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 APRIL 1, 2026

NEW ISSUE **NOT RATED**

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

In the opinion of McCall, Parkhurst & Horton, L.L.P., Bond Counsel, interest on the Bonds will be excludable from gross income for purposes of federal income taxation under statutes, regulations, published rulings and court decisions existing on the date hereof, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on certain corporations.

PRINCETON
TEXAS

$18,211,000*
CITY OF PRINCETON, TEXAS,
(a municipal corporation of the State of Texas located in Collin County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 IMPROVEMENT AREAS #3A-3C PROJECT)

Dated Date: April 15, 2026 **Due: September 1, as shown on the inside cover**
Interest to Accrue from Date of Delivery (as defined herein)

The City of Princeton, Texas, Special Assessment Revenue Bonds, Series 2026 (Whitewing Trails Public Improvement District No. 2 Improvement Areas #3A-3C Project) (the "Bonds"), are being issued by the City of Princeton, Texas (the "City"). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of $25,000 of principal amount and any integral multiple of $1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months, and will be payable on each March 1 and September 1, commencing September 1, 2026, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("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 Regions Bank, an Alabama state banking corporation, as trustee (the "Trustee"), to Cede & Co. 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 April 13, 2026, and an Indenture of Trust, dated April 15, 2026, (the "Indenture"), 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 or reimbursing a portion of the costs of the Improvement Areas #3A-3C Projects (as defined herein), (ii) funding a reserve fund for payment of principal and interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #3A-3C Projects, (iii) paying capitalized interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds. See "THE IMPROVEMENT AREAS #3A-3C PROJECTS" and "APPENDIX B — Form of Indenture."

The Bonds, when issued and delivered, will constitute valid and binding special obligations of the City payable solely from and secured by the Pledged Revenues, consisting primarily of Assessments (as defined herein) levied and expected to be levied against assessable properties in Improvement Areas #3A-3C of the District in accordance with a Service and Assessment Plan (as defined herein) and other funds comprising the Trust Estate, 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 DESCRIBED IN 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 DESCRIBED IN 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 FMSbonds, Inc. (the "Underwriter"), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See "APPENDIX D — Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the City by its counsel, Boyle & Lowry, LLP, for the Underwriter by its counsel, Greenberg Traurig, LLP, and for the Developers by their counsel Boghetich Law, PLLC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about May 13, 2026 (the "Date of Delivery").

FMSbonds, Inc.

* Preliminary; subject to change.

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

CUSIP Prefix: _____ [a]

$18,211,000
CITY OF PRINCETON, TEXAS,
(a municipal corporation of the State of Texas located in Collin County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 IMPROVEMENT AREAS #3A-3C PROJECT)

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

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

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

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

---

* *Preliminary; subject to change.*

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

[b] The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any day on or after September 1, 20__ at the redemption price of 100% of the principal amount plus accrued and unpaid 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 OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

City Council	Term Expires
Honorable Eugene Escobar, Jr. - Mayor	November 2028
Terrance Johnson - Councilmember	November 2028
Cristina Todd - Councilmember	November 2028
Bryan Washington - Councilmember	November 2027
Vacant - Councilmember	November 2027
Honorable Bryan Washington - Mayor Pro Tempore	November 2027
Ben Long - Councilmember	November 2026
Carolyn David-Graves – Councilmember	November 2026

SELECTED ADMINISTRATIVE STAFF

Name	Position
Jeff Jones	Alternate City Manager
Allison Cook	Assistant City Manager
Amber Anderson	City Secretary
Kelly Wilson	Chief Financial Officer

PID ADMINISTRATOR
MuniCap, Inc.

MUNICIPAL ADVISOR TO THE CITY
Hilltop Securities Inc.

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

UNDERWRITER'S COUNSEL
Greenberg Traurig, LLP

CITY'S COUNSEL
Boyle & Lowry, LLP

For additional information regarding the City, please contact:

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Acting City Manager
City of Princeton
2000 E. Princeton Dr.
Princeton, Texas 75407
(972) 736-2416

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Chief Financial Officer
City of Princeton
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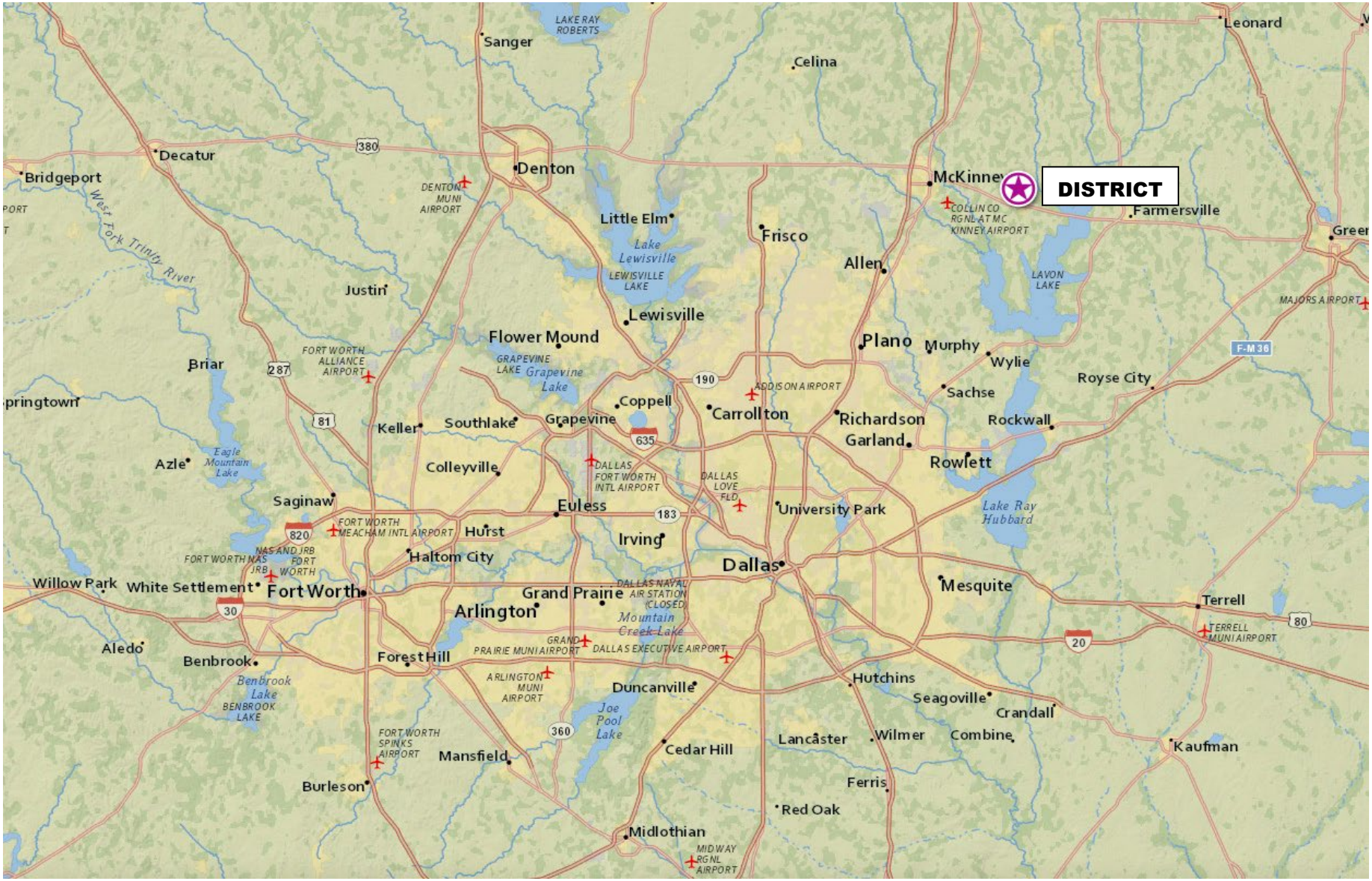
Princeton, Texas 75407
(972) 736-2416

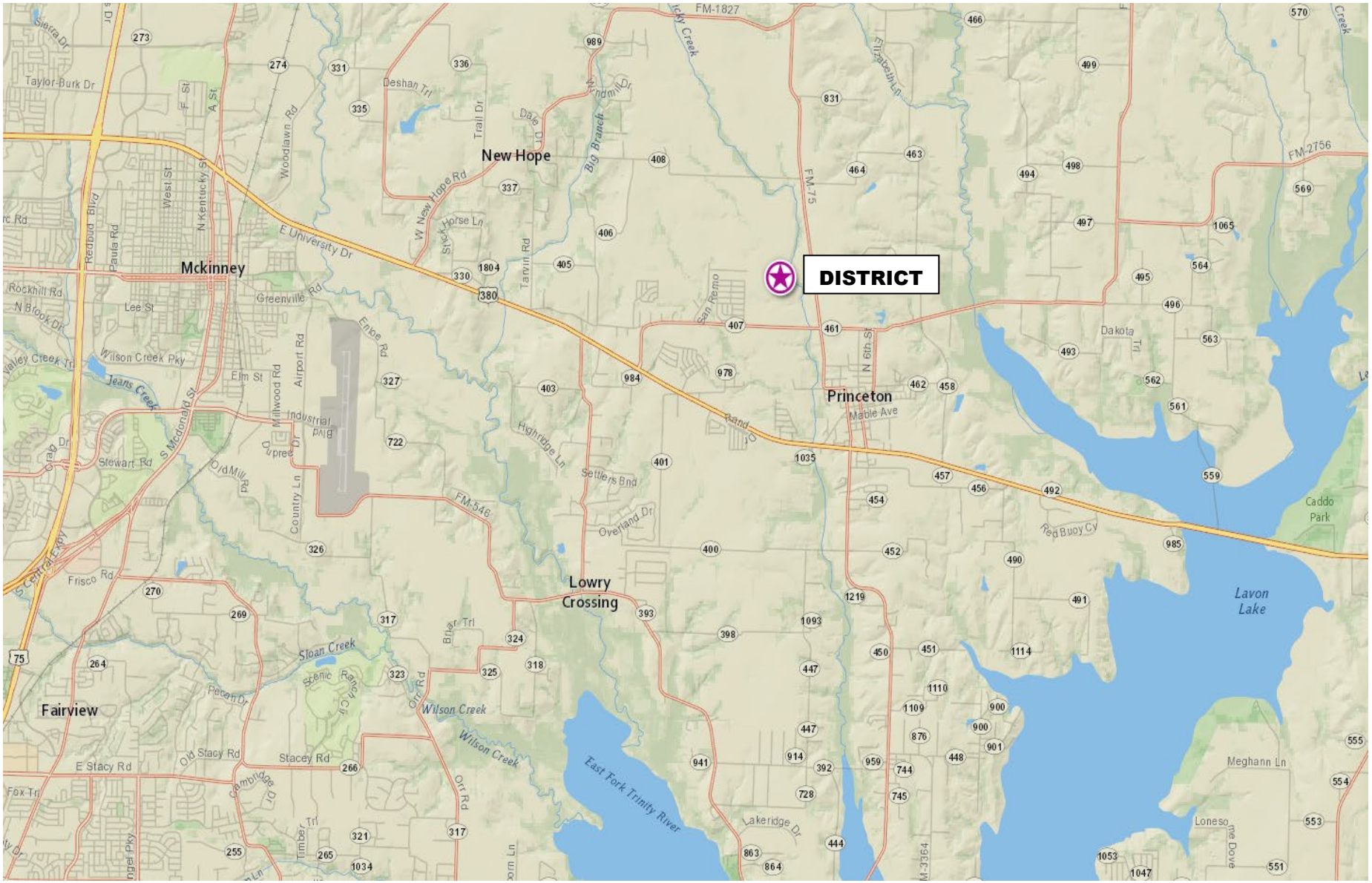
Jim Sabonis
Managing Director
Hilltop Securities Inc.
717 N. Harwood Street
Suite 3400
Dallas, Texas 75201
(214) 953-4000

Andre Ayala
Managing Director
Hilltop Securities Inc.
717 N. Harwood Street
Suite 3400
Dallas, Texas 75201
(214) 953-4000

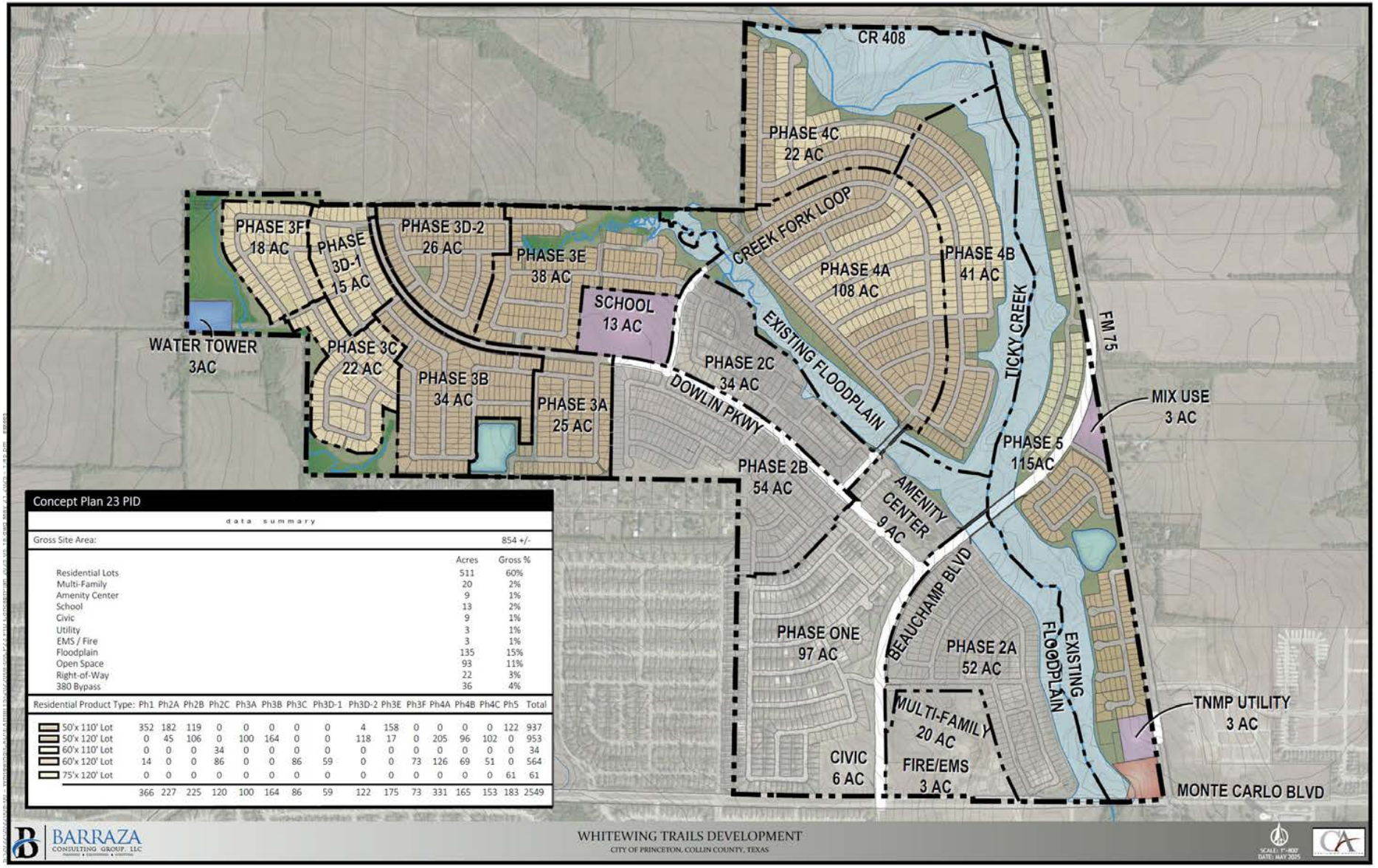
REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP OF THE DISTRICT



MAP SHOWING BOUNDARIES OF THE DISTRICT AND PHASES



Concept Plan 23 PID

data summary

Gross Site Area: 854 +/-

	Acres	Gross %
Residential Lots	511	60%
Multi-Family	20	2%
Amenity Center	9	1%
School	13	2%
Civic	9	1%
Utility	3	1%
EMS / Fire	3	1%
Floodplain	135	15%
Open Space	93	11%
Right-of-Way	22	3%
380 Bypass	36	4%

Residential Product Type:	Ph1	Ph2A	Ph2B	Ph2C	Ph3A	Ph3B	Ph3C	Ph3D-1	Ph3D-2	Ph3E	Ph3F	Ph4A	Ph4B	Ph4C	Ph5	Total
50'x 110' Lot	352	182	119	0	0	0	0	0	4	158	0	0	0	0	122	937
50'x 120' Lot	0	45	106	0	100	164	0	0	118	17	0	205	96	102	0	953
60'x 110' Lot	0	0	0	34	0	0	0	0	0	0	0	0	0	0	0	34
60'x 120' Lot	14	0	0	86	0	0	86	59	0	0	73	126	69	51	0	564
75'x 120' Lot	0	0	0	0	0	0	0	0	0	0	0	0	0	0	61	61
	366	227	225	120	100	164	86	59	122	175	73	331	165	153	183	2549

BARRAZA CONSULTING GROUP, LLC

WHITEWING TRAILS DEVELOPMENT
CITY OF PRINCETON, COLLIN COUNTY, TEXAS

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 DEVELOPERS, 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 DEVELOPERS 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

**$18,211,000*
CITY OF PRINCETON, TEXAS,
(a municipal corporation of the State of Texas located in Collin County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 IMPROVEMENT AREAS #3A-3C 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 Princeton, Texas (the "City"), of its $18,211,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2026 (Whitewing Trails Public Improvement District No. 2 Improvement Areas #3A-3C 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") AND "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT. 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 April 13, 2026 (the "Bond Ordinance"), and an Indenture of Trust, dated as of April 15, 2026, (the "Indenture"), entered into by and between the City and Regions Bank, an Alabama state banking corporation, as trustee (the "Trustee"). The Bonds are secured by a pledge of and a lien upon the Trust Estate (as defined in the Indenture), consisting primarily of pledged revenues from (i) assessments levied against assessable property located within Improvement Area #3A (the "Improvement Area #3A Assessments") and Improvement Area #3B (the "Improvement Area #3B Assessments") of the Whitewing Trails Public Improvement District No. 2 (the "District") levied pursuant to a separate ordinance adopted by the City Council on December 8, 2025 (the "IA #3A-3B Assessment Ordinance") and (ii) assessments expected to be levied against assessable property located within Improvement Area #3C (the "Improvement Area #3C Assessments" and, together with the Improvement Area #3A Assessments and the Improvement Area #3B Assessments, the "Assessments") of the District which are expected to be levied pursuant to a separate ordinance expected to be adopted by the City Council on April 13, 2026 (the "IA #3C Assessment Ordinance" and, together with the IA #3A-3B Assessment Ordinance, the "Assessment Ordinances").

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

Set forth herein are brief descriptions of the City, the District, MM Princeton 854, LLC, a Texas limited liability company (the "Master Developer"), MuniCap, Inc. (the "Administrator"), the Creation Resolution (as defined herein), the Assessment Ordinances, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Construction, Funding, and Acquisition Agreement (as defined herein), and the Development Agreement (as defined

* *Preliminary; subject to change.*

herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Dallas, Texas 75034, telephone number (214) 302-2245. The form of the Indenture appears in APPENDIX B and the Form of Service and Assessment Plan appears as APPENDIX C. The information provided under this caption "INTRODUCTION" is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

The District

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries and extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for public improvements. The District was created for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Areas #3A-3C Projects, authorized by the PID Act and approved by the City Council that confer a special benefit on the District. The District is not a separate political entity from the City but rather reflects an area within the City that City Council has designated and within which the City is authorized to levy assessments for public improvements.

Development Plan and Status of Development

The District is composed of approximately 853.536 acres which are being developed as a master-planned mixed-used development expected to consist of approximately 2,549 single-family units (in a combination of 50',60' and 75' lots), approximately 400 Multifamily units, a community complex, and a fire station. The District is being developed in phases as shown in the "MAP SHOWING BOUNDARIES OF THE DISTRICT AND PHASES" on page v and such areas are referred to herein as follows:

Areas	Referred to herein as:
Phase #1	Phase #1
Phase #2A, #2B and #2C	Phase #2
Phase #3A and Phase #3B	Improvement Area #3A
Phase #4A	Improvement Area #3B
Phase #3E	Improvement Area #3C
Improvement Area #3A, Improvement Area #3B and Improvement Area #3C collectively	Improvement Area #3

Development in the District began with the concurrent construction of the major infrastructure to serve the entire District as well as certain infrastructure benefiting only Phase #1 of the District, all of which was constructed by the Master Developer. Development has continued and is continuing with the construction of local infrastructure to benefit Phase #3A, which was constructed by the Master Developer, local infrastructure benefiting Phase 3B, which was constructed by Pulte Homes of Texas, L.P. ("Pulte"), local infrastructure benefiting Phase 4A, which is being constructed by D.R. Horton – Texas, Ltd. ("DR Horton"), and local infrastructure benefiting Phase 3E, which is being constructed by GRBK Edgewood, LLC ("GRBK," and collectively with the Master Developer, Pulte, and DR Horton, the "Developers"). Development of the local infrastructure to serve the remaining phases (collectively, the "Future Phases") is expected to continue over the course of three to four years. See "THE DEVELOPMENT — General Development Plan."

The improvements and infrastructure constructed and being constructed in the District are referred to herein as follows:

Improvements	Referred to herein as:
Roadway improvements, water distribution system improvements, sanitary sewer collection system improvements, and storm drainage collection system improvements benefitting the entire District	Major Improvements
Roadway improvements, water distribution system improvements, sanitary sewer collection system improvements, and storm drainage collection system improvements that benefit only Phase #1 of the District	Phase #1 Improvements
Roadway improvements, water distribution system improvements, sanitary sewer collection system improvements, and storm drainage collection system improvements that benefit only Phase #2 of the District	Phase #2 Improvements
Roadway water, sanitary sewer, and storm drainage benefitting the Zone Improvement Area (as such term is defined in the Service and Assessment Plan)	Zone Improvements
Roadway, water, sanitary sewer, and storm drainage improvements and soft costs benefitting Improvement Area #3A	Improvement Area #3A Improvements
Portion of the Improvement Area #3A Improvements benefitting Phase #3A	Phase #3A Improvements
Portion of the Improvement Area #3A Improvements benefitting Phase #3B	Phase #3B Improvements
Improvement Area #3A Improvements and Improvement Area #3A's allocable portion of Zone Improvements	Improvement Area #3A Projects
Roadway, water, sanitary sewer, and storm drainage improvements and soft costs benefitting Improvement Area #3B	Improvement Area #3B Improvements
Roadway, water, sanitary sewer, and storm drainage improvements and soft costs benefitting Improvement Area #3C	Improvement Area #3C Improvements
Improvement Area #3C Improvements and Improvement Area #3C's allocable portion of Zone Improvements	Improvement Area #3C Projects
Improvement Area #3A Projects, Improvement Area #3B Improvements, and Improvement Area #3C Projects, collectively	Improvement Areas #3A-3C Projects

The Master Developer was responsible for the construction of the Phase #1 Improvements, the Phase #2 Improvements and the Major Improvements and construction of such projects has been completed. All of the Phase #1 Improvements, Phase #2 Improvements and Major Improvements have been dedicated to and accepted by the City. See "THE DEVELOPMENT – Update on Phase #1" and "– Update on Phase #2" for information on the status of lot and home sales in Phase #1 and Phase #2.

Improvement Area #3A consists of 264 50' lots, a portion of which (100 50' lots in Phase #3A) is owned by and was developed by the Master Developer and a portion of which (164 50' lots in Phase #3B) is owned by and was developed by Pulte. Improvement Area #3B, which is owned and is being developed by DR Horton, is expected to consist of 331 lots (with a mixture of 50' and 60' lots) when completed. Improvement Area #3C, which is owned and is being developed by GRBK, is expected to consist of 175 50' lots. See "THE DEVELOPMENT – Concept Plan." The Master Developer is currently under contract with Beazer Homes Texas, L.P. ("Beazer") for all 100 lots in Phase #3A, which is part of Improvement Area #3A, pursuant to a contract for multiple phases of lots in the District (the "Beazer Contract"); however, Beazer and the Master Developer have entered into a "Mutual Conditional Partial Termination of Contract of Sale" (the "Beazer Termination") pursuant to which the Master Developer and Beazer have agreed that the Master Developer will terminate the Beazer Contract with respect to the purchase of the lots in Phase #3A of Improvement Area #3A upon the (i) Master Developer entering into a contract with a separate builder (ii) Master Developer's receipt of a non-refundable deposit of $880,505.62 in replacement earnest money from such separate builder and (iii) certain other conditions. See "THE DEVELOPMENT – Homebuilders in Improvement Areas #3A-3C" for additional details regarding the termination of the Beazer Contract. The Master Developer and Lennar Homes Texas Land and Construction, Ltd. ("Lennar") have executed a replacement contract for the 100 lots in Phase #3A of Improvement Area #3A (the "Lennar Contract") as further described under "THE DEVELOPMENT – Homebuilders in Improvement Areas #3A-3C." Such contract is currently in feasibility, which feasibility period ends on April 11, 2026. Lennar is expected to deposit $875,000 in replacement earnest money not later than April 11, 2026, and such Lennar

Contract is expected to replace the Beazer Contract upon payment of such earnest money, along with additional funds from the Master Developer, to Beazer.

Pulte will serve as homebuilder for all 164 lots in Phase #3B. DR Horton will serve as builder for all 331 lots in Improvement Area #3B. GRBK will serve as homebuilder for all 175 lots in Improvement Area #3C. See "THE DEVELOPMENT – Homebuilders in Improvement Areas #3A-3C."

The Master Developer was responsible for constructing the Phase #3A Improvements and is responsible for constructing the Zone Improvements. Construction of the Phase #3A Improvements was completed in Q3 2025. The cost of the Phase #3A Improvements was $3,101,573, all of which was funded by the Master Developer with the Master Developer Loan (as defined herein). Construction of the Zone Improvements was completed in Q3 2025. The cost of the Zone Improvements was $2,773,628, all of which was funded by the Master Developer with the Master Developer Loan. See "THE DEVELOPERS – History and Financing of the District."

Pulte was responsible for constructing the Phase #3B Improvements. Construction of the Phase #3B Improvements was completed in Q3 2025. The cost of the Phase #3B Improvements was approximately $4,850,751, all of which was funded with corporate cash. See "THE DEVELOPERS – History and Financing of the District."

DR Horton has completed the Improvement Area #3B Improvements for the lots in Improvement Area #3B, which consist of two subphases, one with 295 lots ("Phase #4A-1") and one with 36 lots ("Phase #4A-2"). Construction of the Improvement Area #3B Improvements began in Q3 2024 and was completed in February 2026. The cost of the Improvement Area #3B Improvements was $11,824,112, all of which was funded by DR Horton with corporate cash. See "THE DEVELOPERS – History and Financing of the District." Lots in Phase #4A-1 are available for the construction of homes as of March 2026. Lots in in Phase #4A-2 are expected to be available for construction of homes in Q4 2026 after a final letter of map revision is adopted for such lots. See "THE DEVELOPMENT – Flood Designation."

GRBK is responsible for constructing the Improvement Area #3C Improvements. Construction of the Improvement Area #3C Improvements began in Q1 2025 and is expected to be completed in Q2 2026. The expected cost of the Improvement Area #3C Projects is $4,968,975*. As of February 1, 2026, GRBK had expended approximately $4,428,996 on the Improvement Area #3C Improvements, which was funded with corporate cash. See "THE DEVELOPERS – History and Financing of the District."

The City will pay a portion of the project costs for the Improvement Areas #3A-3C Projects from proceeds of the Bonds. The Master Developer has retained the reimbursement rights for all Improvement Areas #3A-3C Projects and will submit reimbursement requests on a monthly basis for costs actually incurred in developing and constructing the Improvement Areas #3A-3C Projects and be reimbursed in accordance with the Indenture and the Whitewing Trails Public Improvement District No. 2 Improvement Areas #3A-3C Projects Construction, Funding, and Acquisition Agreement (the "Construction, Funding, and Acquisition Agreement"). See "THE IMPROVEMENT AREAS #3A-3C PROJECTS – General" and "APPENDIX F – Form of Construction, Funding, and Acquisition Agreement."

The Bonds are the third series of bonds issued to finance local improvements in the District. The City expects to issue one or more series of bonds (collectively, the "Future Phase Bonds") to finance the cost of local improvements benefitting each Future Phase ("Future Phase Improvements"). The estimated costs of the Future Phase Improvements benefitting each Future Phase will be determined as such Future Phase is developed, and a service and assessment plan will be prepared and identify the improvements to be constructed within the Future Phase and financed by each new series of Future Phase Bonds. Such Future Phase Bonds will be secured by separate assessments levied on the applicable Future Phase pursuant to the PID Act on assessed property within the applicable Future Phase. The Master Developer anticipates that the next series of Future Phase Bonds will be issued within two years. See "THE DEVELOPMENT – Future Phase Bonds."

* *Preliminary; subject to change.*

Prior Bonds

To finance a portion of the costs of the Phase #1 Improvements and the portion of the Major Improvements benefiting Phase #1, the City previously issued its $7,850,000 City of Princeton, Texas, Special Assessment Revenue Bonds, Series 2019 (Whitewing Trails Public Improvement District No. 2 Phase 1 Project) (the "Phase #1 Bonds"). The Phase #1 Bonds are outstanding in the amount of $7,220,000. The Phase #1 Bonds were secured by a pledge of and a lien upon certain pledged revenues, consisting primarily of the assessments levied on Phase #1 of the District (the "Phase #1 Assessments"). The Phase #1 Assessments are not pledged to and do not secure the Bonds or the Phases #2-6 Major Improvement Bonds (as defined herein).

