparable 5				
Property Information				
Subdivision Name	Cambridge Crossing			
Property Class	Residential Lot			
Address	Northeast quadrant of Legacy Drive and Punk Carter Parkway, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,800	SF	0.18	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	February - 2024			
Seller	Tollway/Outerloop LP			
Buyer	UnionMain Homes LLC			
Sale Price	$120,000			
Price per SF Land	$15.38			
Price per Front Foot	**$2,000**			

SALES ADJUSTMENT COMPARISON GRID –60' LOTS

Subdivision	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Maverick Farms PID Improvement Area #1	Hillside Village	Chaparral Park	Bryson Ranch	Villages at Uptown	Cambridge Crossing
	Pilot Point	Celina	Oak Point	Pilot Point	Celina	Celina
Transactional Adjustments						
Sales Price/FF		$1,900	$2,300	$1,800	$1,900	$2,000
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		$1,900	$2,300	$1,800	$1,900	$2,000
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		$1,900	$2,300	$1,800	$1,900	$2,000
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		$1,900	$2,300	$1,800	$1,900	$2,000
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		$1,900	$2,300	$1,800	$1,900	$2,000
Time/Market Conditions		+17%	+11%	+12%	+13%	+12%
ADJUSTED Price/FF:		$2,223	$2,553	$2,016	$2,147	$2,240
Physical Adjustments						
Location/Access	Southeast Pilot Point, North of Mustang Road	-4%	-4%	0%	-4%	-4%
Amenities	Amenity Building, Pool, Outdoor Fitness Area, Playground, Grilling Station, Pavilion, Cabanas, Lake with Dock, Trails, Greenspace	+3%	+3%	-3%	+3%	-3%
Size	60-FF	0%	0%	0%	0%	0%
Topography/View	Gently Sloping; Unshaded Zone X	0%	0%	0%	0%	0%
Zoning	Planned Development	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		-1%	-1%	-3%	-1%	-7%
ADJUSTED Price/FF:		$2,201	$2,527	$1,956	$2,126	$2,083
SUMMARY OF COMPARABLE VALUES						
Value Range/FF		$1,956	to	$2,527		
Average Value/FF		$2,178				
Median Value/FF		$2,126				
Size		60-FF				
Unit Value Indication		$2180/FF				
Overall Value Indication		$130,800				
Rounded		$130,800				

ANALYSIS OF ADJUSTMENTS –60' LOTS

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $1,800 per front foot to $2,300 per front foot with all Sales being 60-FF lot types.

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Physical Adjustments

Location/Access

The subject property is located in the City of Pilot Point near the modestly expanding quasi-suburban sprawl of residential neighborhoods north of Fort Worth and Dallas. Development in the subject area has been substantial and consistent throughout the decades. The subject is located along Mustang Road, which is an asphalt paved road that is on the southern line of the property. The area around the subject is primarily rural land with housing subdivisions beginning to be developed. Also in the area are municipal uses, agricultural uses, and some commercial uses along U.S. Highway 377 and U.S. Highway 289.

Northwest of the subject property, about 9.5 miles, is Pilot Point High School which is the only high school in Pilot Point ISD. Pilot Point ISD is a district with a "C" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. Accessibility is considered average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Superior; Located in Celina, with superior access to commercial uses and is located in Celina ISD which has a "B" rating and considered to be a superior ISD; Adjusted -4%
- Sale 2: Superior; Located in Oak Point, with superior access to commercial uses and is located in Denton ISD which has a "B" rating and considered to be a superior ISD; Adjusted -4%
- Sale 3: Similar; Located in Pilot Point, with similar access to commercial uses and is located in Pilot Point which is the same ISD as the subject; Adjusted 0%
- Sale 4: Superior; Located in Celina, with superior access to commercial uses and is located in Celina ISD which has a "B" rating and considered to be a superior ISD; Adjusted -4%
- Sale 5: Superior; Located in Celina, with superior access to commercial uses and is located in Celina ISD which has a "B" rating and considered to be a superior ISD; Adjusted -4%

Amenities

The subject property's amenities will consist of an amenity building, pool, outdoor fitness area, playground, grilling station, pavilion, cabanas, lake with a dock, trails, and greenspace. According to the site visit, earthwork on the site is not yet underway. The subject's amenities are above average for a master planned community the size of Maverick Farms PID development being built-out with 539 homes within Improvement Area #1. We have made the following adjustments for Amenities:

- Sale 1: Inferior; Hillside Village Subdivision, which has slightly inferior amenities such a resort-style pool with a cabana, community trails, a playground, and parks; Adjusted +3%
- Sale 2: Inferior; Chaparral Park Subdivision, which has inferior amenities such as commercial space, amenity centers, pool, open space, trails, and elementary school; Adjusted +3%
- Sale 3: Superior; Bryson Ranch Subdivision, which has superior amenities such as a commercial space, amenity centers, pool, playground, fitness center, trails, and open spaces; Adjusted -3%
- Sale 4: Inferior; Villages at Uptown Subdivision, which has fewer amenities such as an amenity center, pool, cabana, splash pad, 2 ponds, covered sports pavilion, and playground; Adjusted +3%
- Sale 5: Superior; Cambridge Crossing Subdivision, which has superior amenities such as lakes, an amenity center, a fitness center, pickleball courts, a half-court basketball court, jogging trails, a fishing pond, a playground, a lap pool, a resort style pool and cabanas, and an event lawn; adjusted -3%

Size

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). All Sales are also 60-FF lots that can accommodate the same building pad, so no adjustment is made for Size.

Topography/View
The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that is generally lacking remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

Zoning
The subject property is zoned planned development and each of the comparable sales are in planned developments with residential subdivision zoning for similar sized residential lots; thus, no adjustment is made for Zoning.

Conclusion for 60' Lots – The 60' Lot Sales have an adjusted range of $1,956/FF to $2,527/FF with an average of $2,178/FF and a median of $2,126/FF. We considered each of the five sales as being reflective of the market and considered increasing development costs due to increases in material (especially concrete) and labor which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 60' lots is $2180/FF, or $130,800/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
60' Detached Lots	81	March 1, 2027	$130,800

Cumulative Retail Lot Value – Improvement Area #1

We believe a current lot market value of $2160/FF for 40' improved Lots, $2210/FF for 50' improved Lots, and $2180/FF for 60' improved Lots with an Effective Date of March 1, 2027 is accurate and well-supported. Not only do our compiled recent comparable lot sales indicate those prices, but numerous conversations with market participants – land developers and homebuilders – regarding current prices of lots within the subject's market indicate that our concluded values per front foot is supported by the current retail price for 40-FF, 50-FF, and 60-FF lots similar to the subject property. Market participants noted that prices for lots rose significantly in late 2020 and throughout 2024 and into 2025 which followed a spike in the residential housing market in DFW that contributed to a scarcity of vacant developed lots for homebuilders.

Additionally, per the purchase and sale contracts, there will also be a $2,000 per lot Amenity Fee and a $500 marketing fee, and $250 mailbox fee, which the builder is required to pay the developer at the time of lot closing.

As of the Prospective Effective Date of March 1, 2027, the retail market value of the 40-FF, 50-FF, and 60-FF lot prices for Maverick Farms PID in Improvement Area #1 are shown below:

MAVERICK FARMS PID, PILOT POINT, IMPROVEMENT AREA #1					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
345	40 FF	$86,400	March 1, 2027	$2160/FF	$29,808,000
113	50 FF	$110,500	March 1, 2027	$2210/FF	$12,486,500
81	60 FF	$130,800	March 1, 2027	$2180/FF	$10,594,800
539					***$52,889,300***
Amenity Fee Reimbursement				$2,000/per lot	$1,078,000
Marketing Fee Reimbursement				$500/per lot	$269,500
Mailbox Fee Reimbursement				$250/per lot	$134,750
Total Retail Lot Value					**$54,371,550**

Next, we will develop an opinion of value for the 539 residential lots in Improvement Area #1 using the Discount Cash Flow analysis.

DISCOUNT CASH FLOW ANALYSIS

Having completed the retail lot value conclusions using aspects of the Sales Comparison Approach, we will develop an opinion of the market value of the property to a single purchaser, as of the construction completion date. This value will include a provision for compensating the developer, i.e., profit for risk and expenditure of time. This value contemplates that the developer of the subject property would sell the subject to another developer who would in turn sell the developed lots on a retail basis. This value represents the concept of market value to a single purchaser as of the completed construction date, wherein a portion of the overall real property rights or physical asset would typically be sold to its ultimate users over some future period. Valuations involving such properties must fully reflect all appropriate deductions and discounts as well as the anticipated cash flows to be derived from the disposition of the asset over time. Appropriate deductions and discounts are those which reflect all expenses associated with the disposition of the property as well as the cost of capital and entrepreneurial profit. **This latter item of entrepreneurial profit is accounted for herein as part of the discount rate.**

The various assumptions necessary to complete our Discounted Cash Flow (DCF) analysis for the developed subject subdivision are discussed in detail in the following paragraphs.

Takedown Schedule

As discussed in detail in the "Pending Transactions to Builders" section of the report, our quarterly takedown projections are summarized as follows for the subject property based on the provided takedown purchase contracts:

TAKEDOWN SCHEDULE FOR MAVERICK FARMS PID IMPROVEMENT AREA #1

Projected Quarterly Takedown Summary - Maverick Farms PID Improvement Area #1										
Lot Type	*Jan-2027*	*Apr-2027*	*Jul-2027*	*Oct-2027*	*Jan-2028*	*Apr-2028*	*Jul-2028*	*Oct-2028*	*Jan-2029*	**TOTAL**
40-FF	44	38	38	38	38	38	38	38	35	**345**
50-FF	20	17	17	17	17	17	8	-	-	**113**
60-FF	14	13	13	13	13	13	2	-	-	**81**
Total	**78**	**68**	**68**	**68**	**68**	**68**	**48**	**38**	**35**	**539**

Note: Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the Effective Date is March 1, 2027, our analysis starts on the 1st quarter of 2027.

Value Increases During Takedown Period

Historically, in the sales contracts of volume lot sales in the marketplace, the lot prices are typically adjusted upward at rates ranging from the Wall Street Journal prime rate (7.25% as of September 2025), plus 1% (annually) up to 8.25%. Contracts between land developers and homebuilders typically have a 6% escalation which is consistent with recent improved lot appreciations over many years. Thus, for valuation purposes moving forward, we have estimated an annual appreciation on the subject's lots at 6% per year which is also consistent with residential real estate appreciation over the past decade. This is also considered reasonable given the lack of available lot and housing supply in the area and the historical realization of interest carry/appreciation by developers within DFW and surrounding market areas.

EXPENSES

Taxes are paid by the developer annually. The estimation of taxes paid per period is based upon the principle that taxes are prorated at closing and are paid in arrears. Therefore, we have deducted taxes based upon the estimated retail market value of the unsold lots. The taxes are prorated in each calendar year based upon the projected sales in each period. The current tax rate for the bulk of the property is **0.01800255 per $100 assessed – 1.800255%** for the purpose of our analysis – with taxes due to Denton County, Pilot Point ISD, and the City of Pilot Point.

Based upon our experience as property tax consultants and information gathered from builders/developers, we do not believe the vacant lots will be assessed for their full market value once Substantial Completion is achieved. We believe the builder will have their lots assessed at approximately 70% of the market value, i.e., if a lot has a retail value of $100,000 then the assessed value will be $70,000. We believe this 30% discount is justified as taxing districts do not typically have access to cost data and assessments typically lag the market. In addition, many taxing districts allow for a 20% builder's inventory reduction.

Cost of Sales has been estimated at 1.5% of gross sales proceeds for various closing costs, surveys, commissions, and title policies.

Marketing expenses are not included as there is a shortage of vacant developed lots on the market and we would expect these lots to be absorbed by volume builders. This is confirmed by the contracts the developer has where the lots are presold to homebuilders.

Discount Rate

The discount rate utilized herein is essentially an anticipated Internal Rate of Return (IRR) for the subject property, as estimated from investment performance realized by market participants. The discount rate used for the subject should be less than the typical land development project because the value we are determining is for a fully entitled project in a soon to be city-approved Planned Development which has less risk exposure than that of a raw land development. Therefore, it is appropriate to utilize a discount rate adjusted for this risk. The appraisers have included a recent discount rate survey published by Realty Rates that considers the market conditions, risk, entrepreneurial profit, and liquidity inherent in a project such as the subject that developers of similar properties would consider.

RealtyRates.com DEVELOPER SURVEY - 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™		

As shown, the minimum actual rates in Texas range from 15.74% for less than 100 units; 16.13% for 100 to 500 units; and 16.52% for 500+ units with minimum pro-forma rates ranging from 15.11% to 15.86%.

The 7th Edition of the Dictionary of Real Estate Appraisal defines this term as "a discount rate that is adjusted to offset one or more risk factors, i.e., when a future downswing in the business cycle is likely, the risk associated with a project may increase near the end of its term, necessitating a special adjustment to the discount rate. Such discount rates include all of the elements of risk associated with an income stream for a specified period adjusted to offset additional term risk". Thus, it is our opinion that a potential purchaser would expect to receive a much lower return on his investment for a completed project similar to the subject, which has numerous purchasers of the end product relative to that of a vacant tract of land awaiting eventual development (higher risk of escalating costs to site development and of the eventual timing of completion).

Based upon the preceding, an internal rate of return (IRR) that is similar to the minimum actual rates provided by the Realty Rates "Developer Survey" for Texas of 16.52% for 500+ units; and 15.86% for likewise minimum pro-forma rates is considered reasonable for the subject. Hence, taking into consideration the supply and demand levels within the subject's submarket area, we have selected a discount rate of **16%** for the subject which takes into consideration the degree of risk, developer profit, and the liquidity inherent in a project such as the subject (assisted by involvement of the PID), as well as the current market conditions. To be consistent with the timing of the cash flows, the annual income stream is discounted quarterly with an annual DCF also included. With each of the required elements now identified, we will analyze the subject in DCF analyses as shown on the following pages.

DISCOUNT CASH FLOW (DCF) ANALYSIS - MAVERICK FARMS PID IMPROVEMENT AREA #1

The following assumptions are made in our analysis which are supported by other research and analysis found earlier in this report:

- Construction Complete March 1, 2027
- Retail lot values: $86,400 for 40-FF lots
- Retail lot values: $110,500 for 50-FF lots
- Retail lot values: $130,800 for 60-FF lots
- 6% Appreciation/Year (1.5%/Quarter)
- 40-FF Lots sell at 44/Quarter for 3Q2026, then 38/quarter
- 50-FF Lots sell at 20/Quarter for 3Q2026, then 17/quarter
- 60-FF Lots sell at 14/Quarter for 3Q2026, then 13/quarter
- Discount Rate 16% (4.00%/Quarter)
- Tax Expense on Inventory is 1.800255%/Year, 0.45006375%/Quarter, but is discounted 30%
- Sales and Marketing Expense (1.5% of Revenue)

As Substantial Completion on the improved lots in Improvement Area #1 is expected to be completed as of March 1, 2027, we believe lot prices will continue to appreciate closer to their historical average which is closer to 6% per year. Thus, we have concluded that current retail improved lot values will be similar when takedowns begin. Therefore, as of the expected Substantial Completion Date **(March 1, 2027) the retail lot value for 345 40-FF lots is $29,808,000, the retail lot value for 113 50-FF lots is $12,486,500, and the retail lot value for 81 60-FF lots is $10,594,800 with a total cumulative value of $52,889,300.** Per the purchase and sale contracts, there will also be a $2,000 per lot Amenity Fee and a $500 marketing fee, and $250 mailbox fee, which the builder is required to pay the developer at the time of lot closing. **The total value of the amenity fee is $1,078,000 (539 x $2,000), the total value of the marketing fee is $269,500 (539 x $500), and the total value for the mailbox fee is $134,750 (539 x $250). After adding these three reimbursements, the total cumulative value is $54,371,550** as shown in the following table:

MAVERICK FARMS PID, PILOT POINT, IMPROVEMENT AREA #1					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
345	40 FF	$86,400	March 1, 2027	$2160/FF	$29,808,000
113	50 FF	$110,500	March 1, 2027	$2210/FF	$12,486,500
81	60 FF	$130,800	March 1, 2027	$2180/FF	$10,594,800
539					***$52,889,300***
Amenity Fee Reimbursement				$2,000/per lot	$1,078,000
Marketing Fee Reimbursement				$500/per lot	$269,500
Mailbox Fee Reimbursement				$250/per lot	$134,750
Total Retail Lot Value					**$54,371,550**

Discount cash flow analysis was completed on a quarterly and annual basis as a check for reasonableness. The annual DCF is a more rudimentary calculation, and we consider the quarterly analysis to be more accurate. When applying the DCF on a quarterly basis, the discount rate is divided by 4 and a discount rate of 4.00% is applied to each period. Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the Substantial Completion Date is March 1, 2027, we will analyze on a quarterly basis starting January 2027, then proceeds to the beginning of each subsequent quarter.

DISCOUNT CASH FLOW DATA – MAVERICK FARMS PID IMPROVEMENT AREA #1 LOTS (QUARTERLY)

	Mar. 2027			Apr. 2027			Jul. 2027		
ype	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
·FF Lot	345	$ 86,400	44	301	$ 87,696	38	263	$ 89,011	38
50-FF Lot	113	$ 110,500	20	93	$ 112,158	17	76	$ 113,840	17
60-FF Lot	81	$ 130,800	14	67	$ 132,762	13	54	$ 134,753	13
Revenue		**$ 7,842,800**			**$ 6,965,032**			**$ 7,069,507**	
Expenses:									
Amenity Fee		*$ 156,000*			*$ 136,000*			*$ 136,000*	
Marketing Fee		*$ 39,000*			*$ 34,000*			*$ 34,000*	
Mailbox Fee		*$ 19,500*			*$ 17,000*			*$ 17,000*	
Tax Expense		*$ (55,542)*			*$ (144,045)*			*$ (123,934)*	
Sales Expense		*$ (117,642)*			*$ (104,475)*			*$ (106,043)*	
Net Income		**$ 7,884,116**			**$ 6,903,511**			**$ 7,026,530**	
Factor		**0.993835**			**0.969552**			**0.934236**	
Income Net Present Value (NPV)		**$ 7,835,510**			**$ 6,693,315**			**$ 6,564,440**	

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	Oct. 2027			Jan. 2028			Apr. 2028		
ype	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
·FF Lot	225	$ 90,347	38	187	$ 91,702	38	149	$ 93,077	38
50-FF Lot	59	$ 115,547	17	42	$ 117,281	17	25	$ 119,040	17
60-FF Lot	41	$ 136,775	13	28	$ 138,826	13	15	$ 140,909	13
Revenue		**$ 7,175,550**			**$ 7,283,183**			**$ 7,392,431**	
Expenses:									
Amenity Fee		*$ 136,000*			*$ 136,000*			*$ 136,000*	
Marketing Fee		*$ 34,000*			*$ 34,000*			*$ 34,000*	
Mailbox Fee		*$ 17,000*			*$ 17,000*			*$ 17,000*	
Tax Expense		*$ (103,187)*			*$ (81,789)*			*$ (59,727)*	
Sales Expense		*$ (107,633)*			*$ (109,248)*			*$ (110,886)*	
Net Income		**$ 7,151,730**			**$ 7,279,146**			**$ 7,408,817**	
Factor		**0.900207**			**0.867417**			**0.835821**	
Income Net Present Value (NPV)		**$ 6,438,035**			**$ 6,314,052**			**$ 6,192,445**	

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	Jul. 2028			Oct. 2028			Jan. 2029		
ype	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
·FF Lot	111	$ 94,473	38	73	$ 95,891	38	35	$ 97,329	35
50-FF Lot	8	$ 120,825	8	0	-	-	-	-	-
60-FF Lot	2	$ 143,022	2	0	-	-	-	-	-
Revenue		**$ 4,842,642**			**$ 3,643,843**			**$ 3,406,514**	
Expenses:									
Amenity Fee		*$ 96,000*			*$ 76,000*			*$ 70,000*	
Marketing Fee		*$ 24,000*			*$ 19,000*			*$ 17,500*	
Mailbox Fee		*$ 12,000*			*$ 9,500*			*$ 8,750*	
Tax Expense		*$ (36,984)*			*$ (22,053)*			*$ (10,732)*	
Sales Expense		*$ (72,640)*			*$ (54,658)*			*$ (51,098)*	
Net Income		**$ 4,865,018**			**$ 3,671,632**			**$ 3,440,934**	
Factor		**0.805376**			**0.776040**			**0.747773**	
Income Net Present Value (NPV)		**$ 3,918,170**			**$ 2,849,334**			**$ 2,573,037**	

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Total Net Revenue Over ~9 Quarters	***$55,631,434***
Net Present Value (As-Is) at 16% Discount Rate	***$49,378,339***
Rounded	**$49,378,000**

Note: Quarterly discount and appreciation calculations are averaged to the middle of the period.