To finance a portion of the costs of the Phase #2 Improvements, the City previously issued its $13,650,000 City of Princeton, Texas, Special Assessment Revenue Bonds, Series 2023 (Whitewing Trails Public Improvement District No. 2 Phase 2 Project) (the "Phase #2 Bonds"). The Phase #2 Bonds are outstanding in the amount of $13,223,000. The Phase #2 Bonds were secured by a pledge of and a lien upon certain pledged revenues, consisting primarily of the assessments levied on Phase #2 of the District (the "Phase #2 Assessments"). The Phase #2 Assessments are not pledged to and do not secure the Bonds or the Phases #2-6 Major Improvement Bonds (as defined herein).

To finance the portion of the Major Improvement benefitting the areas of the District outside of Phase #1, the City previously issued its $8,210,000 City of Princeton, Texas, Special Assessment Revenue Bonds, Series 2019 (Whitewing Trails Public Improvement District No. 2 Phases 2-6 Major Improvement Project) (the "Phases #2-6 Major Improvement Bonds"). The Phases #2-6 Major Improvement Bonds are outstanding in the amount of $7,755,000. The Phases #2-6 Major Improvement Bonds are secured by separate assessments levied in Phases #2-6 of the District (the "Phases #2-6 Major Improvement Assessments"). **The Phases #2-6 Major Improvement Area Assessments are levied on property that includes Improvement Areas #3A-3C of the District but the portion of the Phases #2-6 Major Improvement Assessments allocable to Improvement Areas #3A-3C will not be available for and is not pledged to payment of debt service on the Bonds.** The Phases #2-6 Major Improvement Assessments are not pledged to and do not secure payment on the Bonds, the Phase #1 Bonds or the Phase #2 Bonds.

The Bonds

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the Costs of the Improvement Areas #3A-3C Projects, (ii) funding a reserve fund for payment of principal and interest on the Bonds, (iii) paying capitalized interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #3A-3C Projects, (iv) paying a portion of the cost incidental to the organization of the District, and (v) paying the costs of 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 Account of the Project Fund (both defined herein) or to the Principal and Interest Account of the Bond Fund to pay interest on the Bonds. See "THE IMPROVEMENT AREAS #3A-3C PROJECTS," "APPENDIX B – Form of Indenture" and "SOURCES AND USES OF FUNDS."

Payment of the Bonds is secured by a pledge of and a lien upon the Pledged Revenues consisting primarily of the Assessments, all to the extent and upon the conditions described herein and in the Indenture. See "SECURITY FOR THE BONDS" and "ASSESSMENT PROCEDURES."

The Bonds, the Phase #1 Bonds, the Phase #2 Bonds, the Phases #2-6 Major Improvement Bonds, and any Future Phase 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 Phase #1 Bonds, the Phase #2 Bonds, the Phases #2-6 Major Improvement Bonds or any other Future Phase Bonds to be issued by the City are not offered pursuant to this Limited Offering Memorandum.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on each March 1 and September 1, commencing September 1, 2026 (each, an "Interest Payment Date"), until maturity or prior redemption. Regions Bank is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of $25,000 of principal and any integral multiple of $1,000 in excess thereof ("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 before their scheduled maturity date, in whole or in part, on any date on or after September 1, 20__, such redemption date or dates to be fixed by the City, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date fixed for redemption (the "Redemption Price"). The City shall notify the Trustee in writing no less than forty-five (45) days before the scheduled redemption date fixed but the City in accordance with the Indenture.

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, on any day of the month at the Redemption Price from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund from the accounts in the Reserve Fund as provided in the Indenture) or any other transfers to the Redemption Fund made pursuant to various provisions of the Indenture, as a result of unexpended amounts transferred from the Pledged Revenue Fund, Bond Fund, Reserve Fund, and Project Fund, as provided in the Indenture. No redemption shall be made which results in a Bond remaining outstanding in a principal amount less than an Authorized Denomination. The City shall notify the Trustee in writing no less than forty-five (45) days before the scheduled redemption date fixed but the City in accordance with the Indenture. See "ASSESSMENT PROCEDURES — Prepayment of Assessments" for the definition and description of Prepayments" and "APPENDIX B — Form of Indenture."

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

$_____ Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment
September 1, 20__	
September 1, 20__	
September 1, 20__†	

$_____ Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment
September 1, 20__	
September 1, 20__	
September 1, 20__†	

† Stated maturity.

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

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

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

Notice of Redemption. The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds 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 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 such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the Redemption Price of such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

The City has the right to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee 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. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Additional Provisions with Respect to Redemption. If less than all of the Bonds are to be redeemed pursuant to an optional, mandatory or extraordinary optional redemption, Bonds shall be redeemed in increments of $1,000 by lot or any other customary method that results in a random selection, provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at that time, a Bond in the principal amount equal to the unredeemed portion, but not less than $1,000, may be issued. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond or Bonds by the minimum Authorized Denomination for such Bond.

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

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by 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 Securities and Exchange Commission ("SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

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

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 SEC, 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 and "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act. Each initial purchaser of the Bonds (each, an "Investor") will be deemed to have acknowledged, represented and warranted to the City as follows:

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

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

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

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

5) The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Improvement Areas #3A-3C 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 gross negligence, 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 District, 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 B — Form of Indenture."

General

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

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the Pledged Revenues (as defined herein), consisting primarily of the Assessments levied against the assessable parcels or lots within Improvement Areas #3A-3C of the District and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. See "APPENDIX B – Form of Indenture." In accordance with the PID Act, the City has caused the preparation of a Service and Assessment Plan (as updated, amended and supplemented, the "Service and Assessment Plan"), which describes the special benefit received by the property within Improvement Areas #3A-3C of the District, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of the assessments (including Assessments), and provides for the allocation of Pledged Revenues for payment of, premium, if any, and interest on the Bonds. The Service and Assessment Plan will be reviewed and updated upon the issuance of the Bonds and annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within Improvement Areas #3A-3C of the District. See "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of Service and Assessment Plan."

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinances and other provisions of law to finance the Improvement Areas #3A-3C Projects by levying Assessments upon properties in Improvement Areas #3A-3C of the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments levied in Improvement Areas #3A-3C of the District, see "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of Service and Assessment Plan."

Under the Indenture, "Pledged Revenues" means, collectively, the (i) Assessment Revenues (excluding the portion of the Annual Installments collected for the payment of Administrative Expenses and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds. "Assessment Revenues" means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments and

Foreclosure Proceeds. "Annual Installment" means the sum of the annual installments on the Assessments, including the annual installment of interest and principal, Additional Interest and Administrative Expenses.

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

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney's fees, if incurred) are a first and prior lien (the "Assessment Lien") against the property assessed, superior to all other liens and claims, except liens or claims for State, county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the applicable Assessment Lien is effective from the date of the respective 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.

Collection and Deposit of Assessments

The City has caused the preparation of the Assessment Rolls (as defined herein) which Assessment Rolls show the land within Improvement Areas #3A-3C of the District assessed or 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 Assessments shown on the Assessment Rolls, 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. In the event the City owes Rebatable Arbitrage to the United States Government, the Assessments shall first be applied to pay the full amount of Rebatable Arbitrage owed by the City, prior to any transfers to the Bond Fund.

The Assessments assessed to pay debt service on the Bonds, together with interest thereon, are payable in Annual Installments established by the Assessment Ordinances and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds. An Annual Installment of an Assessment has been made payable in the Assessment Ordinances 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 Ordinances.

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 Rolls. 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. Promptly after the deposit of Foreclosure Proceeds into the Pledged Revenue Fund, the Trustee shall transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the particular assessed property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund, as follows. After deposit of Foreclosure Proceeds into the Reserve Fund, the Trustee shall deposit such Foreclosure Proceeds first into the Reserve Account if the Reserve Account does not contain the Reserve Account Requirement and if it does contain the Reserve Account Requirement, such Foreclosure Proceeds shall be deposited into the Delinquency and Prepayment Reserve Account. If both the Reserve Account and Delinquency and Prepayment Reserve Account contain their respective amounts required to be on deposit, the Trustee shall transfer such Foreclosure Proceeds to the Redemption Fund. See "SECURITY FOR THE BONDS — Pledged Revenue Fund" and APPENDIX B — Form of Indenture.

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

Unconditional Levy of Assessments

The City has imposed and will impose Assessments on the property within Improvement Areas #3A-3C 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 are effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinances. 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 Ordinances, the Annual Assessments for each lot within the District began to accrue on the date specified in the Service and Assessment Plan and, prior to issuance of the Bonds, is calculated at a rate specified in the Assessment Ordinances. After issuance of the Bonds, interest on the Assessments for each lot within the District will accrue at a rate specified in the Assessment Ordinances, but may not exceed the interest rate on the Bonds plus the 0.50% additional interest charged on Assessments pursuant to Section 372.018 of the Act ("Additional Interest"). Such interest rates 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 annually 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.

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

There is 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. The lien for Assessments and penalties and interest begins on the effective date of the respective Assessment Ordinance and continues until the Assessments are paid or until all Bonds are finally paid.

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

Perfected Security Interest

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

Pledged Revenue Fund

Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Assessment Revenues (other than the portion of the Annual Installments allocated to the payment of Administrative Expenses, and Delinquent Collection Costs, which shall be deposited to the Administrative Fund pursuant to the Indenture), as set forth in the Service and Assessment Plan. Specifically, the City shall deposit or cause to be deposited the foregoing amounts as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, and (iii) third, to pay other costs permitted by the PID Act. Notwithstanding the foregoing, if any funds remain on deposit in the Pledged Revenue Fund after the deposits required by (i) and (ii) above are made, the City shall have the option, in its sole and absolute discretion, to deposit such excess funds into the Redemption Fund to redeem Bonds as provided in the Indenture. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in the description of the Reserve Fund in the Indenture and, immediately following the initial deposit to the Pledged Revenue Fund, the Additional Interest will be deposited into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement is met. In addition, in the event the City owes Rebatable Arbitrage to the United States Government, the City shall provide a City Directive to the Trustee, directing the Trustee to transfer to the Rebate Fund, prior to any other transfer described in this section, the full amount of Rebatable Arbitrage owed by the City. If any funds remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess funds for any one or more of the following purposes: (1) pay other costs of the Improvement Areas #3A-3C Projects, (2) pay other costs permitted by the PID Act, or (3) deposit such excess into the Redemption Fund to redeem Bonds as provided in the Indenture. Along with each transfer to the Trustee, the City shall provide a certificate as to the funds, accounts and payments into which the amounts are to be deposited or paid.

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

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

The Trustee shall transfer Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

Promptly after the deposit of Foreclosure Proceeds into the Pledged Revenue Fund, the Trustee shall, pursuant to a City Directive, transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund as follows. After deposit of Foreclosure Proceeds into the Reserve Fund, the Trustee shall deposit such Foreclosure Proceeds first into the Reserve Account if the Reserve Account does not contain the Reserve Account Requirement and if it does contain the Reserve Account Requirement, such Foreclosure Proceeds shall be deposited into the Delinquency and Prepayment Reserve Account. If both the Reserve Account and Delinquency and Prepayment Reserve Account contain their respective amounts required to be on deposit, the Trustee shall transfer such Foreclosure Proceeds to the Redemption Fund.

After satisfaction of the requirement to provide for the final payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, pursuant to a City Directive, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which monies may be used for any lawful purpose for which Assessments may be used under the PID Act.

Bond Fund

On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account of the Bond Fund 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 to pay the amounts due on the Bonds on an Interest Payment Date, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency pursuant to the Indenture. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account of the Bond Fund and transferred to the Paying Agent/Registrar.

Moneys in the Capitalized Interest Account shall be used for the payment of all interest due on the Bonds on September 1, 2026. Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred, depending on the City Directive, to the Improvement Areas #3A-3C Projects Improvement Account unless the Improvement Areas #3A-3C Projects Account has been closed, 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 Directives. Disbursements from all other Accounts of the Project Fund to pay Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. The funds from such other Accounts of the Project Fund shall be disbursed in accordance with a Certificate for Payment as provided in the Construction, Funding, and Acquisition Agreement. Each such City Directive shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such City Directive or in the invoices submitted therewith and the Trustee is entitled to rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

If the City Representative determines in his or her sole discretion that amounts then on deposit in any Bond Improvement Account of the Project Fund are not expected to be expended for purposes of such Bond Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Areas #3A-3C Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in such Bond Improvement Account of the Project Fund will ever be expended for the purposes of the respective Bond Improvement Account of the Project Fund, the City Representative shall file a City Directive with the Trustee which identifies the amounts then on deposit in the applicable Bond Improvement Account of the Project Fund that are not expected to be used for purposes of such Bond Improvement Account of the Project Fund. If such City Directive is so filed, the identified amounts on deposit in such Bond Improvement Account of the Project Fund shall be transferred to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Directive filed with the Trustee. Upon such transfers, the applicable Bond Improvement Account of the Project Fund shall be closed. In making any determination pursuant to the Indenture, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

Upon the filing of a City Directive stating that all Improvement Areas #3A Projects, Improvement Area #3B Improvements or Improvement Area #3C Projects, as applicable in the relevant context, have been completed and that all Costs have been paid, or that any Costs are not required to be paid from the Project Fund pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining within the within the respective Bond Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Directive filed with the Trustee. Upon such transfers, the respective Bond Improvement Account of the Project Fund shall be closed.

Upon a 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 Bond Improvement Accounts of the Project Fund in such amounts as determined in the City Directive, and used to pay Costs or to the Principal and Interest

Account and used to pay interest on the Bonds, as directed in a City Directive filed with the Trustee and thereafter such Costs of Issuance Account shall be closed.

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds, and initially funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" for the Bonds shall be $_____, which is an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds as of their date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as of their date of issuance, and (iii) 10% of the proceeds of the Bonds, however, that such amount shall be reduced by the amount of any transfers made to the Redemption Fund as a result of Prepayments; and provided further that as a result of (1) an optional redemption or (2) an extraordinary optional redemption, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption.

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 Delinquency and Prepayment Reserve Account of the Reserve Fund (described below) and second from the Reserve Account of the Reserve Fund to the Bond Fund the amount necessary to cure such deficiency.

Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date, unless within thirty days of such notice to the City Representative, the Trustee receives a City Directive instructing the Trustee to apply such excess: (i) to pay amounts due as Rebatable Arbitrage, (ii) to the Administrative Fund in an amount not more than the Administrative Expenses for the Bonds or, (iii) to the Improvement Areas #3A-3C Projects Account of the Project Fund to pay Costs if such application and the expenditure of funds is expected to occur within three years of the date of the Indenture, or (iv) to the Redemption Fund to be applied to the redemption of the Bonds.

In the event of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds 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 Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

Delinquency and Prepayment Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Delinquency and Prepayment Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds. The "Delinquency and Prepayment Reserve Requirement" means an amount equal to 5.5% of the principal amount of the then Outstanding Bonds. The City has allocated the Additional Interest authorized by the PID Act for this purpose.

The Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 1 of each year, commencing March 1, 2027, an amount equal to the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. At any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than the Delinquency

and Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been met. Furthermore, once the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account, any amounts in excess of the Delinquency and Prepayment Reserve Requirement shall be transferred by the Trustee first to the Redemption Fund to redeem Bonds as provide in the Indenture, provided, however, that at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. In calculating the amounts to be transferred pursuant to the Indenture, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Rolls in the Service and Assessment Plan unless and until it receives a City Directive specifying that a different amount be used.

Upon an extraordinary optional redemption of Bonds due to Prepayments, after transferring funds from the Reserve Fund to the Redemption Fund, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency and Prepayment 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 the City Representative, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall apply such excess: (i) to the Reserve Account of the Reserve Fund, if the amount on deposit therein is less than the Reserve Account Requirement, (ii) to pay amounts due as Rebatable Arbitrage, (iii), at the written direction of the City pursuant to a City Directive, to the Administrative Fund, or (iv) if the City does not provide written direction to the Trustee to transfer such excess to the Administrative Fund, to the Redemption Fund to be applied to the redemption of the Bonds. In the event that the Trustee does not receive a City Directive directing the transfer of such excess to the Administrative Fund within 45 days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund hereof and provide the City with written notification of the transfer.

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 Delinquency and Prepayment Reserve Account of the Reserve Fund and second from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency. Additional Interest shall be used to replenish first the Delinquency and Prepayment Reserve Account of the Reserve Fund and second the Reserve Account of the Reserve Fund.

Administrative Fund

The City has created under the Indenture an Administrative Fund held by the Trustee. Upon receipt, the City shall transfer to the Trustee, for deposit to the Administrative Fund, the portion of the Annual Installment of Assessments allocated to the payment of Administrative Expenses and Delinquent Collection Costs as set forth in the Service and Assessment Plan. Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and used as directed by a City Directive solely for the purposes set forth in the Service and Assessment Plan, including payment of the Administrative Expenses and Delinquent Collection Costs. See "APPENDIX C — Form of Service and Assessment Plan."

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

Defeasance

Any 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 within the meaning of the Indenture (a "Defeased Debt"), when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, upon redemption, or otherwise), either (i) shall have been made in

accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee 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 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; and 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 of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

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

Events of Default

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

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

ii. The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings;

iii. Default in the performance or observance of any covenant, agreement or obligation of the City under the Indenture, other than a default under (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which shall give such notice at the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice; and

iv. 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 thirty (30) days thereafter.

Remedies in Event of Default

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding under the Indenture shall proceed to protect and enforce the rights of the Owners under the Indenture by action seeking mandamus or by other suit, action, or special proceeding in equity or at law in any court of competent jurisdiction for any relief to the extent permitted by Applicable Laws including, but not limited to, the specific performance of any covenant or agreement contained in the Indenture, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

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 Directive, 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 Directive, 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 liquidation or sale.

Whenever moneys are to be applied pursuant to the Indenture, irrespective of and whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms, specifically, in inverse order of value pursuant to a certified appraisal of real or personal property or market value of investments as set forth in the U.S. Stock Exchange, 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, or in the 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 thereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing or of which the Trustee is deemed to have notice, (ii) such default has become an Event of Default and the Owners of not less than fifty-one percent (51%) 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 sixty (60) 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 direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Indenture and for the equal benefit of the

registered owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy under the Indenture.

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

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

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture with respect to Events of Default shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including Trustee's counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture, 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:

i. 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

ii. 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.

Following its receipt of written direction from the City, the Trustee shall make payments to the Owners of Bonds pursuant to the provisions above within thirty (30) days of receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

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, other than the Reserve Fund, shall be invested by the Trustee as directed by the City pursuant to a City Directive filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Fund shall be invested in such Investment Securities as directed by the City pursuant to a City Directive filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days.

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

Against Encumbrances

Other than Refunding Bonds issued to refund all or a portion of the 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, Pledged Revenues 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, the City shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds and Refunding Bonds issued to refund all or a portion of the Bonds, secured by any pledge of or other lien or charge on the Trust Estate, Pledged Revenues or other property pledged under the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Additional Obligations

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 Pledged Revenues.

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

Notwithstanding any contrary provision of the Indenture, the City shall not issue additional bonds, notes or other obligations under the Indenture, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under the Indenture, other than Refunding Bonds. The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State, but only if the Refunding Bonds will result in annual cash flow savings with respect to each Bond Year, and that the Refunding Bonds will not have a maturity date later than the final maturity date of the Bonds or Outstanding Refunding Bonds being refunded.

The City reserves the right to issue additional bonds to finance the cost of future local improvements within a proposed development area or phase (or a portion thereof) in the District as the development proceeds. Such additional bonds will be secured by separate assessments levied on the future development area and will be reflected in an amended and restated SAP or updated SAP. The proposed development area projects will be identified and the determination of their cost will be deferred until a later date, and will be reflected in an amended and restated SAP or updated SAP. The City may but is under no obligation to issue additional bonds, including for future development areas or phases in the District, for any purpose permitted by the PID Act and in accordance with the conditions set forth in the Indenture.

SOURCES AND USES OF FUNDS

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

Sources of Funds:	
Principal Amount	$
TOTAL SOURCES	$
Use of Funds:	
Deposit to Improvement Areas #3A Projects Account of the Project Fund	$
Deposit to Improvement Areas #3B Projects Account of the Project Fund	
Deposit to Improvement Areas #3C Projects Account of the Project Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to Capitalized Interest Account of Bond Fund	
Deposit to Administrative Fund	
Underwriter's Discount[(1)]	
Deposit to Costs of Issuance Account of the Project Fund	
TOTAL USES	$

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

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DEBT SERVICE REQUIREMENTS

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

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

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OVERLAPPING TAXES AND DEBT

Overlapping Taxes and Debt

The land within Improvement Areas #3A-3C of the District and subject to the Assessments levied by the City has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments levied by the City. In addition to the Assessments, the City levied the Phases #2-6 Major Improvement Assessments on assessable property within Phases #2-6 of the District, which includes Improvement Areas #3A-3C of the District, pursuant to a separate assessment ordinance previously adopted by the City Council to finance the costs of the Major Improvements allocable to Phases #2-6.

The District is within the corporate limits of the City and is subject to taxation by the City. Collin County, Collin Community College District and the Princeton Independent School District may each levy ad valorem taxes upon land in Improvement Areas #3A-3C 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 assessments levied by such taxing authorities. The following tables reflects the overlapping ad valorem tax rates currently levied on property located in Improvement Areas #3A-3C of the District.

Taxing Entity	**Improvement Area #3A** *Projected* Ad Valorem Tax Rate[1]	**Improvement Area #3B** *Projected* Ad Valorem Tax Rate[1]	**Improvement Area #3C** *Projected* Ad Valorem Tax Rate[1]
The City	$0.440226	$0.440226	$0.440226
Collin County, Texas	0.149343	0.149343	0.149343
Collin County Community College District	0.081220	0.081220	0.081220
Princeton Independent School District	1.255200	1.255200	1.255200
Total Existing Tax Rate	**$1.925989**	**$1.925989**	**$1.925989**
Estimated Average Annual Installment of Assessments in Improvement Areas #3A-3C of the District as tax rate equivalent per $100 in value [2], [3]	$0.485315	$0.485696	$0.481865
Estimated Average Annual Installment of Phases #2-6 Major Improvement Assessments as tax rate equivalent per $100 in value [4]	$0.069698	$0.069698	$0.069698
Estimated Total Tax Rate and Average Annual Installment in Improvement Areas #3A-3C of the District as tax rate equivalent per $100 in value[2]	**$2.481002**	**$2.481383**	**$2.477552**

[1] Tax Rates for the taxing entities are Tax Year 2025 tax rates as reported by the Collin Central Appraisal District. Per $100 in taxable appraised value.

[2] *Preliminary, subject to change.*

[3] Derived from information presented in the Service and Assessment Plan. The estimated Average Installment of Assessments in Improvement Areas #3A-3C of the District as tax rate equivalent per $100 in value through 2049, or the final year of maturity of the Phases #2-6 Major Improvement Bonds, is $0.534477, and thereafter is $0.430824.

[4] Phases #2-6 Major Improvement Assessments are outstanding until 2049.

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As noted above, the District includes territory located in governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Improvement Areas #3A-3C of the District and the amount of debt secured by the Assessments and the Phases #2-6 Major Improvement Assessments:

IMPROVEMENT AREA #3A

Taxing or Assessing Entity	Gross Outstanding Debt as of 3/15/2026	Estimated Percentage Applicable[1]	Direct and Estimated Overlapping Debt[1]
The City (Assessments for the Bonds)[2]	$ 6,065,000	100.00%	$6,065,000
The City (Phases #2-6 Major Improvement Bonds)	859,872	100.00%	859,872
The City	153,500,000	0.379%	582,249
Collin County, Texas	910,405,000	0.008%	69,371
Collin County Community College District	438,250,000	0.008%	35,711
Princeton Independent School District	661,274,480	0.335%	2,213,589
	$2,170,354,352		$9,825,792

[1] Based on the income approach value in the Appraisal and on certified taxable assessed valuations for Tax Year 2025 for the taxing entities.
[2] Preliminary, subject to change.
Sources: Municipal Advisory Council of Texas and the Service and Assessment Plan.

IMPROVEMENT AREA #3B

Taxing or Assessing Entity	Gross Outstanding Debt as of 3/15/2026	Estimated Percentage Applicable[1]	Direct and Estimated Overlapping Debt[1]
The City (Assessments for the Bonds)[2]	$ 8,450,000	100.00%	$8,450,000
The City (Phases #2-6 Major Improvement Bonds)	1,160,176	100.00%	1,160,176
The City	153,500,000	0.535%	821,239
Collin County, Texas	910,405,000	0.011%	97,845
Collin County Community College District	438,250,000	0.011%	50,369
Princeton Independent School District	661,274,480	0.472%	3,122,178
	$2,173,039,656		$13,701,806

[1] Based on the income approach value in the Appraisal and on certified taxable assessed valuations for Tax Year 2025 for the taxing entities.
[2] Preliminary, subject to change.
Sources: Municipal Advisory Council of Texas and the Service and Assessment Plan.

IMPROVEMENT AREA #3C

Taxing or Assessing Entity	Gross Outstanding Debt as of 3/15/2026	Estimated Percentage Applicable[1]	Direct and Estimated Overlapping Debt[1]
The City (Assessments for the Bonds)[2]	$ 3,696,000	100.00%	$3,696,000
The City (Phases #2-6 Major Improvement Bonds)	569,991	100.00%	569,991
The City	153,500,000	0.273%	418,937
Collin County, Texas	910,405,000	0.005%	49,913
Collin County Community College District	438,250,000	0.006%	25,694
Princeton Independent School District	661,274,480	0.241%	1,592,712
	$2,167,695,471		$6,353,247

[1] Based on the income approach value in the Appraisal and on certified taxable assessed valuations for Tax Year 2025 for the taxing entities.
[2] Preliminary, subject to change.
Sources: Municipal Advisory Council of Texas and the Service and Assessment Plan.

Homeowner's Association

In addition to the Assessments described above, all lot owners in Improvement Areas #3A-3C of the District will pay an annual maintenance and operation fee and/or a homeowner's association fee of $1,031 per year to the homeowner's association for the property within the District (the "HOA"), which homeowner's association has been formed by the Master Developer.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this "ASSESSMENT PROCEDURES" caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Improvement Areas #3A-3C Projects through Assessments, it must adopt a resolution generally describing the Improvement Areas #3A-3C Projects and the land within Improvement Areas #3A-3C of the District to be subject to Assessments to pay the cost therefor. The City has caused assessment rolls relating to the cost of the Improvement Areas #3A-3C Projects to be prepared (the "Assessment Rolls") and attached to the Service and Assessment Plan, which Assessment Rolls identify the land within Improvement Areas #3A-3C of the District assessed and to be assessed, the amount of the benefit to and the applicable Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessments are divided. The Assessment Rolls have been or will be filed with the City Secretary and made available for public inspection. Statutory notice has been or will be given to the owners of the property to be assessed and a public hearing has been or will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Areas #3A-3C Projects and funding a portion of the same with Assessments. The City adopted the IA #3A-3B Assessment Ordinance and levied the Improvement Area #3A Assessments and Improvement Area #3B Assessments on December 8, 2025. After such adoption, the Improvement Area #3A Assessments and Improvement Area #3B Assessments became legal, valid and binding liens upon the property against which the Improvement Area #3A Assessments and Improvement Area #3B Assessments were made.

The City expects to levy the Improvement Area #3C Assessments and adopt the IA #3C Assessment Ordinance immediately prior to adopting the Bond Ordinance. After such adoption, the Improvement Area #3C Assessments will become legal, valid and binding liens upon the property against which the Improvement Area #3C Assessments are made.

Under the PID Act, the costs of the Improvement Areas #3A-3C Projects may be assessed by the City against the assessable property in Improvement Areas #3A-3C of the District so long as the special benefit conferred upon the assessed property by the Improvement Areas #3A-3C Projects equals or exceeds the Assessments. The costs of the Improvement Areas #3A-3C Projects may be assessed using any methodology that results in the imposition of equal shares of cost on assessed property similarly benefited. The allocation of benefits and assessments to the benefitted land within Improvement Areas #3A-3C of the District is set forth in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX C — Form of Service and Assessment Plan."

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property as a result of the Improvement Areas #3A-3C Projects, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Areas #3A-3C Projects to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Improvement Areas #3A-3C Projects is being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues.

As set forth in the Service and Assessment Plan, the City Council has determined that the Budgeted Costs associated with the Improvement Areas #3A-3C Projects will be allocated among the existing parcels in Improvement Areas #3A-3C of the District (the "Assessed Property") by spreading the applicable Assessment across all Parcels and

Lots within the applicable Improvement Area in Improvement Areas #3A-3C based the ratio of estimated build-out value of each Parcel or Lot to the estimated average build-out value for all Parcels or Lots within the applicable Improvement Area.

For further explanation of the Assessment methodology, see "APPENDIX C — 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 Areas #3A-3C 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 Developers and all future owners and developers within Improvement Areas #3A-3C of the District. See "APPENDIX C — Form of Service and Assessment Plan."

The following tables and calculations, including the value to assessment burden ratio per Lot, relate to the Bonds and are based on information included in the Service and Assessment Plan. See "APPENDIX C — Form of Service and Assessment Plan."