DISCOUNT CASH FLOW DATA – MAVERICK FARMS PID IMPROVEMENT AREA #1 LOTS (ANNUAL)

	2027			2028			2029		
Lot Type	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lot	345	$ 88,387	158	187	$ 93,690	152	35	$ 96,595	35
50-FF Lot	113	$ 113,042	71	42	$ 119,033	42	-	-	-
60-FF Lot	81	$ 133,678	53	28	$ 140,896	28	-	-	-
Revenue		**$ 29,076,037**			**$ 23,185,412**			**$ 3,380,819**	
Expenses:									
Amenity Fee		*$ 564,000*			*$ 444,000*			*$ 70,000*	
Marketing Fee		*$ 141,000*			*$ 111,000*			*$ 17,500*	
Mailbox Fee		*$ 70,500*			*$ 55,500*			*$ 8,750*	
Tax Expense		*$ (568,080)*			*$ (333,501)*			*$ (10,651)*	
Sales Expense		*$ (436,141)*			*$ (347,781)*			*$ (50,712)*	
Net Income		**$ 28,847,317**			**$ 23,114,630**			**$ 3,415,706**	
Factor		**0.940032**			**0.820457**			**0.747773**	
Income Net Present Value (NPV)		**$ 27,117,392**			**$ 18,964,568**			**$ 2,554,173**	

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Total Net Revenue Over ~3 Years	***$55,377,653***
Net Present Value (As-Is) at 16% Discount Rate	***$48,636,134***
Rounded	**$48,636,000**

Note: Annual discount and appreciation calculations are averaged to the middle of the period

DCF Conclusion (539 Improved 40', 50' and 60' Lots in Improvement Area #1)
Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for the 539 improved lots in Maverick Farms PID Improvement Area #1 in a bulk sale transaction would be between $49,378,339 and $48,636,134 which is approximately $742,205 (1.53%) different. Both annual and quarterly DCF analyses have relevance and are a check of reasonableness on each other, but we consider the quarterly analysis to be the more accurate and precise calculation. Thus, we have determined that the **market value for Maverick Farms PID Improvement Area #1 "Upon Completion" with a Prospective Effective Date of March 1, 2027, for 539 improved lots is $49,378,000 ($91,600/Lot).**

INCOME (SUBDIVISION DEVELOPMENT) APPROACH CONCLUSION
Using the Discount Cash Flow Analysis to determine the net present value as of the expected construction completion date (March 1, 2027), we have determined the following value for Maverick Farms PID Improvement Area #1 as shown in the table below:

INCOME APPROACH VALUE INDICATION	
Fee Simple Interest, Complete March 1, 2027	
Maverick Farms PID ***539 Improved Residential Lots in Improvement Area #1***	***$49,378,000 ($91,600/Lot)***

Next, we will consider the market value of the 164.014 acres of land in the Major Improvement Area of Maverick Farms PID which will consist of 809 paper residential lots (Paper Lots) of various sizes.

VALUATION – PAPER LOTS IN MAJOR IMPROVEMENT AREA

Major Improvement Area (809 Paper Lots on 164.014-AC)
**Note: A paper lot consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.*

Cost Approach
The Cost Approach is the most appropriate method of valuing paper residential lots. We concluded the paper lot value by conducting the following steps:

- Estimate the value of the underlying land (*Sales Comparison Approach used here*)
- Gather hard and soft costs associated to develop the raw ground to paper lot status which includes engineering, zoning costs, and any infrastructure to the site
- Apply appropriate entrepreneurial incentive that a developer would expect to undertake the project
- Subtract depreciation from the project
- Add in the value of the underlying land

Income Approach
Since paper lots are not yet improved to a state where they are available for sale to builders or other end users, the Income Approach is not applicable for the Major Improvement Area and was not developed.

Sales Comparison Approach
Sales of paper lots are relatively infrequent in the market. Our due diligence could not uncover sufficient reliable sales to develop the Sales Comparison Approach for the paper lots, so we did not develop this approach for the residential paper lots in the Major Improvement Area. Aspects of the Sales Comparison Approach were utilized to determine the market value of the vacant land prior to any development.

Use of the approaches for the valuation of the paper lots on 164.014 acres in the Major Improvement Area is summarized as follows:

Approach	***Applicability to Subject***	***Use in Assignment***
Cost Approach	*Appropriate Since the Paper Lots will be Improved from an Undeveloped State*	*Utilized*
Income (Subdivision Development) Approach	*Not Appropriate Since the Land is Not Utilized to Generate Income and Land is Not Yet Developed*	*Not Utilized*
Sales Comparison Approach	*Aspects Used in Cost Approach to Determine the Value of the Land Prior to Development*	*Partially Utilized*

COST APPROACH: PAPER LOTS IN MAJOR IMPROVEMENT AREA

The Cost Approach is based on the principle of substitution, which states that a prudent buyer would not pay more for a property than the cost to acquire a similar site and construct the equivalent improvements without undue delay. This approach is most beneficial when appraising a proposed or recently developed project. The methodology provides information that contrasts with information from the income capitalization and sales comparison approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction.

The Cost Approach include three basic elements:

1) Land Value – Raw Land Sales
2) Reproduction Cost – Engineering, Platting, Zoning, Major Improvements/Development Costs
3) Accrued Depreciation

Maverick Farms PID has a total of 364.646-AC in size. Thus far in our analysis, the 539 improved single-family residential lots in Improvement Area #1 (on 200.632-AC) has been separately valued. This leaves approximately 164.014-AC for the 809 paper lots in the Major Improvement Area which includes Phases 2, 3, and 4.

NOTE: A paper lot consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.

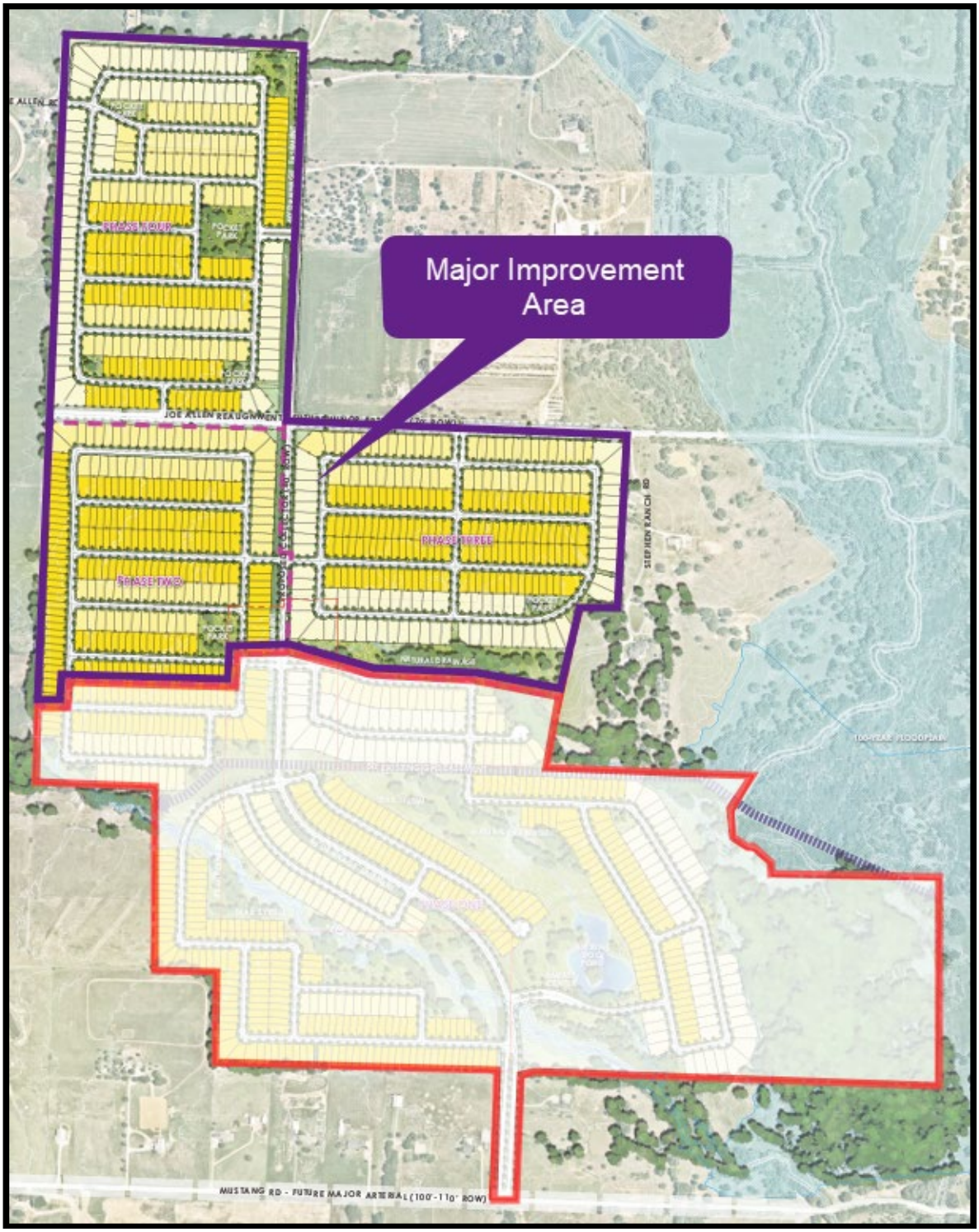
The first step in the Cost Approach is to develop a value opinion of the underlying land involved. The land valuation is really a separate appraisal of the land of the subject property, under the assumption that no improvement has been performed. Therefore, we have elected to treat the site valuation as a separate component of the appraisal process. After we reach an opinion of value for the subject site, that value will be transferred to the calculation of the Cost Approach in the following section of this report.

We have utilized the Sales Comparison Approach to determine the market value of the land. Based on research, buyers in the market typically rely heavily on the following unit of comparison for land valuation of over 50 acres:

Sales Price Per Acre - *This number is obtained by dividing the sale price by the overall acreage of the land*

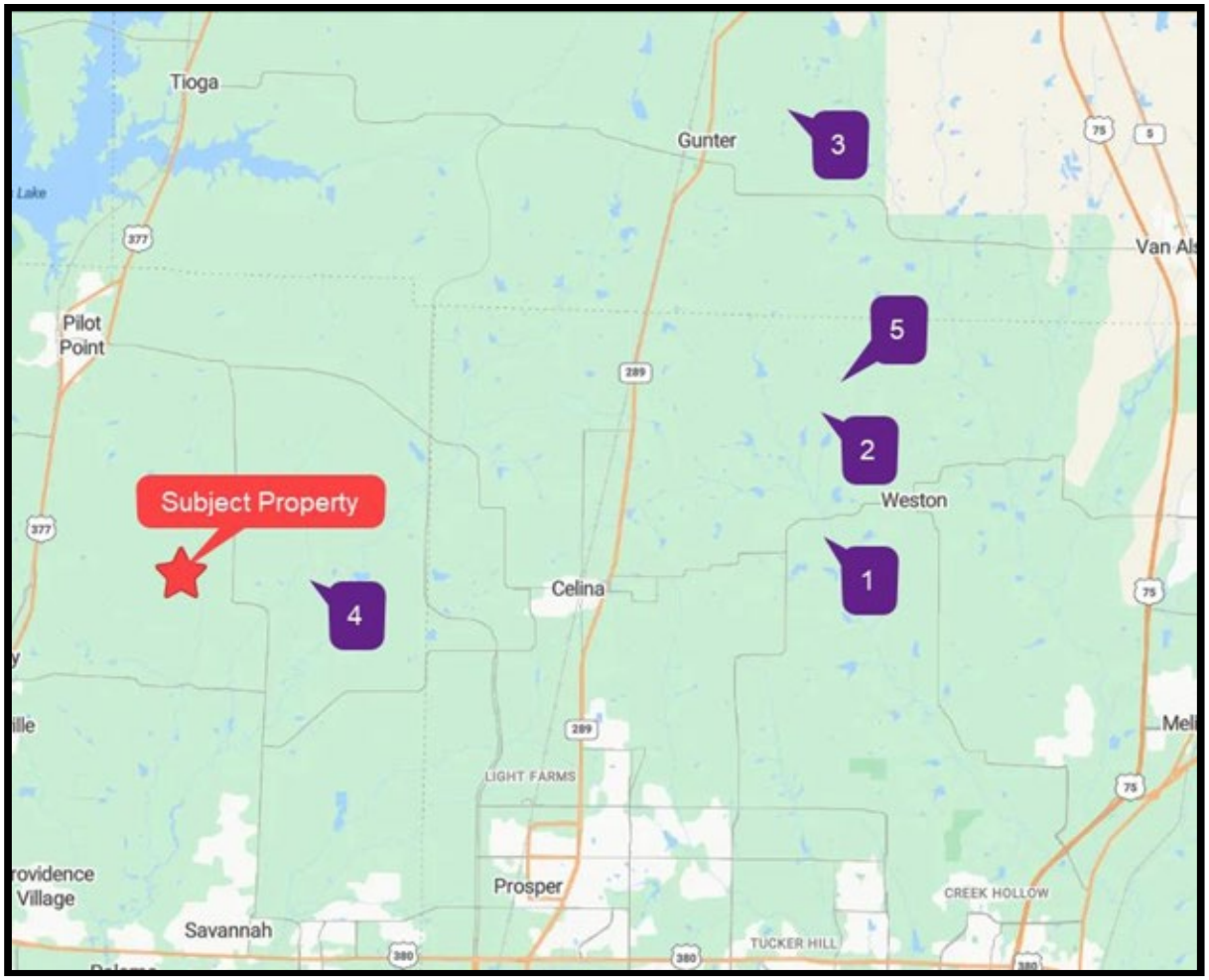
An exhibit of the Major Improvement Area is shown on the following page followed by a map of the subject property with similar, nearby, recent comparable sales is shown below, in addition to a summary of the land sales. Following the map and table there is an adjustment grid as well as an analysis explaining how we adjusted the comparable sales to arrive at a value indication for the subject site's land. Comparable sale data sheets follow the comparable sale map.

MAP OF THE MAJOR IMPROVEMENT AREA 164.014-AC*



**Improvement Area #1 Land is 200.632-AC and is separately valued.*

COMPARABLE LAND SALES MAP; PAPER LOT LAND (MAJOR IMPROVEMENT AREA)



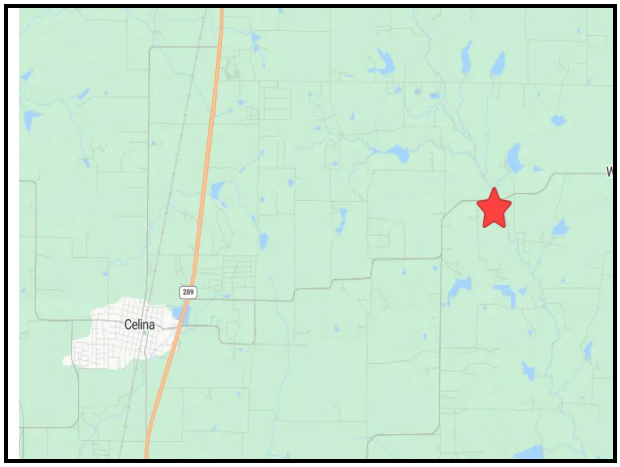
Subject: Maverick Farms PID, Pilot Point, TX – Paper Lot Land

The land sales incorporated in this analysis occurred since 10/7/2022. A sufficient number of recent sales of comparable tracts were available within the subject's market area. Data on each of the sales, including sales price, was confirmed with sources considered to be reliable. The following table indicates the land values for each comparable:

SUMMARY OF VACANT LAND SALES - MAVERICK FARMS PID - PAPER LOT LAND							
Sale	**Location**	**City**	**Sale Date**	**Zoning**	**Sale Price**	**Size (AC)**	**$/AC**
1	115.630-AC at 8358 CR 172	Celina ETJ	4/4/2024	None	$9,828,721	115.630	$85,001
2	124.040-AC at 6921 CR 135	Celina ETJ	2/28/2024	None	$12,400,000	124.040	$99,968
3	119.800-AC on JC Maples Road	Gunter ETJ	11/14/2022	None	$8,997,450	119.800	$75,104
4	924.805-AC in Bryson Ranch PID	Pilot Point	6/21/2024	PD	$83,961,119	924.805	$90,788
5	60.040-AC on CR 1104	Unincorporated Collin County	10/7/2022	None	$4,800,000	60.040	$79,947
Subject	**Maverick Farms PID Improvement Area #1**	**Pilot Point**	**N/A**	**PD**	**N/A**	**164.014**	**N/A**

LAND SALE COMPARABLE 1

Comparable 1 Aerial

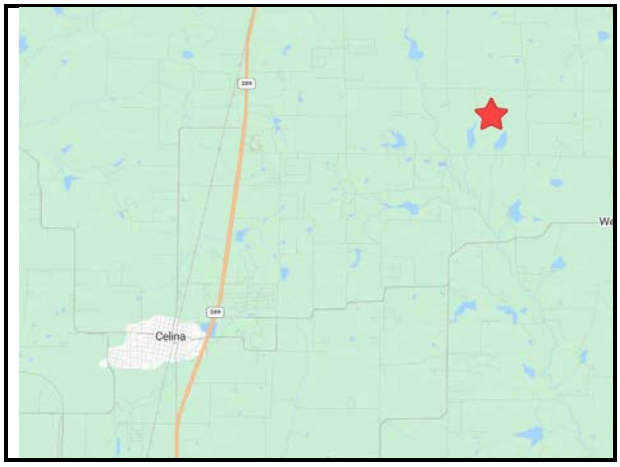


Comparable 1 Map

Land Sale Comparable 1				
Property Information				
Property Name	115.630-AC at 8358 CR 172			
Property Class	Land			
Address	8358 County Road 172, Celina ETJ			
County	Collin			
Property Type	Undeveloped Acreage			
Site Information				
Site Size	3,875,969	SF	115.63	Acres
Zoning Code	No City Zoning			
Shape	Irregular			
Topography	Gently Sloping; Zone X & Zone A			
Available Utilities	Electric, Water, and Sewer			
Transaction Information				
Sale Status	Closed			
Sale Date	4/4/2024			
Seller	James W. Magee Revocable Trust			
Buyer	Celina Honey Creek Ranch, LLC			
Sale Price	$9,828,721			
Price per SF Land	**$2.54**			
Price per Acre	**$85,001**			

LAND SALE COMPARABLE 2

Comparable 2 Aerial

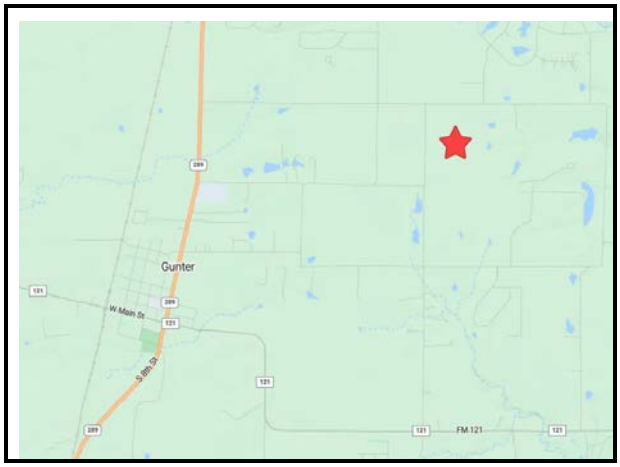


Comparable 2 Map

Land Sale Comparable 2				
Property Information				
Property Name	124.040-AC at 6921 CR 135			
Property Class	Land			
Address	6921 Country Road 135, Celina ETJ			
County	Collin			
Property Type	Undeveloped Acreage			
Site Information				
Site Size	5,403,182	SF	124.04	Acres
Zoning Code	No City Zoning			
Shape	Irregular			
Topography	Gently Sloping; Zone X and Zone A			
Available Utilities	Co-op Water, Co-Op Electric, Septic			
Transaction Information				
Sale Status	Closed			
Sale Date	2/28/2024			
Seller	CC Creek Land Partners, LLC			
Buyer	Celina 124, LLC			
Sale Price	$12,400,000			
Price per SF Land	**$2.29**			
Price per Acre	**$99,968**			