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VALUE TO LIEN ANALYSIS, ASSESSMENT ALLOCATION, EQUIVALENT TAX RATE, AND LEVERAGE PER LOT TYPE IN IMPROVEMENT AREA #3A

IMPROVEMENT AREA #3A ASSESSMENTS ONLY*ǂ								
Lot Type	**Planned No. of Lots**	**Estimated Finished Value per Lot(1)**	**Projected Average Home Value(2)**	**Assessment per Lot**	**Average Annual Installment of Assessment**	**Tax Rate Equivalent of Average Annual Installment of Assessment per $100/Home Value**	**Estimated Ratio of Estimated Finished Value per Lot to Assessment**	**Estimated Ratio of Projected Average Home Value to Assessment**
50’	264	$86,500	$425,000	$22,973.48	$2,062.59	$0.4853	3.77	18.50

(1) Estimated value based on the Appraisal. See “APPRAISAL”
(2) Provided by Master Developer.

IMPROVEMENT AREA #3A ASSESSMENTS AND PHASES #2-6 MAJOR IMPROVEMENT ASSESSMENTS*ǂ										
Lot Type	**Planned No. of Lots**	**Estimated Finished Value per Lot(1)**	**Projected Average Home Value(2)**	**Improvement Area #3A Assessment per Lot**	**Outstanding Phases #2-6 Major Improvement Assessment per Unit**	**Total Assessment per Unit**	**Average Annual Installment of Total Assessment per Unit**	**Tax Rate Equivalent of Average Annual Installment of Total Assessment per Unit (per $100 Home Value)**	**Ratio of Estimated Lot Value to Total Assessment**	**Ratio of Estimated Home Value to Total Assessment**
50’	264	$86,500	$425,000	$22,973.48	$3,257.09	$26,230.58	$2,358.80	$0.5550	3.30	16.20

(1) Estimated value based on the Appraisal. See “APPRAISAL”
(2) Provided by Master Developer.
Source: MuniCap, Inc. and information presented in the Service and Assessment Plan

VALUE TO LIEN ANALYSIS, ASSESSMENT ALLOCATION, EQUIVALENT TAX RATE, AND LEVERAGE PER LOT TYPE IN IMPROVEMENT AREA #3B

IMPROVEMENT AREA #3B ASSESSMENTS ONLY*ǂ								
Lot Type	**Planned No. of Lots**	**Estimated Finished Value per Lot(1)**	**Projected Average Home Value(2)**	**Assessment per Lot**	**Average Annual Installment of Assessment**	**Tax Rate Equivalent of Average Annual Installment of Assessment per $100/Home Value**	**Estimated Ratio of Estimated Finished Value per Lot to Assessment**	**Estimated Ratio of Projected Average Home Value to Assessment**
60’	126	$103,200	$500,000	$28,143.21	$2,428.48	$0.4857	3.67	17.77
50’	205	$87,500	$425,000	$23,921.73	$2,064.21	$0.4857	3.66	17.77

(1) Estimated value based on the Appraisal. See “APPRAISAL”
(2) Values provided by Master Developer for the purpose of levying the Improvement Area #3A-3B Assessments. May differ from expected sale prices of homes by DR Horton within Improvement Area #3B when accounting for builder incentives to end users.

* *Preliminary; subject to change.*
ǂ Source: MuniCap, Inc and information set forth in the Service and Assessment Plan.

IMPROVEMENT AREA #3B ASSESSMENTS AND PHASES #2-6 MAJOR IMPROVEMENT ASSESSMENTS*ǂ										
Lot Type	**Planned No. of Lots**	**Estimated Finished Value per Lot(1)**	**Projected Average Home Value(2)**	**Improvement Area #3B Assessment per Lot**	**Outstanding Phases #2-6 Major Improvement Assessment per Unit**	**Total Assessment per Unit**	**Average Annual Installment of Total Assessment per Unit**	**Tax Rate Equivalent of Average Annual Installment of Total Assessment per Unit (per $100 Home Value)**	**Ratio of Estimated Lot Value to Total Assessment**	**Ratio of Estimated Home Value to Total Assessment**
60’	126	$103,200	$500,000	$28,143.21	$3,908.51	$32,051.72	$2,783.94	$0.5568	3.22	15.60
50’	205	$87,500	$425,000	$23,921.73	$3,257.09	$27,178.82	$2,360.42	$0.5554	3.22	15.64

(1) Estimated value based on the Appraisal. See “APPRAISAL”.
(2) Values provided by Master Developer for the purpose of levying the Improvement Area #3A-3B Assessments. May differ from expected sale prices of homes by DR Horton within Improvement Area #3B when accounting for builder incentives to end users.

VALUE TO LIEN ANALYSIS, ASSESSMENT ALLOCATION, EQUIVALENT TAX RATE, AND LEVERAGE PER LOT TYPE IN IMPROVEMENT AREA #3C

IMPROVEMENT AREA #3C ASSESSMENTS ONLY*ǂ								
Lot Type	**Planned No. of Lots**	**Estimated Finished Value per Lot(1)**	**Projected Average Home Value(2)**	**Assessment per Lot**	**Average Annual Installment of Assessment**	**Tax Rate Equivalent of Average Annual Installment of Assessment per $100/Home Value**	**Estimated Ratio of Estimated Finished Value per Lot to Assessment**	**Estimated Ratio of Projected Average Home Value to Assessment**
50’	175	$88,500	$425,000	$21,120.00	$2,047.93	$0.4819	4.19	20.12

(1) Estimated value based on the Appraisal. See “APPRAISAL”.
(2) Values provided by Master Developer for the purpose of levying the Improvement Area #3C Assessments. May differ from expected sale prices of homes by GRBK within Improvement Area #3C when accounting for builder incentives to end users.

IMPROVEMENT AREA #3C ASSESSMENTS AND PHASES #2-6 MAJOR IMPROVEMENT ASSESSMENTS*ǂ										
Lot Type	**Planned No. of Lots**	**Estimated Finished Value per Lot(1)**	**Projected Average Home Value(2)**	**Improvement Area #3C Assessment per Lot**	**Outstanding Phases #2-6 Major Improvement Assessment per Unit**	**Total Assessment per Unit**	**Average Annual Installment of Total Assessment per Unit**	**Tax Rate Equivalent of Average Annual Installment of Total Assessment per Unit (per $100 Home Value)**	**Ratio of Estimated Lot Value to Total Assessment**	**Ratio of Estimated Home Value to Total Assessment**
50’	175	$88,500	$425,000	$21,120.00	$3,257.09	$24,377.09	$2,344.14	$0.5516	3.63	17.43

(1) Estimated value based on the Appraisal. See “APPRAISAL”.
(2) Values provided by Master Developer for the purpose of levying the Improvement Area #3C Assessments. May differ from expected sale prices of homes by GRBK within Improvement Area #3C when accounting for builder incentives to end users.

* *Preliminary; subject to change.*

ǂ Source: MuniCap, Inc and information set forth in the Service and Assessment Plan.

Assessment Payer Concentration in Improvement Areas #3A-3C

The information appearing in the following table illustrates the assessment payer concentration in Improvement Areas #3A-3C of the District.

Property Owner[(1)]	Percentage of Lots	Total Outstanding Assessments	Percentage of Assessments
MM PRINCETON 854 LLC	37.59%	$2,297,348	12.62%
PULTE HOMES OF TEXAS LP	61.65%	$3,767,652	20.69%
DR HORTON - TEXAS LTD[1]	0.38%	$8,450,000	46.40%
GRBK EDGEWOOD LLC[1]	0.38%	$3,696,000	20.30%
Total	100.00%	$18,211,000	100.00%

Source: The Administrator

[1] Parent parcel has not yet been subdivided. Percentage of Lots is calculated based on one parcel for DR Horton - Texas LTD, and one parcel for GRBK Edgewood LLC.

Collection and Enforcement of Assessment Amounts

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

In the Indenture, the City covenants to collect, or cause to be collected, Assessments as provided in the Assessment Ordinances. No less frequently than annually, City staff or a designee of the City shall prepare, and the City Council shall approve, an "Annual Service Plan Update" (as defined in the Service and Assessment Plan) to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and a calculation of the Annual Installment for each Parcel. Assessments for Administrative Expenses shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

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

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

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

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 E-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 Rolls set forth for each year the Annual Installment for each Assessed Property as calculated by the Administrator and approved by the City Council consisting of the annual payment allocable to (i) the principal and interest on the Bonds, which amount includes the Additional Interest as described in the Service and Assessment Plan and (ii) the Administrative Expenses. The Annual Installments for the District may not exceed the amounts shown on the Assessment Rolls. The Assessments have been or will be levied against the Assessed Property as indicated on the Assessment Rolls. See "APPENDIX C — Form of Service and Assessment Plan."

The Assessment per 50' lot in Improvement Area #3A is $22,973.48*, the Assessment per 50' lot in Improvement Area #3B is $23,921.73*, the Assessment per 60' lot in Improvement Area #3B is $28,143.21*, and the Assessment per 50' lot in Improvement Area #3C is $21,120.00*. See "ASSESSMENT PROCEDURES — Assessment Methodology." The Bonds are secured by a first lien on and pledge of the Trust Estate, including the Pledged Revenues which consist primarily of the Assessments. See "SECURITY FOR THE BONDS" and "APPENDIX C — Form of Service and Assessment Plan."

The Annual Installments shown on the Assessment Rolls will be reduced to equal the actual costs of repaying the Bonds (which amount will include the Additional Interest) and actual Administrative Expenses (as provided for in

* *Preliminary; subject to change.*

the Indenture), taking into consideration any other available funds for these costs, such as interest income on account balances.

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined to allocate the Budgeted Costs of (i) the Improvement Areas #3A-3C Projects to the Assessed Property within Improvement Areas #3A-3C of the District in proportion to estimated average buildout value and that creating assessment classifications based on the anticipated Lot Types will result in imposing equal shares of cost on properties similarly benefitted. As the existing parcels are subsequently divided, the Assessments will be further apportioned pro rata based on the Lot Types of the newly created parcels. See "APPENDIX C — Form of Service and Assessment Plan." See "ASSESSMENT PROCEDURES — Assessment Methodology."

Apportion of Assessments Upon Subdivision. Upon the duly approved subdivision of a benefited Parcel within the Assessed Property, including a replat of a previously recorded subdivision plat, the Assessment(s) for the subdivided Parcel shall be reallocated to the new Parcels created by the subdivision in accordance with the following formula.

A = S x (L / T)

"A" means the allocated Assessment for a new Parcel.

"S" means the Assessment for the subdivided Parcel.

"L" means the Assessment for the Lot Type or sum of the Assessments for the Lot Types, as applicable, for the new Parcel created by the subdivision.

"T" means the total or sum of the Assessments for all new Parcels created by the subdivision based on the Lot Type or number of prospective Lots and Lot Types applicable to such new Parcels.

The (i) Lot Type or Lot Types applicable to each new Parcel created by the subdivision and (ii) he number of single family lots applicable to each new Parcel created by the subdivision shall be determined by reference to the recorded final plat(s) for the Assessed Property, the replat of such recorded final plats, if applicable, and for Parcels which are anticipated to be further subdivided in the future by the recordation of a final plat the applicable preliminary plat(s) or Concept Plan, with such preliminary plat(s) or Concept Plan to be reviewed and approved by the City Manager.

Apportionment of Assessments Upon Consolidation. Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the consolidation of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

Prepayment of Assessments

Voluntary Prepayment. Pursuant to the PID Act and the Indenture, the owner of any Assessed Property may voluntarily prepay (a "Prepayment") all or part of any Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. The owner of any Assessed Property within the District may also voluntarily prepay all or part of any Phases #2-6 Major Improvement Assessment levied in on property within the District. Unless otherwise directed to a specific assessment by the Parcel owner, any Prepayment or partial Prepayment for an Assessed Property with Improvement Areas #3A-3C of the District will be allocated between the Assessments and the Phases #2-6 Major Improvement Assessments based on the ratio of the outstanding Assessments and Phases #2-6 Major Improvement Assessments due from such Assessed Property at the time of such Prepayment or partial Prepayments. 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 Assessment Prepayment—Transfer to Exempt Entity. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act. Such payments shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinances, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act

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 respective Assessment Ordinance until the respective 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 or Annual Installment on the corresponding Assessed Property.

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

In the Indenture, the City creates the Delinquency and Prepayment Reserve Account of the Reserve Fund and will fund such account as provided in the Indenture. The City will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If funds on deposit 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 – Delinquency and Prepayment Reserve Account of the Reserve Fund," "APPENDIX B – Form of Indenture" and "APPENDIX C – Form of Service and Assessment Plan."

ASSESSMENT AND COLLECTION DATA FOR THE DISTRICT

Collection and Delinquency History in Phase #1 of the District

THE FOLLOWING SUBSECTIONS SET FORTH, FOR INFORMATIONAL PURPOSES ONLY, INFORMATION REGARDING COLLECTION HISTORY FOR PHASE #1 OF THE DISTRICT RELATING TO THE PHASE #1 ASSESSMENTS LEVIED WITHIN PHASE #1. THE PHASE #1 ASSESSMENTS ARE NOT PLEDGED TO AND WILL NOT BE AVAILABLE FOR PAYMENT OF THE BONDS. NO ASSURANCES CAN BE MADE THAT COLLECTION OF THE ASSESSMENTS WILL REFLECT THE HISTORICAL COLLECTION OF THE PHASE #1 ASSESSMENTS.

The following table shows the collection and delinquency history of the Phase #1 Assessments in the District:

COLLECTION AND DELINQUENCY HISTORY OF PHASE #1 ASSESSMENTS

Fiscal Year Ending 9/30[1]	Tax Year Billed	Annual Installment Billed	Delinquent Amount as of 3/1 (following year)	Delinquent Percentage as of 3/1 (following year)	Delinquent Amount as of 9/1 (following year)	Delinquent Percentage as of 9/1 (following year)	Annual Installments Collected[2], [3]
2022	2021	$468,454.31	$1,270.35	0.27%	$0.00	0.00%	$468,454.31
2023	2022	$432,539.62	$7,878.92	1.82%	$1,176.88	0.27%	$432,539.62
2024	2023	$453,221.19	$1,398.37	0.31%	$0.00	0.00%	$453,221.19
2025	2024	$426,546.02	$2,197.34	0.52%	N/A	N/A	$426,545.72
2026	2025	$443,957.27	$1,188.62	0.27%	N/A	N/A	$441,811.58

[1] The Phase #1 Bonds included two years of capitalized interest and the first tax year annual installments were billed was 2021.
[2] Does not include interest and penalties.
[3] Information as of March 1, 2026.
Source: Information from MuniCap, Inc. based upon Collin County Tax Assessor and Collectors' records.

Delinquency and Foreclosure History of Phase #1 Assessments

As of March 1, 2026, Annual Installment delinquencies of the Phase #1 Assessments were as follows: (i) delinquent for greater than six months: $0.00; (ii) delinquent for greater than one year: $0.00; (iii) delinquent for greater than two years: $0.00.

As of March 1, 2026, there has never been a foreclosure sale of any of the Assessed Property within Phase #1 of the District for non-payment of Phase #1 Assessments.

Prepayment History of Phase #1 Assessments

As of March 1, 2026, there have been no prepayments of the Phase #1 Assessments in Phase #1 of the District.

TIRZ Credit to Phase #1 Assessments

The City created "Reinvestment Zone Number Two, City of Princeton, Texas" (the "Phase #1 Single Family TIRZ") coterminous with the boundaries of Phase #1 of the District. The City intends to use annual tax increment revenues ("Phase #1 Single Family TIRZ Revenues") collected within the Phase #1 Single Family TIRZ to offset a portion of the Phase #1 Assessments levied on the single-family property in Phase #1 annually on a parcel-by-parcel basis. The Phase #1 Single Family TIRZ Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraised value in the Phase #1 Single Family TIRZ in any year. **Phase #1 Single Family TIRZ Revenues will not be used to offset the Assessments levied on property within Improvement Areas #3A-3C of the District.**

Collection and Delinquency History in Phase #2 of the District

THE FOLLOWING SUBSECTIONS SET FORTH, FOR INFORMATIONAL PURPOSES ONLY, INFORMATION REGARDING COLLECTION HISTORY FOR PHASE #2 OF THE DISTRICT RELATING TO THE PHASE #2 ASSESSMENTS LEVIED WITHIN PHASE #2. THE PHASE #2 ASSESSMENTS ARE NOT PLEDGED TO AND WILL NOT BE AVAILABLE FOR PAYMENT OF THE BONDS. NO ASSURANCES CAN BE MADE THAT COLLECTION OF THE ASSESSMENTS WILL REFLECT THE HISTORICAL COLLECTION OF THE PHASE #2 ASSESSMENTS.

The following table shows the collection and delinquency history of the Phase #2 Assessments in the District:

COLLECTION AND DELINQUENCY HISTORY OF PHASE #2 ASSESSMENTS

Fiscal Year Ending 9/30[(1)]	Tax Year Billed	Annual Installment Billed	Delinquent Amount as of 2/1 (following year)	Delinquent Percentage as of 2/1 (following year)	Delinquent Amount as of 8/1 (following year)	Delinquent Percentage as of 8/1 (following year)	Annual Installments Collected[(2), (3)]
2024	2023	$1,024,715.27	$3,496.62	0.34%	$0.00	0.00%	$1,024,715.27
2025	2024	$994,424.36	$62,450.96	6.28%	N/A	N/A	$994,423.99
2026	2025	$1,001,086.85	$87,786.26	8.77%	N/A	N/A	$910,555.02

(1) The Phase #2 Bonds included 18 months of capitalized interest and the first tax year annual installments were billed was 2023.
(2) Does not include interest and penalties.
(3) Information as of March 1, 2026.
Source: Information from MuniCap, Inc. based upon Collin County Tax Assessor and Collectors' records.

Delinquency and Foreclosure History of Phase #2 Assessments

As of March 1, 2026, Annual Installment delinquencies of the Phase #2 Assessments were as follows: (i) delinquent for greater than six months: $0.00; (ii) delinquent for greater than one year: $0.00; (iii) delinquent for greater than two years: $0.00.

As of March 1, 2026, there has never been a foreclosure sale of any of the Assessed Property within Phase #2 of the District for non-payment of Phase #2 Assessments.

TIRZ Credit to Phase #2 Assessments

The City created "Reinvestment Zone Number Five, City of Princeton, Texas" (the "Phase #2 TIRZ") coterminous with the boundaries of Phase #2 of the District and intends to use annual tax increment revenues ("Phase #2 TIRZ Revenues") collected within the Phase #2 TIRZ to offset a portion of the Phase #2 Assessments annually on a parcel-by-parcel basis. The Phase #2 TIRZ Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraised value in the Phase #2 TIRZ in any year. **Phase #2 TIRZ Revenues will not be used to offset the Assessments levied on property within Improvement Areas #3A-3C of the District.**

Collection and Delinquency History of Phases #2-6 Major Improvement Assessments

THE FOLLOWING SUBSECTIONS SET FORTH, FOR INFORMATIONAL PURPOSES ONLY, INFORMATION REGARDING COLLECTION HISTORY FOR THE PORTION OF THE PHASES #2-6 MAJOR IMPROVEMENT ASSESSMENTS LEVIED TO SUPPORT THE PHASES #2-6 MAJOR IMPROVEMENT BONDS. THE PHASES #2-6 MAJOR IMPROVEMENT ASSESSMENTS ARE NOT PLEDGED TO AND WILL NOT BE AVAILABLE FOR PAYMENT OF THE BONDS. NO ASSURANCES CAN BE MADE THAT COLLECTION OF THE ASSESSMENTS WILL REFLECT THE HISTORICAL COLLECTION OF THE PHASES #2-6 MAJOR IMPROVEMENT ASSESSMENTS.

The following table shows the collection and delinquency history of the Phases #2-6 Major Improvement Assessments in the District:

COLLECTION AND DELINQUENCY HISTORY OF PHASES #2-6 MAJOR IMPROVEMENT ASSESSMENTS IN THE DISTRICT

Fiscal Year Ending 9/30[(1)]	Tax Year Billed	Annual Installment Billed	Delinquent Amount as of 3/1 (following year)	Delinquent Percentage as of 3/1 (following year)	Delinquent Amount as of 9/1 (following year)	Delinquent Percentage as of 9/1 (following year)	Annual Installments Collected[(2), (3)]
2023	2022	$607,406.19	0.00%	0.00%	$0.00	0.00%	$607,409.19
2024	2023	$639,987.34	$270.96	0.04%	$0.00	0.00%	$639,987.34
2025	2024	$640,713.23	$1,451.29	0.23%	N/A	N/A	$640,713.23
2026	2025	$689,180.36	$3,766.76	$0.01	N/A	N/A	$684,931.82

(1) The Phases #2-6 Major Improvement Bonds included two years of capitalized interest and the first tax year annual installments were billed was 2022.
(2) Does not include interest and penalties.
(3) Information as of March 1, 2026.
Source: Information from MuniCap, Inc. based upon Collin County Tax Assessor and Collectors' records.

Delinquency and Foreclosure History of Phases #2-6 Major Improvement Assessments

As of March 1, 2026, Annual Installment delinquencies of the Phases #2-6 Major Improvement Assessments were as follows: (i) delinquent for greater than six months: $0.00; (ii) delinquent for greater than one year: $0.00; (iii) delinquent for greater than two years: $0.00.

As of March 1, 2026, there has never been a foreclosure sale of any of the Assessed Property within the District for non-payment of Phases #2-6 Major Improvement Assessments.

Prepayment History of Phases #2-6 Major Improvement Assessments

As of March 1, 2026, there have been no prepayments of the Phases #2-6 Major Improvement Assessments in the District.

THE CITY

Background

The City is located in north central Collin County, approximately 40 miles north of Dallas, approximately 10 miles east of the City of McKinney, and approximately 45 miles northeast of Dallas-Fort Worth International Airport and 43 miles northeast of Dallas Love Field airport. Access to the City is provided by U.S. Highway 380. The City covers approximately 4.3 square miles. The City's location as part of the Dallas-Fort Worth Metroplex has resulted in rapid growth over the last several years. According to the U.S. Census Bureau, the City's 2020 population was 18,388. The City's current estimated population is approximately 46,000.

City Government

The City adopted a Home Rule Charter on November 18, 2022 which changed the composition of City Council and the terms for its City Councilmembers after its November 2023 election. The City Council is now comprised of the Mayor and seven Councilmembers. Councilmembers shall be elected by the City's qualified voters for a term of four (4) years. Seats 1, 2, and 3 shall be elected by the qualified voters of the City at large. Seats 4, 5, 6, and 7 shall be elected by the qualified voters residing in assigned single-member districts, which shall be implemented for the election of Councilmembers for those seats held in 2030 but shall be elected by the qualified voters of the City at-large until districts have been implemented.

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

City Water and Wastewater

The City contracts with the North Texas Municipal Water District to meet the City's water supply needs and with the City of Garland, Texas to meet the City's wastewater treatment needs. The North Texas Municipal Water District supplies water to most of the communities in North Texas, and expanded its capability by building an additional reservoir at the Lower Bois D 'Arc Creek location. The City also owns and operates its own wastewater collection system and processes its effluent through the North Texas Municipal Water District's treatment system. The City expects to have sufficient water and wastewater capacity to serve the Development.

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 districts to pay for certain improvements. The District was created by Resolution No. 2019-06-10-R-04 of the City adopted on June 10, 2019 in accordance with the PID Act (the "Creation Resolution") for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Areas #3A-3C Projects, authorized by the PID Act and approved by the City Council that confer a special benefit to property in Improvement Areas #3A-3C of the District. 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 reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City's extraterritorial jurisdiction. The District is located in the corporate limits of the City. The PID Act provides that the City may levy and collect Assessments on property in the District, or portions thereof, payable in full or periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Improvement Areas #3A-3C Projects. See "THE IMPROVEMENT AREAS #3A-3C 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 improvements, water facilities, sanitary sewer facilities, storm sewer facilities, and storm drainage improvements within Improvement Areas #3A-3C of the District comprising the Improvement Areas #3A-3C 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 C — Form of Service and Assessment Plan."

THE IMPROVEMENT AREAS #3A-3C PROJECTS

General

The Improvement Areas #3A-3C Projects consist of the Improvement Area #3A Improvements, the Improvement Area #3B Improvements, the Improvement Area #3C Improvements and the portion of the Zone Improvements benefitting Improvement Area #3A and Improvement Area #3C. Proceeds of the Bonds will be used, inter alia, to pay for a portion of the costs of the Improvement Areas #3A-3C Projects. The Improvement Areas #3A-3C Projects will be dedicated to the City. The Developers were and are responsible for the completion of the construction, acquisition or purchase of their respective portions of the Improvement Areas #3A-3C Projects. The City will use proceeds of the Bonds to pay for a portion of the costs of construction of the Improvement Areas #3A-3C Projects and, to the extent that the proceeds of the Bonds are insufficient for the cost of the Improvement Areas #3A-3C Projects, the balance of the costs of the applicable Improvement Areas #3A-3C Projects have been or will be paid by the applicable Developer, without reimbursement from the City.

The Master Developer will submit reimbursement requests for costs actually incurred in developing and constructing the Improvement Areas #3A-3C Projects and be reimbursed in accordance with the Indenture and the Construction, Funding, and Acquisition Agreement. See "PLAN OF FINANCE – Development Plan and Status of Development," "APPENDIX C – Form of Service and Assessment Plan," and "APPENDIX F – Form of Construction, Funding, and Acquisition Agreement" herein.

Description of Improvement Areas #3A-3C Projects

Improvement Area #3A Improvements. The Improvement Area #3A Improvements will include roadway improvements, water improvements, sanitary sewer improvements, and storm drainage improvements, and applicable soft and miscellaneous costs benefitting the Improvement Areas #3A of the District, as described below:

Roadway Improvements: The roadway improvement portion within Improvement Area #3A includes construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements: The water improvement portion within Improvement Area #3A consists of construction and installation of waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Improvement Area #3A Assessed Property. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements: The sanitary sewer improvement portion within Improvement Area #3A consist of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area #3A Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements: The storm drainage improvement portion within Improvement Area #3A consists of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Other Soft and Miscellaneous Costs: The other soft and miscellaneous costs include costs related to general conditions, contractor overhead, performance bond and insurance, project management fee, contingency, and other soft costs.

Improvement Area #3B Improvements. The Improvement Area #3B Improvements will include roadway improvements, water improvements, sanitary sewer improvements, and storm drainage improvements, and applicable soft and miscellaneous costs benefitting the Improvement Areas #3B of the District, as described below:

Roadway Improvements: The roadway improvement portion within Improvement Area #3B includes construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements: The water improvement portion within Improvement Area #3B consists of construction and installation of waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Improvement Area #3B Assessed Property. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements: The sanitary sewer improvement portion within Improvement Area #3B consist of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area #3B Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements: The storm drainage improvement portion within Improvement Area #3B consists of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Other Soft and Miscellaneous Costs: The other soft and miscellaneous costs include costs related to general conditions, contractor overhead, performance bond and insurance, project management fee, contingency, and other soft costs.

Improvement Area #3C Improvements. The Improvement Area #3C Improvements will include roadway improvements, water improvements, sanitary sewer improvements, and storm drainage improvements, and applicable soft and miscellaneous costs benefitting the Improvement Areas #3C of the District, as described below:

Roadway Improvements: The roadway improvement portion within Improvement Area #3C includes construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements: The water improvement portion within Improvement Area #3C consists of construction and installation of waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Improvement Area #3C Assessed Property. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements: The sanitary sewer improvement portion within Improvement Area #3C consist of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area #3C Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements: The storm drainage improvement portion within Improvement Area #3C consists of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Other Soft and Miscellaneous Costs: The other soft and miscellaneous costs include costs related to general conditions, contractor overhead, performance bond and insurance, project management fee, contingency, and other soft costs.

Zone Improvements. The Improvement Area #3A Projects and the Improvement Area #3C Projects include Improvement Area #3A's and the Improvement Area #3C's allocable portion of the Zone Improvements, which include roadway improvements, water improvements, sanitary sewer improvements, and storm drainage improvements as described below:

Roadway Improvements: The roadway improvement portion of the Zone Improvements includes construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed

and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements: The water improvement portion of the Zone Improvements consists of construction and installation of waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Zone Improvement Area. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements: The sanitary sewer improvement portion of the Zone Improvements consist of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Zone Improvement Area. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements: The storm drainage improvement portion of the Zone Improvements consists of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

The following table reflects the total expected costs of the Improvement Areas #3A-3C Projects:

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Improvement Areas #3A-3C Projects[*]

	Improvement Area #3A Projects	Improvement Area #3B Improvements	Improvement Area #3C Projects	City PID Fees[(1)]	Total[(2)]
Zone Improvements:					
Roadway Improvements	$440,190	$0	$291,793	$0	$731,983
Water Improvements	$176,198	$0	$116,798	$0	$292,996
Sanitary Sewer Improvements	$239,357	$0	$158,665	$0	$398,022
Storm Drainage Improvements	$84,226	$0	$55,832	$0	$140,058
Subtotal Zone Improvements	*$939,971*	*$0*	*$623,087*	*$0*	*$1,563,058*
Improvement Area #3A, Improvement Area #3B, and Improvement Area #3C Improvements:					
Roadway Improvements	$2,407,446	$3,536,705	$1,605,738	$0	$7,549,888
Water Improvements	$1,170,109	$2,125,913	$741,792	$0	$4,037,814
Sanitary Sewer Improvements	$1,383,822	$2,000,649	$664,281	$0	$4,048,753
Drainage Improvements	$1,626,126	$3,775,070	$1,020,982	$0	$6,422,178
Soft and miscellaneous costs	$424,850	$385,775	$313,095	$0	$1,123,720
Subtotal	*$7,012,353*	*$11,824,112*	*$4,345,888*	*$0*	*$23,182,353*
Estimated Bond Issuance Costs					
Issuance costs	$363,900	$507,000	$221,760	$0	$1,092,660
Administrative expenses	$111,000	$111,000	$111,000	$0	$333,000
Underwriter's discount	$181,950	$253,500	$110,880	$0	$546,330
Capitalized interest	$187,981	$261,903	$114,556	$0	$564,440
Reserve fund	$456,900	$630,000	$281,760	$0	$1,368,660
City PID Fee Account	$0	$0	$0	$2,013,550	$2,013,550
Subtotal Bond Issuance Related Costs	*$1,301,731*	*$1,763,403*	*$839,956*	*$2,013,550*	*$5,918,640*
Total Uses	**$9,254,056**	**$13,587,515**	**$5,808,930**	**$2,013,550**	**$30,664,052**

(1) City PID fees are payable directly by the applicable Developer and are not financed with the proceeds of the Bonds.
(2) Totals may not sum due to rounding.

Ownership and Maintenance of the Improvement Areas #3A-3C Projects

The Improvement Areas #3A-3C Projects will be dedicated to and accepted by the City in accordance with City standards and specifications as outlined in the Construction, Funding, and Acquisition Agreement. See "APPENDIX F – Form of Construction, Funding, and Acquisition Agreement." The City will provide for the ongoing operation, maintenance and repair of such Improvement Areas #3A-3C Projects constructed and conveyed, as outlined in the Service and Assessment Plan.

[*] *Preliminary; subject to change.*

THE DEVELOPMENT AGREEMENT

The Master Developer acquired the property within the District pursuant to an order of the United States Bankruptcy Court, District of Arizona, dated February 4, 2019 in the bankruptcy proceeding of McCavity Company, LLC, the prior owner of the land, Case No. 2:17-bk-08474-BKM. In connection with the court order, the Master Developer received an assignment of the original development agreement relating to land within the District (the "Original Development Agreement"). The Master Developer and the City entered into a separate Development Agreement (as amended from time to time, the "Development Agreement"), which amended, restated and replaced the Original Development Agreement.

The Development Agreement sets forth certain agreements between the City and the Master Developer relating to the development of all property within the District, including the Master Developer's and the City's respective contributions to the Development, and agreements relating to tax increment reinvestment zones in the District (each, a "TIRZ") and the issuance of public improvement district bonds for development in the District.

Under the Development Agreement, the Master Developer is obligated to:

- Pay to the City a "City PID Fee" in the amount of $2,615 per lot at the closing of the Bonds;
- Fund and construct all water, road, and sanitary sewer improvements required to serve the District not funded by the City pursuant to the Development Agreement;
- Prior to the recording of a final plat for each Phase, and not more than twenty-four months after the issuance of bonds for the relevant Phase, complete the road, water and wastewater improvements to be constructed within such Phase;
- Dedicate 3 acres of property in the District for the construction of a water tower;
- construct two southbound lanes of North Beauchamp Boulevard to US380 as a part of Phase #1 and prior to the issuance of any building permits for a structure in Phase #2, with the cost to be shared 57% by the Master Developer and 43% by the City. Such improvements have been completed.;
- construct two northbound lanes of North Beauchamp Boulevard to US380 as a part of Phase #2 and prior to the issuance of any building permits for a structure in Phase 3, with the cost to be shared 57% by the Master Developer and 43% by the City. Such improvements have been completed.; and
- construct an Amenity Center ("Amenity Center") on a site that is approximately seven and one half (7.5) acres, construction of which shall begin within six (6) months following recordation of the final plat for Phase #1 of the Development and shall be completed prior to the issuance of building permits for Phase 3 of the Development. The Amenity Center shall consist of a pool, a cabana of at least 2,000 square feet, kiddy play area, water feature, baseball field, soccer field, playground equipment, and clubhouse (includes catering kitchen and workout room). The Amenity Center is completed.

Under the Development Agreement, the City is obligated to:

- Acquire, through dedication or the use of public improvement district proceeds, 3 acres of land to be used as a fire station;
- Acquire, through dedication or the use of public improvement district proceeds, 6-7 acres of land to for use by the City.

The City has acquired such land.

The Development Agreement also sets forth the City's commitment with respect to the use of funds generated by tax increment reinvestment zones formed within the District, including the Phase #1 Single Family TIRZ and the Phase #2 TIRZ. The Development Agreement provides that, in accordance with each TIRZ Project and Finance Plan, each TIRZ Fund shall pay for the following improvements by off-setting or paying a portion of any PID assessments

levied on the Property for the costs of capital improvements that are Authorized Improvements and qualify as projects under the TIRZ Act for a period not to exceed thirty-one (31) years from the date of creation or until the amount of all funds collected as the TIRZ increment placed into all of the separate TIRZ Funds has an aggregate total of $4,878,877.00, whichever comes first.

The City and the Master Developer have agreed that no additional TIRZs shall be formed in the District after the Phase #1 Single Family TIRZ and the Phase #2 TIRZ. No TIRZ revenues will be used to offset the Assessments levied on property within Improvement Areas #3A-3C of the District.

THE DEVELOPMENT

The following information has been provided by the Developers. Certain of the following information is beyond the direct knowledge of the City, the City's representatives and professional providers, 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 Development encompasses approximately 852.536 acres being developed as a master planned mixed use community located within the municipal limits of the City, north of Monte Carlo, east of CR 406, south of CR 408, and west of FM 75. The City is located in the north-central region of the Dallas-Fort Worth-Arlington, Texas Metropolitan Statistical Area (the "DFW MSA"), and are poised for significant growth as the overall DFW MSA continues its growth trajectory. The Development is approximately 10 miles east of the City of McKinney, 23 miles northeast of the City of Frisco, and 41 miles northeast of the City of Dallas. It is approximately 45 miles northeast of Dallas-Fort Worth International Airport and 43 miles northeast of Dallas Love Field airport. The Development is located within the Princeton Independent School District.

The Developers will develop infrastructure and community improvements, complete lots and construct homes to be sold to end users within the Development. The Development will include a variety of parks, trails, an amenity center, and open space areas for its residents and others to enjoy.

General Development Plan

The development is expected to be a mixed-use development expected to consist of approximately 2,549 single-family units in a combination of 50', 60' and 75' lots, approximately 400 Multifamily units, a community complex, and a fire station. The current development plan is divided into stages, which began with the concurrent development of the Phase #1 Improvements and the Major Improvements, continued with the Phase #2 Improvements and is continuing with development of the Improvement Areas #3A-3C Projects.

The Master Developer was responsible for the construction of the Phase #1 Improvements, the Phase #2 Improvements and the Major Improvements and construction of such projects has been completed. All of the Phase #1 Improvements, Phase #2 Improvements and Major Improvements have been dedicated to and accepted by the City. See "THE DEVELOPMENT – Update on Phase #1" and "– Update on Phase #2" for information on the status of lot and home sales in Phase #1 and Phase #2. The Multifamily units are located in Phase #1 of the District and vertical development of such units has been completed.

The Developers are responsible for the construction of the Improvement Areas #3A-3C Projects, a portion of which have been completed and dedicated to the City. See "THE DEVELOPMENT – Development Plan and Status of Development in Improvement Areas #3A-3C."

Development of the District is expected to continue on a phased basis in the Future Phases with full horizontal buildout of the District expected to be completed by Q2 2029. See THE DEVELOPMENT — Concept Plan."

Concept Plan

Below is a map of each of the phases within the District and the current conceptual land use plan of the Development as approved by the City. The concept plan is conceptual and subject to change consistent with the zoning regulations set forth for the District. See "— Zoning" below.

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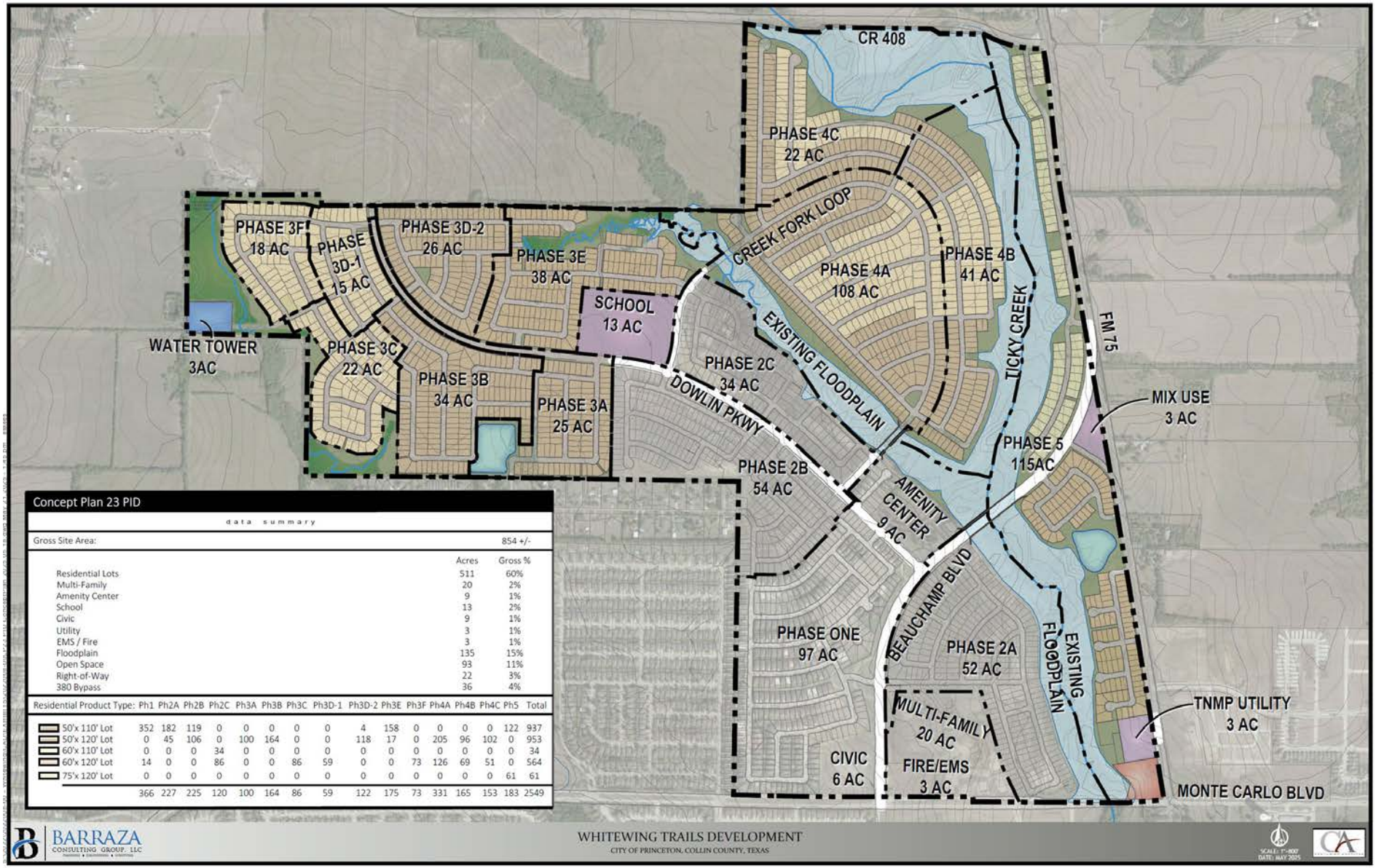
CR 408
PHASE 4C
22 AC
PHASE 3F
18 AC
PHASE
3D-1
15 AC
PHASE 3D-2
26 AC
PHASE 3E
38 AC
CREEK FORK LOOP
PHASE 4A
108 AC
PHASE 4B
41 AC
SCHOOL
13 AC
EXISTING FLOODPLAIN
TICKY CREEK
FM 75
WATER TOWER
3AC
PHASE 3C
22 AC
PHASE 3B
34 AC
PHASE 3A
25 AC
PHASE 2C
34 AC
DOWLIN PKWY
MIX USE
3 AC
PHASE 5
115AC
PHASE 2B
54 AC
AMENITY
CENTER
9 AC
BEAUCHAMP BLVD
PHASE ONE
97 AC
PHASE 2A
52 AC
EXISTING
FLOODPLAIN
TNMP UTILITY
3 AC
MULTI-FAMILY
20 AC
CIVIC
6 AC
FIRE/EMS
3 AC
MONTE CARLO BLVD
Concept Plan 23 PID
data summary
Gross Site Area: 854 +/-
Acres Gross %
Residential Lots 511 60%
Multi-Family 20 2%
Amenity Center 9 1%
School 13 2%
Civic 9 1%
Utility 3 1%
EMS / Fire 3 1%
Floodplain 135 15%
Open Space 93 11%
Right-of-Way 22 3%
380 Bypass 36 4%
Residential Product Type: Ph1 Ph2A Ph2B Ph2C Ph3A Ph3B Ph3C Ph3D-1 Ph3D-2 Ph3E Ph3F Ph4A Ph4B Ph4C Ph5 Total
50'x 110' Lot 352 182 119 0 0 0 0 0 4 158 0 0 0 0 122 937
50'x 120' Lot 0 45 106 0 100 164 0 0 118 17 0 205 96 102 0 953
60'x 110' Lot 0 0 0 34 0 0 0 0 0 0 0 0 0 0 0 34
60'x 120' Lot 14 0 0 86 0 0 86 59 0 0 73 126 69 51 0 564
75'x 120' Lot 0 0 0 0 0 0 0 0 0 0 0 0 0 0 61 61
366 227 225 120 100 164 86 59 122 175 73 331 165 153 183 2549
BARRAZA
CONSULTING GROUP, LLC
WHITEWING TRAILS DEVELOPMENT
CITY OF PRINCETON, COLLIN COUNTY, TEXAS

Update on Phase #1

The following table summarizes the status of home sales, construction and lot delivery in Phase #1 of the District as of February 1, 2026.

Status of Homes in Phase #1								
Lot Type	Qty.	Completed Lots	Lots owned by Developer	Lots Closed to Homebuilders	Homes Under Construction	Completed Homes	Homes Closed to End Users	Average Home Price[(1)]
50’	352	352	0	352	0	352	352	$268,000
60’	14	14	0	14	0	14	14	$286,000
TOTAL	366	366	0	366	0	366	366	

(1) Reflects average sale prices at the time of sale.

Update on Phase #2

The following table summarizes the status of home sales, construction and lot delivery in Phase #2 of the District as of February 1, 2026.

Status of Homes in Phase #2								
Lot Type	Qty.	Completed Lots	Lots owned by Developer[(1)]	Lots Closed to Homebuilders	Homes Under Construction	Completed Homes	Homes Closed to End Users	Average Home Price
50’	452	452	3	449	6	424	414	$397,342
60’	120	120	0	120	1	117	116	$491,646
TOTAL	572	572	3	569	7	541	530	N/A

(1) Includes lots owned by Developer and a developer affiliate formed to hold finished lots.

Development Plan and Status of Development in Improvement Areas #3A-3C

Improvement Area #3A consists of 264 50’ lots, a portion of which (100 50’ lots in Phase #3A) is owned by and was developed by the Master Developer and a portion of which (164 50’ lots in Phase #3B) is owned by and was developed by Pulte. Improvement Area #3B, which is owned and is being developed by DR Horton, is expected to consist of 331 lots (with a mixture of 50’ and 60’ lots) when completed. Improvement Area #3C, which is owned and is being developed by GRBK, is expected to consist of 175 50’ lots. See “THE DEVELOPMENT – Concept Plan.” Photographs of completed development in Improvement Areas #3A-3C of the District are included herein as APPENDIX H.

The Master Developer was responsible for constructing the Phase #3A Improvements and is responsible for constructing the Zone Improvements. Construction of the Phase #3A Improvements was completed in Q3 2025. The cost of the Phase #3A Improvements was $3,101,573, all of which was funded by the Master Developer with the Master Developer Loan. Construction of the Zone Improvements was completed in Q3 2025. The cost of the Zone Improvements was $2,773,628, all of which was funded by the Master Developer with the Master Developer Loan. See “THE DEVELOPERS – History and Financing of the District.”

Pulte was responsible for constructing the Phase #3B Improvements. Construction of the Phase #3B Improvements was completed in Q3 2025. The cost of the Phase #3B Improvements was approximately $4,850,751, all of which was funded with corporate cash. See “THE DEVELOPERS – History and Financing of the District.”

DR Horton has completed the Improvement Area #3B Improvements for the lots in Improvement Area #3B, which consist of two subphases, Phase #4A-1 with 295 lots and Phase #4A-2 with 36 lots. Construction of the Improvement Area #3B Improvements began in Q3 2024 and was completed in February 2026. The cost of the Improvement Area #3B Improvements was $11,824,112, all of which was funded by DR Horton with corporate cash. See “THE DEVELOPERS – History and Financing of the District.” Lots in Phase #4A-1 are available for the construction of homes as of March 2026. Lots in in Phase #4A-2 are expected to be available for construction

of homes in Q4 2026 after a final letter of map revision is adopted for such lots. See "THE DEVELOPMENT – Flood Designation."

GRBK is responsible for constructing the Improvement Area #3C Improvements. Construction of the Improvement Area #3C Improvements began in Q1 2025 and is expected to be completed in Q2 2026. The expected cost of the Improvement Area #3C Improvements is $4,968,975*. As of February 1, 2026, GRBK had expended approximately $4,428,996 on the Improvement Area #3C Improvements, which was funded with corporate cash. See "THE DEVELOPERS – History and Financing of the District."

Homebuilders in Improvement Areas #3A-3C

The Master Developer is under contract with Beazer for all 100 lots in Phase #3A, which is part of Improvement Area #3A. Beazer has deposited $2,262,900 in earnest money pursuant to the Beazer Contract, which earnest money applies to Phase #3A and prior phases in the District. Beazer and the Master Developer have entered into the Beazer Termination pursuant to which the Master Developer and Beazer have agreed that the Master Developer will enter into a replacement contract for the lots in Phase #3A of Improvement Area #3A with a separate builder and the parties will terminate the Beazer Contract with respect to the purchase of the lots in Phase #3A effective upon (i) the Master Developer's receipt and deposit of a non-refundable deposit of $880,505.62 in replacement earnest money from such separate builder (the "Replacement Earnest Money") into an escrow account pursuant to an escrow agreement and (ii) release of the earnest money deed of trust applicable to Phase #3A (the "Termination Condition"). The Beazer Termination provides that the Replacement Earnest Money is to be returned to Beazer upon Beazer's closing of paper lots in Future Improvement Areas of the District pursuant to a separate purchase contract. The Beazer Termination provides that if the Termination Condition does not occur prior to April 24, 2026, the Beazer Contract shall remain in place, the earnest money deed of trust will not be released, and Beazer's obligations to purchase lots in Phase #3A of Improvement Area #3 shall continue.

The Master Developer and Lennar have executed the Lennar Contract. Such contract is currently in feasibility, which feasibility period ends on April 11, 2026. Lennar is expected to deposit $875,000 in replacement earnest money not later than April 11, 2026, and such Lennar Contract is expected to replace the Beazer Contract upon payment of such earnest money, along with additional funds from the Master Developer, to Beazer.

The following table provides a summary of the terms and takedown schedule of lots in Phase #3A of Improvement Area #3A under the Beazer Contract.

Homebuilder	Phase	Total Lots	Base Price per lot*		Additional Fees	Lots per Takedown
Beazer	#3A	100	50' lots	$81,250	$500/lot marketing fee $1,500/lot Amenity fee $1,800/lot PID fee	15 lots at initial closing for each phase; 12 lots each 90 day period thereafter

* Excludes 6% annual escalator.

The following table provides a summary of the terms and takedown schedule of lots in Phase #3A of Improvement Area #3A under the Lennar Contract, which terms shall replace the above terms of the Beazer Contract if the Lennar Contract is not terminated prior to the end of feasibility.

Homebuilder	Phase	Total Lots	Base Price per lot*		Additional Fees	Lots per Takedown
Lennar	#3A	100	50' lots	$87,500	$500/lot marketing fee $1,500/lot Amenity fee $1,800/lot PID fee	15 lots at initial closing for each phase; 6 lots within 90 days after the initial closing; 15 lots each 90 day period thereafter

* Excludes 7% annual escalator.

* *Preliminary; subject to change.*

Pulte will serve as homebuilder for all 164 lots in Phase #3B of Improvement Area #3A. DR Horton will serve as builder for all 331 lots in Improvement Area #3B. GRBK will serve as homebuilder for all 175 lots in Improvement Area #3C.

Expected Build-Out and Home Prices in Improvement Areas #3A-3C

The Developers' current expectations regarding estimated single-family home prices in Improvement Area #3A-3C are as follows:

ESTIMATED AVERAGE LOT AND HOME PRICES IN IMPROVEMENT AREAS #3A-3C

Improvement Area	Lot Size (Width in Ft.)	Quantity	Base Lot Price/Value[(1)]	Estimated Home Price
#3A (Master Developer)	50'	100	$81,250	$425,000
#3A (Pulte)	50'	164	$91,000-$96,000	$425,000
#3B	50'	205	$85,000	$350,000[(2)]
	60'	126	$100,000	$350,000[(2)]
#3C	50'	175	$85,000	$380,000[(2)]

(1) Estimates provided by the respective Developer other than for Master Developer, which values are based on the sale price under the lot contract. Differs from values set forth in the Appraisal. See "APPRAISAL."

(2) Estimates provided by the respective Developer which differ from the estimated average values used to levy Assessments. Represents base home price reflecting incentives and prior to customization for Improvement Area #3B and Improvement Area #3C.

The following tables provide the Developers' expected build-out and absorption schedule for Improvement Areas #3A-3C.

ACTUAL/EXPECTED BUILD-OUT SCHEDULE OF IMPROVEMENT AREAS #3A-3C

Improvement Area	Single-Family Lots	Actual Infrastructure Start Date	Actual/Expected Infrastructure Completion Date	Expected Final Sale Date*
#3A (Master Developer)	100	Q4 2024	Q3 2025	Q2 2028
#3A (Pulte)	164	Q2 2024	Q3 2025	Q3 2029
#3B	331	Q3 2024	Q1 2026	Q2 2028
#3C	175	Q1 2025	Q2 2026	Q1 2029

* Reflects expected final sale of lots held by the Master Developer in Phase #3A of Improvement Area #3A and final sale to homeowners for Improvement Area #3B, Improvement Area #3C and Pulte lots in Improvement Area #3A.

EXPECTED ABSORPTION OF LOTS IN PHASE #3A (IMPROVEMENT AREA #3A) OF THE DISTRICT

Expected Final Sale Date	Total Lots
Q2 2026	15
Q3 2026	12
Q4 2026	12
Q1 2027	12
Q2 2027	12
Q3 2027	12
Q4 2027	12
Q1 2028	12
Q2 2028	1
Total	100

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EXPECTED ABSORPTION OF HOMES IN PHASE #3B (IMPROVEMENT AREA #3A), IMPROVEMENT AREA #3B AND IMPROVEMENT AREA #3C OF THE DISTRICT

Phase #3B (Improvement Area #3A)		Improvement Area #3B		Improvement Area #3C	
Expected Final Sale Date	Total Homes	Expected Final Sale Date	Total Homes	Expected Final Sale Date	Total Homes
Q2 2026	7	Q3 2026	45	Q3 2026	6
Q3 2026	12	Q4 2026	45	Q4 2026	18
Q4 2026	13	Q1 2027	45	Q1 2027	18
Q1 2027	12	Q2 2027	45	Q2 2027	18
Q2 2027	12	Q3 2027	45	Q3 2027	18
Q3 2027	12	Q4 2027	45	Q4 2027	18
Q4 2027	12	Q1 2028	45	Q1 2028	18
Q1 2028	12	Q2 2028	16	Q2 2028	18
Q2 2028	12	Total	331	Q3 2028	18
Q3 2028	12			Q4 2028	18
Q4 2028	12			Q1 2029	7
Q1 2029	12			Total	175
Q2 2029	12				
Q3 2029	12				
Total	164				

Future Phase Bonds

Additional Future Phase Bonds to finance the cost of Future Phase Improvements are anticipated to be issued in the future. The estimated costs of the Future Phase Improvements of the District will be determined at the time such phases are developed, and the Service and Assessment Plan will be updated to identify the improvements to be constructed within the Future Phases of the District and financed by each new series of Future Phase Bonds. Such Future Phase Bonds will be secured by separate assessments levied on each phase pursuant to the PID Act on assessable property within the Future Phases of the District, as applicable. The Master Developer anticipates that additional Future Phase Bonds will be issued over a two-to-three-year period.

The Bonds, the Phase #1 Bonds, the Phase #2 Bonds, the Phases #2-6 Major Improvement Bonds and any Future Phase Bonds issued by the City are separate and distinct issues of securities. The City reserves the right to issue Future Phase Bonds for any purpose permitted by the PID Act, including those described above.

Zoning

The District is zoned as a planned development district pursuant to Ordinance 2009-07-28, as amended by Ordinance 2016-08-22, and as further amended by Ordinance 2019-06-24-01, each adopted by the City Council (collectively, the "PDD Ordinance"). The PDD Ordinance allows certain residential uses and establishes guidelines pertaining to purpose, height, area, setbacks, aesthetics, landscaping and use. Pursuant to the PDD Ordinance, the total number of single-family dwelling units may not exceed 3,000 units and the total number of multifamily units may not exceed 500 units. Because the District lies within the city limits of the City, the City's zoning and subdivision regulations control the aspects of development not specifically set forth in the PDD Ordinance or the Development Agreement.

On September 23, 2024, the City Council approved a 120-day suspension of acceptance, authorization, permits, and approvals necessary for residential property development (i.e., subdivision, platting, construction, reconstruction, or other alteration or improvement) within the City's corporate limits and extraterritorial jurisdiction. On January 13, 2025, the City extended such moratorium for an additional 180 days, through July 12, 2025, and on June 23, 2025, the City extended such moratorium for an additional 160 days through November 30, 2025. Under State law, the City cannot adopt a similar moratorium for two years after the November 30, 2025 expiration of the moratorium. Such suspension excluded ongoing projects, grandfathered projects with vested rights, and executed development agreements and, accordingly, such suspension did not apply to the District..

Amenities and Private Improvements

Private Improvements. The Master Developer has constructed private improvements in Phase #3A of the District consisting of landscaping and retaining walls. The cost of such private improvements is approximately $743,395, which was funded with the Master Developer Loan.

Pulte has constructed private improvements in Phase #3B of the District consisting of landscaping and retaining walls. The cost of such private improvements was approximately $464,500, which was funded with cash.

DR Horton has constructed private improvements in Improvement Area #3B of the District consisting of retaining walls. The expected cost of such private improvements was approximately $315,000, which was funded with cash.

GRBK expects to construct private improvements in Improvement Area #3C of the District consisting of retaining walls, grading, soft costs, hardscape screening and entry monuments, landscape/irrigation and franchise utilities/streetlights. The expected cost of such private improvements is approximately $2.8 million, which is expected to be funded with cash provided by the Unsecured Revolving Credit Facility (as defined herein). As of February 1, 2026, GRBK had spent approximately $1.5 million on construction of such private improvements.

Amenities. The Master Developer constructed the Amenity Center with a swimming pool, a cabana, a kiddie play area, a water feature, a baseball field, a soccer field, playground equipment, and a clubhouse with a catering kitchen and a workout room and other open space amenities in Phase #1 and Phase #2 of the Development. The Master Developer completed the Amenity Center in Q3 2025. The Master Developer expended approximately $1 million on construction of the Amenity Center, which was funded with the Master Developer Loan.

The Master Developer is constructing a master trail and park system in the Development. The Master Developer has expended approximately $100,000.00 on such system, and the Developer is expected to continue construction of the master trail and park system concurrently with the Master Developer's development of the Future Phases. Such costs were funded by various development loans, including the Master Developer Loan. Photographs of the Amenity Center and other amenities are below:

Education

The Princeton Independent School District ("PISD") serves the District. PISD encompasses 60 square miles and serves the City and the surrounding communities of Culleoka, Lowry Crossing, Branch, Climax, and the west side of Lake Lavon. PISD enrolls over 11,000 students in two high schools, three middle schools, eight elementary schools, and an early childhood development center. Children in the Development will attend Green Elementary School (located in the District), Southard Middle School (approximately 1.1 miles from the Development), and Princeton High School (approximately 3.1 miles from the Development). According to the Texas Education Agency ("TEA"), Princeton ISD, Green Elementary School, Southard Middle School, and Princeton High School each received an "Accountability Rating" of "B" for the 2024-2025 school year. Greatschools.org rates Southard Middle School an 8/10 and Princeton High School a 6/10. Greatschools.org has not yet rated Green Elementary School.

Utilities

The City will provide both water and wastewater service to the Development. See "THE CITY – City Water and Wastewater."

The Developers expect additional utilities to be provided by: (1) Phone/Data – AT&T and Spectrum, (2) Electric – Texas New Mexico Power; (3) Cable –AT&T and Spectrum; and (4) Natural Gas - Atmos.

Existing Mineral Rights and Other Third-Party Property Rights

Third parties, including an entity related to the Developers, hold title to certain rights applicable to real property within and around the District, 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. Certain of the Third-Party Property Rights provide mineral rights owners a right to enter onto the surface of the District and use the surface to explore, develop, drill, produce or extract minerals within the District. Certain state and local laws, including rules and regulations of the Texas Railroad Commission, may substantially restrict the ability of mineral rights owners to explore, develop or otherwise exercise their Third-Party Property Rights.