LAND SALE COMPARABLE 3

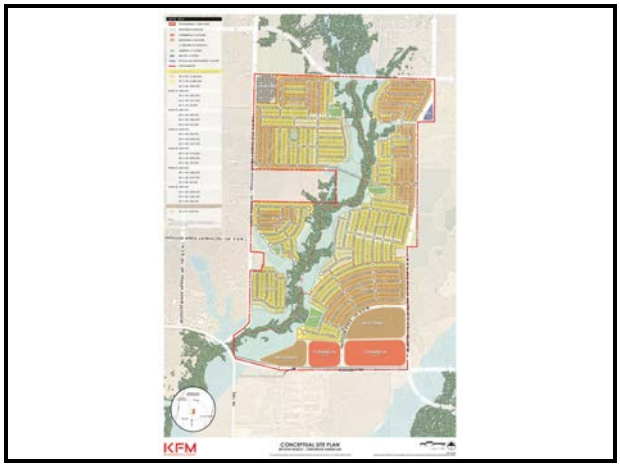
Comparable 3 Aerial



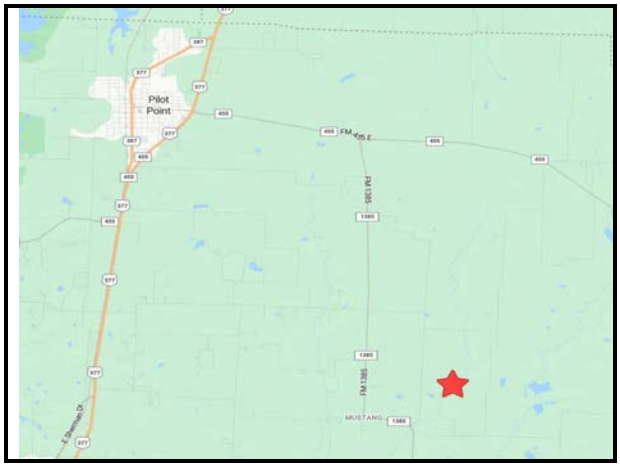
Comparable 3 Map

Land Sale Comparable 3				
Property Information				
Property Name	119.800-AC on JC Maples Road			
Property Class	Land			
Address	TBD JC Maples Road, Gunter ETJ			
County	Grayson			
Property Type	Undeveloped Acreage			
Site Information				
Site Size	5,218,488	SF	119.80	Acres
Zoning Code	No City Zoning			
Shape	Rectangular			
Topography	Gently Sloping; Zone X			
Available Utilities	Co-Op Electric and Water			
Transaction Information				
Sale Status	Closed			
Sale Date	11/14/2022			
Seller	Gunter Pride Estates			
Buyer	Gunter Independent School District			
Sale Price	$8,997,450			
Price per SF Land	**$1.72**			
Price per Acre	**$75,104**			
Comment	Utility Easement (non-impactful for development)			

LAND SALE COMPARABLE 4



Comparable 4 Aerial

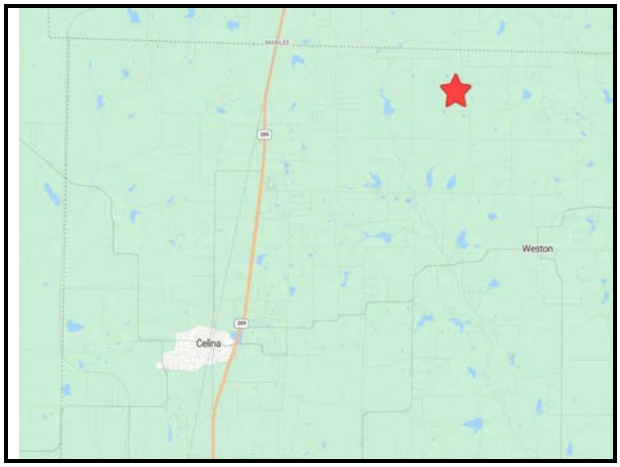


Comparable 4 Map

Land Sale Comparable 4				
Property Information				
Property Name	924.805-AC in Bryson Ranch PID			
Property Class	Land			
Address	Northwest Quadrant of Moberly Road and Hames Road, Pilot Point			
County	Denton			
Property Type	Housing / Muliple Units			
Site Information				
Site Size	40,284,506	SF	924.81	Acres
Zoning Code	Planned Development			
Shape	Irregular			
Topography	Gently Sloping; Zone X and Zone A			
Available Utilities	All Available			
Transaction Information				
Sale Status	Closed			
Sale Date	6/21/2024			
Seller	Bryson Ranch, LP			
Buyer	MM Bryson Ranch, LLC			
Sale Price	$83,961,119			
Price per SF Land	**$2.08**			
Price per Acre	**$90,788**			

LAND SALE COMPARABLE 5

Comparable 5 Aerial



Comparable 5 Map

Land Sale Comparable 5				
Property Information				
Property Name	60.040-AC on CR 1104			
Property Class	Land			
Address	TBD Country Road 1104, Unincorporated Collin County			
County	Collin			
Property Type	Undeveloped Acreage			
Site Information				
Site Size	2,615,342	SF	60.04	Acres
Zoning Code	No City Zoning			
Shape	Irregular			
Topography	Gently Sloping; Zone X			
Available Utilities	Electric and Water			
Transaction Information				
Sale Status	Closed			
Sale Date	10/7/2022			
Seller	The Christopher & Elizabeth Ostolski Revocable Trust			
Buyer	Estates in Celina, LLC			
Sale Price	$4,800,000			
Price per SF Land	**$1.84**			
Price per Acre	**$79,947**			

COMPARABLE SALES ADJUSTMENT GRID – PAPER LOTS IN MAJOR IMPROVEMENT AREA

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Maverick Farms PID Improvement Area #1	115.630-AC at 8358 CR 172	124.040-AC at 6921 CR 135	119.800-AC on JC Maples Road	924.805-AC in Bryson Ranch PID	60.040-AC on CR 1104
	Pilot Point	Celina ETJ	Celina ETJ	Gunter ETJ	Pilot Point	Unincorporated Collin County
Transactional Adjustments						
Sales Price/AC		$85,001	$99,968	$75,104	$90,788	$79,947
Property Rights		0%	0%	0%	0%	0%
Sales Price/AC		$85,001	$99,968	$75,104	$90,788	$79,947
Financing Terms		0%	0%	0%	0%	0%
Sales Price/AC		$85,001	$99,968	$75,104	$90,788	$79,947
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/AC		$85,001	$99,968	$75,104	$90,788	$79,947
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/AC		$85,001	$99,968	$75,104	$90,788	$79,947
Market Conditions		+9%	+9%	+9%	+8%	+13%
ADJUSTED Price/AC:		$92,652	$108,965	$81,863	$98,051	$90,340
Physical Adjustments						
Location/Access	Southeast Pilot Point, North of Mustang Road	0%	+4%	+5%	0%	+4%
Size	200.632-AC	-2%	0%	0%	+7%	-4%
Topography/Floodplain	Gently Sloping; Flood Zone X & A	+4%	0%	-2%	0%	-2%
Utilities	All in Vicinity	+2%	+4%	+4%	0%	+2%
Easements/Encumbrances	Gas Line Easement	-4%	-4%	-4%	-4%	-4%
Land Use/Zoning	Planned Development	+10%	+10%	+10%	-2%	+10%
Total Net Physical Adj. After Financial Adj.		+10%	+14%	+13%	+1%	+6%
ADJUSTED Price/AC:		$101,917	$124,220	$92,506	$99,031	$95,760
SUMMARY OF COMPARABLE VALUES						
Value Range/AC		$92,506	to	$124,220		
Mean			$102,687/AC			
Median			$99,031/AC			
Unit Value/SF	$2.36/SF					
Value Indication/AC	$102,700/AC					
Conclusion (Rounded)	*16,844,000 ($102,700/AC, $2.36/SF)*					

ANALYSIS OF THE SALES – PAPER LOT LAND IN MAJOR IMPROVEMENT AREA

Our research of sales comparables leads us to the determination that there are ample comparable sales within the last three years involving similar land sales within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property's land that are utilized had unadjusted sales prices ranging from $75,104 to $99,968 per acre, and sizes ranging from approximately 60.04-AC to 924.81-AC.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Financial Adjustments

Property Rights Conveyed
This adjustment considers the difference in sales price of properties sold in Fee Simple estate or in Leased Fee estate and the effect of any existing leases on the sales price of the property. All the sales involved Fee Simple interests being transferred. Thus, no adjustments were applicable for this factor.

Cash Equivalency
All sales were cash or equivalent, thus an adjustment for this item was not necessary.

Conditions of Sale
This adjustment reflects the motivations of the buyer and seller, i.e., assemblage, distress sale, reduced prices from family purchase, or purchase by adjacent landowners. All the sales were considered arms-length transactions, with no conditions perceived which would indicate a sale without profit motive, and no adjustments for Conditions of Sale were considered necessary.

Changing Market Conditions
This adjustment accounts for changing market conditions over a period. These adjustments are necessary to correct for changes in value over time due to market factors such as supply and demand, and economic factors such as inflation. We have applied an adjustment of +3% year-over-year (YoY), which is a 0.25% month-over-month (MoM) positive adjustment for Market Conditions to Sales 1-5, which resulted in positive adjustments ranging from +8% to +13%.

Physical Adjustments

Location/Access

The type and density of surrounding development was examined for each sale. In addition, locations with proximity to business and retail centers were also considered. Properties located in close proximity to densely developed areas tend to sell for higher prices than properties which are in less developed locations. This site is located in the northeastern part of Denton County. The area around the subject property is mostly rural, with a new housing development underway nearby. The immediate vicinity of the subject property is primarily undeveloped rural land, which is advantageous for a residential subdivision; however, it is relatively far from the Dallas-Fort Worth CBD. We have made the following adjustments for Location/Access:

- Sale 1: Similar; located in the Celina ETJ with similar access to commercial developments and a similar distance from the DFW Metroplex; Adjusted 0%
- Sale 2: Inferior; located in the Celina ETJ with inferior access to commercial developments and slightly further from the DFW Metroplex; Adjusted +4%
- Sale 3: Inferior; located in the Gunter ETJ with inferior access to commercial developments and further removed from the DFW Metroplex; Adjusted +5%
- Sale 4: Similar; located in Pilot Point with similar access to commercial developments and a similar distance from the DFW Metroplex; Adjusted 0%
- Sale 5: Inferior; located in the Unincorporated Collin County area of Collin County with inferior access to commercial developments and slightly further from the DFW Metroplex; Adjusted +4%

Size

Typically, the larger the tract the lower the unit price. The converse also tends to be true. Land sales analyzed on an area-wide basis tend to indicate a ±3% to ±10% price premium for each halving/doubling of size, for tracts within the size range of those compared herein. A +3% doubling factor would appear reasonable for the size range of the sales utilized in this analysis. We have made the following adjustments for Size (based on 164.014-AC):

- Sale 1: Smaller; 115.630 acres; Adjusted -2%
- Sale 2: Smaller; 124.040 acres; Adjusted 0%
- Sale 3: Smaller; 119.800 acres; Adjusted 0%
- Sale 4: Larger; 924.805 acres; Adjusted +7%
- Sale 5: Smaller; 60.040 acres; Adjusted -4%

Topography/Floodplain

Topography conditions included are land contours, grades, drainage adequacies, and general physical usability. Land that is heavily wooded would likely be more costly to develop than a site that was cleared and ready for development. Maverick Farms PID is irregular-shaped, is mostly cleared outside of flood zones, has gently sloping topography, and located in Flood Zone X (an area of minimal flood hazard) and Flood Zone A (within 100-year floodplain) according to Map 48121C0260G dated 4/18/2011. The subject property has ample space in Unshaded Zone X that would not be detrimental to the development of the subject property. We have made the following adjustments for Topography/Floodplain:

- Sale 1: Inferior; has gently rolling topography, few trees, and within Unshaded Zone X and Shaded Zone A; Adjusted +4%
- Sale 2: Similar; has gently sloping topography, few trees, and within Unshaded Zone X and Shaded Zone A; Adjusted 0%
- Sale 3: Superior; has gently sloping topography, few trees, and entirely within Unshaded Zone X; Adjusted -2%

- Sale 4: Similar; has gently sloping topography, mostly cleared, and within Unshaded Zone X and Shaded Zone A; Adjusted 0%
- Sale 5: Superior; has gently sloping topography, few trees, and entirely within Unshaded Zone X; Adjusted -2%

Utilities
The availability of utilities is a major factor in the development of any property. If a site has no utility service or cannot acquire access, it is virtually impossible to develop. All utilities are available for the subject property (electricity, water, sewer, and gas). The following adjustments are made to the comparable sales for Utilities:

- Sale 1: Inferior; has access to electricity, water, and sewer, but no gas; Adjusted +2%
- Sale 2: Inferior; has access to Co-Op electricity, Co-Op water, and septic, but no gas; Adjusted; +4%
- Sale 3: Inferior; has access to Co-Op electricity and Co-Op water, but no sewer or gas; Adjusted; +4%
- Sale 4: Similar; has access to the same utilities as the subject; Adjusted; 0%
- Sale 5: Inferior; has access to electricity and water, but no sewer or gas; Adjusted +2%

Easements/Encumbrances
Land that has limitations on use caused by negative easements or encumbrances is reduced in market value. For instance, if a property has a powerline easement that runs through the property and restricts development, that property will tend to have a lower market value than an equivalent property without a powerline easement. Based on the survey provided, the subject property contains a 50' pipeline easement that bisects the southern portion of the property running east to west. There are no other known easements that would restrict the development of the subject property. None of the comparable sales have any easements that would be detrimental for development, therefore a -4% adjustment was made for Sales 1-5 for Easements/Encumbrances.

Land Use/Zoning
The subject property will be designated as Planned Development (PD) by the City of Pilot Point, specifically for single-family residential use. This zoning classification permits the creation of single-family residential lots. At this stage, the land will possess entitlement rights for development, increasing its value compared to vacant agricultural land not within the city with no zoning. The entitlements provided by the PD classification elevate the property's value beyond that of unzoned raw land. We are valuing the property under the Extraordinary Assumption that the subject property will be annexed by the City of Pilot Point and zoned Planned Development.

Sales 1, 2, 3, and 5 were sold as raw land that requires entitlements to be developed to their highest and best use. Based on the time, coordination, and expense that Sales 1, 2, 3, and 5 must endure to receive entitlement, we have adjusted them each positively +10% for Land Use/Zoning. Sales 4 has PD zoning, but allows for a mixed-use development, which is slightly superior to the subject and would have similar entitlement rights, therefore, an adjustment of -2% was made for Sale 4.

LAND VALUE CONCLUSION FOR 164.014-AC LAND IN THE MAJOR IMPROVEMENT AREA
After adjustments, the land sales indicate a range of values for the subject site from $92,506 to $124,220 per acre, with an average of $102,687/AC and a median of $99,031/AC. Similar emphasis was given to all sales. Thus, the value of the subject is correlated in the middle portion of the ranges. **The subject site is valued at $102,700/AC, totaling $16,844,238, rounded to $16,844,000** for the land in the Major Improvement Area as shown in the following chart:

LAND VALUE SUMARY MAVERICK FARMS PID		
Land Area (Acres)	**Land Value/Acre**	**Land Value**
164.014	$102,700	$16,844,238
	Rounded:	***$16,844,000 ($102,700/AC, $2.36/SF)***

Next, we will continue the Cost Approach to analyze the Development Costs associated within the Major Improvement Area.

COST APPROACH – PAPER LOTS IN MAJOR IMPROVEMENT AREA (CONTINUED)

Replacement cost is the current cost of replacing the improvement with one having equal utility or able to perform the same economic function:

1. It could be the cost of acquiring an equally desirable substitute, or
2. The cost to replace, with a property having an equivalent utility, which may or may not be a replica, or
3. The replacing or remodeling of parts of a structure to maintain it in its highest and best use and operating condition.

This term generally is used to indicate: The present cost of replacing the improvements with improvements of equivalent utility, considering modern materials and construction methods.

NOTE: The appraisers have been provided with detailed construction development costs provided by KFM Engineering & Design (Professional Engineer) who have worked with the developer on development costs necessary for the Water System, Wastewater System, Storm Drain System, Earthwork, Erosion Control, and Roadway & Street Paving. We have confirmed the utilized cost through discussions with the client (FMSbonds) and concluded they are reasonable and credible for developing Maverick Farms PID Major Improvement Area based on our experience reviewing costs from other PIDs. Further, we have utilized an extraordinary assumption that the development costs are accurate as of the effective date of the report. Use of this extraordinary assumption has affected assignment results.

Detailed costs for each area were provided by KFM Engineering & Design for Maverick Farms PID. The portion concerning the Major Improvement Area totals **$21,808,472**:

CONSTRUCTION COST SUMMARY - MAVERICK FARMS - PH 1

Client Name: One Mark
City: Pilot Point ETJ, Denton County, Texas
Date: 11/3/2025
Project Number: 01.0170.003
Total Lots: 539
Total Acreage: 193

	Units	Wet Utilities	Dry Utilities	Roadway and Paving	Earthwork and E&S	Hardscape/ Landscape Cost	Sum of Construction Costs	Fees & Bonds	District Formation	Construction Cost w/ Fees	Total Cost/Unit
Offsite Infrastructure - Total Construction Cost	N/A	$ 16,755,186					$ 16,755,186	$ 2,051,169	$ 460,000	$ 19,266,355	$ 35,745
Offsite Infrastructure - PID Reimbursable		$ 9,173,355					$ 9,173,355	$ 94,563	$ 460,000	$ 9,727,918	$ 18,048
Onsite Master Infrastructure Phase 1		$ 2,333,936	$ -	$ 2,112,900	$ 606,450	$ -	$ 5,053,286	$ 799,662	$ 460,000	$ 6,312,948	$ 11,712
Phase 1 PID Direct	539	$ 7,633,205	$ 379,174	$ 4,690,085	$ 713,248	$ 1,363,412	$ 14,779,124	$ 2,552,312	$ 2,340,000	$ 19,671,435	$ 36,496
Phase 1 Private		$ -	$ -	$ -	$ 1,119,811	$ 1,206,761	$ 2,326,572	$ 391,609	$ -	$ 2,718,181	$ 5,043
TOTAL PID REIMBURSEMENT AMOUNT:		**$ 19,140,497**	**$ 379,174**	**$ 6,802,985**	**$ 1,319,698**	**$ 1,363,412**	**$ 29,005,765**	**$ 3,446,537**	**$ 3,260,000**	**$ 35,712,301**	**$ 66,257**
TOTAL CONSTRUCTION COST:		**$ 26,722,327**	**$ 379,174**	**$ 6,802,985**	**$ 2,439,509**	**$ 2,570,173**	**$ 38,914,167**	**$ 5,794,752**	**$ 3,260,000**	**$ 47,968,919**	**$ 88,996**

Depreciation is defined as loss in capital value from any cause. It is employed in this report in estimating the difference in the present-day value of the improvements and the cost of new replacement. The three major types of accrued depreciation are:

Physical Deterioration
Physical deterioration is loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or, is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition is generally the measure of deferred maintenance.

Note: As the subject property is a newly proposed development, there is no physical deterioration to consider.

Functional Obsolescence
Functional obsolescence is loss in value from conditions existing within the property which make the property inadequate or less desirable to the typical prudent purchaser. It, too, may be curable or incurable. Incurable obsolescence is normally measured by the loss in income which may accrue to the property by reason thereof.

Note: The proposed development is considered to be of desirable size and functional design for demand from typical users in this market. There is no indication of functional obsolescence for this property.

External Obsolescence
According to the Dictionary of Real Estate Appraisal, Fifth Edition, external obsolescence is *"an element of depreciation; a diminution of value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant."*

External obsolescence is considered to be the loss in value of a property resulting from the influence of negative forces not inherent with the property. It can be caused by the exertion of detrimental external forces upon the neighborhood or property itself. Other examples are noise from nearby expressways or airports, excessive taxes, special assessments or certain other governmental actions, or the infiltration of inharmonious groups or land uses.

This form of obsolescence is rarely, if ever, curable. The measure of this form of obsolescence is the capitalized value of the rental loss due to the condition. Care must be exercised to charge against the improvements only the pro-rata amount of the indicated loss represented by the improvements to total property value ratio. In other words, if the land value already reflects the condition, the rent loss attributable only to the improvements should be capitalized.

Note: As the proposed subdivision is in an area in the growth cycle with demand for residential development spurred by high demand, there is no depreciation for external obsolescence.

As indicated earlier, the proposed improvements represent the current Highest and Best Use of the site "as proposed." As such, the following is a discussion of cost and depreciation components used in arriving at a value for the subject via the Cost Approach.

Development Cost Estimate
Base costs for the major building improvements are estimated from the owner's cost estimate and compared to the Marshal Valuation Service (MVS) Cost Guide.