In connection with a Surface Use Agreement (the "Surface Use Agreement"), Princeton Meadows, LP ("Princeton Meadows") retained a mineral estate in the land in the District but is prohibited from conducting any oil, gas and mineral development operations outside of a three-acre drill site, the location of which is to be determined by the Master Developer. In April 2024, the Master Developer designated a three-acre drill site in the District for use by Princeton Meadows in drilling activities as permitted under the Surface Use Agreement. Such site is located adjacent to right-of-way dedicated to Collin County for roads and is located in Phase 2A of the District, which is outside of Improvement Areas #3A-3C.

Although the Developers do 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 Developers make no guarantee as to such expectation. See "BONDHOLDERS' RISKS — Exercise of Third-Party Property Rights."

Environmental

Phase One. Avanco Environmental, Incorporated ("AEI") performed an update to a Phase One Environmental Site Assessment (the "ESA"), dated June 9, 2017, of the subject property, known as Whitewing Trails, Texas, which included the property within the District (the "Subject Property"). According to AEI, the ESA was performed in accordance with the requirements of American Standard of Testing and Materials (ASTM) E1527-13 to identify recognized environmental conditions that may be associated with the subject property. AEI utilized information from a prior ESA dated June 9, 2017 of the Subject Property to avoid undertaking duplicative information. AEI performed a current investigation on August 1 thru August 8, 2018 of conditions likely to affect recognized environmental conditions in connection with the subject property. Additional tasks were necessary to document conditions that may have changed materially since the prior environmental site assessment that was conducted on June 9, 2017. AEI found no evidence to suggest the presence of, or improper disposal of, hazardous and/or regulated materials on the Subject Property.

Additional updated Phase One environmental site assessments were performed by (i) UES with respect to Pulte's property in Phase #3A of the District and (ii) by Integrated Environmental Solutions, LLC with respect to GRBK's property in Improvement Area #3C of the District, each of which did not reveal evidence of any recognized environmental conditions on the applicable subject property.

Endangered Species According to the website for the United States Fish and Wildlife Service, the golden cheeked warbler, the black-capped vireo, least tern and the whooping crane are endangered species in Collin County. The Developers are not aware of any endangered species located on District property.

Flood Designation

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) 48085C0285J, dated June 2, 2009, a majority of the overall approximately 854-acre property in the Development is located in Zone X. Zone X corresponds to areas outside of the 500-year flood plain. According to estimates made by the original engineer, an approximately 206-acre portion of the District was located in Zone A with no base flood elevations determined. Zone A corresponds to special flood hazard areas subject to inundation by the 100-year flood, with no Base Flood Elevations determined. Mandatory flood insurance purchase requirements apply in areas designated as Zone A.

No land in Improvement Area #3A is located in a floodplain.

The lots in the Phase 4A-2 portion of Improvement Area #3B are in the 100-year floodplain according to the FEMA FIRM map. DR Horton has constructed improvements necessary to move such lots out of the floodplain and applied for a letter of map revision in December 2025. DR Horton expects to receive such letter of map revision removing the lots from the floodplain in Q4 2026.

A portion of the land in Improvement Area #3C is located in the 100-year and 500-year floodplains. Such acreage is expected to dedicated as open space or a drainage easement. No reclamation activities are occurring with respect to such land.

See "BONDHOLDERS' RISKS – 100-Year and 500-Year Floodplain."

THE DEVELOPERS

The following information has been provided by the Developers as it relates to their respective information. 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 Master Developer

The Master Developer is an affiliate of Centurion and was created by Centurion for the purpose of managing and ultimately conveying property in the District to third parties, as described under the caption "THE DEVELOPMENT." The Master Developer is a nominally capitalized limited liability company, the primary asset of which is unsold property within the District. The Master 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 Master Developer by an affiliated party. The Master Developer's ability to make full and timely payments of Assessments or taxes will directly affect the City's ability to meet its obligation to make payments on the Bonds.

Since 1990, Centurion has developed over 100,000 single-family lots in dozens of communities surrounding North Texas. It has worked closely with investors, land-owners, financial institutions, and vendors to acquire over 50,000 acres of land inventory for a diverse mix of developments in size and scope. Centurion's communities include amenities such as parks, golf courses, water park themes, and hiking and biking trails. Over the past thirty years, Centurion has demonstrated the ability to successfully deliver master-planned communities that have been recognized in the real estate industry.

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

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

Name	County	Property Type	Starting Home Price	Status of Development
Alpha Ranch	Wise/Denton	Single-family	$400,000	Excavation starting in May 2025
Anna Hurricane Creek*	Collin	Single-family	$390,000	PID Bonds issued; Phase 1: Started 9/2018, Currently Being Developed
Anna Hurricane North*	Collin	Single-family	$390,000	Development Ongoing - HB Building
Arboretum Estates*	Kaufman	Mixed-use	$390,000	Excavation underway.
Bear Creek	Dallas	Single-family	$280,000	Development Ongoing - HB Building
Bryson Ranch*	Denton	Mixed-use	$390,000	Excavation underway.
Cartwright Ranch*	Kaufman	Single-family	$290,000	Development Ongoing - HB Building
Chalk Hill*	Collin	Single-family	$390,000	Development Ongoing - HB Building
City Point*	Tarrant	Mixed-use	$390,000	Development Ongoing - HB Building
Collin Creek Redevelopment*	Collin	Mixed-use	$515,000	Development Ongoing - HB Building
Cottonwood*	Grayson	Mixed-use	$400,000	Utilities underway.
Creekside of Crowley	Tarrant	Single-family	$350,000	Development Ongoing - Mattamy Building
Creekview Meadows*	Denton	Single-family	$420,000	Development Ongoing - HB Building
"Chaparral Ridge* (Duck Point)"	Denton	Single-family	$390,000	Pre-development process.
Edgewood Creek*	Denton	Single-family	$670,000	Development Ongoing - HB Building
Enchanted Creek	Collin	Single-family	$1,000,000	Development Ongoing - HB Building
Entrada at Westlake	Tarrant	Mixed-use	$1,100,000	Development Ongoing - HB Building
Erwin Farms	Collin	Single-family	$529,000	Development Ongoing - HB Building
Taylor Ranch*	Grayson	Single-family	$400,000	Pre-development process
Frisco Hills	Denton	Single-family	$720,000	Development Complete / HB Finishing Up
Harper Estates*	Collin	Single-family	$1,280,000	PID Bonds issued; HB Building
"Highpoint Village* (Mantua Tract)"	Grayson	Single-family	$380,000	Excavation underway.
Iron Horse Village*	Dallas	Mixed-use	$250,000	Development Ongoing / HB Complete
Kensington Gardens	Dallas	Single-family	$750,000	Development Ongoing / HB Building
"Lakeside Crossing* (Fronterra)"	Denton	Townhome/Multi-family	$365,000	PID Bonds issued; Development Ongoing / Closed all TH lots
Lily Creek at Sutton Fields*	Collin	Single-family	$500,000	PID Bonds issued; Development Ongoing
Mercer Crossing*	Dallas	Mixed-use	$590,000	Last Phase Going - HB Building
Mobberly Farms*	Denton	Single-family	$278,000	Development Ongoing - HB Building
Montalcino Estates	Denton	Single-family	$1,500,000	Development Ongoing - HB Building
Northlake Estates*	Denton	Single-family	$570,000	Development Ongoing - HB Building
Polo Ridge*	Kaufman	Single-family	$480,000	Development Ongoing - HB Building
Saddlebrook Estates	Ellis	Single-family	$320,000	Next Phase Going Through Engineering
Spiritas Ranch East*	Denton	Single-family	$390,000	Development Ongoing - HB Building
Spiritas Ranch*	Denton	Single-family	$460,000	Development Ongoing - HB Building
Sutton Fields East*	Collin	Single-family	$490,000	PID Bonds issued; Development Ongoing
Sutton Fields*	Denton	Single-family	$480,000	Development Ongoing - HB Building
Swan Lake Estates	Dallas	Single-family	$850,000	Utilities underway.

The Bridges at Preston Crossings	Grayson	Single-family	$700,000	Development Ongoing; New Phase Being Developed
"The Estates at Eagle Mountain* (Sheelin)"	Tarrant	Single-family	$490,000	Pre-development process.
The Estates at Southfork Ranch	Collin	Single-Family	$2,000,000	Pre-development process.
The Resort on Eagle Mountain Lake	Tarrant	Single	$550,000	Development Ongoing - Builder Doing Takedowns
Thunder Rock*	Burnet	Mixed-use	$320,000	Development Ongoing - HB Building
Travis Ranch	Kaufman	Single-family	$290,000	Development Ongoing - HB Building
University Hills	Dallas	Single-family	$390,000	Pre-development process
Valencia on the Lake*	Denton	Single-family	$500,000	Next Phase Going Through Engineering
Verandah	Rockwall	Single-family	$250,000	Development Ongoing - HB Building
Wade Settlement	Collin	Single-family	$600,000	Last Phase Going - Mattamy Building
Walden Pond	Kaufman	Single/Multi-family	$320,000	Development Ongoing - HB Building
Water's Edge	Denton	Single/Multi-family	$450,000	Development Ongoing - HB Building
Waterfront at Enchanted Bay	Tarrant	Single-family	$400,000	Phase 1: Started 5/2005 * Phase 1: Delivered 2/2007 Phase 2: Being Engineered
Whitewing Trails*	Collin	Single-family/Multi-family	$400,000	Development Ongoing - HB Building
Barcelona	Collin	Single-family	$450,000	Development Complete / HB Complete
Bloomridge	Collin	Single-family	$400,000	Development Complete / HB Complete
Bonds Ranch	Tarrant	Single-family	$250,000	Purchased all Finished Lots / All Lots sold in Q4 2017
Brookfield	Denton	Single-family	$280,000	Sold Land
Carter Ranch	Collin	Single-family	$250,000	Development Complete / HB Complete
Chateaus of Coppell	Dallas	Single-family	$1,300,000	Development Ongoing - HB Building
Creeks of Legacy	Denton/Collin	Single-family	$450,000	Development Complete / HB Complete
Crestview at Prosper Creek	Collin	Single-family	$350,000	Complete - Megatel Finishing Construction
Crown Valley	Parker	Single-family	$350,000	Development Complete / Sold Phase / Pod Sale
Deer Creek North	Tarrant	Single-family	$225,000	Development Complete / HB Complete
Dominion Estates	Tarrant	Single-family	$225,000	Development Complete / HB Complete
Dove Creek	Collin	Single-family	$450,000	Development Complete / HB Complete
Estancia	Tarrant	Single-family	$550,000	Development Complete / HB Complete
Estancia Estates	Denton	Single-family	$500,000	Development Complete / HB Complete
Falls of Prosper	Collin	Single-family	$500,000	Development Complete / HB Complete
Founders Parc	Tarrant	Single/Multi-family	480,000	Development Complete / HB Complete
Frisco Ranch	Denton	Single-family	$350,000	Development Complete / HB Complete
Garden Springs	Tarrant	Single-family	$300,000	Development Complete / HB Complete
Hickory Farms*	Dallas	Single-family	TBD	Development Complete / HB Complete
Highlands Glen	Denton	Single-family	$400,000	Development Complete / HB Complete
Hills of Lake Country	Tarrant	Single-family	$250,000	Development Complete / HB Complete
Hillstone Pointe*	Denton	Single-family	$350,000	Phase 1: Delivered 12/2017, Remainder Raw Land Sold to Horton & Lennar
Kings Ridge (Denton)	Denton	Single/Multi-family	$250,000	Sold Land to DR Horton

Knox Ranch	Hood	Mixed-use	$550,000	HB Complete
Lakewood Hills	Denton	Single-family	$550,000	Development Complete / HB Complete
Lexington Parke	Travis	Single-family	$250,000	Development Complete / HB Complete
Llano Springs	Tarrant	Single-family	$250,000	Development Complete / HB Complete
McKinney Greens	Collin	Single-family	$250,000	Development Complete / HB Complete
Mountain Creek	Dallas	Multi-family	$325,000	Development Complete / HB Complete
Northpointe Crossing	Collin	Single-family	$200,000	Development Complete / HB Complete
Oak Hollow	Collin	Single-family	$200,000	Development Complete / HB Complete
Ownsby Farms	Collin	Single-family	$400,000	Development Complete / HB Complete
Palomar Estates	Tarrant	Single-family	$850,000	Development Complete / HB Complete
Preston Hills	Collin	Single-family	$400,000	Development Complete / HB Complete
Prestwyck	Collin	Mixed-use	$390,000	Development Complete / HB Complete
Residences at the Stoneleigh	Dallas	Condo	$750,000	Development Complete
Rolling Meadows	Tarrant	Single-family	$300,000	Phase 1: Completed * Phase 2A2 & 3 HB Completed
Rosemary Ridge	Tarrant	Single-family	$300,000	Development Complete / HB Complete
Rough Hollow	Travis	Single-family	$600,000	Development Complete / HB Complete
Sendera Ranch	Tarrant	Single-family	$300,000	Centurion Owns Future Land / Banking Land
Shahan Prairie	Denton	Single-family	$250,000	Sold Land
Shale Creek	Wise	Single-family	$250,000	Development Complete / HB Complete
Silver Ridge	Tarrant	Single-family	$300,000	Development Complete / HB Complete
Spring Creek	Tarrant	Single-family	$300,000	Development Complete / HB Complete
Steeplechase	Denton	Single-family	$500,000	Development Complete / HB Complete
Sweetwater Crossing	Collin	Single-family	$250,000	Development Complete / HB Complete
Tenison Village at Buckner Terrace	Dallas	Single-family	$450,000	Development Complete / HB Complete
Terracina	Denton	Single-family	$500,000	Completed
The Dominion	Dallas	Single-family	$350,000	Development Complete / HB Complete
The Highlands at Trophy Club	Denton	Single-family	$350,000	Development Complete / HB Complete
The Villas at Twin Creeks	Collin	Single-family	$400,000	Completed
The Villas of Indian Creek	Denton	Single-family	$300,000	Development Complete / HB Complete
Thornbury	Travis	Single-family	$300,000	Development Complete / HB Complete
University Place	Dallas	Single-family	$500,000	Development Complete / HB Complete
Villages of Woodland Springs	Tarrant	Single-family	$250,000	Development Complete / HB Complete
Water's Edge at Hogan's Glen	Denton	Single-family	$580,000	Completed/Ashton Finishing Construction
Windmill Farms	Kaufman	Single-family	$300,000	HB Complete
Williamsburg	Rockwall	Single-family	$350,000	Development Complete / HB Complete
Winn Ridge*	Denton	Single-family	$350,000	Development Complete / HB Complete

* — developments utilizing public improvement districts

Executive Biography

Mehrdad Moayedi is the President and Chief Executive Officer of Centurion. Mr. Moayedi has more than thirty years of direct experience in the development industry. With a background in construction and real estate, Mr. Moayedi employs a comprehensive approach to each Centurion development. Mr. Moayedi has extensive knowledge

of the interconnection of all parts of residential real estate development, which provides Centurion with a unique advantage over other residential developers.

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

General Development Financing by Centurion

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

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

Description of Pulte

Pulte is indirectly owned by PulteGroup, Inc. ("PulteGroup"). The General Partner of Pulte is Pulte Nevada I, LLC, a Delaware limited liability company. Pulte was created by PulteGroup for the purpose of acquiring, owning, holding, managing, operating, investing, reinvesting, accumulating, improving, and developing residential housing upon property located in the State of Texas, including developing, managing, and ultimately conveying property to third parties.

PulteGroup is headquartered in Atlanta, Georgia. Since its founding in 1950, PulteGroup has delivered over 800,000 homes throughout the United States. What began as a single home built by PulteGroup's founder, Bill Pulte, is today the nation's third largest homebuilder with operations in over 45 markets. Marketing under some of the industry's best known brands: Pulte Homes, Centex, Del Webb, DiVosta, American West, and John Wieland Homes and Neighborhoods, PulteGroup's products target the needs of first-time, move-up and active-adult homebuyers.

PulteGroup is a publicly traded company on the New York Stock Exchange under the ticker symbol "PHM." PulteGroup is subject to the informational requirements of the Securities and Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the SEC. The file number for PulteGroup is No. 1-9804. Such reports, proxy statements, and other information can be inspected and copied at the Public Reference Section of the SEC, Room 100 F Street, N.E., Washington D.C. 20549 and at the SEC's internet website at http://www.sec.gov. Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. All documents subsequently filed by PulteGroup pursuant to the requirements of the Securities and Exchange Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

Description of DR Horton

DR Horton is a wholly owned subsidiary of D.R. Horton, Inc., a Delaware Corporation ("DRHI"). DRHI is a public company subject to the information requirements of the Securities and Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the SEC. Reports, proxy statements, and other information filed by DRHI can be inspected at the office of the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Regional Office of the SEC located at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such material can be obtained from the Public Reference Section of the SEC at 450 Fifth Street, N.W. Washington, D.C. 20549, at prescribed rates. Copies of the above reports, proxy statements, and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. The SEC maintains a website at http://www.sec.gov that contains reports, proxy information statements, and other information regarding registrants that file electronically with the SEC.

In addition, DRHI makes available on its web site http://www.drhorton.com its annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports from Form 8-K (and any amendments to those reports) filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as practicable after they have been electronically filed with the SEC as well as other financial institutions. Unless otherwise specified, information contained on DRHI's website, available by hyperlink from DRHI's website or on the SEC's website, is not incorporated into this Limited Offering Memorandum.

Biographies of Key DR Horton Parties

David Booth, CPA (Land Manager – Head of Land Department). David Booth holds a BBA in Accounting from Texas A&M University and is a Certified Public Accountant. He has over 32 years of experience in the homebuilding industry, all at DR Horton, including five years in corporate accounting and 24 years in land acquisition and development.

Damon Ainsworth (Land Development Project Manager – On-site Development Manager). Damon Ainsworth holds a bachelor's degree from East Texas State University. He has over 32 years of experience in the homebuilding industry having worked for one private builder and one public builder.

Description of GRBK

GRBK is a limited liability company. Its sole member is Green Brick Partners, Inc., a Delaware corporation ("Green Brick"). Green Brick is a publicly traded company listed on The New York Stock Exchange under the ticker symbol "GRBK." Green Brick invests in a wide range of real estate investments and is a diversified homebuilding and land development company. Green Brick acquires and develops land, provides land and construction financing to its controlled homebuilders. Green Brick also operates Green Brick Title, Green Brick Mortgage and BHOME Mortgage as part of its operations portfolio allowing a fully integrated process throughout the home buying experience.

Green Brick provides expertise and capital to develop neighborhoods with timeless, classic architecture interwoven with the latest technological advancements, and in turn provide a long-term return for their investors, residents, and cities where they develop and build. Green Brick currently operates in Texas, Georgia, Colorado, and Florida.

In the Dallas Metroplex, Green Brick develops neighborhoods for their Team Builders™ and for many of the most well-known large public and private homebuilders in the nation under the Green Brick brand. As of December 31, 2024, Green Brick had 37,831 lots owned and controlled. When excluding land held for future development, as of January 1, 2025, Green Brick had 34,031 lots owned and controlled. This was in high-growth sub-markets throughout the Dallas and Atlanta metropolitan areas and the Vero Beach, Florida market.

Green Brick is subject to the informational requirements of the Securities and Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the SEC. Such reports, proxy statements, and other information filed by Green Brick can be inspected and copied at the Public Reference Section of the SEC, Room 100 F Street, N.E., Washington D.C. 20549 and at the SEC's internet website at

http://www.sec.gov. Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the NYSE, 11 Wall St, New York, NY 10005. All documents subsequently filed by Green Brick pursuant to the requirements of the Securities and Exchange Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

In addition, Green Brick makes available on its website, https://greenbrickpartners.com/reporting/, its annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports from Form 8-K (and any amendments to those reports) filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as practicable after they have been electronically filed with the SEC as well as other financial institutions. Unless otherwise specified, information contained on Green Brick's website or on the SEC's website is not incorporated into this Limited Offering Memorandum.

Executive Biographies of Green Brick

James R. Brickman, Co-Founder, Chief Executive Officer and Director. Mr. Brickman is responsible for all major investment decisions, capital allocation, strategic planning and relationships with Green Brick's builders. Mr. Brickman was the founding manager and advisor of each of JBGL Capital LP, since 2008, and JBGL Builder Finance LLC, since 2010. Prior to forming JBGL in 2008, Mr. Brickman was a manager of various joint ventures and limited partnerships that developed/built low and high-rise office buildings, multi-family and condominium homes, single-family homes, entitled land and supervised a property management company. He previously served as Chairman and CEO of Princeton Homes Ltd. And Princeton Realty Corporation, which developed land, constructed custom single-family homes and managed apartments it built. Mr. Brickman has over 40 years of experience in nearly all phases of real estate construction, development, and real estate finance property management. Mr. Brickman received B.B.A. and M.B.A degrees from Southern Methodist University.

Richard A. Costello, Chief Financial Officer. Mr. Costello joined Green Brick as CFO in January 2015, months after the company went public. His responsibilities include oversight of all financial reporting, lending relationships, audit supervision, cash management, and investor relations. He has over 26 years of financial and operational experience in all aspects of real estate management. Since 2007, Mr. Costello has been a private investor. Previously, he worked for 16 years at GL Homes of Florida, one of the largest private developers and home builders in Florida. There he served as Chief Financial Officer and Chief Operating Officer as well as in other senior financial management roles. Prior to joining GL Homes, Mr. Costello worked for six years as AVP-Finance for Paragon Group, a regional commercial real estate developer, and for four years as an auditor for KPMG. Mr. Costello received a B.S. degree in Accounting from the University of Central Florida and his M.B.A from Northwestern University's Kellogg School.

Jed Dolson, Chief Operations Officer and Executive Vice President. Mr. Dolson currently serves as the Chief Operating Officer and Executive Vice President for Green Brick. Prior to his role as COO and Executive VP, Mr. Dolson was the President of Texas Region for Green Brick where he oversaw Green Brick's majority ownership positions in Centre Living Homes, CB JENI Homes, Normandy Homes, Southgate Homes, and Trophy Signature Homes. Mr. Dolson also served as the Head of Land Acquisition and Development for Green Brick from 2013 to 2017. Before joining Green Brick, Mr. Dolson served as a managing member of Pecos One LLC, a consulting firm Mr. Dolson owned that exclusively provided development management services for all Green Brick projects since 2010. Mr. Dolson worked for three years at Jones & Boyd Engineering, and later served five years as Director of Development for a local private residential developer. Mr. Dolson received a B.S. degree in Civil Engineering from Texas A&M University and a M.S. Degree in Civil Engineering from Stanford University.

Bobby L. Samuel III, Executive Vice President of Land. Mr. Samuel currently serves as the Executive Vice President of Land for Green Brick. Before joining Green Brick, Mr. Samuel served as the Vice President of Land for the Dallas-Fort Worth Division of a large public homebuilder. His experience also includes serving as a civil engineering consultant and client manager with a national engineering firm and Director of Land Development for a Dallas-Fort Worth private residential developer. Mr. Samuel received a B.S. degree in Civil Engineering from Texas A&M University, his M.B.A from Texas Christian University and holds a professional engineering license in the State of Texas.

History and Financing of the District

Acquisition. The Master Developer acquired the property within the District on February 26, 2019 for an aggregate purchase price of $22,400,000 from the Chapter 7 Trustee for the Estate of McCavity Company, LLC pursuant to an order of the United States Bankruptcy Court, District of Arizona, dated February 4, 2019 in the bankruptcy proceeding of McCavity Company, LLC, the prior owner of the land, Case No. 2:17-bk-08474-BKM.

The land for the Multifamily units was sold by the Master Developer to Whitewing Highgates, L.P. on August 4, 2021 for $2,990,000. The Master Developer is a 49% owner of and limited partner Whitewing Highgates, L.P. Whitewing Highgates, L.P. has obtained a development loan for the Multifamily units from Crossfirst Bank, and Mehrdad Moayedi serves as a guarantor on such loan.

On April 17, 2024, the Master Developer sold approximately 231.997 acres of land in the District which includes the land in Improvement Area #3B and a portion of the land in the Future Phases to DR Horton at a sale price of $21,087,000, which was funded partially by cash from DR Horton and partially by a seller note in favor of the Master Developer (the "Horton 231 Acre Note") in the amount of $17,487,000, which Horton 231 Acre Note was secured by a deed of trust in favor of the Master Developer (the "Horton 231 DOT") on the 231.997 acres of land purchased by DR Horton. The Horton DOT was assigned to the Lender (as defined below) for the Master Developer Loan as further described below.

On May 31, 2024, the Master Developer sold approximately 42.282 acres of land in the District which comprise Phase #3B of Improvement Area #3A to Pulte at a sale price of $6,232,000. On March 14, 2025, the Master Developer sold approximately 45.223 acres of land in the District which comprise Improvement Area #3C to GRBK at a sale price of $5,250,000.

Acquisition and Development Financing. In connection with the acquisition of the land within the District and development thereof, the Master Developer obtained a loan (the "Master Developer Loan") from Trez Capital (2015) Corporation (the "Lender"). The Master Developer Loan was subsequently modified multiple times, with the most recent modification of the Master Developer Loan occurring on March 28, 2024. The Lender collaterally assigned it rights under the Master Developer Loan to Vantage Bank, Texas in 2022.

Pursuant to previous modifications of the Master Developer Loan, the Master Developer has repaid certain amounts due under the Master Developer Loan and been permitted to reborrow certain of such amounts. The Master Developer Loan has an outstanding principal balance of $22,831,094 as of March 1, 2026.

Payments of interest under the Master Developer Loan are due monthly. The Master Developer has previously made certain principal payments on the Master Developer Loan and the remaining principal payments are due as follows:

Due Date	Amount ($)
3/30/2026	1,800,000
4/30/2026	1,100,000
5/30/2026	18,200,000
7/30/2026	900,000

The Master Developer made a payment of $2,034,692.84 on March 19, 2026, which amounts were applied to the payment due on March 30, 2026. The Master Developer expects to make timely payment of the remaining amounts due. After the payments above, the balance of the Master Developer Loan is due at maturity. The Master Developer Loan matures on August 13, 2026. The Master Developer expects to make all payments due on the Master Developer Loan in a timely manner.

The Master Developer has collaterally assigned its rights under the Horton 231 Acre Note and the Horton 231 DOT to the Lender. The Master Developer shall remit all payments made to the Master Developer under the Horton 231 Note to the Lender, which payments shall be applied by the Lender to any amounts payable by the Master Developer.

The Master Developer Loan is secured by a first lien deed of trust on all of the Master Developer's property within the District (except for property released from such deed of trust in connection with the delivery of lots pursuant to any lot contracts or sales) and is personally guaranteed by Mehrdad Moayedi.

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 Master Developer 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 the District securing the Assessments will have priority over the lien on the property within the District securing the Master Developer Loan.

Additional Master Developer Financing. In connection with the acquisition of the property in the District, the Master Developer obtained a loan (the "LNRC Loan") from LNRC Interests ("LNRC"). The LNRC Loan is an unsecured loan.

The LNRC Loan bears interest at the higher of (i) the rate of 10% per annum or (ii) the maximum rate allowed by law. Payments of interest under the LNRC Loan are due monthly with principal due and payable at maturity. The LNRC Loan has an outstanding principal balance of $1,000,000 as of March 1, 2026.

Pursuant to its terms, the LNRC Loan matured on February 23, 2026, and such maturity date automatically extends each year if no event of default exists. Notwithstanding the foregoing, LNRC has the right to demand the LNRC Loan note due and payable at any time upon at least ninety (90) days prior written notice. As of March 1, 2026, LNRC has not given such demand, and no default exists.

Pulte Financing of Phase #3B in Improvement Area #3A. Pulte purchased its land in Phase #3B of Improvement Area #3A with cash and financed the development of the Phase #3B Improvements with cash.

DR Horton Financing of Improvement Area #3B. DR Horton purchased its land in Improvement Area #3B with cash and financed the development of the Improvement Area #3B Improvements with cash.

GRBK Financing of Improvement Area #3C. GRBK purchased its land in Improvement Area #3C and is financing development in Improvement Area #3C with corporate cash. GRBK's corporate cash funding is provided through a senior, unsecured revolving credit facility (the "Unsecured Revolving Credit Facility") with a lender group comprised of six banks including Flagstar Bank, Huntington National Bank, Texas Capital Bank, Goldman Sachs Bank US, Cadence Bank, and SouthState Bank. The Unsecured Revolving Credit Facility provides GRBK with up to $330,000,000 in commitments. As of March 1, 2026, the Unsecured Revolving Credit Facility provides GRBK with a total of $330,000,000 in commitments remaining through December 14, 2028. Additional corporate cash funding is provided to GRBK by Green Brick through a revolving credit facility (the "Inwood Revolving Credit Facility") with Inwood National Bank. The Inwood Revolving Credit Facility provides GRBK with $35,000,000 of a secured revolving line of credit, which is secured by mortgages on real property and security interests in certain personal property (to the extent that such personal property is connected with the use and enjoyment of the real property) that is owned by certain of Green Brick's subsidiaries. The Inwood Revolving Credit Facility is not secured by any real or personal property within or related to the District. As of March 1, 2026, $35,000,000 was available under the Inwood Revolving Credit Facility.

THE ADMINISTRATOR

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by MuniCap, Inc. as the "Administrator," and has been included in reliance upon the authority of such firm as an expert in the field of assessment finance.

MuniCap, Inc. is a public finance consulting firm with a specialized consulting practice providing services related to the formation and administration of special tax and special assessment districts. MuniCap, Inc. currently acts as the administrator for over 300 special assessment and taxing districts in 26 states, including Texas. MuniCap, Inc. periodically donates to certain charitable or public events hosted by the City.