Base Building Cost
The client provided the appraisers with the contractor's construction cost estimate. The estimated building costs is **$21,808,472 which does not include total cost with contingencies and fees**.

Entrepreneurial Incentive
According to The Dictionary of Real Estate Appraisal, Fifth Edition, entrepreneurial incentive is defined as *"the amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement."* Typically, the range of 10-20% of cost is used for this category with higher percentages are typical when a development involves more risk. In general, subdivision developers are categorized as higher risk than other real estate endeavors due to the high degree coordination that takes place over several years. Within the span of those years numerous market changes are likely to occur. We are using **15%** for the purpose of this analysis as residential development tends to be risker and thus a higher profit is expected from participants totaling **$3,271,271**.

Depreciation: Defined as loss in capital value from any cause. It is employed in this report in estimating the difference in the present-day value of the improvements and the cost of new replacement. The three major types of accrued depreciation are as follows:

Physical Deterioration
This is a loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition is generally the measure of deferred maintenance.

Short-Life Physical Deterioration
The depreciation estimate for short-life items can be divided into two categories; "Curable" and "Incurable." *Curable physical deterioration*, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition is generally the measure of deferred maintenance. The subject property has no deferred maintenance. Therefore, no charge will be considered in our analyses. *Incurable Short-Life deterioration* is also attributable to normal wear and tear but is generally unfeasible or uneconomical to repair. Typically, this charge is estimated on an age/life method and is based on observed condition. The subject improvements are proposed and are considered to be in new condition with no physical deterioration.

Physical Deterioration: Incurable Long-Life
Prior to calculating incurable long-life depreciation, the replacement cost new of short-life items is subtracted. The subject improvements are proposed and are considered to be in new condition with no physical deterioration.

External Obsolescence
According to the Dictionary of Real Estate Appraisal, Fifth Edition, external obsolescence is *"an element of depreciation; a diminution of value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant."*

External obsolescence is considered to be the loss in value of a property resulting from the influence of negative forces not inherent with the property. It can be caused by the exertion of detrimental external forces upon the neighborhood or property itself. Other examples are noise from nearby expressways or airports, excessive taxes, special assessments or certain other governmental actions, or the infiltration of inharmonious groups or land uses.

This form of obsolescence is rarely, if ever, curable. The measure of this form of obsolescence is the capitalized value of the rental loss due to the condition. Care must be exercised to charge against the improvements only the pro-rata amount of the indicated loss represented by the improvements to total property value ratio. In other words, if the land value already reflects the condition, the rent loss attributable only to the improvements should be capitalized. There is not considered to be any measurable external obsolescence present.

Cost Approach Assumptions
The following assumptions will affect our Cost Approach value conclusions:

1) Developer construction cost estimates provided by KFM Engineering & Design are accurate and reflect all associated costs (as of the effective date) to construct the development – *Utilizing Extraordinary Assumption*
2) Entrepreneurial profit is considered to be **15%** which is the market rate profit a developer would expect to undertake the risk associated with a subdivision development such as the subject property. Typically, developer budget 30-40% for profit; however, after unexpected contingencies profits are often 20-25%.
3) The value of the underlying land as of the report date is **$16,844,000.** We are not factoring in any increases prior to the Effective Date of for the Major Improvement Area.

COST APPROACH VALUE CONCLUSION
Again, the indicated property value determined by the Cost Approach is derived by the following equation:

Property Value = Land Value + (Cost New less Accumulated Depreciation)

With our assumptions in place, as well as the developer construction costs provided by a state licensed third party (KFM Engineering & Design, the Professional Engineers) and based on the forgoing analysis, the chart on the following page recaps and illustrates the calculations used in forming an opinion of value via the Cost Approach for the Major Improvement Area:

Cost Approach - Maverick Farms PID (809 Paper Lots)	
Total Build Cost	
Development Costs	$ 21,808,472
Plus: Entrepreneurial Incentive (15%)	$ 3,271,271
Less Depreciation	
Physical Curable/Incurable	$ -
Functional Obsolescence	$ -
External Obsolescence	$ -
Total Accrued Depreciation	$ -
Plus: Land (164.014 Acres)	$ 16,844,000
Indicated Total Value	**$ 41,923,743**
Total Value Rounded	***$ 41,923,800***

Thus, as of substantial completion date, March 1, 2027, for the development of the Major Improvements within the Major Improvement Area with ~164.014-acres, the value conclusion (rounded) of the 809 residential paper lots utilizing the Cost Approach for Maverick Farms PID is $41,923,800 ($51,900/Paper Lot).

RECONCILIATION AND FINAL VALUE CONCLUSION

The Appraisal of Real Estate, Fourteenth Edition, copyright 2013, pages 641-642, published by the Appraisal Institute states,

"Resolving the differences among various value indications is called reconciliation…. The final value opinion is not the average of the different value indications derived. No mechanical formula is used to select one indication over the others…Final reconciliation relies on proper application of appraisal techniques and the appraiser's judgment."

Three approaches to value are recognized in the appraisal profession (Sales Comparison Approach, Cost Approach, and Income Approach). All three approaches were analyzed and developed as part of the scope of work of this assignment. A summary of each approach follows:

Cost Approach
The Cost Approach provides information that contrasts with information from the Income and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project.

Since the improved single-family residential lots in Maverick Farms PID will be constructed in phases over several years, the Cost Approach is not appropriate and thus was not utilized to value the improved lots in Improvement Area #1. This approach is most beneficial when appraising a proposed or recently built project and is typically used when developed units make up a substantial portion of the entire project.

We utilized the Cost Approach to value the 809 paper lots on ~164.014 acres in the Major Improvement Area. The Cost Approach utilizes aspects of the Sales Comparison Approach to determine the underlying value of the land. Cost figures provided by KFM Engineering & Design, Professional Engineers, were included, and we considered entrepreneurial incentive before adding in the value of the underlying land to determine the value of the property when major public infrastructure is included.

The first step in the cost approach is determining the land value for the subject property. In order to do the Cost Approach, the land value is determined using the Sales Comparison Approach of similar vacant land in the subject's market area. The Sales Comparison Approach for the subject's land within the MIA was concluded at **$16,844,000**. The development costs were calculated at **$21,808,472**. **Thus, the value conclusion utilizing the Cost Approach for Maverick Farms PID Major Improvement Area is $41,923,800 ($51,900/Lot).**

Income (Subdivision Development) Approach
For the improved residential lots, the Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases the bulk of the lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

Since one of the problems to be solved is to determine the bulk sale value of 539 improved residential lots in Maverick Farms PID within Improvement Area #1, as of the substantial completion date, the Income Approach is appropriate and was developed. **Through Discounted Cash Flow Analysis, we determined the market value of the 539 improved lots "Upon Completion" in Maverick Farms PID Improvement Area #1 as of March 1, 2027, is $49,378,000 ($91,600/Lot). The Income (Subdivision Development) Approach was not utilized for the paper lots in the Major Improvement Area as this portion of the development is not yet developed and the land is not utilized to generate income.**

Sales Comparison Approach

For the improved lots within Improvement Area #1, and the paper lots within the Major Improvement Area, the Sales Comparison Approach was not fully developed because finding highly similar and recent sales of improved groups of lots or subdivisions is not available in the market. Aspects of the Sales Comparison Approach were utilized in concluding the retail lot market values for use in the Income Approach for the improved lots within the Maverick Farms PID.

Final Value Conclusion Summary

As a result of our investigations, studies and analysis of the sale, cost, income, and expense data, interpreted within the context of all the factors in the marketplace which effect value, our reconciliation of the indicated values between the utilized approaches to value are listed in the table below. Each property type warranted only a single approach to be developed so our final values for each property type: improved residential lots, and paper lots for residential land. Our final value conclusion for each of the property types is shown below:

FINAL MARKET VALUE CONCLUSION MAVERICK FARMS PID			
	Cost	*Sales*	*Income (Subdivision)*
Fee Simple Interest, Complete March 1, 2027 Improvement Area #1 *539 Improved Residential Lots in Improvement Area #1*	*N/A*	*N/A*	*$49,378,000 ($91,600/Lot)*
Fee Simple Interest, Complete March 1, 2027 Major Improvement Area *809 Residential Paper Lots on ~164.014 Acres*	*$41,923,800 ($51,800/Lot)*	*N/A*	*N/A*

Exposure Time
Assuming adequate exposure and normal marketing efforts, the estimated exposure time (i.e. the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded to in this analysis as of the date of this valuation) would have been at least 6-12 months; the estimated marketing time (i.e. the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be between 6-12 months.

Marketing Time
Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the Effective Date of value. Market conditions are presently strong, and we expect no significant changes in the near term. It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6-12 months.

ADDENDA

ENGAGEMENT LETTER

Peyco Southwest Realty Inc.
In Arlington Since 1976

Real Estate Brokerage * Development * Appraisals * Property Tax Consulting
1703 N. Peyco Dr. Arlington, Texas 76001
Metro 817-467-6803 * Fax 817-465-7464 * www.peycosouthwest.com

June 10, 2025

Mr. R.R. "Tripp" Davenport, III
Director
FMSbonds, Inc.
5 Cowboys Way, Ste. 300-25
Frisco, Texas 75034
tdavenport@fmsbonds.com

SUBJECT: Proposal/Authorization for Valuation and Consulting Services of a residential master planned development known as the "Maverick Farms Public Improvement District" located in the City of Pilot Point, Denton County, Texas

Dear Mr. Davenport:

Upon your acceptance of this contract engagement, Peyco Southwest Realty, Inc. ("Peyco"), will prepare an appraisal of the Subject Property:

Purpose of the Assignment The purpose of the appraisal is to provide an opinion of the "As-Complete" and "As-If Improved" market value of the fee simple interest in the Subject Property outlined herein. We will assume that the City of Pilot Point will approve or has approved the proposed development and that all development entitlements are in place for the "Project" to proceed. Further, our valuation will also be based upon, and assume that:

- **a)** Only limited specific offsite general infrastructure indicated is fully funded with cash or cash-equivalent (lines of credit, completion agreements, etc.) with special assessments levied on property within the Maverick Farms Public Improvement District ("PID"), and
- **b)** Improvement relating to the "Project" will be completed based on engineering plans provided to the appraisers

It is our understanding that the Appraisal Report will be included in the Preliminary and Final Official Statements for the sale of one or more series of Public Improvement District (PID) bonds for the Project, and we will provide our written consent to the inclusion of the Appraisal Report in the Preliminary and Final Official Statements. The appraisal will be prepared in conformance with and subject to, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice* (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation. The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three-year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We represent that we have not performed any services that require disclosure under this rule.

In accordance with our correspondence, the scope of this assignment will require Peyco to consider all relevant and applicable approaches to value as determined during the course of our research, Subject Property analysis, and preparation of the report. **The report will include an opinion of the fee simple market value of the following:**

- **Improvement Area #1 (IA#1) with approximately 539 improved residential lots to be sold in bulk in Phase 1 of the Maverick Farms PID. We will report the estimated retail value of the lots during the sellout period consisting of:**
  - **345 lots of 40-FF sizes,**
  - **113 lots of 50-FF sizes, and**
  - **81 lots of 60-FF sizes**
- **Major Improvement Area (MIA) Paper Lots – estimated at 873 lots of various sizes on ~200.632-AC to be sold in bulk in the Major Improvement Area.**

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, this appraisal may not be accepted by a federally regulated financial institution.

The appraisal will be communicated in an Appraisal Report-Standard Format Report. All work will be performed under the direct supervision of the undersigned, together with other staff members. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions, a copy of which is attached as Attachment 1.

The total fee for this assignment will be $17,000 which will be paid for by the Developer, but payment may be reimbursed to the developer as a qualified creation and issuance cost of the "Public Improvement District". Please note that the full fee must be received in our office before the commencement of this appraisal. The delivery date will be within 30 days from your signed acceptance of this letter agreement, receipt of the fee and receipt of requested documents from the developer, but subject to extension based upon late delivery of the requested data and scheduled access for inspection. **We will require the full fee of $17,000 prior to the commencement of this appraisal assignment.** If the assignment is cancelled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the percentage of work completed.

Two hard copies of the appraisal report will be provided upon request. Digital copies, in PDF format, will be delivered upon completion via email or other file transfer as client requests. Additionally, we confirm our permission to use the final appraisal report in the offer and sale of public securities secured by the special assessments levied on property within the PID for the "Project"; and we confirm that we will execute, subject to our approval of the same, a certificate related to the use of the appraisal for such purpose. The 30-day delivery date is contingent upon the absence of events outside our control, timely access for inspection of the Subject Property, as well as our receipt of all requested information necessary to complete the assignment. Should, upon review of the draft Appraisal Report, the client requests material changes, or additions beyond the agreed to Scope of Work that materially affect the appraisal report and/or resulting values; the Client agrees to additional scope of work changes at our current hourly rates ($300/hour).

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance, or wetlands. Therefore, unless we have been provided with appropriate third-party expert reports, the appraisals will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment, and actions.

In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our current hourly rates ($300/hour) for such preparation and presentation of testimony. You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, Peyco and its partner companies may utilize, sell, and include such data (either in the aggregate or individually), in the Peyco database and for use in derivative products. You agree that all data already in the public domain may be utilized on an unrestricted basis. Finally, you agree that we may use commercially available, as well as proprietary software programs, to perform your assignment (web based and others).

If you are in agreement with the terms set forth in this letter and wish us to proceed with the contract engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

Sincerely,

James L. Maibach, C.P.M.
TX-1323658
State Certified General Real Estate Appraiser

AGREED TO AND ACCEPTED THIS __11__DAY OF ___June___, 2025. BY:

FMS Bonds, Inc.

Tripp Davenport
Authorized Signature

Name (printed)

ATTACHMENT 1: STANDARD ASSUMPTIONS & LIMITING CONDITIONS

The appraisal report and any work product related to the engagement will be limited by the following standard assumptions:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements, and restrictions. The Subject Property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the Subject Property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the Subject Property more or less valuable. Furthermore, there is no asbestos or environmental contamination at the Subject Property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The Subject Property is in compliance with all applicable building, environmental, zoning, and other federal, state, and local laws, regulations, and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

The appraisal report and any work product related to the engagement will be subject to the following limiting conditions, except as otherwise noted in the report:

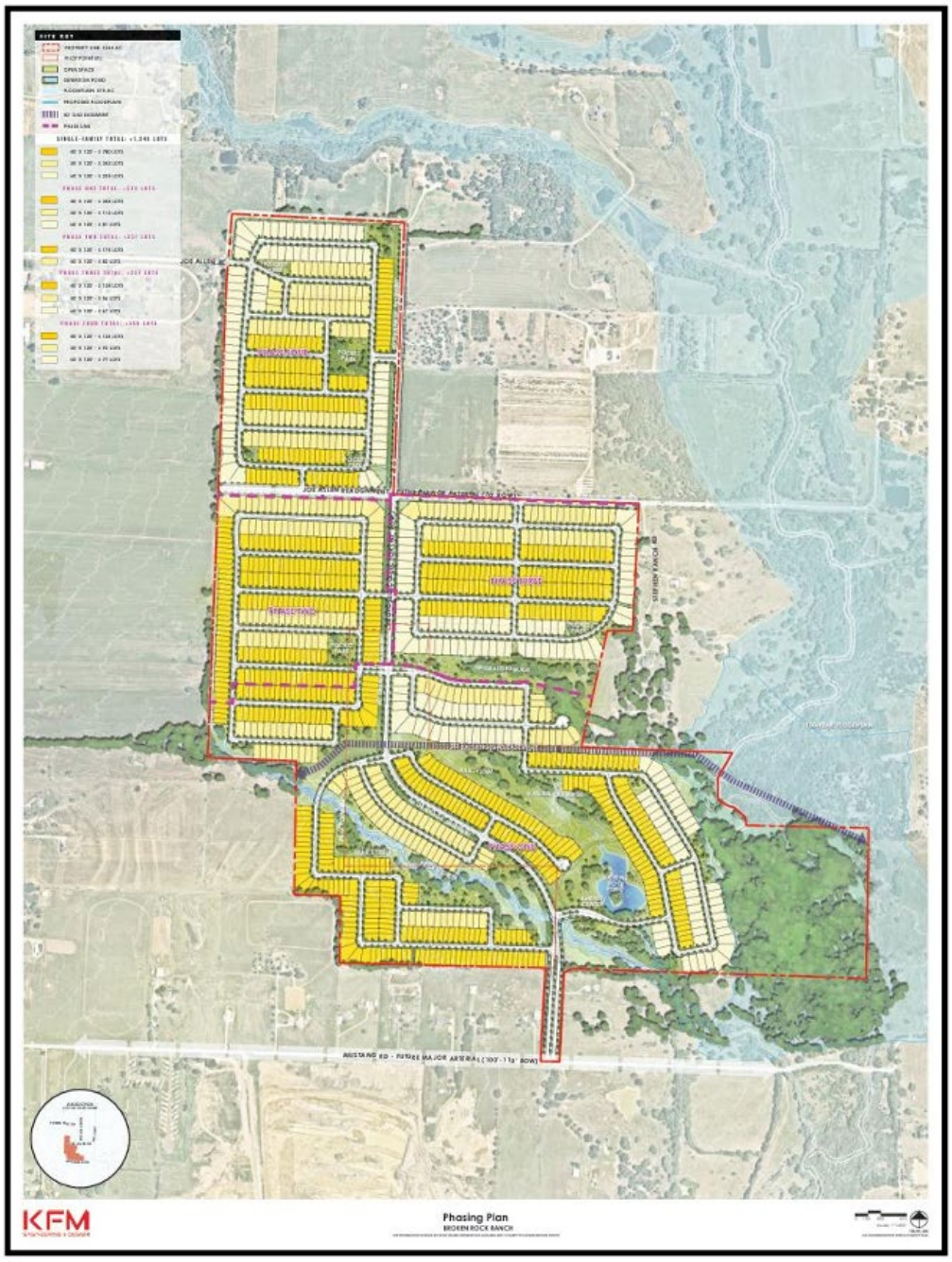
1. An appraisal is inherently subjective and represents our opinion as to the value of the Subject Property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state, or local laws, regulations, or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena, or attend any court, governmental or other hearing with reference to the Subject Property without compensation relative to such additional employment.
6. We have made no survey of the Subject Property and assume no responsibility in connection with such matters. Any sketch or survey of the Subject Property included in the appraisal report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the Subject Property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, if any, and we have assumed that the Subject Property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural, and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the Subject Property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates, and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

13. If the Subject Property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the Subject Property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the Subject Property or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the Subject Property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues and render no opinion regarding compliance of the Subject Property with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the Subject Property or in the improvements, and our valuation is predicated upon the assumption that the Subject Property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances, and mold. No representations or warranties are made regarding the environmental condition of the Subject Property. Peyco and/or any of its officers, owners, managers, directors, agents, subcontractors, or employees (the "Peyco Parties") shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the Subject Property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the Subject Property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the Subject Property, and the value conclusion is predicated on the assumption that wetlands are nonexistent or minimal.
22. We are not a building or environmental inspector. Peyco does not guarantee that the Subject Property is free of defects or environmental problems. Mold may be present in the Subject Property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assumes the satisfactory completion of construction, repairs, or alterations in a workmanlike manner.
24. Peyco is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
25. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Peyco is not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we

assume competent and effective management and marketing for the duration of the projected holding period of the Subject Property.

26. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.
27. As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.