The City and MuniCap, Inc. have entered into an agreement for administration of the District (the "MuniCap Agreement") with MuniCap as the "Administrator" to provide specialized services related to the administration of the District needed to support the issuance of the Bonds. The MuniCap Agreement will include seven general types of services provided by MuniCap, Inc.: (i) administrative support services related to the Assessments, (ii) delinquency management, (iii) prepayment of Assessments, (iv) arbitrage rebate services, (v) continuing disclosure services, (vi) accounting and audit coordination, and (vii) IRS compliance monitoring.

APPRAISAL

The Appraisal

General. Payco Southwest Realty, Inc. (the "Appraiser"), prepared an appraisal report for the City effective as to each Improvement Area on the dates specified below, based upon a physical inspection of the District conducted on February 9, 2026 (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 Areas #3A-3C of the District. The Appraisal is attached hereto as APPENDIX G and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See "APPENDIX G — Appraisal."

Value Estimate—Improvement Area #3A. The Appraiser estimated the aggregate market value of the fee simple interest in various tracts of land comprising the land in Improvement Area #3A of the District under the extraordinary assumption that the Improvement Area #3A Projects are completed. See "THE IMPROVEMENT AREA #3A-3C PROJECTS."

The Appraisal does not reflect the as-is condition of Improvement Area #3A of the District. Moreover, the Appraisal does not reflect the value of Improvement Area #3A 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 #3A of the District. See "APPENDIX G — Appraisal."

The retrospective cumulative retail lot value estimate of the fee simple interest in the assessable property within Improvement Area #3A 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 September 1, 2025, is $23,068,800.

After considering discounted cash flows, the retrospective market value estimate of the fee simple interest in the assessable property within Improvement Area #3A 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 September 1, 2025, is $18,165,000.

It is noted that for the values set forth above, the Appraiser utilized the Beazer Contract as the replacement lot contract with Lennar is not yet out of feasibility.

Value Estimate—Improvement Area #3B. The Appraiser estimated the aggregate market value of the fee simple interest in various tracts of land comprising the land in Improvement Area #3B of the District under the extraordinary assumption that the Improvement Area #3B Projects are completed. See "THE IMPROVEMENT AREAS #3A-3B PROJECTS."

The Appraisal does not reflect the as-is condition of Improvement Area #3B of the District. Moreover, the Appraisal does not reflect the value of Improvement Area #3B 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 #3B of the District. See "APPENDIX G — Appraisal."

The retrospective cumulative retail lot value estimate of the fee simple interest in the assessable property within Improvement Area #3B 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 February 1, 2026, is $30,940,700.

After considering discounted cash flows, the retrospective market value estimate of the fee simple interest in the assessable property within Improvement Area #3B 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 February 1, 2026, is $25,261,000.

It is noted that the values contained in the Appraisal for Improvement Area #3B are based on the Extraordinary Assumption that DR Horton will obtain the LOMR for the 36 lots within Improvement Area #3B planned to be reclaimed for residential lot development.

Value Estimate—Improvement Area #3C. The Appraiser estimated the aggregate market value of the fee simple interest in various tracts of land comprising the land in Improvement Area #3C of the District under the extraordinary assumption that the Improvement Area #3C Projects are completed. See "THE IMPROVEMENT AREAS #3A-3C PROJECTS."

The Appraisal does not reflect the as-is condition of Improvement Area #3C of the District as the Improvement Area #3C Projects have not yet been constructed. Moreover, the Appraisal does not reflect the value of Improvement Area #3C 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 #3C of the District. See "APPENDIX G — Appraisal."

The prospective cumulative retail lot value estimate of the fee simple interest in the assessable property within Improvement Area #3C 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 June 1, 2026, is $15,487,500.

After considering discounted cash flows, the prospective market value estimate of the fee simple interest in the assessable property within Improvement Area #3C 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 June 1, 2026, is $13,070,000.

None of the City, the Developers, 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 Developers and the Underwriter make no representation as to the reasonableness of such assumptions.

BONDHOLDERS' RISKS

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

General

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

THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Areas #3A-3C 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 Areas #3A-3C 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 Areas #3A-3C 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 Areas #3A-3C 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 Areas #3A-3C of the District should proceed more slowly than expected and the Developers are unable to pay the respective 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 Areas #3A-3C 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 initial purchaser of Bonds (each an "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), 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 Areas #3A-3C of the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as described under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year and the Administrative Expenses 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 Improvement Areas #3A-3C of the District, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See "BONDHOLDERS' RISKS — Bondholders' Remedies and Bankruptcy" herein.

Upon an ad valorem tax lien foreclosure event of a property within Improvement Areas #3A-3C of the District, any lien securing an Assessment that is delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

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

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

Under Texas law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the applicable Assessment Ordinance, no such homestead rights had been or will have been claimed. Furthermore, the Developers are not eligible to claim homestead rights and the Master Developer, Pulte and DR Horton have represented that they owned their respective property in Improvement Area #3A and Improvement Area #3B on the date of adoption of the IA #3A-3B Assessment Ordinance. GRBK has represented that it will own all property within Improvement Area #3C of the District as of the date of the IA #3C Assessment Ordinance. Consequently, there are and can be no homestead rights on the Assessed Property superior to the Assessment Liens and, therefore, the Assessment Liens may be foreclosed upon by the City.

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

THE ASSESSMENTS WILL CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND WILL BE PERSONAL OBLIGATIONS OF AND CHARGES AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN IMPROVEMENT AREAS #3A-3C OF THE DISTRICT.

The Assessments levied for the payment of the Bonds and the Phases #2-6 Major Improvement Assessments which were levied for and pledged to the payment of the Phases #2-6 Major Improvement Bonds

have a lien of equal dignity of the parcels assessed therefor. In the event of partial payments of the Annual Installments of the Assessments and the Phases #2-6 Major Improvement Assessments, the Collin County Tax Assessor/Collector advises that such partial payments will be applied to the payment of the Annual Installments of the Assessments and the Phases #2-6 Major Improvement Assessments on a pro rata basis unless otherwise directed by the payer of such Annual Installments of the Assessments and the Phases #2-6 Major Improvement Assessments.

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 Developers.

Failure or Inability to Complete Proposed Development

Proposed development within the District may be affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, changes in the income tax treatment of real property ownership, unexpected increases in development costs and other similar factors as well as availability of utilities and the development or existence of environmental concerns with such land. See "– Hazardous Substances" below. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. THE TIMELY PAYMENT OF THE BONDS DEPENDS UPON THE WILLINGNESS AND ABILITY OF THE DEVELOPERS 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 Developers.

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 Developers, including general economic conditions, may impact the timing of lot and home sales within the

District. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

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

As a result of low supply and high demand, shipping constraints, and the ongoing trade war (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. Further, the federal administration's on-again, off-again tariffs, threatened impositions of tariffs, and the imposition or threatened imposition of retaliatory tariffs against the United States will impact the ability of the homebuilders to estimate costs. If the cost of materials remains elevated, it may impact the ability of the homebuilders to construct homes in Improvement Areas #3A-3C of the District.

The federal administration's immigration policies may impact the State's workforce. Undocumented construction workers make up a large percentage of construction workers in the State. Mass deportations or immigration policies that make it challenging for foreign workers to work in the United States may result in labor shortages, particularly in construction. Labor shortages will impact the homebuilders' ability to construct homes within Improvement Areas #3A-3C 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, as well as the operating revenues of the Developers, including those derived from the Development, are not within the control of the Developers. 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 Developers. Furthermore, the operating revenues of the Master Developer may be materially adversely affected if specific conditions in the lot purchase contracts are not met. Failure to meet the lot purchase contract's conditions allows the applicable lot purchaser to terminate its obligation to purchase lots from the Master Developer and obtain its earnest money deposit back. See "THE DEVELOPMENT – Expected Build Out and Home Prices in Improvement Areas #3A-3C" herein.

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

Availability of Utilities

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

Portions of the State, including the City and its surrounding area, are experiencing significant growth, which has produced and is expected to continue to produce a growing demand for water and wastewater service. The ability

of the City to provide an adequate supply of water and sufficient capacity for treatment of wastewater, as applicable, is dependent on many factors, including, but not limited to, supply and demand of materials to complete necessary water and wastewater improvements, compliance with the Texas Commission on Environmental Quality regulations, the effects of extreme weather events on such entities' water and wastewater systems, and the construction of developments competing with the District. See "THE DEVELOPMENT – Utilities," "BONDHOLDERS' RISKS – General Risks of Real Estate Investment and Development," "– Risks Related to Current Increase in Costs of Building Materials and Labor Shortages, "– Competition," "– Regulation," and "– Risk from Weather Events."

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

State Law Regarding Notice of Assessments

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

Potential Future Changes in State Law Regarding Public Improvement Districts

During 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, including two special sessions, ended on September 4, 2025. When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor's direction, each lasting no more than 30 days, and for which the Governor sets the agenda. It is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within Improvement Areas #3A-3C 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 Areas #3A-3C of the District and will likely do so in the future. Such entities could also impose assessment liens on the

property within Improvement Areas #3A-3C of the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Assessments.

Depletion of Reserve Account of the Reserve Fund

Failure of the owners of property within Improvement Areas #3A-3C of the District to pay the Assessments when due could result in the rapid, total depletion of Reserve Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Account of the Reserve Fund. The Indenture provides that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount in the Reserve Account of the Reserve Fund is less than the Reserve Fund 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 Substances

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or "Superfund Act," is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in Improvement Areas #3A-3C of the District be affected by a hazardous substance, the marketability and value of such parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within Improvement Areas #3A-3C of the District does not take into account the possible liability of the Developers for the remediation of a hazardous substance condition on the property in Improvement Areas #3A-3C of the District. The City has not independently verified, and is not aware, that the Developers have such a current liability with respect to its property; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within Improvement Areas #3A-3C 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 ESAs performed on certain property within the District.

Exercise of Third-Party Property Rights

As described herein under "THE DEVELOPMENT – Existing Mineral Rights and Other Third-Party Property Rights," there are certain Third-Party Property Rights reservations located within the District and not owned by the Developers. There may also be additional mineral rights and related real property rights reflected in the chain of title for the real property within the District recorded in the real property records of Collin County.

The Developers do not expect the existence or exercise of any Third-Party Property Rights, mineral rights or related real property rights in or around Improvement Areas #3A-3C of the District to have a material adverse effect on the Development, the property within Improvement Areas #3A-3C of the District, or the ability of landowners

within Improvement Areas #3A-3C of the District to pay Assessments. However, none of the City, the Municipal Advisor, or the Underwriter, provide any assurances as to the Developers' 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, and upon the written request of not less than 51% of the owners of the Bonds then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within Improvement Areas #3A-3C of the District or sell property within Improvement Areas #3A-3C of the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within Improvement Areas #3A-3C of the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Assessments, or delinquent ad valorem taxes, against such property owner.

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

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

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

Bankruptcy Limitation to Bondholders' Rights

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

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

remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt.

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted (subject to provisions set forth in the Indenture) to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within Improvement Areas #3A-3C 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 foreclose sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

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

Absorption Rate

There can be no assurance that the Developers will be able to achieve their anticipated absorption rates. Failure to achieve the absorption rate estimates will adversely affect the estimated value of the Development could impair the economic viability of the Development and could reduce the ability or desire of property owners in Improvement Areas #3A-3C to pay the Assessments.

Loss of Tax Exemption

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

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

Tax-Exempt Status of the Bonds

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

certain of its audit efforts in the past on "developer-driven bond transactions," including certain tax increment financings and certain assessment bond transactions. In some audits, the IRS has asserted that interest on such "developer-driven" obligations can be taxable, in certain circumstances. 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 Developers 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 Developers

The Master Developer currently has the obligation for payment of approximately 37.9% the Improvement Area #3A Assessments. Pulte currently has the obligation for payment of approximately 62.1% of the Improvement Area #3A Assessments. DR Horton as the owner of all of the Assessed Property in Improvement Area #3B of the District, currently has the obligation for payment of the Improvement Area #3B Assessments. GRBK as the owner of all of the Assessed Property in Improvement Area #3C of the District, currently has the obligation for payment of the Improvement Area #3C Assessments. The ability of the Developers to make full and timely payment of their respective portions of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. There can be no assurances given as to the financial ability of the applicable Developer to advance any funds to the City to supplement revenues from the applicable Assessments if necessary, or as to whether the applicable Developer will advance such funds.

Moreover, the City will pay the Developers, or the Developers' designee, from proceeds of the Bonds for project costs actually incurred in developing and constructing the Improvement Areas #3A-3C Improvements within Improvement Areas #3A-3C of the District. See "THE IMPROVEMENT AREAS #3A-3C PROJECTS – General" and "THE DEVELOPMENT – Development Plan and Status of Development in Improvement Areas #3A-3C." There can be no assurances given as to the financial ability of the Developer to complete any uncompleted improvements.

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

Use of Appraisal

Caution should be exercised in the evaluation and use of valuations included in the Appraisal. The Appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation and specified therein. The estimated market value specified in the Appraisal is not a precise measure of value, but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in the Appraisal is based on various assumptions of future expectations and while the Appraiser's forecasts for properties in the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in Improvement Areas #3A-3C of 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.

Master Developer Principal Financial Relationships and Other Matters Relating to Master Developer Affiliates

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

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

Megatel Homes III, LLC v. Wilbow-Windhaven Development Corporation v. Centurion Windhaven, LP, et al.; in Denton County Texas. Plaintiff Megatel Homes III, LLC ("Megatel") brought claims against both Defendant Wilbow Windhaven Development Corp. ("Wilbow"), Defendant Centurion Acquisitions, LP ("CA"), and Defendant CADG Windhaven, LLC ("CADG," collectively with CA, "Centurion Defendants"). Megatel's claims against Wilbow consist of request for Declaratory Judgment; Breach of Contract (failure to allow Megatel to acquire any lots in Phase 2 and the remaining lots in Phase 1 development (12 lots: A1-8, B15-18) and failure to achieve substantial completion of all phase 1 lots by 12/31/2016); and Indemnity. Megatel's claims against CA and CADG consist of Breach of Contract; Fraud; and Indemnity. A Motion to Expunge Lis Pendens was granted by court on October 2, 2020. Megatel re-filed the Lis Pendens and Wilbow responded by filing a Motion to Expunge. The court granted the Motion to Expunge the Lis Pendens on May 19, 2021. On June 4, 2021, LMSM Holdings, LLC filed suit and brought claims against Megatel Homes III, LLC for breach of promissory note and breach of contract in a case styled LMSM Holdings, LLC v. Megatel Homes III, LLC. This suit brought by LMSM was later consolidated with Megatel Homes III, LLC v. Wilbow-Windhaven Development Corporation v. Centurion Windhaven, LP, et al. Subsequently, at the pre-trial hearing, a Motion for Separate trials was granted and the case was separated into a jury trial for LMSM's Breach of Promissory Note and Breach of Contract causes of action, and a non-jury trial on the contract causes of action related to the Potential Vertical Rise (PVR) and associated claims. On June 23, 2025, the jury returned a verdict in favor of LMSM on the Breach of Contract and Breach of Promissory Note causes of action and awarded damages in the amount of $590,087.99 and $700,000.00 in attorneys' fees. The parties have briefed the court with respect to the non-jury trial causes of action, and a trial date has not yet been set; however, counsel is working diligently to find and set a trial date that works for all parties and counsel of record.

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

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

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 and 500-Year Floodplain

As described under "THE DEVELOPMENT – Flood Designation," a portion of the lots in Improvement Area #3B lie in a flood plain and DR Horton has submitted paperwork for a LOMR to remove such lots from the flood plain. No assurance can be given that FEMA will issue the LOMR.

In addition, a portion of the land in Improvement Area #3C is in the flood plain and is expected to be used as open space.

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

Competition

The housing industry in the Dallas-Fort Worth area is very competitive, and none of the Developers, 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 Developers' expectations. The competitive position of the Developers in the sale of developed lots or homes or of any other homebuilder in the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise be able to compete with the Development. A sample of competitive projects near the Development is below.

Project Name	# of Units	Proximity to District (Miles)	Developer	Prices
Arcadia Farms	954	2.2	Lennar	$375,000 - $400,000
Winchester Crossing	2,129	2.9	DR Horton	$334,000 - $420,000
Morning Ridge	247	4.2	Forestar	$272,000 - $334,000

There can be no assurance 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.

Limited Secondary Market for the Bonds

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

No Credit Rating

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

Cybersecurity Risks

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

TAX MATTERS

Opinion

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

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

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

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

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

Federal Income Tax Accounting Treatment of Original Issue Discount

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

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

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

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

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

Collateral Federal Income Tax Consequences

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

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

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

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

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

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

State, Local and Foreign Taxes

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

Information Reporting and Backup Withholding

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

Future and Proposed Legislation

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

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by (i) 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, (ii) based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the legal opinion of Bond Counsel, to a like effect.

McCall, Parkhurst & Horton L.L.P. serves as Bond Counsel to the City. 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," including the alternative minimum tax consequences for corporations. A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX D — Form of Opinion of Bond Counsel."

Except as noted below, Bond Counsel did not take part in the preparation of this 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 this Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE — The Bonds", "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS" (except for the last paragraph under the subcaption "General"), "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings," "LEGAL MATTERS — Legal Opinions," "SUITABILITY FOR INVESTMENT," "CONTINUING DISCLOSURE – "The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," APPENDIX B and APPENDIX D and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinances 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 Ordinances and the Indenture.

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

Litigation — The City

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or 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 Ordinances, the Indenture, any action of the City contemplated by any of the said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

Litigation — The Master Developer

At the time of delivery and payment for the Bonds, the Master Developer will certify to the Underwriter that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the knowledge of the Master Developer, threatened against or affecting the Master Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Master Developer or its members or would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Construction, Funding, and Acquisition Agreement, the Development Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (ii) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a "Material Adverse Effect"). Additionally, Mehrdad Moayedi and his affiliated entities have been and are parties to pending and threatened litigation related to their commercial and real estate development activities. Such litigation occurs in the ordinary course of business and is not expected to have a Material Adverse Effect.

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

Litigation — Pulte

At the time of delivery and payment for the Bonds, Pulte will certify to the Underwriter that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the knowledge of the Pulte, threatened against or affecting Pulte wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of Pulte or its general partner 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 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.

Litigation — DR Horton

At the time of delivery and payment for the Bonds, DR Horton will certify to the Underwriter that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the knowledge of the DR Horton, threatened against or affecting DR Horton wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of DR Horton 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 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.

Litigation — GRBK

At the time of delivery and payment for the Bonds, GRBK will certify to the Underwriter that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the knowledge of the GRBK, threatened against or affecting GRBK wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of GRBK 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 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 Developers, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See "BONDHOLDERS' RISKS — Bondholders' Remedies and Bankruptcy." Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery.

NO RATING

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

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the City, the Administrator, and Regions Bank (in such capacity, the "Dissemination Agent") will 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 E-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

Except as described below, during the last five years, the City has complied in all material respects with all of its continuing disclosure undertakings pursuant to the Rule.

On March 29, 2022, the City issued its $6,075,000 Limited Tax Notes, Series 2022, but did not file a notice of incurrence of financial obligation until April 29, 2022. For fiscal year 2024, the City also inadvertently failed to link its audited financial statements, which were timely filed with respect to the City's general obligation bonds, to its public improvement district debt. The City corrected such error on November 8, 2024.

The Developers

Each of the Developers, along with the Administrator, and Regions Bank as Dissemination Agent will enter a separate into a Continuing Disclosure Agreement (each, a "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 applicable Improvement Areas #3A-3C Projects (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX E-2 — Form of Developer Disclosure Agreement." The form of Developer Disclosure Agreement to be executed by the Master Developer is included here as Appendix E-2. Each Developer Disclosure Agreement is expected to be in substantially the form of the Developer Disclosure Agreement included as Appendix E-2.

Under certain circumstances, the failure of the applicable Developer or the Administrator to comply with their respective obligations under the applicable 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 applicable 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 against the applicable Developer. Each 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.

Each Developer will agree 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 applicable Developer Disclosure Agreement. Each of the Developers 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 applicable Developer Disclosure Agreement. Each 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. Each Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of their respective Developer Disclosure Agreement or from any statement made pursuant to the applicable Developer Disclosure Agreement.

The Master Developer's Compliance with Prior Undertakings

The Master Developer previously entered into continuing disclosure undertakings relating to the Phase #1 Bonds, the Phases #2-6 Major Improvement Bonds, and the Phase #2 Bonds. Certain of the Master Developer's quarterly reports in filed 2023 and 2024 for the Phases #2-6 Major Improvement Bonds and the Phase #2 Bonds failed to include information relating to the modifications of the Master Developer Loan. Other than such failures to include information noted in the preceding sentence, the Master Developer believes it has complied with its reporting requirements under its continuing disclosure undertakings during the past five years.

Pulte's Compliance with Prior Undertakings

Pulte believes it has complied with its reporting requirements under its continuing disclosure undertakings during the past 5 years.

DR Horton's Compliance with Prior Undertakings

DR Horton believes it has complied with its reporting requirements under its continuing disclosure undertakings during the past 5 years.

GRBK's Compliance with Prior Undertakings

GRBK believes it has complied with its reporting requirements under its continuing disclosure undertakings during the past 5 years.

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

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Under the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) 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 that have adopted investment policies and guidelines in accordance with the PFIA, the Bonds may have to be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds. See "NO RATING" above. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies and political subdivisions, and are legal security for those deposits only to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

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

INVESTMENTS

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

Under Texas law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the City selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest 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 Regions Bank, an Alabama state banking corporation, 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.regions.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 Developers and their 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 Developers 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 Areas #3A-3C Projects, the Development and the Master Developer generally and, in particular, the

information included in the sections captioned "PLAN OF FINANCE — Development Plan and Status of Development" (except for the information pertaining to Phase #3B, Improvement Area #3B, and Improvement Area #3C), "THE IMPROVEMENT AREAS #3A-3C PROJECTS," "THE DEVELOPMENT" (except for the information under the subheadings "— Development Plan and Status of Development in Improvement Areas #3A-3C," "— Homebuilders in Improvement Areas #3A-3C," "— Existing Mineral Rights and Third-Party Property Rights" and "— Flood Designation" pertaining to Phase #3B, Improvement Area #3B, and Improvement Area #3C), "THE DEVELOPERS" (as such information pertains to the Master Developer), "BONDHOLDERS' RISKS," (only as it pertains to the Master Developer, the Improvement Areas #3A-3C Projects and the Development), "LEGAL MATTERS — Litigation — The Master Developer" and "CONTINUING DISCLOSURE — The Developers" (as such information pertains to the Master Developer) and " — The Master Developer's Compliance with Prior Undertakings," to the extent such information relates to the Master Developer, the Development and the Improvement Areas #3A-3C Projects, has been provided by the Master Developer and the Master Developer warrants and represents that such information is true and correct and in all material respects does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Master Developer will deliver a certificate to this effect to the City and the Underwriter.

The information contained in this Limited Offering Memorandum relating to the description of Pulte generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE — Development Plan and Status of Development" (as such information pertains Phase #3B), the information under the following subcaption of "THE DEVELOPMENT" as such information pertains solely to Phase #3B: "— Development Plan and Status of Development in Improvement Areas #3A-3C," "— Homebuilders in Improvement Areas #3A-3C," "— Existing Mineral Rights and Third-Party Property Rights" and "— Flood Designation", "THE DEVELOPERS" (as such information pertains to Pulte), "BONDHOLDERS' RISKS," (only as it pertains to Pulte or Phase #3B), and "LEGAL MATTERS — Litigation — Pulte," "CONTINUING DISCLOSURE — The Developers" (as such information pertains to Pulte) and " — Pulte's Compliance with Prior Undertakings," to the extent such information relates to Pulte and Phase #3B, has been provided by Pulte and Pulte warrants and represents that such information is true and correct and in all material respects does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, Pulte will deliver a certificate to this effect to the City and the Underwriter.

The information contained in this Limited Offering Memorandum relating to the description of DR Horton generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE — Development Plan and Status of Development" (as such information pertains Improvement Area #3B), the information under the following subcaption of "THE DEVELOPMENT" as such information pertains solely to Improvement Area #3B: "— Development Plan and Status of Development in Improvement Areas #3A-3C," "— Homebuilders in Improvement Areas #3A-3C," "— Existing Mineral Rights and Third-Party Property Rights" and "— Flood Designation", "THE DEVELOPERS" (as such information pertains to DR Horton), "BONDHOLDERS' RISKS," (only as it pertains to DR Horton or Improvement Area #3B), and "LEGAL MATTERS — Litigation — DR Horton," "CONTINUING DISCLOSURE — The Developers" (as such information pertains to DR Horton) and " — DR Horton's Compliance with Prior Undertakings," to the extent such information relates to DR Horton and Improvement Area #3B, has been provided by DR Horton and DR Horton warrants and represents that such information is true and correct and in all material respects does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, DR Horton will deliver a certificate to this effect to the City and the Underwriter.

The information contained in this Limited Offering Memorandum relating to the description of GRBK generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE — Development Plan and Status of Development" (as such information pertains Improvement Area #3C), the information under the following subcaption of "THE DEVELOPMENT" as such information pertains solely to Improvement Area #3C: "— Development Plan and Status of Development in Improvement Areas #3A-3C," "— Homebuilders in Improvement Areas #3A-3C," "— Existing Mineral Rights and Third-Party Property Rights" and "— Flood Designation", "THE DEVELOPERS" (as such information pertains to GRBK), "BONDHOLDERS' RISKS," (only as it pertains to GRBK or Improvement Area #3C), and "LEGAL MATTERS — Litigation — GRBK," "CONTINUING DISCLOSURE —

The Developers" (as such information pertains to GRBK) and " — GRBK's Compliance with Prior Undertakings," to the extent such information relates to GRBK and Improvement Area #3C, has been provided by GRBK and GRBK warrants and represents that such information is true and correct and in all material respects does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, GRBK will deliver a certificate to this effect to the City and the Underwriter.

Experts

The information regarding the Service and Assessment Plan and collection of assessments in the District in this Limited Offering Memorandum has been provided by MuniCap, Inc. 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

GENERAL INFORMATION REGARDING THE CITY

The following information has been provided for informational purposes only.

Historical Employment in Collin County

	Average Annual				
	2025[(1)]	2024	2023	2022	2021
Civilian Labor Force	690,356	680,301	644,705	625,800	600,186
Total Employed	665,166	654,384	622,134	605,672	574,037
Total Unemployed	25,190	25,917	22,571	20,128	26,149
Unemployment Rate	3.6%	3.5%	3.5%	3.2%	4.4%

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

Major Employers in the City

The major employers in the City are set forth in the table below. **(1)**

Employer	Employees
Princeton Independent School District	1,136
Walmart	300
City of Princeton	186
Villa Asuncion	70
McDonald's	36
Jack in the Box	25
Charley's Concrete	20
Tractor Supply	19
Taco Bell	12
People's Bank	10

(1) Source: City's 2024 Annual Comprehensive Financial Report

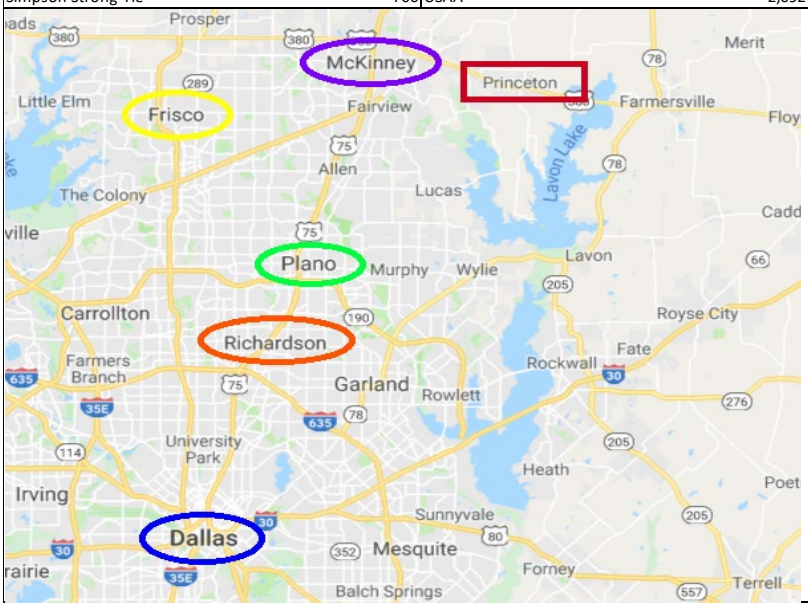
Surrounding Economic Activity

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

City of McKinney	
Approximately 8 miles from the City	
Employer	**Employees**
Raytheon Space & Airborne Systems	4,500
McKinney ISD	3,689
Collin County	2,098
City of McKinney	1,682
Encore Wire	1,653
Medical City McKinney	1,500
Baylor Scott White Medical Center McKinney	1,500
Globe Life	1,200
Collin College	957
Simpson Strong-Tie	700

City of Plano	
Approximately 16 miles from the City	
Employer	**Employees**
JPMorgan Chase	11,261
Bank of America	6,566
Capital One Finance	5,649
Toyota Motor North America	4,938
PepsiCo Foods North America	3,759
Ericsson	3,346
AT&T Foundry and Services	2,500
Medical City Plano	2,332
Liberty Mutual Insurance Company	2,100
USAA	2,092

City of Frisco	
Approximately 19 miles from the City	
Employer	**Employees**
Frisco ISD	8,850
Dallas Cowboys Football Club	2,000
City of Frisco	1,866
HCL Technologies LTD	1,866
Integrated Commercialization Solutions	1,300
Keurig Dr. Pepper	1,213
Amerisource Bergen Specialty Group	749
Baylor Medical Center (Warren Pkwy)	567
Community Impact Newspaper	500
Mario Sinacola & Sons Excavating	500



City of Richardson	
Approximately 20 miles from the City	
Employer	**Employees**
State Farm Insurance	14,000
Richardson ISD	5,600
Blue Cross & Blue Shield of Texas	5,300
University of Texas Dallas	3,971
Geico	3,000
RTX Raytheon, Collins Aerospace	3,000
Methodist Richardson Medical Center	2,200
Cisco Systems	2,000
AT&T	1,600
Texas Instruments	1,400

City of Dallas	
Approximately 33 miles from the City	
Employer	**Employees**
UT Southwestern Medical Center	22,721
Dallas ISD	22,162
Southwest Airlines	17,324
Parkland Health System	14,000
City of Dallas	13,000
AT&T Inc	10,868
Texas Instruments Inc.	7,704
Baylor Scott & White Health	7,284
Methodist Dallas Med Ctr	6,752
Dallas County	6,500

Source: Municipal Advisory Council of Texas

APPENDIX B

FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF PRINCETON, TEXAS

and

REGIONS BANK
as Trustee

DATED AS OF APRIL 15, 2026

SECURING

$ [Par]

CITY OF PRINCETON, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2
IMPROVEMENT AREAS #3A – 3C PROJECT)

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EXHIBIT A CERTIFICATE FOR PAYMENT A-1

INDENTURE OF TRUST

THIS INDENTURE, dated as of April 15, 2026, is by and between the CITY OF PRINCETON, TEXAS (the "*City*"), and REGIONS BANK, an Alabama state banking corporation with offices in Houston, Texas, as trustee (together with any successors, the "*Trustee*"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition (the "*Petition*") was submitted and filed with the City Secretary of the City (the "*City Secretary*") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "*Act*" or "*PID Act*"), requesting the creation of a public improvement district located within the corporate limits of the City to be known as Whitewing Trails Public Improvement District No. 2 (the "*District*" or "*PID*"); and

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

WHEREAS, on May 13, 2019, the City Council of the City (the "*City Council*") adopted Resolution No. 2019-05-13-R-02 accepting the Petition and calling a public hearing on the creation of the District; and

WHEREAS, on June 10, 2019, 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 June 10, 2019, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2019-06-10-R-04, adopted by a majority of the members of the City Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, following the adoption of Resolution No. 2019-06-10-R-04, the City published notice of its authorization of the District in a newspaper of general circulation in the City; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after the date of publication of such notice; and

WHEREAS, on March 23, 2026, the City Council made findings and determinations relating to the Costs of Improvement Areas #3A-3C Projects and received and accepted a preliminary service and assessment plan and proposed Assessment Rolls, called a public hearing for April 13, 2026 to consider an ordinance levying assessments on property located within Improvement Area #3A, Improvement Area #3B, and Improvement Area #3C of the District, and

directed City staff to (i) file said proposed Assessment Rolls with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish such notice as required by Section 372.016(b) of the PID Act relating to April [], 2026 hearing; and

WHEREAS, the City, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in a newspaper of general circulation in the City where the proposed improvements are to be undertaken to consider the proposed "*Assessment Rolls*" and the "*Service and Assessment Plan*" and the levy of the "*Assessments*" on Improvement Area #3A, Improvement Area #3B, and Improvement Area #3C within the District; and

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

WHEREAS, the City Council convened the required public hearings at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Rolls, and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of Costs, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on Annual Installments and on delinquent Annual Installments of the Assessments; and

WHEREAS, after considering all written and documentary evidence presented at the public hearings, including all written comments and statements filed with the City, the City Council approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinances, which Assessment Ordinances approved the Assessment Rolls and levied the Assessments; and

WHEREAS, at the meetings referenced above, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Costs, the Assessment Rolls, or the levy of the Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue revenue bonds payable from the Assessments for the purpose of (i) paying or reimbursing the Costs of the Improvement Area #3A Projects, Improvement Area #3B Improvements and Improvement Area #3C Projects (together, the "Improvement Areas #3A-3C Projects"), (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Areas #3A-3C Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District and (v) paying the costs of issuance of the Bonds; and

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

Bonds, Series 2026 (Whitewing Trails Public Improvement District No. 2 Improvement Areas #3A - 3C Project)" (the "*Bonds*"), such Bonds being payable solely from the Assessments and other funds pledged under this Indenture to the payment of the Bonds and for the purposes set forth in this preamble; and

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

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

FIRST GRANTING CLAUSE

The Pledged Revenues, as herein defined, including all moneys and investments held in the Pledged Funds, including any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and

SECOND GRANTING CLAUSE

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

THIRD GRANTING CLAUSE

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

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

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds 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 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 remain in full force and effect;

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

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

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

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

"*Administrative Expenses*" means the reasonable expenses incurred by the City and the Developer in the establishment, administration, and operation of the PID. The expenses of administration and operation of the PID (i.e., collection costs), may include, but are not limited to, the costs of (i) direct and contracted costs incurred by the City including legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) organizing the PID and preparing the Assessment Rolls, (iii) computing, levying, collecting and transmitting the Assessments or the Annual Installments thereof to the City, Trustee or other applicable financial institution, (iv) maintaining the record of Assessments, including payments, reallocations and/or cancellations of the Assessments or Annual Installments thereof, (v) investing

or depositing the Assessments or other monies, (vi) complying with the PID Act, arbitrage rebate requirements and/or securities disclosure requirements, (vii) paying the paying agent/registrar's and Trustee's fees and expenses (including the fees and expenses of its legal counsel) related to the Bonds, and (viii) the City's costs of administering the construction of the Improvement Areas #3A-3C Projects. Administrative Expenses shall also include the administrative costs and expenses of issuing, making debt service payments on, and redeeming Bonds; provided, however, that for the avoidance of doubt, Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on Bonds. Administrative Expenses collected and not encumbered or expended shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid over collection.

"*Administrator*" means an employee or designee of 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.

"*Annual Debt Service*" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year (excluding interest paid from funds on deposit in the Capitalized Interest Account of the Bond Fund), 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 the sum of the annual installment on the Assessment, including the annual installment on interest and principal, Additional Interest and Administrative Expenses.

"*Annual Service Plan Update*" means the annual review and update of the Service and Assessment Plan 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 or of the United States of America, 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 Property*" means the benefited parcels in Improvement Area #3A, Improvement Area #3B, and Improvement Area #3C of the District and which are comprised of the Improvement Area #3A Assessed Property, Improvement Area #3B Assessed Property and Improvement Area #3C Assessed Property as shown in the Service and Assessment Plan.

"*Assessment*" means an assessment levied against Assessed Property based on the special benefit conferred on such Parcels by the Improvement Areas #3A-3C Projects.

"*Assessment Ordinances*" means Ordinance No. 2025-11-10-07 adopted by the City Council on November 10, 2025 and Ordinance No. 2026-[-] adopted by the City Council on April

[], 2026, as each may be amended or supplemented, that levied the Assessments on the Assessed Property.

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

"*Assessment Rolls*" means the Improvement Area #3A Assessment Roll, Improvement Area #3B Assessment Roll, Improvement Area #3C Assessment Roll, which are attached to the Service and Assessment Plan as updated, modified or amended from time to time in accordance with the procedures set forth in the Service and Assessment Plan and in the PID Act.

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

"*Authorized Denomination*" means $25,000 and any integral multiple of $1,000 in excess thereof. Except as provided in Section 4.5 hereof, the City prohibits any Bond to be issued in a denomination of less than $25,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than $25,000, and any attempt to accomplish either of the foregoing shall be void and of no effect.

"*Bond*" means any of the Bonds.

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

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

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

"*Bond Improvement Account of the Project Fund*" means, as applicable in the relevant context, the Improvement Area #3A Bond Improvement Account, the Improvement Area #3B Bond Improvement Account, and the Improvement Area #3C Bond Improvement Account within the Project Fund established pursuant to Section 6.1 of this Indenture.

"*Bond Ordinance*" means the ordinance numbered 2026-[] adopted by the City Council on April 13, 2026 authorizing the issuance of the Bonds pursuant to this Indenture.

"*Bond Pledged Revenue Account*" means the Account in the Pledged Revenue Fund established pursuant to Section 6.1 of this Indenture.

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

"*Bonds*" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Princeton, Texas, Special Assessment Revenue Bonds, Series 2026 (Whitewing Trails Public Improvement District No. 2 Improvement Areas #3A - 3C Project)" and, in the event the City issues Refunding Bonds pursuant to Section 13.2 hereof, the term "Bonds" shall include such Refunding Bonds.

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

"*Capitalized Interest Account*" means the Account in the Bond Fund established pursuant to Section 6.1 of this Indenture.

"*Certificate for Payment*" means a certificate substantially in the form of Exhibit A hereto and executed by a Person approved by the City Representative that is delivered to the City Representative and the Trustee specifying the amount of work performed and the Costs thereof, and requesting payment for such Costs from money on deposit in the Project Fund as further described in Section 6.5 of this Indenture.

"*City Directive*" means a certificate containing written instructions, signed by the City Representative.

"*City Representative*" means, individually, the Mayor and City Manager (or another official or agent of the City subsequently designated in writing as a City Representative) which are authorized by the City Council to undertake the action referenced herein.

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

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

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

"*Construction, Funding, and Acquisition Agreement*" means the Whitewing Trails Public Improvement District No. 2 Improvement Areas #3A - 3C Improvements Construction, Funding, and Acquisition Agreement by and between the City and the Developer, dated as of [], 2026, as may be amended and/or supplemented from time to time.

"*Costs*" means the Actual Costs (excluding Administrative Expenses), for the Improvement Areas #3A-3C Projects, with such budgeted amounts being set forth in the Service and Assessment Plan.

"*Costs of Issuance Account*" means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

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

"*Delinquency and Prepayment Reserve Account*" means the Account in the Reserve Fund established pursuant to Section 6.1 of this Indenture.

"*Delinquency and Prepayment Reserve Requirement*" means an amount equal to [5.5%] of the principal amount of the then Outstanding Bonds to be funded from the Additional Interest transferred from the Bond Pledged Revenue Account.

"*Delinquent Collection Costs*" means, for a Parcel, interest, penalties and attorneys' fees that are authorized by the PID Act and by the Assessment Ordinances and that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent payments due under the Service and Assessment Plan, including costs and expenses related to the foreclosure of liens.

"*Delivery Date*" means May [], 2026, which is the date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefor.

"*Designated Payment/Transfer Office*" means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office designated by the Paying Agent/Registrar, which shall initially be located in Houston, Texas, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"*Developer*" has the meaning assigned to such term in the SAP, and any successor thereto.

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

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

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

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

"*Improvement Area #3A Projects*" shall have the meaning given to it in the Service and Assessment Plan.

"*Improvement Area #3B Improvements*" shall have the meaning given to it in the Service and Assessment Plan.

"*Improvement Area #3C Projects*" shall have the meaning given to it in the Service and Assessment Plan.

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

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

"*Initial Bonds*" means the Initial Bonds authorized by Section 5.2 of this Indenture.

"*Interest Payment Date*" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 1 and September 1 of each year, commencing [September 1, 2026.]

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

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

"*Outstanding*" means, as of any particular date when used with reference to 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, (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 and (iv) any Bond alleged to have been mutilated, destroyed, lost or stolen, which has been paid as provided in this Indenture.

"*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.

"*Parcel*" or "*Parcels*" means a parcel or parcels within the District identified by either a tax map identification number assigned to the Parcel by the Collin County Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the real property records of Collin County.

"*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.

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

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

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

"*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 Assessment.

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

"*Principal and Interest Account*" means the Account in the Bond Fund established pursuant to Section 6.1 of this Indenture.

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

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

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

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

"*Record Date*" means the close of business on the fifteenth calendar day (whether or not a Business Day) of the month next preceding an Interest Payment Date.

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

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

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

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

"*Reserve Account*" means the Account in the Reserve Fund established pursuant to Section 6.1 of this Indenture.

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

"*Reserve Fund Obligations*" means cash or Investment Securities.

"*Reserve Account Requirement*" means the lesser of (i) 100% of the Maximum Annual Debt Service on the Bonds as of the date of issuance, (ii) 125% of the average annual debt service on the Bonds measured as of the date of issuance, or (iii) 10% of the principal amount of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to Section 6.7(d); and provided further that as a result of (A) an optional redemption pursuant to Section 4.3 or (B) an extraordinary optional redemption pursuant to Section 4.4, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the Closing Date, the Reserve Account Requirement is $[-] which is an amount equal to 100% of the Maximum Annual Debt Service on the Bonds as of the date of issuance.

"*Improvement Areas #3A-3C Projects*" means the Improvement Area #3A Projects, Improvement Area #3B Improvements and the Improvement Area #3C Projects as described in the SAP.

"*Improvement Areas #3A-3C Projects Costs*" mean the actual costs of all or any portion of the Improvement Areas #3A-3C Projects, as described in the Service and Assessment Plan including, but not limited to, all costs paid or incurred in connection with the issuance of the Bonds, and including all costs otherwise paid or incurred in connection with the transaction that results in the issuance of Bonds (whether such costs are characterized as interest, costs of issuance, reserve fund, or other costs of the transaction)

"*Service and Assessment Plan*" and "*SAP*" each mean the document, including the Assessment Rolls, which are attached to the respective Assessment Ordinance, as may be updated in an annual update or amended and supplemented from time to time.

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

"*Special Record Date*" has the meaning set forth in in the form of Bond included in Section 5.2 hereof.

"*State*" means the State of Texas.

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

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

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

"*Trust Estate*" means the Trust Estate described in the granting clauses of this Indenture, and the Trust Estate shall only include Pledged Revenues related to the Assessments levied on the Assessed Property within Improvement Area #3A, Improvement Area #3B, and Improvement Area #3C, unless the City pledges additional revenues to the payment of the Bonds, which additional pledge may only be created in a Supplemental Indenture.

"*Trustee*" means Regions Bank, an Alabama state banking corporation, with offices located in Houston, Texas and any 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.

"*Value of Investment Securities*" means the amortized value of any Investment Securities, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations shall include accrued interest on the investment securities paid as

a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value," when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (i) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price.

Section 1.2. **Findings.**

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

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

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

Section 1.4. **Interpretation.**

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

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

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

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

ARTICLE II

THE BONDS

Section 2.1. **Security for the Bonds.**

(a) The Bonds, as to principal, interest and redemption premium, if any, are and shall be equally and ratably secured by and payable from a first lien on and pledge of the Trust Estate.

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

Section 2.2. **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 2.3. **Authorization for Indenture.**

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

Section 2.4. **Contract with Owners and Trustee.**

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the Bonds 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 Owner, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. **Authorization.**

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly the PID Act. The Bonds shall be issued in the aggregate principal amount of $[Par] for the purpose of (i) paying or reimbursing the Costs of the Improvement Areas #3A-3C Projects, (ii) paying capitalized interest on the Bonds during and after the period of acquisition and construction of the Improvement Areas #3A-3C Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District and (v) paying the costs of issuance of the Bonds;.

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

(a) The Bonds shall be dated April 15, 2026 (the "*Bond Date*") and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the Closing Date, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below, or on a date of earlier redemption, or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing [September 1, 2026], computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest at the rates set forth below:

$[] []% Term Bonds Due September 1, 20[], Priced to Yield []%
CUSIP 742400[]

$[] []% Term Bonds Due September 1, 20[], Priced to Yield []%
CUSIP 742400[]

$[] []% Term Bonds Due September 1, 20[], Priced to Yield []%
CUSIP 742400[]

$[] []% Term Bonds Due September 1, 20[], Priced to Yield []%
CUSIP 742400[]

(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Section 5.2.

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

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

(a) a certified copy of the Assessment Ordinances;

(b) a certified copy of the Bond Ordinance;

(c) a copy of the executed Construction, Funding, and Acquisition Agreement with all executed amendments thereto;

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

(e) an executed City Directive 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.

(f) an executed Signature Identification and No-Litigation Certificate;

(g) an executed opinion of Bond Counsel; and

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

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

(a) Principal of and interest on the Bonds 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 or Special Record Date, as applicable.

(c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each

Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond 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 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, any such payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds 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 holders 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.

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

(a) The Bonds shall be executed on behalf of the City by the Mayor 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 be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the

same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General, is a valid and binding obligation of the City, and has been registered by the Comptroller.

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

Section 3.6. **Ownership.**

(a) The City, the Trustee, including in its capacity as 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 Record Date or Special Record Date, as applicable) and for all other purposes, whether or not such Bond is overdue, and none of the City, the Trustee, including in its capacity as 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, including in its capacity as 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 maintain a copy of the Register, 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 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. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds transferred or exchanged 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 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 forty-five (45) days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

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. Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds, the Trustee shall dispose of cancelled Bonds in accordance with its record retention policies.

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 request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed,

lithographed, typewritten, mimeographed or otherwise produced, in any 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 the Authorized Denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.10. **Replacement Bonds.**

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

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the applicable laws of the State 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, including in its capacity as 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, in its discretion, 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.**

(a) 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.

(b) 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 will 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 Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with

respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the Record Date or Special Record Date, as applicable, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

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

In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the City to DTC, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds 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 maturing on September 1 in each of the years [] (collectively, the "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the redemption price equal to the principal amount of the Term Bonds called for redemption, plus accrued and unpaid interest to the date fixed for

redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds maturing September 1, 20[]

Redemption Date	Sinking Fund Installment Amount
9/1/20[]	$,000
9/1/20[]	$,000
9/1/20[]	$,000
9/1/20[]	$,000

*Stated maturity.

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

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

(d) The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Term Bonds which, at least 45 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in Section 4.3 hereof or the extraordinary optional redemption provisions in Section 4.4 hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. **Optional Redemption.**

The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any date on or after September 1, 20[], such redemption date or dates to be fixed by the City, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date fixed for redemption. The City shall notify the Trustee in writing no less than forty-five (45) days before the scheduled redemption date fixed by the City in accordance with this section.

Section 4.4. **Extraordinary Optional Redemption.**

The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any day of any month, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date

fixed for redemption, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in Section 6.7(d)) or any other transfers to the Redemption Fund under the terms of this Indenture. The City shall notify the Trustee in writing no less than forty-five (45) days before the scheduled redemption date fixed by the City in accordance with this section.

Section 4.5. **Partial Redemption.**

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

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

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to Section 4.5, 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 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.

The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Section 4.7. **Payment Upon Redemption.**

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

(b) Upon presentation and surrender of any Bond called for redemption at the designated corporate trust 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, 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 this Article 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 may be typewritten and photocopied or otherwise reproduced.

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

(a) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE CITY, 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. ____	UNITED STATES OF AMERICA STATE OF TEXAS	REGISTERED $_____

CITY OF PRINCETON, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2026
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 IMPROVEMENT AREAS #3A – 3C PROJECT)

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

The City of Princeton, 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 1 and September 1 of each year, commencing [September 1, 2026].

Capitalized terms appearing herein that are defined terms in the Indenture (defined below) have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Houston, Texas (the "*Designated Payment/Transfer Office*"), of Regions Bank, as trustee and paying agent/registrar (the "*Trustee*"), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the fifteenth calendar day (whether or not a 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 (which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the City in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated as of April 15, 2026 and issued in the aggregate principal amount of $[Par] and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of April 15, 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 or reimbursing the Costs of the Improvement Areas #3A-3C Projects, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Areas #3A-3C Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District and (v) paying the costs of issuance of the Bonds.

The Bonds are limited obligations of the City payable solely from the Trust Estate. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of

the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

IN THE INDENTURE, THE CITY HAS RESERVED THE RIGHT to issue Refunding Bonds payable from and secured by a lien on and pledge of the sources described above on a parity with this Bond.

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

The Bonds are issuable as fully registered bonds only in denominations of $100,000 and any multiple of $1,000 in excess thereof ("*Authorized Denominations*"). The City prohibits the breaking up or allocation of CUSIP numbers to any Bond or Bonds in denominations of less than $100,000, and any attempt to do so will be void and of no effect.

The Bonds maturing on September 1 in each of the years [] (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part a redemption 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 respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds maturing September 1, 20[]

Redemption Date	Sinking Fund Installment Amount
9/1/20[]	$,000
9/1/20[]	$,000
9/1/20[]	$,000
9/1/20[]	$,000

*Stated maturity.

At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds of such maturity equal to the Sinking Fund Installments of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

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

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

The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any date on or after September 1, 20[], such redemption date or dates to be fixed by the City, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date of redemption.

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any day of any month, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture.

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

The City has the right to rescind any optional redemption or extraordinary optional redemption described in the Indenture by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available 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. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

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, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

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

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

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, COLLIN COUNTY, TEXAS OR THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

_____ _____

City Secretary Mayor

[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 a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

_____
Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Bonds of the series of Bonds referred to in the within mentioned Indenture.

REGIONS BANK, 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 and address, including zip code, of Transferee.)

_____

_____

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

Dated: _____

Signature Guaranteed by:

_____ _____

Authorized Signatory

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

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

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

(ii) 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 1 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 Installments	Interest Rates"

(Information to be inserted from Section 3.2(c)); and

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

Section 5.3. **CUSIP Registration.**

The City may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, 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 attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. Except as authorized under Section 4.5 hereof, the City prohibits any Bond to be issued in a denomination of less than $100,000 and further prohibits the assignment of a CUSIP number to any Bond with a

denomination of less than $100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect. 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 Bondholders and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 5.4. **Legal Opinion.**

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

ARTICLE VI

FUNDS AND ACCOUNTS

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

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

(i) Pledged Revenue Fund;

(ii) Bond Fund;

(iii) Project Fund;

(iv) Reserve Fund;

(v) Redemption Fund;

(vi) Rebate Fund; and

(vii) Administrative Fund.

(b) Creation of Accounts.

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

(A) Capitalized Interest Account; and

(B) Principal and Interest Account.

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

(A) Reserve Account; and

(B) Delinquency and Prepayment Reserve Account

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

(A) Improvement Area #3A Bond Improvement Account
(B) Improvement Area #3B Bond Improvement Account;
(C) Improvement Area #3C Bond Improvement Account; and

Costs of Issuance Account.

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

(A) Bond Pledged Revenue Account.

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

(d) Interest earnings and profit on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

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

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

(i) to the Capitalized Interest Account of the Bond Fund: $[-];
(ii) to the Reserve Account of the Reserve Fund: $[-], which is equal to the initial Reserve Account Requirement;
(iii) to the Delinquency and Prepayment Reserve Account of the Reserve Fund: $[-];
(iv) to the Costs of Issuance Account of the Project Fund: $[-];
(v) to the Improvement Area #3A Bond Improvement Account: $[-];
(vi) to the Improvement Area #3B Bond Improvement Account: $[-];
(vii) to the Improvement Area #3C Bond Improvement Account: $[-]; and
(viii) to the Administrative Fund: $[-].

(b)

Section 6.3. **Pledged Revenue Fund.**

(a) Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Assessment Revenues (other than the portion of the Annual Installments allocated to the payment of Administrative Expenses, and Delinquent Collection Costs, which shall be deposited to the Administrative Fund pursuant to Section 6.9 hereof), as set forth in the Service and Assessment Plan. Specifically, the City shall deposit or cause to be deposited the foregoing amounts as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, and (iii) third, to pay other costs permitted by the PID Act. Notwithstanding the foregoing, if any funds remain on deposit in the Pledged Revenue Fund after the deposits required by (i) and (ii) above are made, the City shall have the option, in its sole and absolute discretion, to deposit such excess funds into the Redemption Fund to redeem Bonds as provided in Article IV. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in Section 6.7 hereof and, immediately following the initial deposit to the Pledged Revenue Fund, the Additional Interest will be deposited into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement is met. In addition, in the event the City owes Rebatable Arbitrage to the United States Government pursuant to Section 6.8 hereof, the City shall provide a City Directive to the Trustee, directing the Trustee to transfer to the Rebate Fund, prior to any other transfer under this Section 6.3(a), the full amount of Rebatable Arbitrage owed by the City, as further described in Section 6.10(f) hereof. If any funds remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess funds for any one or more of the following purposes: (1) pay other Costs of the Improvement Areas #3A-3C Projects, (2) pay other costs permitted by the PID Act, or (3) deposit such excess into the Redemption Fund to redeem Bonds as provided in Article IV. Along with each transfer to the Trustee, the City shall provide a certificate as to the funds, accounts and payments into which the amounts are to be deposited or paid.

(b) From time to time as needed to pay principal or interest on the Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds 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, 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, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

(d) The Trustee shall transfer Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(e) Promptly after the deposit of Foreclosure Proceeds into the Pledged Revenue Fund, the Trustee shall, pursuant to a City Directive, transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund as follows. After deposit of Foreclosure Proceeds into the Reserve Fund, the Trustee shall deposit such Foreclosure Proceeds first into the Reserve Account if the Reserve Account does not contain the Reserve Account Requirement and if it does contain the Reserve Account Requirement, such Foreclosure Proceeds shall be deposited into the Delinquency and Prepayment Reserve Account. If both the Reserve Account and Delinquency and Prepayment Reserve Account contain their respective amounts required to be on deposit, the Trustee shall transfer such Foreclosure Proceeds to the Redemption Fund.

(f) After satisfaction of the requirement to provide for the final payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, pursuant to a City Directive, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which monies may be used for any lawful purpose for which Assessments may be used under the PID Act.

Section 6.4. **Bond Fund.**

(a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds, 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 pursuant to Section 6.7(f). 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 all interest due on the Bonds on [September 1, 2026]. Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred to, depending on the City Directive, any of the Bond Improvement Accounts unless the Bond Improvement Accounts have been closed, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Section 6.5. **Project Fund.**

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

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

Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. The funds from such other Accounts of the Project Fund shall be disbursed in accordance with a Certificate for Payment as provided in the Construction, Funding, and Acquisition Agreement. Each such City Directive shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such City Directive or in the invoices submitted therewith and the Trustee is entitled to rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

(c) Except as provided in Sections 6.5(d) and (f), money on deposit in the Project Fund shall be used solely to pay Costs.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in any Bond Improvement Account of the Project Fund are not expected to be expended for purposes of such Bond Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Areas #3A-3C Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in such Bond Improvement Account of the Project Fund will ever be expended for the purposes of the respective Bond Improvement Account of the Project Fund, the City Representative shall file a City Directive with the Trustee which identifies the amounts then on deposit in the applicable Bond Improvement Account of the Project Fund that are not expected to be used for purposes of such Bond Improvement Account of the Project Fund. If such City Directive is so filed, the identified amounts on deposit in such Bond Improvement Account of the Project Fund shall be transferred to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Directive filed with the Trustee. Upon such transfers, the applicable Bond Improvement Account of the Project Fund shall be closed.

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

(f) Upon the filing of a City Directive stating that all Improvement Areas #3A Projects, Improvement Area #3B Improvements or Improvement Area #3C Projects, as applicable in the relevant context, have been completed and that all Costs have been paid, or that any Costs are not required to be paid from the Project Fund pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining within the within the respective Bond Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Directive filed with the Trustee. Upon such transfers, the respective Bond Improvement Account of the Project Fund shall be closed.

(g) Upon a 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 Bond Improvement Accounts of the Project Fund in such amounts as determined in the City Directive, and used to pay Costs or to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Directive filed with the Trustee and thereafter such Costs of Issuance Account shall be closed.

Section 6.6. **Redemption Fund.**

The Trustee shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in 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 and, when accumulated, maintain in the Reserve Account, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture. Subject to 6.3(a) herein, the Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 1 of each year, commencing [March 1, 2026], an amount equal to the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. At any time, the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been met. Furthermore, once the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account, any amounts in excess of the Delinquency and Prepayment Reserve Requirement shall be transferred by the Trustee first to the Redemption Fund to redeem Bonds as provided in Article IV provided, however, that at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Rolls in the Service and Assessment Plan unless and until it receives a City Directive specifying that a different amount be used. The Additional Interest shall continue to be collected and deposited pursuant to this Section 6.7 until the Bonds are no longer Outstanding. Whenever a transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source or account of said funds.

(c) In the event of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to Section 4.4, the Trustee, pursuant to prior written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds 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 Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(d) Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 6.4, unless within thirty days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds, (iii) to the Improvement Areas #3A-3C Projects Improvement Account of the Project Fund to pay Costs if such application and the expenditure of funds is expected to occur within three years of the date hereof, or (iv) 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 the City Representative, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall apply such excess: (i) to the Reserve Account of the Reserve Fund, if the amount on deposit therein is less than the Reserve Account Requirement, (ii) to pay amounts due under Section 6.8 hereof, (iii), at the written direction of the City pursuant to a City Order, to the Administrative Fund, or (iv) if the City does not provide written direction to the Trustee pursuant to Section 6.7(e)(iii) above, to the Redemption Fund to be applied to the redemption of the Bonds. In the event that the Trustee does not receive a City Order directing the transfer of such excess to the Administrative Fund pursuant to Subsection 6.7(e)(iii) hereof within 45 days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund pursuant to Section 6.7(e)(iv) hereof and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in full compliance with this Section.

(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 Delinquency and Prepayment Reserve Account of the Reserve Fund and second from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency. Additional Interest shall be used to replenish first the Reserve Account of the Reserve Fund and second the Delinquency and Prepayment Reserve Account of the Reserve Fund.

(g) Reserved.

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

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

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

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

(a) The Rebate Fund is to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

(b) In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate, as further set forth in a City Directive delivered to the Trustee. The Trustee may conclusively rely on such City Directive and shall not be responsible for any loss or liability resulting from the investment of funds under this Section, but only so long as the Trustee complies with such City Directive.