Concept Plan



METES AND BOUNDS DESCRIPTION

LEGAL DESCRIPTION
200.632 ACRES MAVERICK FARMS PHASE 1

BEING A PORTION OF THAT TRACT OF LAND SITUATED IN THE JOHN RYAN SURVEY, ABSTRACT NO. 1069, DENTON COUNTY, TEXAS, AND ALSO BEING SITUATED IN THE ISAAC WALTERS SURVEY, ABSTRACT NO. 1329, DENTON COUNTY, TEXAS BEING ALL OF A CALLED 70.20 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO BROKEN ROCK RANCH, LLC RECORDED IN INSTRUMENT NO. 2016-36929, AND BEING ALL OF A CALLED 39.98 ACRE TRACT 1 OF LAND DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, RECORDED IN INSTRUMENT NO. 2016-36929, AND A PORTION OF A CALLED 45.23 ACRE REMAINDER OF TRACT 2 OF LAND DESCRIBED IN THE DEED TO BROKEN ROCK RANCH, LLC, RECORDED IN INSTRUMENT NO. 2016-36929, AND BEING ALL OF A CALLED 1.209 ACRE TRACT OF LAND DESCRIBED IN DEED TO OMA PILOT POINT, L.L.C., RECORDED IN INSTRUMENT NO. 2024-46662, ALL IN OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT 1/2-INCH IRON ROD FOUND CAPPED IN MUSTANG ROAD WITH THE WEST LINE OF SAID 70.20 ACRE TRACT AND THE EAST LINE OF A CALLED 5.00 ACRE TRACT DESCRIBED IN DEED TO PHIL OWEN AND ANITA OWEN, RECORDED IN INSTRUMENT NO. 2001-18334 SAID OFFICIAL RECORDS;
THENCE NORTH 03° 10' 45" EAST, ALONG THE WEST LINE OF SAID 70.20 ACRE TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, A DISTANCE OF 726.40 FEET TO THE NORTHEAST CORNER OF SAID 5.00 ACRE TRACT DESCRIBED IN DEED TO PHIL OWEN AND ANITA OWEN AND TO A COMMON CORNER OF SAID 39.98 ACRE TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, 1/2-INCH IRON ROD FOUND CAPPED;

THENCE WITH THE SOUTH LINE OF SAID 39.98 ACRE TRACT THE FOLLOWING 4 COURSES:
NORTH 87° 54' 28" WEST, A DISTANCE OF 624.96 FEET TO 1/2-INCH IRON ROD FOUND;
NORTH 89° 09' 34" WEST, A DISTANCE OF 321.96 FEET TO 1/2-INCH IRON ROD FOUND;
NORTH 89° 16' 52" WEST, A DISTANCE OF 322.20 FEET TO 1/2-INCH IRON ROD FOUND;
NORTH 89° 11' 49" WEST, A DISTANCE OF 325.42 FEET TO THE WEST LINE OF SAID 39.98 ACRE TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, AND THE EAST LINE OF A CALLED 24.333 ACRE TRACT DESCRIBED IN DEED TO SUHANI INVESTMENTS LLC AND MADHAVI VATTIKONDA AND CHANDRA S. VATTIKONDA RECORDED IN INSTRUMENT NO. 2021-235911 OF SAID OFFICIAL RECORDS AND AN 1/2-INCH IRON ROD FOUND;

THENCE NORTH 01° 03' 01" EAST, ALONG THE SAID WEST LINE OF SAID 39.98 ACRE TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, AND THE EAST LINE OF SAID 24.333 ACRE TRACT DESCRIBED IN DEED TO SUHANI INVESTMENTS LLC AND MADHAVI VATTIKONDA AND CHANDRA S. VATTIKONDA, A DISTANCE OF 526.71 FEET TO 1/2-INCH IRON ROD FOUND;

THENCE NORTH 88° 25' 25" WEST, ALONG THE SOUTH LINE OF SAID 39.98 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, AND THE NORTH LINE OF SAID 24.333 ACRES TRACT DESCRIBED IN DEED TO SUHANI INVESTMENTS LLC, AND MADHAVI VATTIKONDA AND CHANDRA S. VATTIKONDA, A DISTANCE OF 364.56 FEET TO THE EAST LINE

OF A CALLED 22.00 ACRE TRACT DESCRIBED IN DEED TO MONTEY RAY WILSON RECORDED IN INSTRUMENT NO. 1995-31287, AND A 1/2-INCH IRON ROD FOUND;

THENCE NORTH 01° 15' 58" EAST, ALONG THE WEST LINE OF SAID 39.98 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, A DISTANCE OF 1028.02 FEET TO 1/2-INCH IRON ROD FOUND;

THENCE NORTH 87° 27' 32" WEST, A DISTANCE OF 687.64 FEET TO A CALLED 27.52 ACRES TRACT DESCRIBED IN DEED TO STALLINGS INVESTMENTS, LLC, RECORDED IN INSTRUMENT NO. 2021-53740, OF SAID OFFICIAL RECORDS AND 1/2-INCH IRON ROD FOUND;

THENCE NORTH 02° 23' 11" EAST, ALONG THE EAST LINE OF SAID 27.52 ACRES TRACT DESCRIBED IN DEED STALLINGS INVESTMENTS, LLC, A DISTANCE OF 588.39 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

THENCE ACROSS THE SAID 45.23 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, THE FOLLOWING 16 COURSES:

1. SOUTH 87° 57' 48" EAST, A DISTANCE OF 196.50 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;
2. SOUTH 02° 02' 12" WEST, A DISTANCE OF 6.67 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;
3. SOUTH 87° 57' 48" EAST, A DISTANCE OF 920.65 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;
4. NORTH 02° 02' 12" EAST, A DISTANCE OF 110.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;
5. NORTH 42° 57' 48" WEST, A DISTANCE OF 14.14 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;
6. NORTH 02° 02' 12" EAST, A DISTANCE OF 50.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;
7. NORTH 47° 02' 12" EAST, A DISTANCE OF 14.14 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;
8. NORTH 02° 02' 12" EAST, A DISTANCE OF 17.50 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;
9. SOUTH 87° 57' 48" EAST, A DISTANCE OF 50.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;
10. SOUTH 42° 57' 48" EAST, A DISTANCE OF 14.14 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;
11. SOUTH 87° 57' 48" EAST, A DISTANCE OF 150.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;
12. NORTH 47° 02' 12" EAST, A DISTANCE OF 14.14 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;
13. NORTH 02° 02' 12" EAST, A DISTANCE OF 7.50 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;
14. SOUTH 87° 57' 48" EAST, A DISTANCE OF 60.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;
15. NORTH 02° 02' 12" EAST, A DISTANCE OF 75.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

16. SOUTH 87° 57' 48" EAST, A DISTANCE OF 1,611.18 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "KFM" SET;

THENCE SOUTH 12° 45' 57" WEST, ALONG THE EAST LINE OF SAID 45.23 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, AND THE WEST LINE OF SAID 68.77 ACRES TRACT DESCRIBED IN DEED TO DAVID HANSEN STEPHENS A DISTANCE OF 686.24 FEET TO THE NORTH LINE OF SAID 72.15 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC AND A 5" PIPE CORNER POST;

THENCE SOUTH 87° 43' 37" EAST, ALONG THE NORTH LINE OF SAID 72.20 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, A DISTANCE OF 1171.75 FEET TO PECAN CREEK;

THENCE THE ALONG PECAN CREEK THE FOLLOWING 8 COURSES:
1. SOUTH 29° 36' 31" WEST, A DISTANCE OF 205.98 FEET;
2. SOUTH 20° 00' 05" WEST, A DISTANCE OF 34.38 FEET;
3. SOUTH 00° 29' 31" WEST, A DISTANCE OF 99.00 FEET;
4. SOUTH 07° 53' 29" EAST, A DISTANCE OF 58.00 FEET;
5. SOUTH 60° 38' 29" EAST, A DISTANCE OF 94.00 FEET;
6. SOUTH 74° 43' 29" EAST, A DISTANCE OF 32.00 FEET;
7. SOUTH 51° 51' 49" EAST, A DISTANCE OF 110.37 FEET;
8. SOUTH 08° 57' 30" EAST, A DISTANCE OF 75.85 FEET;

THENCE SOUTH 88° 48' 34" EAST, A DISTANCE OF 947.44 FEET TO A 3" BOIS D'ARC CORNER POST IN THE EAST LINE OF SAID 72.20 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC;

THENCE SOUTH 00° 33' 58" WEST, ALONG THE EAST LINE OF SAID 72.20 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, AND THE WEST LINE OF THE REMAINDER OF A 60.00 ACRES TRACT DESCRIBED IN DEED TO G.A. MOORE, JR. RECORDED IN VOLUME 1091, PAGE 57 IN DEED RECORDS, DENTON COUNTY, TEXAS, A DISTANCE OF 1168.52 FEET TO 1/2-INCH IRON ROD FOUND CAPPED (ALLIANCE);

THENCE NORTH 88° 01' 52" WEST, ALONG THE SOUTH LINE OF SAID 72.20 ACRES TRACT DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, A DISTANCE OF 2351.32 FEET TO 1/2-INCH IRON ROD FOUND;

THENCE SOUTH 03° 09' 17" WEST, A DISTANCE OF 728.05 FEET TO 1/2-INCH IRON ROD FOUND CAPPED;

THENCE NORTH 87° 54' 18" WEST, A DISTANCE OF 137.86 FEET, (PASSING A MAG NAIL FOUND AT 74.94 FEET) TO THE POINT OF BEGINNING AND ENCLOSING 200.632 ACRES (8,739,506.47 SQUARE FEET) OF LAND, MORE OR LESS.

LEGAL DESCRIPTION
164.014-ACRE MAVERICK FARMS REMAINDER

BEING ALL THAT CERTAIN TRACT OF LAND SITUATED IN THE ISAAC WALTERS SURVEY, ABSTRACT NO. 1329, DENTON COUNTY, TEXAS BEING ALL OF A CALLED 99.113 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO BROKEN ROCK RANCH, LLC RECORDED IN INSTRUMENT NO. 2017-76940, OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, AND BEING ALL OF A CALLED 25.1151 ACRE OF LAND DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, RECORDED IN INSTRUMENT NO. 2016-105242, OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, AND A PORTION OF A CALLED 45.23 ACRE TRACT 2 OF LAND DESCRIBED IN THE DEED TO BROKEN ROCK RANCH, LLC, RECORDED IN INSTRUMENT NO. 2016-36929, OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, AND BEING A PORTION OF A CALLED 72.15 ACRE TRACT 3 OF LAND DESCRIBED IN DEED TO BROKEN ROCK RANCH, LLC, RECORDED IN INSTRUMENT NO. 2016-36929, OFFICIAL PUBLIC RECORDS OF DENTON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT A 1/2-INCH IRON ROD FOUND NORTHWESTERLY OF A BEND IN JOE ALLEN ROAD FOR THE NORTHWEST CORNER OF SAID 99.113 ACRE TRACT, COMMON TO A RE-ENTRANT CORNER OF A CALLED 25.453 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO WESLEY WAYNE TRIPLETT AND ALMA LOUISE TRIPPLET, CO-TRUSTEES OF THE TRIPLETT FAMILY REVOCABLE TRUST, RECORDED IN INSTRUMENT NO. 2014-71395, SAID OFFICIAL PUBLIC RECORDS;

THENCE SOUTH 87°20'02" EAST, IN SAID JOE ALLEN ROAD WITH THE NORTHERLY LINE OF SAID 99.113 ACRE TRACT AND A SOUTHERLY LINE OF SAID 25.453 ACRE TRACT, A DISTANCE OF 1,334.06 FEET TO A 1/2-INCH IRON ROD FOUND NORTHEASTERLY OF A BEND IN SAID JOE ALLEN ROAD FOR THE NORTHEAST CORNER OF SAID 99.113 ACRE TRACT, COMMON TO THE EASTERNMOST SOUTHEAST CORNER OF SAID 25.453 ACRE TRACT;

THENCE SOUTH 02°15'06" WEST, IN SAID JOE ALLEN ROAD WITH THE EASTERLY LINE OF SAID 99.113 ACRE TRACT, A DISTANCE OF 2,117.87 FEET TO A 1/2-INCH IRON ROD FOUND SOUTHWESTERLY OF A BEND IN SAID JOE ALLEN ROAD FOR THE NORTHWEST CORNER OF SAID 25.1151 ACRE TRACT, COMMON TO THE SOUTHWEST CORNER OF A CALLED 17.9738 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO MELVIN KENNETH WILSON, RECORDED IN INSTRUMENT NO. 1995-31290, SAID OFFICIAL PUBLIC RECORDS;

THENCE SOUTH 88°07'13" EAST, INS AID JOE ALLEN ROAD WITH THE NORTHERLY LINE OF SAID 25.1151 ACRE TRACT AND THE SOUTHERLY LINES OF SAID 17.9738 ACRE TRACT AND A CALLED 17.586 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO ROTH PROPERTIES, LP, RECORDED IN INSTRUMENT NO. 2002-22653, SAID OFFICIAL PUBLIC RECORDS, A DISTANCE OF 1,099.29 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 25.1115 ACRE TRACT, COMMON TO THE NORTHERNMOST NORTHWEST CORNER OF SAID 45.23 ACRE TRACT;

THENCE SOUTH 87°44'56" EAST, CONTINUING IN SAID JOSH ALLEN ROAD WITH THE NORTHEY LINE OF SAID 45.23 ACRE TRACT AND THE SOUTHERLY LINES OF SAID 17.586 ACRE TRACT AND A CALLED 16.64 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO RICKY LEE SHEARER, RECORDED IN INSTRUMENT NO. 2020-88502, SAID OFFICIAL PUBLIC RECORDS, A DISTANCE OF 804.99 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 45.23 ACRE TRACT, COMMON TO THE NORTHWEST CORNER OF A CALLED 68.77 ACRE TRACT OF LAND

DESCRIBED IN THE DEED TO DAVID HANSEN STEPHENS, RECORDED IN 2010-75619, SAID OFFICIAL PUBLIC RECORDS;

THENCE SOUTH 02°48'32" WEST, WITH AN EASTERLY LINE OF SAID 45.23 ACRE TRACT AND A WESTERLY LINE OF SAID 68.77 ACRE TRACT, A DISTANCE OF 992.10 FEET TO A 2-INCH PIPE FENCE CORNER POST FOR CORNER;

THENCE NORTH 88°28'43" WEST, WITH A SOUTHERLY LINE OF SAID 45.23 ACRE TRACT AND A NORTHERLY LINE OF SAID 68.77 ACRE TRACT, A DISTANCE OF 197.88 FEET TO A 1/2-INCH IRON ROD WITH A CAP STAMPED "ALLIANCE" FOUND FOR A RE-ENTRANT CORNER OF SAID 45.23 ACRE TRACT, COMMON TO A SALIENT CORNER OF SAID 68.77 ACRE TRACT;

THENCE SOUTH 12º45'57" WEST, WITH THE EAST LINE OF SAID 45.23 ACRE TRACT, SAME BEING THE WEST LINE OF SAID 68.77 ACRE TRACT, A DISTANCE OF 235.39 FEET TO A 5/8-INCH CAPPED IRON SET STAMPED "KFM" (HEREINAFTER CALLED CAPPED IRON ROD SET);
THENCE OVER AND ACROSS SAID 45.23 ACRE TRACT THE FOLLOWING COURSES AND DISTANCES:
1. NORTH 87º57'48" WEST, A DISTANCE OF 1611.18 FEET TO A CAPPED IRON ROD SET;
2. SOUTH 02º02'12" WEST, A DISTANCE OF 75.00 FEET TO A CAPPED IRON ROD SET;
3. NORTH 87º57'48" WEST, A DISTANCE OF 60.00 FEET TO A CAPPED IRON ROD SET;
4. SOUTH 02º02'12 WEST, A DISTANCE OF 7.50 FEET TO A CAPPED IRON ROD SET;
5. SOUTH 47º02'12" WEST, A DISTANCE OF 14.14 FEET TO A CAPPED IRON ROD SET;
6. NORTH 87º57'48" WEST, A DISTANCE OF 150.00 FEET TO A CAPPED IRON ROD SET;
7. NORTH 42º57'48" WEST, A DISTANCE OF 14.14 FEET TO A CAPPED IRON ROD SET;
8. NORTH 87º57'48" WEST, A DISTANCE OF 50.00 FEET TO A CAPPED IRON ROD SET;
9. SOUTH 02º02'12" WEST, A DISTANCE OF 17.50 FEET TO A CAPPED IRON ROD SET;
10. SOUTH 47º02'12" WEST, A DISTANCE OF 14.14 FEET TO A CAPPED IRON ROD SET;
11. SOUTH 02º02'12" WEST, A DISTANCE OF 50.00 FEET TO A CAPPED IRON ROD SET;
12. SOUTH 42º57'48" EAST, A DISTANCE OF 14.14 FEET TO A CAPPED IRON ROD SET;
13. SOUTH 02º02'12" WEST, A DISTANCE OF 110.00 FEET TO A CAPPED IRON ROD SET;
14. NORTH 87º57'48" WEST, A DISTANCE OF 920.65 FEET TO A CAPPED IRON ROD SET;
15. NORTH 02º02'12" EAST, A DISTANCE OF 6.67 FEET TO A CAPPED IRON ROD SET;
16. NORTH 87º57'48" WEST, A DISTANCE OF 196.50 FEET TO A CAPPED IRON ROD SET ON THE WEST LINE OF SAID 45.23 ACRE TRACT, SAME BEING THE WEST LINE OF A CALLED 7.94 ACRE TRACT DESCRIBED IN THE DEED TO KRUDI PROPERTIES, LLC, RECORDED IN INSTRUMENT NO. 2022-73689, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS

THENCE NORTH 02°23'11" EAST, WITH THE WEST LINE OF SAID 72.15 ACRE TRACT, A DISTANCE OF 319.65 FEET TO A POINT A 1/2-INCH IRON ROD WITH CAP STAMPED "KAZ" FOUND FOR AN ANGLE POINT AT THE NORTHEAST CORNER OF A CALLED 7.94 ACRE TRACT OF LAND DESCRIBED IN DEED TO DONNA WILSON HOBSON, RECORDED IN INSTRUMENT NO. 2019-116536, SAID OFFICIAL PUBLIC RECORDS;

THENCE NORTH 01°51'47" EAST, WITH THE WEST LINE OF SAID 72.15 ACRE TRACT AND THE EAST LINE OF A CALLED 6.94 ACRE TRACT OF LAND DESCRIBED IN DEED TO TERRY JOE WILSON, RECORDED IN INSTRUMENT NO. 2019-11653, SAID OFFICIAL PUBLIC RECORDS, A DISTANCE OF 106.02 FEET TO A 1/2-INCH IRON ROD WITH CAP STAMPED "KAZ" FOUND FOR THE NORTHWEST

CORNER OF SAID 72.15 ACRE TRACT, COMMON TO THE SOUTHWEST CORNER OF SAID 99.113 ACRE TRACT OF LAND;

THENCE NORTH 02°40'48" EAST, WITH THE EAST LINE OF SAID 6.94 ACRE TRACT AND THE WEST LINE OF SAID 99.113 ACRE TRACT, A DISTANCE OF 74.15 FEET TO A 1/2-INCH IRON ROD WITH CAP STAMPED "KAZ" FOUND FOR THE NORTHEAST CORNER OF SAID 6.94 ACRE TRACT, COMMON TO THE SOUTHEAST CORNER OF A CALLED 23.8025 ACRE TRACT OF LAND DESCRIBED IN DEED TO KALON OWEN WILSON, RECORDED IN INSTRUMENT NO. 2015-57187, SAID OFFICIAL PUBLIC RECORDS;

THENCE NORTH 02°18'01" EAST, WITH THE WEST LINE OF SAID 99.113 ACRE TRACT AND THE EAST LINE OF SAID 23.8025 ACRE TRACT, A DISTANCE OF 587.59 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 23.8025 ACRE TRACT, COMMON TO THE SOUTHEAST CORNER OF A CALLED 23.800 ACRE TRACT OF LAND DESCRIBED IN DEED TO KALON OWEN WILSON, RECORDED IN INSTRUMENT NO. 2020-31327, SAID OFFICIAL PUBLIC RECORDS;

THENCE NORTH 02°13'58" EAST, WITH THE WEST LINE OF SAID 99.113 ACRE TRACT AND THE EAST LINE OF SAID 23.800 ACRE TRACT, A DISTANCE OF 588.02 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 23.800 ACRE TRACT, COMMON TO THE SOUTHEAST CORNER OF A CALLED 23.8025 ACRE TRACT OF LAND DESCRIBED IN DEED TO JOSEPHINE ANN WILSON ANDERSON, RECORDED IN INSTRUMENT NO. 1995-31292, SAID REAL PROPERTY RECORDS;

THENCE NORTH 02°07'46" EAST, WITH THE WEST LINE OF SAID 99.113 ACRE TRACT AND THE EAST LINE OF SAID 23.8025 ACRE TRACT, A DISTANCE OF 586.36 FEET TO A 3-INCH IRON PIPE CORNER POST FOUND FOR THE NORTHEAST CORNER OF SAID 23.8025 ACRE TRACT, COMMON TO THE SOUTHEAST CORNER OF A CALLED 13.789 ACRE TRACT OF LAND DESCRIBED IN DEED TO PAUL W. DEAN AND GAYLE G. DEAN, RECORDED IN VOLUME 3260, PAGE 574, SAID REAL PROPERTY RECORDS;

THENCE NORTH 01°52'29" EAST, WITH THE WEST LINE OF SAID 99.113 ACRE TRACT AND THE EAST LINE OF SAID 13.789 ACRE TRACT, A DISTANCE OF 493.16 FEET TO A 3-INCH IRON PIPE CORNER POST FOUND FOR THE NORTHEAST CORNER OF SAID 13.789 ACRE TRACT, COMMON TO THE SOUTHEAST CORNER OF A CALLED 2.55 ACRE TRACT OF LAND DESCRIBED IN DEED TO TOM K. CAMPIDILLI AND MARGO J. CAMPIDILLI, RECORDED IN VOLUME 4460, PAGE 1404, SAID REAL PROPERTY RECORDS;

THENCE NORTH 02°36'49" EAST, WITH THE WEST LINE OF SAID 99.113 ACRE TRACT AND THE EAST LINE OF SAID 2.55 ACRE TRACT, A DISTANCE OF 500.02 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 2.55 ACRE TRACT, COMMON TO THE MOST SOUTHERLY SOUTHEAST CORNER OF SAID 25.453 ACRE TRACT OF LAND;

THENCE NORTH 05°16'58" EAST, WITH THE WEST LINE OF SAID 99.113 ACRE TRACT AND AN EASTERLY LINE OF SAID 25.453 ACRE TRACT, A DISTANCE OF 376.59 FEET TO THE POINT OF BEGINNING AND ENCLOSING 164.014 ACRES (7,144,482 SQUARE FEET) OF LAND, MORE OR LESS.

ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the following assumptions and limiting conditions:

1) The value assumes of responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise described herein. No responsibility is assumed by the appraiser for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.

2) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser assumes no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches, and other exhibits that have been furnished and have been used in this report are not guaranteed.

3) The value rendered herein is based on preliminary analyses of the subject and market area. The market value is expressed in terms of the current purchasing power of the dollar.

4) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.

5) Appraisers assume no responsibility for any hidden agreements known as "side reports", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.

6) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other valuation and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser, and in any event, only in its entirety.

7) The appraiser, by reason of this report, is not required to give testimony in court with reference to the property unless notice and proper arrangements have been previously made, therefore.

8) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.

9) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for engineering, which might be required to discover such factors.

10) Any construction and physical condition of the improvements described herein are based on the building construction plans and specifications and construction budgets <u>if</u> provided. No liability is assumed by the appraiser for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No responsibility is assumed for engineering, which might be required to discover such factors. We urge the user of this report to retain an expert in this field as this is any considered “to-be-built” improvements.

11) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser site visit. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the value is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.

12) We have made no survey of the property and assume no responsibility in connected with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

13) We accept no responsibility for issues requiring expertise in other fields. Such factors include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic items such as soils and seismic stability; civil, mechanical, electrical, structural, and other engineering and environmental matters. Such issues may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.

14) The projections of income, expenses, terminal values, or future sales prices are not predictions of the future; rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.

15) The client or user of this report agrees to notify the appraiser of any error, omission or inaccurate data contained in the report within 15 days of receipt and return the report and all copies thereof to the appraiser for correction prior to any use.

16) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, and specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.

17) We have assumed no extreme fluctuations in the economic cycles will occur over the dates analyzed herein.

18) The appraisal report and value conclusions assume the satisfactory development proceeds in a workmanlike manner.

19) The conclusions in this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, existing trends, interviews with parties knowledgeable and experienced in the market, data obtained from public records, and research conducted by third parties. Such data is not always completely reliable. The appraisers are not responsible for these and other future occurrences that could not have reasonably been foreseen on the Effective Date of this assignment. In addition, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we hold the opinion that our finding is reasonable based on current market conditions, we do not represent that these estimates will be achieved, as they are forecasts and subject to risk and uncertainty. Additionally, we assume competent and effective management and market for the duration of the projected holding period of this property.

20) Prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to risk and uncertainty. Many events could occur that may substantially alter the outcome of our estimates such as changes in the economy, interest rates, capitalization rates, the behavior of consumers, investors, and lenders, and changes in title or conveyances of easements and deed restrictions. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.

21) This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan. However, it is based on a hypothetical assumption that access to the south tract is achievable in accordance with all applicable regulations, and any building is to be constructed according to the approved plans and specifications provided by a licensed general contractor.

22) The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since we have no direct evidence relating to the issue of compliance, we did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.

23) In addition to the preceding assumptions and limiting conditions, this appraisal is subject to the following extraordinary assumptions and/or hypothetical conditions:

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **Extraordinary Assumptions** that may affect the assignment results. An Extraordinary Assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Effective Date of the appraisal, we reserve the right to modify our value conclusions. Extraordinary Assumptions are used in this assignment because the improved residential lots to be delivered by the date utilized in this report are currently incomplete for Improvement Area #1 and the Major Improvement Area as of the report date.

- Our opinions of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications by KFM Engineering & Design, the Professional Engineers, as of October 21, 2024 for 539 improved residential lots in Improvement Area #1 and 809 paper lots within the Major Improvement Area in Maverick Farms PID.
- All information relative to the property located within Maverick Farms PID including land areas, lot totals, lot sizes, and other pertinent data that was provided by OMA Pilot Point, LLC(Owner/Developer), KFM Engineering & Design (Professional Engineers/Surveyor), the City of Pilot Point, Denton County, and the Denton Central Appraisal District is assumed to be correct.
- The subject is proposed residential lots construction with an expected prospective completion date of March 1, 2027 for Improvement Area #1 and the Major Improvements benefitting the Major Improvement Area; therefore, this report contains a prospective opinion of value. Considering this, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable global events that alter market conditions prior to the prospective Effective Date.
- Based on our review of the Development Agreement, dated September 26, 2024, between the Developer and the City of Pilot Point, it indicates that the property will be annexed into the City of Pilot Point and zoned Planned Development. This zoning will provide the property with entitlement rights. Therefore, for the purposes of this report, we are operating under the Extraordinary Assumption that the proposed development of Maverick Farms will comply with the Development Agreement and subsequently be zoned Planned Development.

The use of these Extraordinary Assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **Hypothetical Conditions** that may affect the assignment results. A Hypothetical Condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

No Hypothetical Conditions are used in this report.

ENVIRONMENTAL ASSUMPTIONS

This report is subject to the following environmental assumptions:

1) There is a safe, lead-free, adequate supply of drinking water.

2) The subject property is free of soil contamination.

3) There is no uncontained friable asbestos or other hazardous asbestos material on the property. The appraiser is not qualified to detect such substances.

4) There are no uncontained PCB's on or near the property.

5) The radon level is at or below EPA recommended levels.

6) Any functioning underground storage tanks (UST's) are not leaking and are properly registered; any abandoned UST's are free from contamination and were properly drained, filled, and sealed.

7) There are no hazardous waste sites on or near the subject property that negatively affect the value and/or safety of the property.

8) There is no significant urea formaldehyde (UFFI) insulation or other urea formaldehyde material on the property.

9) There is no flaking or peeling of lead-based paint on the property.

10) The property is free of air pollution.

11) There are no wetlands/flood plains on the subject property (unless otherwise stated in the report).

12) There are no other miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site (excess noise, radiation, light pollution, magnetic radiation, acid mine drainage, agricultural pollution, waste heat, miscellaneous chemical, infectious medical wastes, pesticides, herbicides, and the like).

DEFINITIONS

Fee Simple Estate
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

Leased Fee Interest
The ownership interest held by the lessor includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest
The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Market Rent
The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Market Value
Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1) Buyer and seller are typically motivated;
(2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
(3) A reasonable time is allowed for exposure in the open market;
(4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
(5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The value conclusions expressed within this report are in terms of cash ($US).

Extraordinary assumptions are assignment-specific assumptions as of the Effective Date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Hypothetical condition a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the Effective Date of the assignment results but is used for the purpose of analysis.

Prospective Opinion of Value
A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a valued opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Prospective Market Value "As Completed" and "As Stabilized"
A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an Effective Date that is subsequent to the date of the Appraisal Report. Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data. Two prospective value opinions may be required to reflect the time frame during which development, construction, and occupancy will occur. The prospective market value—as completed - reflects the property's market value as of the time that development is expected to be completed. The prospective market value - as stabilized - reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (See USPAP Statement 4* and Advisory Opinion 17.) (Interagency Appraisal and Evaluation Guidelines)

Retrospective Value Opinion
A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a valuable opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."

Neighborhood
(1) A group of complementary land users; a congruous grouping of inhabitants, buildings, or business enterprises.
(2) A developed residential super pad within a master-planned community usually has a distinguishing name and entrance.

Depreciation

1. In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the Effective Date of the appraisal and the market value of the improvement on the same date.
2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques.

The three major types of accrued depreciation are:

Physical Deterioration
Physical deterioration is loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition is generally the measure of deferred maintenance.

Functional Obsolescence
Functional obsolescence is loss in value from conditions existing within the property which make the property inadequate or less desirable to the typical prudent purchaser. It, too, may be curable or incurable. Incurable obsolescence is normally measured by the loss in income which may accrue to the property by reason thereof.

External Obsolescence
According to the Dictionary of Real Estate Appraisal, Sixth Edition, external obsolescence is "*A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent."*

Paper Lot
Consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.

Definition Sources:

- Office of the Comptroller of the Currency (12 CFR Part 34)
- Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Sixth Edition, copyright 2015.
- The Appraisal Foundation: USPAP (Uniform Standards of Professional Appraisal Practice) 2018-2019 edition

JAMES L. MAIBACH, CPM - STATE CERTIFIED GENERAL REAL ESTATE APPRAISER

EDUCATION:
Graduate North Quincy High School, Quincy, Massachusetts, 1976
Bachelor of Science in Business Administration (with Honors)
Northeastern University, Boston Massachusetts, 1981
Major: Accounting Minor: Marketing

TECHNICAL TRAINING:
Institute of Real Estate Management Courses:
#303 - Leasing and Management of Shopping Center and Retail Space
#400 - Managing Real Estate as an Investment
#500 - Problem-Solving & Decision-Making for the Property Manager
#800 - Ethics in Real Estate Management
University of Texas at Arlington: Real Estate Courses:
RE 001 Real Estate Finance; RE 004 Real Estate Mathematics;
RE 101 Principles of Real Estate; RE 301 Texas Real Estate Law: Contracts;
RE 501 Texas Real Estate Law; RE 701 Property Management
East Texas Baptist University:
Uniform Standards of Professional Appraisers and Code of Ethics. The Appraisal Foundation:
USPAP Update
Texas Association of Property Tax Professionals, Inc.:
Principles of Property Tax Consulting; A Survey of Texas Property Tax Law
Other: USPAP-97 Instructor's Workshop, USPAP Instructor 1997
TREC Licensed Instructor – Commercial Investment Course, CEI 1998
Continuing Education Institute:
Deceptive Trade Practices Act; Let's Talk-Not Fight; Property Taxes: Rights, Remedies and Responsibilities; USPAP Update
Institute for Real Estate Professionals, Inc.
Preparing & Presenting an Ethical Ad Valorem Property Tax Valuation; Texas Property Tax Law 2007
Texas Association of Realtors:
Tarrant County Appraisal Review Board Member (1991-1992)

PROFESSIONAL AFFILIATIONS:
Texas Appraiser Licensing and Certification Board - State Certified General Real Estate Appraiser No. TX-1323658-G since 1992
Institute of Real Estate Management (IREM)- Certified Property Manager, CPM Designation No. 14942 since 1993
Texas Real Estate Broker's License, No. 375882 since 1989
Texas Dept. of Licensing & Regulations - Licensed Property Tax Consultant, License #1360 since inception
Texas Property Tax Arbitrator #32020394139 since 2006
Tarrant Appraisal Review Board Member 1991-1992 Appointment
City of Arlington - Planning and Zoning – Commissioner1997-2003 (Appointed by Mayor and City Council)
American Planning Association – Member 1997 to 2003
Greater Arlington Chamber of Commerce - Board of Directors 1995 to 2001 – Reappointed 2003 to 2006 – Reappointed 2008 to 2014 – Chairman of the Board 2022, now servicing as Chairman of the Chamber Foundation Board
City of Arlington Parks & Recreation – Board of Directors, Appointed 2003 to 2007
Levitt Pavilion – Board of Directors since 2014

EXPERIENCE:
Active field appraiser, property manager, developer, broker, and tax consultant of all types of real property since June,1986. Appeared in Texas State Court as an expert witness on real estate values on numerous occasions (1990s, 2000s, 2020s). A property manager and developer for nineteen years at Peyco Properties, Inc. and twenty-one years through Peyco Southwest Realty, Inc. (formerly Southwest Real Estate Services, Inc.), involved in real estate development, leasing, management, rent analysis and consulting services through the DFW metroplex and Colorado. President and founder of Peyco Southwest Realty, Inc. (Southwest Real Estate Services, Inc.), a full-service brokerage company, real estate appraisal, and ad valorem property tax representation firm.

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: JAMES LAWRENCE MAIBACH

License #: 1323658-CG **License Expires: 09/30/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

LESLIE TOLLIVER – STATE CERTIFIED GENERAL REAL ESTATE APPRAISER

EDUCATION:
MBA – Masters in Business Administration – *University of Phoenix* (3.95 GPA)
Bachelor of Science in Business Administration - *University of Phoenix*
Graduate *Owings Mills High School*, Owings Mills, Maryland, 1988

TECHNICAL TRAINING:
Appraisal Institute, Associate Member – 300+ hours of qualifying and continuing education
University of Texas in Arlington – 180 hours of qualifying education for the Texas Real Estate License
Southern Methodist University – qualifying education for the Texas Comptroller Arbitrator registry

PROFESSIONAL AFFILIATIONS:
Texas Appraiser Licensing and Certification Board – State Certified General Appraiser No. TX-1381494
Texas Appraiser Licensing and Certification Board – State Certified Residential Appraiser No. TX-1361274
Texas Real Estate Commission – Real Estate Broker License, No. 0468343

EXPERIENCE:

- 10 Years' experience as a fee appraiser for residential and commercial properties for *Peyco Southwest Realty, Aloft Appraisals*, and *G.S. Zachary Company*
    - Residential appraisals – area of expertise is in north Texas region; FHA certified
    - Commercial appraisals - throughout the states of Texas and Oklahoma
- 25 Years' experience as a residential and commercial real estate broker for multiple firms
    - *Savage Realty Investments* – Founding President
        - Negotiated contracts for clients in over $50 million dollars of real estate transactions
        - Managed and trained over 25 Real Estate Agents
    - *Fathom Realty* – Broker Team Leader
        - Trained and mentored Real Estate Agents and assisted them with contracts and client transactions
- 25 Years' experience as a Property Tax Consultant
    - Valued properties, prepared cases, and appeared before Appraisal Review Boards to dispute the tax valuations of residential, commercial, and business personal property throughout the nation. Major clientele base included national accounts such as: Sonic restaurants, Church's Chicken restaurants, and Chuck-E-Cheese restaurants
- 10 Years' experience as a Real Estate Arbitrator on the *Texas Comptroller* registry
    - Act as an Arbitrator for real estate cases involving property tax disputes on residential, commercial, and business personal property taxes throughout Texas
    - Made binding valuation determinations for the disputed properties
- 16 Years' experience as a Real Estate Instructor at the *University of Texas in Arlington*
    - Adjunct instructor, teaching real estate classes to students pursuing a Real Estate Agent license in Texas
- 6 Years' experience as a Real Estate Arbitrator Instructor at the *University of Texas in Arlington*
    - Adjunct instructor, teaching continuing education classes to existing Arbitrators on the Texas Comptroller's registry
    - Trained and mentored many Arbitrators
- 3 Year's expectancy as a Real Estate Acquisition and Valuation Analyst for multiple firms
    - *KeyGlee* – Provided valuation of residential real estate for wholesaling to real estate investors
    - *Hyperion Homes* – Provided valuation of residential real estate for rent-to-own clients

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: LESLIE ELIZABETH TOLLIVER

License #: 1381494-CG **License Expires: 09/30/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

Maverick Farms Public Improvement District

BROOKE CLOCK – LICENSED RESIDENTIAL APPRAISER

TECHNICAL TRAINING:
McKissock Learning Appraisal Courses:

- Advanced Residential Applications and Case Studies
- Residential Report Writing and Case Studies
- Statistics, Modeling and Finance
- Appraisal Subject Matter Electives
- Residential Appraiser Site Valuation and Cost Approach
- Residential Market Analysis and Highest and Best Use
- Residential Sales Comparison and Income Approaches
- Basic Appraisal Procedures
- 2020-2021 National USPAP Course
- Short Sales and Foreclosures
- Fair Housing
- Characteristics of Real Estate Title Insurance

APPRAISAL EXPERIENCE:
April 2024 – Present
Licensed Residential Appraiser with Peyco Southwest Realty, Arlington, TX

- Written Reports on Commercial Industrial, Commercial Office, Vacant Land
- Property Tax Consultant (#13083)
- Business Personal Property
- April 2023-April 2024

Licensed Residential Appraiser with RSDS Appraisal Diversity, Irving, TX

- Residential Real Estate Appraisals – area of expertise in the North Texas Region

March 2022-February 2023
Real Estate Appraiser Trainee with Aloft Appraisal

- Residential Real Estate Appraisals – area of expertise in the North Texas Region

April 2021-February2022
Real Estate Appraiser Trainee with ASI, Inc.

- Residential Real Estate Appraisals – area of expertise in the North Texas Region

January 2009 – August 2021
Licensed Real Estate Agent with Elite Real Estate

- Real Estate Agent with a focus on lead generation, appointment setting, and follow-up. Concentrating on client's needs and providing solutions to assist in closing transactions. Proficient at negotiating deals, listing properties, and finding buyers
- Develop Broker Price Opinions for lenders in real estate transactions

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Licensed Residential Real Estate Appraiser

Appraiser: BROOKE MARIE CLOCK

License #: 1350743-LR **License Expires: 03/31/2027**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Licensed Residential Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

BRANDON LAWSON – APPRAISER TRAINEE

EDUCATION:
Bachelor of Arts - Communication, 2021 - University of Arkansas (3.97 GPA)
Master of Arts - Communication, 2023 - University of Arkansas (4.0 GPA)
Graduate *Arlington Martin High School*, Arlington, Texas, 2017

TECHNICAL TRAINING:
- Basic Appraisal Principles (QE) – 30 hours
- Basic Appraisal Procedures (QE) – 30 hours
- 2024-2025 15 Hour National USPAP Course (QE) – 15 hours
- Appraising for the Supervisor and Trainee – 4 hours
- Law of Agency (QE) – 30 hours
- Law of Contracts (QE) – 30 hours
- Principals of Real Estate I and II (QE) – 60 hours
- Promulgated Contracts Forms (QE) – 30 hours
- Real Estate Finance (QE) – 30 hours
- Practicing Affiliate, Appraisal Institute – since 2023

PROFESIONAL AFFILIATIONS:
Texas Appraiser Licensing and Certification Board – Appraisal Trainee No. TX-1343865

APPRAISER EXPERIENCE
July 2023-Present
Appraiser Associate/Trainee with *Peyco Southwest Realty*, Arlington TX
- Commercial Appraisals – throughout the state of Texas

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Appraiser Trainee

Trainee: BRANDON L LAWSON

Authorization #: 1343865-T **Authorization Expires: 11/30/2027**

Review the list of the above Trainee's Supervisors on the License Holder Search at www.talcb.texas.gov.

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Appraiser Trainee

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

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APPENDIX F

FORM OF IMPROVEMENT AREA #1 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

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MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

THIS MAVERICK FARMS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT (this "Agreement"), dated as of February 12, 2026, is by and between the **CITY OF PILOT POINT, TEXAS**, a home-rule municipality of the State of Texas (the "City"), and **OMA PILOT POINT, L.L.C.**, a Texas limited liability company (the "Developer").

ARTICLE I
DEFINITIONS

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

"Act" means the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended.

"Actual Costs" means the costs of the Improvement Area #1 Projects actually paid or incurred for construction and installation of the Improvement Area #1 Projects in accordance with the Service and Assessment Plan.

"Administrator" means, initially, P3Works, LLC or any other individual or entity designated by the City to administer the District.

"Annual Service Plan Update" means the annual update to the Service and Assessment Plan conducted by the Administrator pursuant to the Service and Assessment Plan.

"Authorized Improvements" means improvements authorized by Section 372.003 of the Act.

"Bond Ordinance" means the ordinance adopted by the City Council on February 12, 2026 authorizing the issuance of the Bonds pursuant to the Indenture.

"Bonds" means the City's bonds designated "City of Pilot Point, Texas, Special Assessment Revenue Bonds, Series 2026 (Maverick Farms Public Improvement District Improvement Area #1 Project)".

"Budgeted Costs" means the anticipated, agreed upon costs of the Improvement Area #1 Projects as shown in Section III of the Service and Assessment Plan.

"Certification for Payment" means a certificate, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the Developer, the Administrator and the City Representative, executed by or on behalf of the Developer, approved by a City Representative and delivered to the

Trustee, specifying the amount of work performed and the amount charged for that work, including materials and labor costs, to request payment for Actual Costs of Improvement Area #1 Projects under the Indenture.

"City Manager" means the City Manager of the City, or its designee.

"City Representative" means the City Manager, or any other official or agent of the City later authorized by the City to undertake the action referenced herein.

"Closing Disbursement Request" means the certificate, substantially in the form of **Exhibit A** hereto or otherwise mutually agreed to by the Developer, Administrator, and City Representative, executed by or on behalf of the Developer, approved by a City Representative, and delivered to the Trustee on the Closing Date, specifying the amounts to be disbursed for the costs related to the creation of the District and the costs of issuance of the Bonds.

"Construction Contracts" means the contracts for the construction of an Improvement Area #1 Project. "Construction Contract" means any one of the Construction Contracts.

"Costs" means the Actual Costs or the cost of an Improvement Area #1 Project as reflected in a Construction Contract, if greater than the Budgeted Costs.

"Costs of Issuance Account" means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

"Cost Overrun" means, with respect to each Improvement Area #1 Project, the Actual Costs of such Improvement Area #1 Project in excess of the Budgeted Cost.

"Development Agreement" means that certain Development Agreement by and between the City and OMA Pilot Point, L.L.C., approved by the City on September 26, 2024, and as the same may be amended from time to time.

"Developer Deposit" means the amount required to be deposited by the Developer into an account under the Development Agreement, being an amount equal to the difference between the Budgeted Costs for the Improvement Area #1 Projects set forth in the Service and Assessment Plan and the amount of Bond proceeds available to finance such costs.

"District" shall mean the Maverick Farms Public Improvement District created March 13, 2025.

"Final Completion" means completion of an Improvement Area #1 Project in compliance with existing City or Mustang SUD standards, as applicable, for dedication under the City's ordinances and the Development Agreement or for dedication to Mustang SUD.

"Improvement Area #1" means the initial improvement area to be developed in the District, and as specifically described as the sum of all parcels in Exhibit L-3 and depicted on Exhibit A-3 to the Service and Assessment Plan.

"Improvement Area #1 Improvements" mean the Authorized Improvements which only benefit Improvement Area #1, which are described in Section III.C of the Service and Assessment Plan.

"Improvement Area #1 Private Improvements" means those water, sewer, roadway, earthwork, and dry utility improvements required to be constructed or caused to be constructed by the Developer to deliver final lots in Improvement Area #1 and that are not Authorized Improvements.

"Improvement Area #1 Private Improvements Account" means the Account of such name established pursuant to Section 6.1 of the Indenture.

"Improvement Area #1 Private Improvements Certification for Payment" means a certificate, substantially in the form of **Exhibit C** hereto or otherwise agreed to by the Developer, the Administrator and the City Representative, executed by or on behalf of the Developer, approved by a City Representative and delivered to the Trustee, specifying the amount of work performed related to the Improvement Area #1 Private Improvements and the actual costs thereof, and requesting payment for such actual costs of such Improvement Area #1 Private Improvement from money on deposit in an account of the Improvement Area #1 Private Improvements Account.

"**Improvement Area #1 Projects**" means collectively, (1) the pro rata portion of the Major Improvements allocable to Improvement Area #1; (2) the pro rata portion of the Reimbursable Off-Site Major Improvements allocable to Improvement Area #1; and (3) the Improvement Area #1 Improvements.

"**Improvement Area #1 Projects Account**" means the Account of such name established pursuant to Section 6.1 of the Indenture.

"Improvements" means, collectively, the Improvement Area #1 Projects and the Improvement Area #1 Private Improvements.

"Indenture" means that certain Indenture of Trust between the City and Wilmington Trust, National Association, as trustee, dated as of March 1, 2026 relating to the Bonds.

"Major Improvements" means the Authorized Improvements located within the District, which benefit all of the assessed property within the District and are described in Section III.B of the Service and Assessment Plan.

"Mustang SUD" shall mean the Mustang Special Utility District.

"**Off-Site Major Improvements**" means the Authorized Improvements located outside of the District that confer a special benefit to (i) all of the assessed property within the District and (ii) due to the oversizing of such Authorized Improvements, certain property outside of the District, as further described in the Service and Assessment Plan. The portion of the costs allocable to the oversizing shall be paid by the Developer without reimbursement by the City.

"Plans" means the plans, specifications, schedules and related construction contracts for the Improvement Area #1 Projects and Improvement Area #1 Private Improvements, respectively, approved pursuant to the applicable standards, ordinances, procedures, policies and directives of the City, the Development Agreement, and any other applicable governmental entity, including Mustang SUD.

"Project Fund" means the fund, including the accounts created and established under such fund, where monies from the proceeds of the sale of the Bonds, excluding those deposited in other funds in accordance with the Indenture, shall be deposited, and the fund by such name created under the Indenture.

"Reimbursable Off-Site Major Improvements" means the portion of the costs of the Off-Site Major Improvements necessary to serve the District.

"Service and Assessment Plan" means the Maverick Farms Public Improvement District Service and Assessment Plan adopted by a City ordinance on February 12, 2026, by the City Council, prepared pursuant to the Act.

"Substantial Completion" means the time at which the construction of an Improvement Area #1 Project (or specified segment, section or part thereof) has progressed to the point where such Improvement Area #1 Project (or a specified segment, section or part thereof) is sufficiently complete in accordance with the Construction Contracts related thereto so that such Improvement Area #1 Project (or a specified segment, section or part thereof) can be utilized for the purposes for which it is intended.

ARTICLE II
RECITALS

Section 2.01. The District and the Improvement Area #1 Projects.

(a) The City has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Improvement Area #1 Projects.

(b) The City has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Ordinance and the Indenture, the proceeds of which Bonds shall be used, in part, to finance all or a portion of the Improvement Area #1 Projects in accordance with the terms and limitations of the Indenture, the Development Agreement, this Agreement, and the Service and Assessment Plan.

(c) All Improvement Area #1 Projects are eligible to be financed with proceeds of the Bonds to the extent specified herein.

(d) The proceeds from the issuance and sale of the Bonds shall be deposited in accordance with the Indenture.

(e) The Developer will undertake, oversee, or ensure the construction and development of the Improvement Area #1 Projects for acquisition and acceptance by the City or Mustang SUD, in accordance with the terms and conditions contained in the Development Agreement and this Agreement.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

Section 2.03. Improvement Area #1 Private Improvements. The Developer shall construct the Improvement Area #1 Private Improvements or shall cause the Improvement Area #1 Private Improvements to be constructed, in accordance with the terms of the Development Agreement.

ARTICLE III
FUNDING

Section 3.01. Bonds.

(a) The City, in connection with this Agreement, is proceeding with the issuance and delivery of the Bonds.

(b) The projects to be financed in part with the proceeds of the Bonds are the Improvement Area #1 Projects. The payment of costs from the proceeds of the Bonds for such Improvement Area #1 Projects shall be made from the Improvement Area #1 Projects Account of the Project Fund established under the Indenture.

(c) The City's obligation with respect to the payment of the Improvement Area #1 Projects shall be limited to the lesser of the Actual Costs or Budgeted Costs, and shall be payable solely from amounts on deposit for the payment of such costs as provided herein and in the Indenture. The Developer agrees and acknowledges that it is responsible for all Cost Overruns and all expenses related to the Improvement Area #1 Projects, qualified, however, by the distribution of Cost Underrun (as defined in Section 4.04 hereof) monies, as detailed in Section 4.04.

(d) The City shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund by the Trustee under the provisions of the

Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment.

(e) The Developer acknowledges that, in accordance with the Indenture, any lack of availability of amounts in the funds or accounts established in the Indenture to pay the Costs of the Improvement Area #1 Projects shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Improvement Area #1 Projects required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject and no moneys held in the Improvement Area #1 Private Improvements Account pursuant to the terms of the Indenture shall be used to pay Costs related to the Improvement Area #1 Projects.

(f) The Developer acknowledges that some funds may not be immediately available for reimbursement for Actual Costs submitted and approved with an approved Certification for Payment. Both parties acknowledge that these remaining amounts will be disbursed, to the extent of available monies in the Project Fund, under the terms of the Indenture and this Agreement for the payment of such Actual Costs.

Section 3.02 Accounts. All disbursements from the Improvement Area #1 Projects Account of the Project Fund and the Improvement Area #1 Private Improvements Account shall be made by the City in accordance with provisions of the Development Agreement, the Service and Assessment Plan, this Agreement, and the Indenture.

Section 3.03 Improvement Area #1 Private Improvements. The Developer shall deposit funds in an amount equal to the costs of the Improvement Area #1 Private Improvements to the Improvement Area #1 Private Improvements Account in accordance with the Indenture. Payments for the Improvement Area #1 Private Improvements shall be made solely from the Improvement Area #1 Private Improvements Account.

ARTICLE IV
CONSTRUCTION OF THE IMPROVEMENT AREA

Section 4.01. Duty of Developer to Construct.

(a) All Improvements shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related

to the design, engineering, acquisition, construction and installation of all Improvements to be acquired and accepted by the City or Mustang SUD from the Developer as provided in this Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Improvements and, upon completion, inspection, and acceptance, convey each such Improvements to the City or Mustang SUD, in accordance with the terms hereof, even if there are insufficient funds in the Project Fund, Improvement Area #1 Private Improvements Account, or other funds or accounts created under the Indenture to pay the costs thereof. In any event, this Agreement shall not affect any obligation of the Developer under any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject, with respect to the Improvements required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. The Improvement Area #1 Projects shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City with respect to the Improvements.

Section 4.04. Remaining Funds After Completion of an Improvement Area #1 Project. Upon the Final Completion of an Improvement Area #1 Project and payment of all outstanding invoices for such Improvement Area #1 Project, if the Actual Costs of such Improvement Area #1 Project are less than the Budgeted Cost of such Improvement Area #1 Project (a "Cost Underrun"), any remaining Budgeted Cost may be made available to pay Cost Overruns on any other Improvement Area #1 Project. The City shall promptly confirm to the Administrator that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other Improvement Area #1 Projects and shall include this update in the next Annual Service Plan Update. Any Cost Underrun for any Improvement Area #1 Project is available to pay Cost Overruns on any other Improvement Area #1 Project.

Section 4.05. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as "change orders") required for the construction of the Improvement Area #1 Projects. Developer or its contractors may approve and implement any change orders, even if such change orders would increase the Cost of an Improvement Area #1 Project, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such change orders except to the extent amounts are available pursuant to Section 4.04. If any change order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under Section

4.01, then such revisions made by an engineer must be submitted to the City for approval by the City's engineer prior to execution of the change order.

ARTICLE V
ACQUISITION, CONSTRUCTION, AND PAYMENT

Section 5.01. Payment Requests for Disbursements at Closing. In order to receive the disbursement from the Costs of Issuance Account of the Project Fund or the Improvement Area #1 Projects Account of the Project Fund at closing of the Bonds related to costs of issuance of the Bonds or costs incurred in the creation of the District, the Developer shall execute a Closing Disbursement Request, substantially in the form of **Exhibit A** hereto or otherwise acceptable and agreed to by the City, to be delivered to the City no less than fifteen (15) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. In order to receive the disbursement for an Improvement Area #1 Project from the Improvement Area #1 Projects Account of the Project Fund at closing of the Bonds, the Developer shall execute a Certification for Payment, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the City, to be delivered to the City no later than fifteen (15) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. Upon approval by the City, the City shall submit a Closing Disbursement Request or a Certification for Payment, as applicable, to the Trustee for disbursement to be made from the Costs of Issuance Account of the Project Fund or the Improvement Area #1 Projects Account of the Project Fund, as applicable.

Pursuant to the Development Agreement, the Developer is obligated to make the Developer Deposit. In lieu of the Developer Deposit, the Developer has provided evidence to the City and the Administrator that it has spent an amount equal to the Developer Deposit on constructing the Improvement Area #1 Projects (the "Prior Expended Funds"). The Developer may not be reimbursed for the costs of the Prior Expended Funds pursuant to a Certification for Payment, unless, upon completion of all Improvement Area #1 Projects, there are excess funds in the Improvement Area #1 Projects Account of the Project Fund available to finance such costs. For the avoidance of doubt, at closing of the Bonds, the Developer may only be reimbursed from the Costs of Issuance Account or the Improvement Area #1 Projects Account for amounts submitted pursuant to a Closing Disbursement Request or Certification for Payment in excess of the Prior Expended Funds.

Section 5.02. Certification for Payment for an Improvement Area #1 Project.

(a) No payment hereunder shall be made from the Project Fund to the Developer for work on an Improvement Area #1 Project until a Certification for Payment is received from the Developer. Upon receipt of a Certification for Payment substantially in the form of **Exhibit B** hereto (and all accompanying documentation required by the City) from the Developer, the City Representative shall conduct a review in order to confirm that such request is complete, that the

work with respect to such Improvement Area #1 Project identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement, the Development Agreement, and to verify and approve the Actual Costs of such work specified in such Certification for Payment. The City Representative shall also conduct such review as is required in his discretion to confirm the matters certified in the Certification for Payment. The Developer agrees to cooperate with the City Representative in conducting each such review and to provide the City Representative with such additional information and documentation as is reasonably necessary for the City Representative to conclude each such review.

(b) Within fifteen (15) business days of receipt of any Certification for Payment, the City Representative shall either (i) approve and execute the Certification for Payment and forward the same to the Administrator for approval and delivery to the Trustee for payment to the Developer in accordance with Section 5.03(a) hereof or (ii) in the event the City Representative disapproves the Certification for Payment, give written notification to the Developer of the City Representative's disapproval, in whole or in part, of such Certification for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certification for Payment. If a Certification for Payment seeking reimbursement is approved only in part, the City Representative shall specify the extent to which the Certification for Payment is approved and shall deliver such partially approved Certification for Payment to the Administrator for approval in accordance with Section 5.03 hereof and to the Developer in accordance with Section 5.02(c) hereof, and any such partial work shall be processed for payment under Section 5.03 notwithstanding such partial denial.

(c) If the City Representative denies the Certification for Payment, the denial must be in writing, stating the reason(s) for denial. The denial may be appealed to the City Council by the Developer in writing within thirty (30) days of being denied by the City Representative. Denial of the Certification for Payment by the City Council shall be attempted to be resolved by half-day mediation between the parties in the event an agreement is not otherwise reached by the parties, with the mediator's fee being paid by Developer. The Certification for Payment shall not be forwarded to the Trustee for payment until the dispute is resolved by the City and the Developer.

(d) The Developer shall deliver the approved or partially approved Certification for Payment to the Trustee for payment and the City shall direct the Trustee to make such payment from the Project Fund in accordance with Section 5.03 below.

Section 5.03. Payment for Improvement Area #1 Projects.

(a) Upon receipt of a reviewed and approved Certification for Payment, the Trustee shall make payment from the Improvement Area #1 Projects Account of the Project Fund pursuant to the terms of the Certification for Payment and the Indenture in an amount not to exceed the Budgeted Cost for the particular Improvement Area #1 Project, unless a Cost Overrun amount has

been approved for a particular Improvement Area #1 Project. If a Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Amount plus the approved Cost Overrun amount.

(b) Approved Certifications for Payment that await reimbursement shall not accrue interest.

(c) Notwithstanding any other provisions of this Agreement, when payment is made, the City shall direct the Trustee to make payment directly to the general contractor or supplier of materials or services or jointly to Developer (or any permitted assignee of such Developer) and the general contractor or supplier of materials or services, as indicated in an approved Certification for Payment, out of available and appropriate funds in the Project Fund. If the request for payment results in ninety percent (90%) or more of the Budgeted Costs for such Improvement Area #1 Project identified in such request for payment being paid, then City shall direct the Trustee to hold the payment until work with respect to that Improvement Area #1 Project has been completed and accepted by the City. If an unconditional lien release related to the items referenced in the Certification for Payment is attached to such Certification for Payment, the Trustee shall make such payment to the Developer or any permitted assignee of the Developer. In the event the Developer provides a general contractor's or supplier of materials' unconditional lien release for a portion of the work covered by a Certification for Payment, the City shall direct the Trustee to make such payment directly to the Developer or any permitted assignee of the Developer to the extent of such lien release. Neither the Trustee nor the City shall have any liability for relying on the accuracy of the payee information in any Certification for Payment as presented by the Developer or its assignees.

(d) Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Improvement Area #1 Project to foreclosure, forfeiture, or sale. In the event that any such mechanics or materialman's lien and/or judgment with respect to any Improvement Area #1 Project is contested, the Developer shall post or cause delivery of a surety bond in the amount determined by the City or City may decline to accept the Improvement Area #1 Projects until such mechanics or materialman's lien and/or judgment is satisfied.

Section 5.04. Certification for Payment for Improvement Area #1 Private Improvements.

(a) No payment hereunder shall be made from the Improvement Area #1 Private Improvements Account to the Developer for work on Improvement Area #1 Private Improvements

until an Improvement Area #1 Private Improvements Certification for Payment is received from the Developer. Upon receipt of an Improvement Area #1 Private Improvements Certification for Payment substantially in the form of **Exhibit C** hereto (and all accompanying documentation required by the City) from the Developer, the City Representative shall conduct a review in order to confirm that such request is complete, that the work with respect to such Improvement Area #1 Private Improvement identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement, the Development Agreement, and to verify and approve the actual cost of such work specified in such Improvement Area #1 Private Improvements Certification for Payment. The City Representative shall also conduct such review as is required in his discretion to confirm the matters certified in the Improvement Area #1 Private Improvements Certification for Payment. The Developer agrees to cooperate with the City Representative in conducting each such review and to provide the City Representative with such additional information and documentation as is reasonably necessary for the City Representative to conclude each such review.

(b) Within fifteen (15) business days of receipt of any Improvement Area #1 Private Improvements Certification for Payment, the City Representative shall either (i) approve and execute the Improvement Area #1 Private Improvements Certification for Payment and forward the same to the Administrator for approval and delivery to the Trustee for payment to the Developer in accordance with Section 5.05(a) hereof or (ii) in the event the City Representative disapproves the Improvement Area #1 Private Improvements Certification for Payment, give written notification to the Developer of the City Representative's disapproval, in whole or in part, of such Improvement Area #1 Private Improvements Certification for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Improvement Area #1 Private Improvements Certification for Payment. If an Improvement Area #1 Private Improvements Certification for Payment seeking reimbursement is approved only in part, the City Representative shall specify the extent to which the Improvement Area #1 Private Improvements Certification for Payment is approved and shall deliver such partially approved Improvement Area #1 Private Improvements Certification for Payment to the Administrator for approval in accordance with Section 5.05 hereof and delivery to the Developer in accordance with Section 5.04(c) hereof, and any such partial work shall be processed for payment under Section 5.05 notwithstanding such partial disapproval.

(c) If the City Representative disapproves the Improvement Area #1 Private Improvements Certification for Payment, the disapproval must be in writing, stating the reason(s) for disapproval. The disapproval may be appealed to the City Council by the Developer in writing within thirty (30) days after Developer's receipt of the City's disapproval pursuant to Section 5.04(b) of this Agreement. Disapproval of the Improvement Area #1 Private Improvements Certification for Payment by the City Council shall be attempted to be resolved by half-day

mediation between the parties in the event an agreement is not otherwise reached by the parties, with the mediator's fee being paid by Developer. The Improvement Area #1 Private Improvements Certification for Payment shall not be forwarded to the Trustee for payment until the dispute is resolved by the City and the Developer.

(d) The Developer shall deliver the approved or partially approved Improvement Area #1 Private Improvements Certification for Payment to the Trustee for payment and the City shall direct the Trustee to make such payment from the Private Improvements Fund in accordance with Section 5.05 below.

Section 5.05. Payment for Private Improvements.

(a) Upon receipt of a reviewed and approved Improvement Area #1 Private Improvements Certification for Payment, the Trustee shall make payment from the Improvement Area #1 Private Improvements Account pursuant to the terms of the Improvement Area #1 Private Improvements Certification for Payment and the Indenture.

(b) Approved Improvement Area #1 Private Improvements Certifications for Payment that await reimbursement shall not accrue interest.

(c) Notwithstanding any other provisions of this Agreement, when payment is made, the City shall direct the Trustee to make payment (i) directly to the general contractor or supplier of materials or services, or (ii) jointly to Developer (or any permitted assignee of such Developer) and the general contractor or supplier of materials or services, as indicated in an approved Improvement Area #1 Private Improvements Certification for Payment, out of available and appropriate funds in the Improvement Area #1 Private Improvements Account. Neither the Trustee nor the City shall have any liability for relying on the accuracy of the payee information in any Improvement Area #1 Private Improvements Certification for Payment as presented by the Developer or its assignees.

(d) Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Improvement Area #1 Private Improvement to foreclosure, forfeiture, or sale. In the event that any such mechanics or materialman's lien and/or judgment with respect to any Improvement Area #1 Private Improvement is contested, the Developer shall post or cause delivery of a surety bond in the amount reasonably determined by the City or City may decline to accept the Improvement Area #1 Private Improvement until such mechanics or materialman's lien and/or judgment is satisfied.

ARTICLE VI
OWNERSHIP AND TRANSFER OF IMPROVEMENT AREA #1 PROJECT

Section 6.01. Improvement Area #1 Projects to be Owned by the City or Mustang SUD – Title Evidence. If required by the City or Mustang SUD, the Developer shall furnish to the City or Mustang SUD a preliminary title report for land with respect to an Improvement Area #1 Project to be acquired and accepted by the City or Mustang SUD from the Developer and not previously dedicated or otherwise conveyed to the City or Mustang SUD, as applicable, for review and approval at least thirty (30) calendar days prior to the transfer of title of an Improvement Area #1 Project to the City or Mustang SUD. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. Mustang SUD is expected to follow its standard procedures to approve the title report. In the event the City or Mustang SUD does not approve the preliminary title report, the City or Mustang SUD, as applicable, shall not be obligated to accept title to the Improvement Area #1 Project until the Developer has cured such objections to title to the satisfaction of the City or Mustang SUD, as applicable.

Section 6.02. Improvement Area #1 Projects Constructed on City Land or Developer Land. If the Improvement Area #1 Project is on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Improvement Area #1 Project. If the Improvement Area #1 Project is on land owned by the Developer, the Developer hereby grants to the City an easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the Improvement Area #1 Project. The grant of the permanent easement shall not relieve the Developer of any obligation to grant the City or Mustang SUD title to property and/or easements related to the Improvement Area #1 Project as required by the Development Agreement or as should in the City's reasonable judgment be granted to provide for convenient access to and routine and emergency maintenance of such Improvement Area #1 Project. The provisions for inspection and acceptance of such Improvement Area #1 Project otherwise provided herein shall apply.

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the City as follows:

(a) Organization. The Developer is a limited liability company duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to fulfill its

obligations in this Agreement and the Development Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands in the District or the Improvement Area #1 Projects in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Improvement Area #1 Projects.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Project Fund for the acquisition, construction or installation of any improvements that are not part of the costs associated with the Improvement Area #1 Projects, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certification for Payments.

(f) Financial Records. For a period of two years after completion of the Improvement Area #1 Projects, the Developer covenants to maintain proper books of record and account for the construction of the Improvement Area #1 Projects and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles, and shall be available for inspection by the City or its agents at any reasonable time during regular business hours on reasonable notice.

(g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that, subject to the terms hereof, the Improvement Area #1 Projects have been or will be constructed in full compliance with such Plans and any change orders thereto consistent with the Act, this Agreement and the Development Agreement.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the initial purchaser of the Bonds and the City Representative related to the status of construction of the Improvement Area #1 Projects within the District, the anticipated completion dates for future improvements and any other matter that the initial purchaser of the Bonds or City Representative deems material to the investment quality of the Bonds.

(i) Continuing Disclosure Agreement. The Developer agrees to provide the information required pursuant to the Continuing Disclosure Agreement of Developer executed by the Developer in connection with the Bonds.

(j) Tax Certificate. The City will deliver a certificate relating to the Bonds (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the "Tax Certificate") containing covenants and agreements designed to satisfy the requirements of 26 U.S. Code Sections 103 and 141 through 150, inclusive, and the federal income tax regulations issued thereunder relating to the use of the proceeds of the Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of 26 U.S. Code Section 148 (collectively, "Bond Proceeds").

The Developer covenants to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Developer further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the Bonds and will be, to the best of the knowledge of the officers of the Developer providing such facts and estimates, true, correct and complete as of that date, and (ii) the Developer will make reasonable inquires to ensure such truth, correctness and completeness. The Developer covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds (including, but not limited to, the use of the Improvement Area #1 Projects) that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Bonds for federal income tax purposes.

(k) Financial Resources. The Developer represents and warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement, the Service and Assessment Plan and the Development Agreement.

Section 7.02. Indemnification and Hold Harmless. THE DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS THE CITY REPRESENTATIVE, THE CITY, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN "INDEMNIFIED PARTY"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSES OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE NEGLIGENT DESIGN, ENGINEERING, AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE IMPROVEMENT AREA #1 PROJECTS ACQUIRED FROM THE DEVELOPER HEREUNDER; (III) THE DEVELOPER'S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS,

CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION OF THE IMPROVEMENT AREA #1 PROJECTS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE IMPROVEMENT AREA #1 PROJECTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES AND/OR TRUSTEES, REGARDING OR RELATED TO THE IMPROVEMENT AREA #1 PROJECTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE IMPROVEMENT AREA #1 PROJECTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE SOLE OR PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY, DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

IN ITS REASONABLE DISCRETION, CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES, PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND DEVELOPER SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

THIS SECTION 7.02 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT AND THE EXPRESS NEGLIGENCE TEST, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

Section 7.03. Use of Monies by City; Changes to Indenture. The City agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies held in the Project Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Improvement Area #1 Projects, the City agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement: (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the Costs of the Improvement Area #1 Projects is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer are or may be substantially increased or otherwise adversely affected in any manner, or (c) the rights of the Developer are or may be modified, limited, restricted or otherwise substantially adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied as of the effective date of this Agreement.

ARTICLE VIII
TERMINATION

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the City and the Developer, in which event the City may either execute contracts for or perform any remaining work related to the Improvement Area #1 Projects not accepted by the City or other appropriate entity and use all or any portion of funds on deposit in the Project Fund or other amounts transferred to the Project Fund under the terms of the Indenture to pay for same, and the Developer shall have no claim or right to any further payments for the Costs of an Improvement Area #1 Project hereunder, except as otherwise may be provided in such written consent.

Section 8.02. City's Election for Cause.

(a) The City, upon notice to Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer, if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such event described in Section 8.02(a) occurs, the City shall give written notice of its knowledge of such event to the Developer, and the Developer agrees to promptly meet and confer with the City Representative and other appropriate City staff and consultants as to options available to assure timely completion, subject to the terms of this Agreement, of the

Improvement Area #1 Projects. Such options may include, but not be limited to, the termination of this Agreement by the City. If the City elects to terminate this Agreement, the City shall first notify the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice) of the grounds for such termination and allow the Developer a minimum of 45 days to eliminate or to mitigate to the satisfaction of the City the grounds for such termination. Such period may be extended, if the Developer, to the reasonable satisfaction of the City, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof), as determined reasonably by the City, the Developer has not eliminated or completely mitigated such grounds to the satisfaction of the City, the City may then terminate this Agreement. In the event of the termination of this Agreement, the Developer is entitled to payment for work accepted by the City related to an Improvement Area #1 Project only as provided for under the terms of the Indenture and this Agreement prior to the termination date of this Agreement. Notwithstanding the foregoing, so long as the Developer has breached any material covenant or defaulted in the performance of any material obligation hereunder, notice of which has been given by the City to the Developer, and such event has not been cured or otherwise eliminated by the Developer, the City may in its discretion cause the Trustee to cease making payments for the Actual Costs of Improvement Area #1 Projects, provided that the Developer shall receive payment of the Actual Costs of any Improvement Area #1 Projects that were accepted by the City at the time of the occurrence of such breach or default by the Developer upon submission of the documents and compliance with the other applicable requirements of this Agreement.

(c) If this Agreement is terminated by the City for cause, the City may either execute contracts for or perform any remaining work related to the Improvement Area #1 Projects not accepted by the City and use all or any portion of the funds on deposit in the Project Fund or other amounts transferred to the Project Fund and the Developer shall have no claim or right to any further payments for the Improvement Area #1 Projects hereunder, except as otherwise may be provided upon the mutual written consent of the City and the Developer. The City shall have no obligation to perform any work related to an Improvement Area #1 Project or to incur any expense or cost in excess of the remaining balance of the Project Fund.

Section 8.03. Termination Upon Redemption or Defeasance of Bonds. This Agreement will terminate automatically and with no further action by the City or the Developer upon the redemption or defeasance of all outstanding Bonds (including any refunding bonds issued to refund the Bonds) issued under the Indenture.

Section 8.04. Construction of the Improvement Area #1 Projects Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Improvement Area #1 Projects in accordance with this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the party (financial inability excepted) ("Force Majeure"), then the specified time for performance shall be extended by the amount of the delay actually so caused. The extension of time to perform allowed by this Section 8.05 shall not apply unless, upon the occurrence of an event of Force Majeure, the party needing additional time to perform notifies the other party of the event of Force Majeure and the amount of additional time reasonably required within ten (10) business days of the occurrence of the event of Force Majeure.

ARTICLE IX
MISCELLANEOUS

Section 9.01. Limited Liability of City. The Developer agrees that any and all obligations of the City arising out of or related to this Agreement are special obligations of the City, and the City's obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Project Fund and from no other source. Neither the City, the City Representative nor any other City employee, officer, official or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The City Representative or a finance officer of the City shall have the right, during normal business hours and upon the giving of three business days' prior written notice to a Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Improvement Area #1 Projects and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received (i) if delivered via a method other than e-mail, when delivered personally or upon the expiration of 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid or (ii) if delivered via e-mail, upon the earlier of receipt of a "delivery receipt" or on the next business day after being sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered, as follows:

To the City: Attn: Britt Lusk, City Manager
City of Pilot Point, Texas
102 E Main Street
Pilot Point, Texas 76258
e-mail: blusk@pilotpointtx.gov

With a copy to: Attn: Brenda McDonald
Brenda N. McDonald, PLLC
3717 Stoney Creek Road
Fort Worth, Texas 76116
e-mail: brenda@brendamcdonald.net

And to: Attn: Kristen Savant
Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
e-mail: kristen.savant@nortonrosefulbright.com

To the Developer: Attn: Cameron Castaldo
OMA Pilot Point, L.L.C.
8400 Belleview Drive, Suite 110
Plano, Texas 75024
e-mail: cameron@onemarkadvisors.com

With a copy to: Attn: Heather Shankle
The Law Offices of Robert D. Daake, PLLC
322 W. Walnut Street, Suite 210
Celina, Texas 75009
e-mail: heather@daake-law.com

And to: Attn: David Moraine
Moraine and Associates, P.L.L.C.
1560 East Southlake Boulevard, Suite 110A
Southlake, Texas 76092
email: david@us-lex.com

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

The City shall advise the Developer of the name and address of any person who is to receive any notice or other communication pursuant to this Agreement.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to the City pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lien holder on the Property, without prior written consent of the City. The obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-affiliate or non-related entity of the Developer without prior written consent of the City Manager, except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for an Improvement Area #1 Project, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such person elects to complete the Improvement Area #1 Project. No such assignment shall be made by the Developer or any successor or assignee of the Developer that results in the City being an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission (the "SEC") without the express written consent of the City. In connection with any consent of the City, the City may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee's express assumption of all obligations of the Developer hereunder and/or upon any other reasonable factor which the City deems relevant in the circumstances. In any event, any such assignment shall be in writing, and shall clearly identify the scope of the rights and/or obligations assigned. The City may assign by a separate writing certain rights as described in this Agreement and in the Indenture to the Trustee and the Developer hereby consents to such assignment.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the City's or the Developer's rights or duties to perform their respective obligations under other agreements, use regulations, ordinances or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this Agreement and the Development Agreement, the Development Agreement shall control. To the extent there is a conflict between this Agreement and the Indenture, the Indenture shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the City or the Developer shall be for the sole and exclusive benefit of the City and the Developer.

Section 9.10. Amendment. This Agreement may be amended upon agreement of the parties, from time to time in a manner consistent with the Act, the Indenture, and the Bond Ordinance by written supplement hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective upon its execution and delivery, on the Closing Date of the Bonds, by the parties hereto. All representations and warranties set forth herein shall be deemed to have been made on the Closing Date of the Bonds.

Section 9.13. Term. The term of this Agreement, other than the provisions contained in Section 7.02, which shall survive the termination of this Agreement, shall be thirty (30) years and upon redemption or defeasance of the Bonds (including any refunding bonds issued to refund the Bonds) issued under the Indenture. If the Developer defaults under this Agreement or the Development Agreement, this Agreement and the Development Agreement shall not terminate with respect to the Costs of the Improvement Area #1 Projects that have been approved by the City pursuant to a Certification for Payment prior to the date of default.

Section 9.14 No Waiver of Powers or Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

Section 9.15. Statutory Verifications. The Developer makes the following representation and verifications 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.

Section 9.15. Form 1295. Submitted herewith is a completed Form 1295 in connection with the Developer's participation in the execution of this Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

[Execution pages follow.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of February 12, 2026.

CITY OF PILOT POINT, TEXAS

By: _____
Name: Britt Lusk
Title: City Manager

ATTEST:

_____
Name: Lenette Cox
Title: City Secretary

(City Seal)

DEVELOPER:

OMA Pilot Point, L.L.C.,
A Texas limited liability company

By: Its Manager
One Mark Advisors, L.L.C.,
A South Dakota limited liability company

By: Its Manager
One Mark, Inc.,
A South Dakota Corporation,

By: _____
Name: Cameron Castaldo
Title: President
Date: _____

Exhibit A
FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for OMA Pilot Point, L.L.C. (the "Developer") and requests payment from:

[The Costs of Issuance Account of the Project Fund][The Improvement Area #1 Projects Account of the Project Fund] (as defined in the Maverick Farms Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, dated February 12, 2026, by and between the Developer and the City of Pilot Point, Texas (the "City")) from Wilmington Trust, National Association (the "Trustee") in the amount of _____DOLLARS ($_____) for costs incurred in the establishment, administration, and operation of the Maverick Farms Public Improvement District (the "District"), as shown below. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Improvement Area #1 Construction, Funding, and Acquisition Agreement.

Closing Costs Description	**Cost**	**PID Allocated Cost**
TOTAL		

In connection to the above referenced payments, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.

3. The amount listed for the above itemized costs is a true and accurate representation of the Actual Costs incurred by Developer in connection with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Maverick Farms Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Development Agreement, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture (as defined in the Maverick Farms Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement) for the payment hereby requested have been satisfied.

6. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

7. Amounts requested for payment pursuant to this Closing Disbursement Request are for costs incurred in excess of the Prior Expended Funds. [FOR EXPENDITURES SUBMITTED TO PROVE UP PRIOR EXPENDED FUNDS, AMOUNT TO BE PAID FROM THE PROJECT FUND SHALL = $0]

Payments requested hereunder shall be made as directed below:

a. X amount to Person or Account Y for Z goods or services.

b. Etc.

I hereby declare that the above representations and warranties are true and correct.

OMA PILOT POINT, L.L.C.

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from the Costs of Issuance Account of the Project Fund and/ or the Improvement Area #1 Projects Account of the Project Fund, as applicable, upon delivery of the Bonds. The City's approval of the Closing Disbursement Request shall not have the effect of estopping or preventing the City from asserting claims under the Maverick Farms Public Improvement District Improvement Area #1 Construction, Funding and Acquisition Agreement, the Development Agreement, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in an Improvement Area #1 Project.

CITY OF PILOT POINT, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B

CERTIFICATION FOR PAYMENT FORM – IMPROVEMENT AREA #1 PROJECTS

CERTIFICATION FOR PAYMENT NO. _____

The undersigned is a lawfully authorized representative for OMA Pilot Point, L.L.C. (the "Developer") and requests payment from the Improvement Area #1 Projects Account of the Project Fund from Wilmington Trust, National Association (the "Trustee") in the amount of _____ for labor, materials, fees, and/or other general costs related to the construction and installation of the following Improvement Area #1 Projects related to the Maverick Farms Public Improvement District:

[insert specific Improvement Area #1 Project this request is for here]

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Maverick Farms Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, dated February 12, 2026, between the Developer and the City of Pilot Point, Texas.

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certification for Payment Form on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced Improvement Area #1 Project(s) has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.

3. The itemized amounts listed for the Improvement Area #1 Project(s) below is a true and accurate representation of the Actual Costs incurred by Developer with the construction and installation of said Improvement Area #1 Project(s) identified above, and such costs (i) are in compliance with the Maverick Farms Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, and (ii) are consistent with the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Maverick Farms Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Development Agreement, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The work with respect to the Improvement Area #1 Project(s) identified above (or its completed segment, portion or segment) has been completed and the City has inspected or may begin inspection of the Improvement Area #1 Project(s). If this request for payment results in ninety percent (90%) or more of the Budgeted Costs for the Improvement Area #1 Project(s) identified above being paid, then the work with respect to the Improvement Area #1 Project(s) has been completed and the City and/or applicable entity has inspected AND accepted the Improvement Area #1 Project(s).

7. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

8. Amounts requested for payment pursuant to this Certification for Payment are for costs incurred in excess of the Prior Expended Funds.

Payments requested are as follows:

[FOR EXPENDITURES SUBMITTED TO PROVE UP PRIOR EXPENDED FUNDS, AMOUNT TO BE PAID FROM THE MAJOR IMPROVEMENT PROJECTS ACCOUNT SHALL = $0]

Payee / Description of Improvement Area #1 Project	**Total Cost of Improvement Area #1 Project**	**Budgeted Cost of Improvement Area #1 Project**	**Amount to be paid from the Improvement Area #1 Projects Account**

Attached hereto, are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments.

Pursuant to the Maverick Farms Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, after receiving this Payment Request, the City is authorized to inspect the Improvement Area #1 Project (or completed segment, portion or segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

I hereby declare that the above representations and warranties are true and correct.

OMA PILOT POINT, L.L.C.

By:_____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certification for Payment. After reviewing the Certification for Payment, the City approves the Certification for Payment and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from the appropriate Project Fund account. The City's approval of the Certification for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Maverick Farms Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Development Agreement, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in the Improvement Area #1 Projects.

CITY OF PILOT POINT, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Exhibit C
IMPROVEMENT AREA #1 PRIVATE IMPROVEMENT CERTIFICATION FOR PAYMENT FORM

IMPROVEMENT AREA #1 PRIVATE IMPROVEMENTS CERTIFICATION FOR PAYMENT NO. _____

The undersigned is a lawfully authorized representative for OMA Pilot Point, L.L.C. (the "Developer") and requests payment from the Improvement Area #1 Private Improvements Account of the Private Improvements Fund from Wilmington Trust, National Association (the "Trustee") in the amount of_$_____ for labor, materials, fees, and/or other general costs related to the construction and installation of the following Improvement Area #1 Private Improvements related to the Maverick Farms Public Improvement District, as follows:

[insert specific Improvement Area #1 Private Improvement this request is for here]

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Maverick Farms Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, dated February 12, 2026, between the Developer and the City of Pilot Point, Texas.

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Improvement Area #1 Private Improvements Certification for Payment on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced Improvement Area #1 Private Improvement(s) has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
3. The itemized amounts listed for the Improvement Area #1 Private Improvements below is a true and accurate representation of the actual costs incurred by Developer with the construction and installation of said Improvement Area #1 Private Improvement(s) identified above, and such costs are (i) in compliance with the Maverick Farms Public Improvement District Improvement Area #1 Construction, Funding and Acquisition Agreement, and (ii) consistent with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Maverick Farms Public Improvement District Improvement Area #1 Construction, Funding and Acquisition Agreement, the Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.
6. The work with respect to the Improvement Area #1 Private Improvements(s) identified above (or its completed segment, portion or segment) has been completed and the City has inspected or may begin inspection of the Improvement Area #1 Private Improvements),

7. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested are as follows:

Payee / Description of Improvement Area #1 Private Improvements)	Total Cost of Improvement Area #1 Private Improvements)	Budgeted Cost of Improvement Area #1 Private Improvements)	Amount to be paid from the Improvement Area #1 Private Improvements Account

Attached hereto, are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments.

Pursuant to the Maverick Farms Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, after receiving this Improvement Area #1 Private Improvements Certification for Payment, the City is authorized to inspect the Improvement Area #1 Private Improvement(s) (or completed segment, portion or segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

I hereby declare that the above representations and warranties are true and correct.

OMA PILOT POINT, L.L.C.

By:_____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is ill receipt of the attached Improvement Area #1 Private Improvements Certification for Payment. After reviewing the Improvement Area #1 Private Improvements Certification for Payment, the City approves the Improvement Area #1 Private Improvements Certification for Payment and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from the Improvement Area #1 Private Improvements Account. The City's approval of the Improvement Area #1 Private Improvements Certification for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Maverick Farms Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in the Improvement Area #1 Private Improvements.

CITY OF PILOT POINT, TEXAS

By: _____

Name: _____
Title: _____
Date: _____

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fibre.

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