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

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

Section 6.9. **Administrative Fund.**

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

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Directive solely for the purposes set forth in the Service and Assessment Plan, including payment of Administrative Expenses and Delinquent Collection Costs. 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, other than the Reserve Fund, shall be invested by the Trustee as directed by the City pursuant to a City Directive filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Fund shall be invested in such Investment Securities as directed by the City pursuant to a City Directive filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Directive shall be a certification, upon which the Trustee is entitled to conclusively rely without investigation or inquiry, that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee is hereby directed and authorized, to invest and re-invest cash balances in Morgan Stanley, Fidelity or Federated family of funds, but only so long as such funds are authorized and 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, and only so long as such investments constitute Investment Securities and the money required to be expended from any Fund will be available at the proper time or times.

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the legality of any investments.

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

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

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

Section 6.11. **Security of Funds.**

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

ARTICLE VII

COVENANTS

Section 7.1. **Confirmation of Assessments.**

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinances, it has levied the Assessments against the Assessed Property from which the Assessment Revenues will be collected and received.

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

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

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

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

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

Section 7.3. **Against Encumbrances.**

(a) Other than Refunding Bonds issued to refund all or a portion of the 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, Pledged Revenues 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, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and Refunding Bonds issued to refund all or a portion of the Bonds, secured by any pledge of or other lien or charge on the Trust Estate, Pledged Revenues or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

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

The City hereby covenants and agrees that so long as any Bonds are Outstanding, it will keep and maintain a proper and complete system of records and accounts pertaining to the

Assessments. The Trustee and holder or holders of any Bonds or any duly authorized agent or agents of such holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. 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 thirty days after the City receives such request.

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

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

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

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

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

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

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

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

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of an advance refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Bonds is issued, and in the case of a current refunding bond, for a period of 90 days or less,

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

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

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

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

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

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

(c) The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto (the "*Treasury Regulations*"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose

additional requirements applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor and, City Manager to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for Costs on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Improvement Areas #3A-3C Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds is retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

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

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. **Liability of City.**

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

(b) The City shall not incur any responsibility in respect of the Bonds 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.

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

(d) No provision of this Indenture, the Bonds, the Assessment Ordinances, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds (collectively, the "*Bond Documents*"), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Pledged Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Pledged Revenues. 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.

(f) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or

City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

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

ARTICLE IX

THE TRUSTEE

Section 9.1. **Acceptance of Trust; Trustee as Registrar and Paying Agent.**

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds agree.

(b) The Trustee is hereby designated and agrees to act also in the capacity 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 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 of any rights and powers hereunder, until it shall be indemnified to its satisfaction by the Owners against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers when directed in writing and required hereunder, or to deliver any notice when directed in writing and required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else proper to be done by it as the Trustee, and in such case the Trustee may make transfers from the Pledged Revenue Fund and Administrative Fund to pay all costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

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

(a) The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility for and undertakes no duty to

verify the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds or 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 the Trustee as consideration for serving 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 the Trustee as consideration for serving in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code or (v) to undertake any other action unless specifically authorized or required pursuant to a written City Directive or pursuant to this Indenture.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable for the performance of its duties and obligations as are specifically set forth in this Indenture, except for the Trustee's own negligence or willful misconduct. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence, furnishing, or use of the District. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in principal amount of the Bonds then Outstanding relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) 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 case and in good faith by it hereunder.

Section 9.4. **Property Held in Trust.**

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5. **Trustee Protected in Relying on Certain Documents.**

(a) The Trustee is entitled to rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in

accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant that the Trustee shall in good faith reasonably believe to be qualified in relation to the subject matter or is selected by the City in accordance with this Indenture, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained, the validity thereof, or matters referred to in any such instrument. Subject to Section 9.1 and 9.3, the Trustee may consult with counsel selected by the Trustee with due care, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Directive, unless other evidence in respect thereof be hereby specifically prescribed. Such City Directive shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative.

(c) The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13.

Section 9.6. **Compensation.**

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, the previously determined and agreed upon reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all costs for any extraordinary services rendered, and 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, all pursuant to a City Directive and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Directive, 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 the Trustee has reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee shall make such payment from lawfully available funds (other than funds designated by the City for Rebatable Arbitrage) in its possession under the provisions of this Indenture.

Section 9.7. **Permitted Acts.**

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the holders of a majority 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 sixty (60) days' notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Notwithstanding the foregoing, such resignation shall take effect upon the appointment of a successor as provided in Section 9 .10 and the acceptance of such appointment by such successor. Notwithstanding the foregoing, if, after 60 days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the Trustee, and such resignation shall take effect upon the court's appointment of a successor Trustee.

Section 9.9. **Removal of Trustee.**

The Trustee may be removed at any time by (i) the Owners of at least a majority 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) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the principal amount of the Bonds then Outstanding.

Section 9.10. **Successor Trustee.**

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

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 25% 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) Until such successor Trustee shall have been appointed by the Owners of the Bonds, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds.

(d) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds 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.

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

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

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

request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. **Merger, Conversion or Consolidation of Trustee.**

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

Section 9.13. **Trustee To File Continuation Statements.**

If necessary, the Trustee shall file or cause to be filed, at the City's expense, such continuation statements as may be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "*UCC*"), in order to continue perfection of the security interest 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; provided unless the Trustee is otherwise notified by the City, the Trustee may conclusively rely upon (and be fully protected in relying upon) the initial filing statements or the description of collateral in such initial filing statements delivered to Trustee by the City in filing any continuation statements hereunder in the same filing offices as the initial filings were made. The Trustee is not responsible for the initial filing of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code.

Section 9.14. **Accounts, Periodic Reports and Certificates.**

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

Section 9.15. **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.

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, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of the Bonds of at least fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding and City approval of such modification or amendment. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Pledged Revenues 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 or this Indenture), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment shall not modify any of the rights or obligations of the Trustee without its prior 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 anyone or more of the following purposes:

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

(ii) to make modifications not adversely affecting any Outstanding Bonds 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; and

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

Section 10.2. **Owners' Meetings.**

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

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

(a) 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, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, if such consent is required pursuant to Section 10.1, shall be mailed by first class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners of the required percentage of Bonds 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 sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4. **Procedure for Amendment Not Requiring Owner Consent.**

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1(b), to take effect when and as provided in this Section. The City shall direct the

Trustee in writing to provide a copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, to mail by first-class mail to each Owner of Bonds, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Owners of all Bonds as of the date of such execution and delivery.

Section 10.5. **Effect of Supplemental Indenture.**

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

Section 10.6. **Endorsement or Replacement of Bonds 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 10.7. **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 10.8. **Waiver of Default.**

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

Section 10.9. **Execution of Supplemental Indenture.**

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

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. **Events of Default.**

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

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

(ii) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2; and

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture, other than a default under (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which shall give such notice at the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice.

(iv) 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 thirty (30) days thereafter.

Section 11.2. **Immediate Remedies for Default.**

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding hereunder shall proceed, to protect and enforce the rights of the

Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

(b) PURSUANT TO SECTION 11.7, 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 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 Directive, 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 Directive, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and the Trustee shall not be liable to any Owner, or other Person, or the City by reason of the following selection process, liquidation or sale.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms, specifically in inverse order of value pursuant to a certified appraisal or real or personal property or market value of investments as set forth in the United States Stock Exchange, 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 judgement 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 received prior notice in writing as provided in Section 11.1, (ii) such default has become an Event of Default and the Owners of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee directing the Trustee to proceed to exercise the powers hereinbefore granted or to institute such action, suit or

proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such prior written notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

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

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

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

(a) All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost 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, 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.

Following its receipt of written directions from the City, the Trustee shall make payments to the Owners of Bonds pursuant to this Section 11.4 within 30 days of receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

(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 any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. **No Acceleration.**

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

Section 11.8. **Mailing of Notice.**

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

Section 11.9. **Exclusion of Bonds.**

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.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. **Representations as to Pledged Revenues.**

(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 Pledged Revenues in the manner and to the extent provided in this Indenture, and that the Pledged Revenues 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 Pledged Revenues and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will provide written direction to the Trustee to take all steps reasonably necessary and appropriate to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. **General.**

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

ARTICLE XIII

SPECIAL COVENANTS

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

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

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

Section 13.2. **Other Obligations or Other Liens; Refunding Bonds.**

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

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

(c) Notwithstanding any contrary provision of this Indenture, the City shall not issue additional bonds, notes or other obligations under this Indenture, secured by any pledge of or other

lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than Refunding Bonds as described below. 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, but only if the Refunding Bonds will result in an annual cash flow savings for every Bond Year, and that the Refunding Bonds will not have a maturity date later than the final maturity date of the Bonds or Outstanding Refunding Bonds being refunded.

(d) The City reserves the right to issue additional bonds to finance the cost of future local improvements within a proposed development area or phase (or a portion thereof) in the District as the development proceeds. Such additional bonds will be secured by separate assessments levied on the future development area and will be reflected in an amended and restated SAP or updated SAP. The proposed development area projects will be identified and the determination of their cost will be deferred until a later date, and will be reflected in an amended and restated SAP or updated SAP. The City may but is under no obligation to issue additional bonds, including for future development areas or phases in the District, for any purpose permitted by the PID Act and in accordance with the conditions set forth in this Section.

Section 13.3. **Books of Record.**

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

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture.

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.**

(a) Any Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of this Indenture (a "*Defeased Debt*"), and particularly this Article XIV, when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. 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 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.

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

(c) Until all Defeased Debt shall have become due and payable, the Trustee and the Paying Agent/Registrar each shall perform the services of Trustee and Paying Agent/Registrar for such Defeased Debt the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Indenture.

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.

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

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

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

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

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

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

(d) Any request, declaration or other instrument or writing of the Owner of any Bond 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. **No Waiver of Personal Liability.**

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

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

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, and addressed as follows:

If to the City	City of Princeton, Texas Attn: City Manager [] Princeton, Texas 75407 with a copy to: McCall, Parkhurst & Horton LLP Attn: Jeff Gulbas 717 North Harwood, Suite 900 Dallas, Texas 75201
If to the Trustee and initially acting in the capacity of Paying Agent/Registrar	Regions Bank 3773 Richmond Ave., Suite 1100 Houston, Texas 77046 Attn: Corporate Trust with a copy to: []

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

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

(d) The Trustee shall mail to each Owner of a Bond notice of (1) any substitution of the Trustee; or (2) the redemption or defeasance of all Bonds Outstanding.

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 anyone 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 applicable to contracts made and performed in the State.

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.

Section 15.10. **Required Statutory Verifications**. (a) The Trustee makes the following representation and verifications (the "Statutory Verifications") to enable the Issuer to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Indenture. As used in such Statutory Verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification prior to the expiration or earlier termination 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 Purchase Contract to the contrary.

(b) *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.

(c) *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.

(d) *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.

(e) *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 left blank intentionally]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF PRINCETON, TEXAS

By: _____
Mayor

Attest:

_____
City Secretary

(CITY SEAL)

REGIONS BANK
as Trustee

By: _____
Authorized Officer

EXHIBIT A

CERTIFICATE FOR PAYMENT

The undersigned is an agent for _____ (the "Developer") and requests payment to the Developer (or to the person designated by the Developer) from the Improvement Account of the Project Fund from _____ (the "Trustee") in the amount of _____ ($_____) to be transferred from the Improvement Account of the Project Fund upon the delivery of the Bonds for costs incurred in the establishment, administration, and operation of the Whitewing Trails Public Improvement District No. 2 (the "District") and costs incurred for the creation, acquisition and construction of the Improvement Areas #3A-3C Projects, as follows. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the City and the Trustee dated as of April 15, 2026 relating to the "CITY OF PRINCETON, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026 (WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 IMPROVEMENT AREAS #3A – 3C PROJECT)" (the "Indenture").

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate 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 establishment, administration, and operation of the District at the time of the delivery of the Bonds have not been the subject of any prior payment request submitted to the City. The payment requested for the below referenced Improvement Areas #3A-3C Projects has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.

3. The amount listed for the below costs is a true and accurate representation of the costs associated with the establishment, administration and operation of the District at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan. The amount listed for the Improvement Areas #3A-3C Projects below is a true and accurate representation of the actual Costs associated with the creation, acquisition, or construction of said Improvement Areas #3A-3C Projects, and such costs (i) are in compliance with the 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 Construction, Funding, and Acquisition Agreement, the Indenture, the Developer Continuing Disclosure Agreement and the Service and Assessment Plan.

5. All conditions set forth in the Indenture and the Construction, Funding, and Acquisition Agreement for the payment hereby requested have been satisfied.

6. The work with respect to the Improvement Areas #3A-3C Projects referenced below (or its completed segment) has been completed, and the City has inspected such Improvement Areas #3A-3C Projects (or its completed segment).

7. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:
Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are "bills paid" affidavits and supporting documentation in the standard form for City construction projects.

[Information regarding Payee, amount, and deposit instructions attached]

I hereby declare that the above representations and warranties are true and correct.

_____, as Developer

By:_____
Name:_____
Title:_____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, and finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and shall include said payments in the City Directive (as defined in the Indenture) submitted to the Trustee directing payments to be made from the applicable account upon delivery of the Bonds.

CITY OF PRINCETON, TEXAS

By: _____
Name: _____
Title: _____

Date: _____

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APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

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WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2

CITY OF PRINCETON, TEXAS

PRINCETON
TEXAS

PRELIMINARY SERVICE AND ASSESSMENT PLAN
(IMPROVEMENT AREA #3A, IMPROVEMENT AREA #3B AND IMPROVEMENT AREA #3C)

December 8, 2025
And updated for Improvement Area #3C Assessment Levy and Improvement Areas #3A-3C Bonds on March 23, 2026

PREPARED BY:

MUNICAP, INC.
PUBLIC FINANCE

WHITEWING TRAILS
PUBLIC IMPROVEMENT DISTRICT NO. 2

PRELIMINARY SERVICE AND ASSESSMENT PLAN

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I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On June 10, 2019, the City Council of the City of Princeton, Texas passed and approved Resolution No. 2019-06-10-R-04 approving and authorizing the creation of the Whitewing Trails Public Improvement District No. 2 (the "PID") to finance the costs of certain public improvements for the benefit of property in such public improvement district, all of which is located within the City of Princeton.

The property in the PID is proposed to be developed in multiple phases, and the PID has previously financed, and will finance public improvements as the property within the PID is developed. Phases #2-6 MIA Assessments have been levied on all property within the Phases #2-6 Major Improvement Area (including Improvement Area #3A, Improvement Area #3B, and Improvement Area #3C) for the public improvements that benefit Phases #2-6 Assessed Property pursuant to the Phases #2-6 MIA SAP.

Additional Assessments have been levied for Improvement Area #3A Projects and Improvement Area #3B Improvements, and additional Assessments are being levied for Improvement Area #3C Projects.

Chapter 372 of the Texas Local Government Code, the "Public Improvement District Assessment Act" (as amended, the "PID Act"), governs the creation and operation of public improvement districts within the State of Texas. This Whitewing Trails Public Improvement District No. 2 Service and Assessment Plan (the "Service and Assessment Plan") has been prepared in accordance with the PID Act and specifically Sections 372.013, 372.014, 372.015 and 372.016, which address the requirements of a service and assessment plan and the assessment roll. According to Section 372.013 of the PID Act, a service plan "must (1) cover a period of at least five years; (2) define the annual indebtedness and the projected costs for improvements; and (3) include a copy of the notice form required by Section 5.014, Property Code." Additionally, the PID Act requires that "the governing body of the municipality or county shall review and update the service plan annually for the purpose of determining the annual budget for improvements." The service plan is described in Section IV of this Service and Assessment Plan. The copy of the notice form required by Section 5.014 of the Texas Property Code, as amended, is attached hereto as Appendix E.

Section 372.014 of the PID Act requires that "an assessment plan must be included in the annual service plan." The assessment plan is described in Section V of this Service and Assessment Plan.

Section 372.015 of the PID Act requires that "the governing body of the municipality or county shall apportion the cost of an improvement to be assessed against property in an improvement district." The method of assessing the costs of the Authorized Improvements and apportionment of such costs to the property in the PID is included in Section V of this Service and Assessment Plan.

Section 372.016 of the PID Act requires that "after the total cost of an improvement is determined, the governing body of the municipality or county shall prepare a proposed assessment roll. The roll must state the assessment against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county under this subchapter" The Assessment Rolls are included as Appendix G, Appendix H and Appendix I of this Service and Assessment Plan. Improvement Area #3A, Improvement Area #3B, and Improvement Area #3C's share of the Phases #2-6 MIA Assessment Roll is included as Appendix J. Further, the combined assessment rolls that include Phases #2-6 MIA Assessments are included as Appendix K, Appendix L, and Appendix M. The Assessments as shown in the Assessment Rolls are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

B. DEFINITIONS

Capitalized terms used herein shall have the meanings ascribed to them as follows:

"Actual Cost(s)" means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a Certification for Payment that has been reviewed and approved by the City. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, and property taxes (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, City permit fees, development fees), insurance premiums, miscellaneous expenses, and all advances and payments for Administrative Expenses.

Actual Costs may include general contractor's fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to five percent of the eligible Actual Costs described in a Certification for Payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

"Additional Interest" means the up to 0.50% additional interest rate charged on Assessments (if applicable) pursuant to Section 327.018 of the PID Act.

"Administrative Expenses" mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the PID, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses in one year may be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

"Administrator" means the employee or designee of the City, identified in any indenture of trust relating to the Bonds or in any other agreement approved by the City Council, who shall have the responsibilities provided for herein.

"Annual Installment" means, with respect to each Parcel, each annual payment of: (i) the Assessments including both principal and interest, as shown on the Assessment Rolls attached hereto Appendix G, Appendix H and Appendix I, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, (ii) plus additional interest, upon the issuance of Bonds, (iii) and the Administrative Expenses.

"Annual Service Plan Update" has the meaning set forth in Section IV.A of this Service and Assessment Plan.

"Assessed Property" means the property that benefits from the Authorized Improvements on which Assessments have been imposed as shown in each Assessment Roll, as each Assessment Roll is updated each year by the Annual Service Plan Update. Assessed Property includes all Parcels within the PID other than Non-Benefited Property.

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

"Assessment Ordinance" means an Ordinance duly adopted by the City Council approving the Service and Assessment Plan (including amendments or supplements to the Service and Assessment Plan) and levying the Assessments.

"Assessment Revenues" mean the revenues actually received by or on behalf of the City from the levy and collection of Assessments.

"Assessment Roll" means the Improvement Area #3A Assessment Roll, Improvement Area #3B Assessment Roll, Improvement Area #3C Assessment Roll or, any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update.

"Authorized Improvements" mean those public improvements described in Appendix B of this Service and Assessment Plan and Section 372.003 of the PID Act, constructed and installed in accordance with this Service and Assessment Plan, and any future updates and/or amendments.

"Bonds" mean bonds, if any, issued by the City in one or more series and secured in whole or in part by the Assessment Revenues.

"Budgeted Cost(s)" means the amounts budgeted to construct the Authorized Improvements as used in the preparation of this Service and Assessment Plan.

"City" means the City of Princeton, Texas.

"City Council" means the duly elected governing body of the City.

"City PID Fee" means a one-time fee to be paid by the Developer in the amount of $2,615 per residential lot, to be paid by the Developer at the time of issuance of PID Bonds attributable to an applicable residential lot.

"County" means Collin County, Texas.

"Delinquent Collection Costs" mean interest, penalties and expenses incurred or imposed with respect to any delinquent installment of an Assessment in accordance with the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorney's fees.

"Developer(s)" means, MM Princeton 854, LLC, a Texas limited liability company for Phase #3A, Pulte Homes of Texas, LP for Phase #3B, D.R. Horton – Texas Ltd. for Phase #4A, and GRBK Edgewood, LLC for Phase #3E.

"Development Agreement" means that First Amended and Restated Whitewing Trails Development Agreement relating to the PID executed by and between MM Princeton 854, LLC, a Texas limited liability company and the City effective June 10, 2019, as the same may be amended from time to time.

"Future Phase(s)" means Phases that are fully developed after Phase #3A, Phase #3B Phase #4A, and Phase #3E as such areas are generally depicted as Phase #3C, Phase #3D-1, Phase #3D-2, Phase #3F, Phase #4B, #Phase 4C, and Phase #5 and described in Appendix A.

"Homeowner Association" means a homeowner's association or property owners' association established for the benefit of property owners within the boundaries of the PID.

"Homeowner Association Property" means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a Homeowner's Association.

"Improvement Area #3A" means, collectively, Phase #3A and Phase #3B of the development, to be developed as generally shown in Appendix A, and as specifically depicted and described as the sum of all Parcels shown in Appendix G.

"Improvement Area #3A Assessments" mean the assessments levied against a Parcel in the Improvement Area #3A Assessed Property, other than Non-Benefited Property.

"Improvement Area #3A Assessment Roll" means the document included in this Service and Assessment Plan as Appendix G, 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 an Annual Service Plan Update.

"Improvement Area #3A Assessed Property" means, collectively, Phase #3A and Phase #3B other than Non-Benefited Property, shown in Appendix A.

"Improvement Area #3A Assessment Revenues" mean the actual revenues received by or on behalf of the City from the collection of Improvement Area #3A Assessments and levied against Improvement Area #3A Assessed Property or the Annual Installments thereof, for the Improvement Area #3A Improvements.

"Improvement Area #3A Improvements" mean the Authorized Improvements which only benefit Improvement Area #3A Assessed Property, as further described in Section III.

"Improvement Area #3A Projects" mean (i) the pro rata share of the Zone Improvements allocable to Improvement Area #3A and (ii) the Improvement Area #3A Improvements.

"Improvement Area #3B" means Phase #4A of the development, to be developed as generally shown in Appendix A, and as specifically depicted and described as the sum of all Parcels shown in Appendix H.

"Improvement Area #3B Assessments" mean the assessments levied against a Parcel in the Improvement Area #3B Assessed Property, other than Non-Benefited Property.

"Improvement Area #3B Assessment Roll" means the document included in this Service and Assessment Plan as Appendix H, 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 an Annual Service Plan Update.

"Improvement Area #3B Assessed Property" means Phase #4A other than Non-Benefited Property, as outlined in the PID map in Appendix A.

"Improvement Area #3B Assessment Revenues" mean the actual revenues received by or on behalf of the City from the collection of Improvement Area #3B Assessments and levied against Improvement Area #3B Assessed Property or the Annual Installments thereof, for the Improvement Area #3B Improvements.

"Improvement Area #3B Improvements" mean the Authorized Improvements which only benefit Improvement Area #3B Assessed Property, as further described in Section III.

"Improvement Area #3C" means Phase #3E of the development, to be developed as generally shown in Appendix A, and as specifically depicted and described as the sum of all Parcels shown in Appendix I.

"Improvement Area #3C Assessments" mean the assessments levied against a Parcel in the Improvement Area #3C Assessed Property, other than Non-Benefited Property.

"Improvement Area #3C Assessed Property" means Phase #3E other than Non-Benefited Property, as outlined in the PID map in Appendix A.

"Improvement Area #3C Assessment Roll" means the document included in this Service and Assessment Plan as Appendix I, 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 an Annual Service Plan Update.

"Improvement Area #3C Assessment Revenues" mean the actual revenues received by or on behalf of the City from the collection of Improvement Area #3C Assessments and levied against Improvement Area #3C Assessed Property or the Annual Installments thereof, for the Improvement Area #3C Projects.

"Improvement Area #3C Improvements" mean the Authorized Improvements which only benefit Improvement Area #3C Assessed Property, as further described in Section III.

"Improvement Area #3C Projects" mean (i) the pro rata share of the Zone Improvements allocable to Improvement Area #3C and (ii) the Improvement Area #3C Improvements.

"Improvement Areas #3A-3C Bonds" mean the City of Princeton, Texas, Special Assessment Revenue Bonds, Series 2026 (Whitewing Trails Public Improvement District No. 2 Improvement Areas #3A-3C Project) that are secured by Improvement Area #3A Assessment Revenues; Improvement Area #3B Assessment Revenues and Improvement Area #3C Assessment Revenues.

"Lot" means a tract of land described as a "lot" in a subdivision plat recorded in the official public records of the County.

"Lot Type" means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the City Council as shown in Appendix F. In the case of single family residential lots, the Lot Type shall be further defined by classifying the residential lots by the estimated average home value for each home at the time of assessment levy, considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact the average home value on the lot, as determined by the Administrator and confirmed by the City Council.

"MIA Bonds" means the City of Princeton, Texas Special Assessment Revenue Bonds, Series 2019 (Whitewing Trails Public Improvement District No. 2 Phases #2-6 Major Improvement Project)

"Non-Benefited Property" means Parcels that accrue no special benefit from the Authorized Improvements, Public Property and easements that create an exclusive use for a public utility provider to the extent they accrue no special benefit. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, that is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI.D.

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

"Phase" means one or more Parcels within the PID that will be developed in the same general time period. The Parcels within a Phase will be assessed in connection with the issuance of Bonds and/or execution of a Reimbursement Agreement for Authorized Improvements (or the portion thereof) designated in an update to this Service and Assessment Plan that specially benefit the Parcels within the Phase.

"Phase #3A" means a portion of Improvement Area #3A to be developed within the PID generally shown in Appendix A.

"Phase #3B" means a portion of Improvement Area #3A to be developed within the PID generally shown in Appendix A.

"Phase #3C" means a portion of the Zone Improvement Area to be developed within the PID generally shown in Appendix A.

"Phase #3D-1" means a portion of the Zone Improvement Area to be developed within the PID generally shown in Appendix A.

"Phase #3D-2" means a portion of the Zone Improvement Area to be developed within the PID generally shown in Appendix A.

"Phase #3E" means the entirety of Improvement Area #3C to be developed within the PID generally shown in Appendix A.

"Phase #3F" means a portion of the Zone Improvement Area to be developed within the PID generally shown in Appendix A.

"Phase #4A" means the entirety of Improvement Area #3B to be developed within the PID generally shown in Appendix A.

"PID" has the meaning set forth in Section I.A of this Service and Assessment Plan.

"Phases #2-6 Major Improvement Area" or "Phases #2-6 MIA" means Phases #2-6 of the development, to be developed as depicted in Appendix C of the Phases #2-6 MIA SAP.

"Phases #2-6 MIA Assessments" mean the assessments levied against a Parcel in the Phases #2-6 MIA Assessed Property, other than Non-Benefited Property.

"Phases #2-6 MIA Assessed Property" mean the assessments levied against a Parcel in the Phases #2-6 Major Improvement Area as depicted in Appendix C of the Phases #2-6 MIA SAP, other than Non-Benefited Property.

"Phases #2-6 MIA SAP" means the Service and Assessment Plan related to the Whitewing Trails Public Improvement District Phases #2-6 Major Improvements, dated August 26, 2019, and prepared by 30 Three Sixty Public Finance, as updated and amended from time to time.

"Phases #2-6 MIA Assessment Roll" means the document included in the Phases #2-6 MIA SAP as Appendix A-3, 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 an Annual Service Plan Update.

"PID Act" means Texas Local Government Code Chapter 372, Public Improvement District Assessment Act, Subchapter A, Public Improvement Districts, as amended.

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

"Public Property" means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, Collin County, the City, a school district or any other public agency, whether in fee simple or through an exclusive use easement.

"Reimbursement Agreement" means those certain Reimbursement Agreements, if any, by and between the City and the respective Developer in which the City agrees to reimburse the Developer for a portion of those Actual Costs of Authorized Improvements funded by the Developer, as permitted by the PID Act.

"Service and Assessment Plan or **"SAP"** means this Service and Assessment Plan prepared for the PID pursuant to the PID Act, as the same may be amended from time to time.

"Trustee" means the fiscal agent or trustee as specified in the Trust Indenture, including a substitute fiscal agent or trustee.

"Trust Indenture" means an indenture of trust, ordinance or similar document setting forth the terms and other provisions relating to the Bonds, as modified, amended, and/or supplemented from time to time.

"Zone Improvements" mean the Authorized Improvements which benefit only the Zone Improvement Area and are described in Section III.B.

"Zone Improvement Area" means Improvement Area #3A, Improvement Area #3C, and Phase #3C, Phase #3D-1, Phase #3D-2, and Phase #3F, as shown in Appendix A

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II. PROPERTY INCLUDED IN THE PID

A. PROPERTY INCLUDED IN THE PID

The PID is presently located within the City and contains approximately 853.536 acres of land. A map of the property within the PID is shown in Appendix A and described in Appendix C to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 2,549 single family residential units, 400 multi-family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the property located within the PID. The estimated number of lots and the classification of each lot are based upon the revised proposed development plan.

As of 2025, the property within the PID is proposed to be developed as follows:

Table II-A
Proposed Development – Revised 2025

Proposed Development	Quantity	Measurement
75 Ft Lots	61	Units
60 Ft Lots	598	Units
50 Ft Lots	1,890	Units
Multi-family	400	Units
Total	**2,949**	**Units**

B. PROPERTY INCLUDED IN IMPROVEMENT AREA #3A

Improvement Area #3A consists of approximately 72.282 acres and is projected to consist of 264 single family residential units. A map of the property within Improvement Area #3A is shown in Appendix A.

The property within Improvement Area #3A is proposed to be developed as follows:

Table II-B
Proposed Development – Improvement Area #3A

Proposed Development	Quantity	Measurement
50' Lot	264	Units
Total	**264**	**Units**

C. PROPERTY INCLUDED IN IMPROVEMENT AREA #3B

Improvement Area #3B consists of approximately 96.113 acres and is projected to consist of 331 single family residential units. A map of the property within Improvement Area #3B is shown in Appendix A.

The property within Improvement Area #3B is proposed to be developed as follows:

Table II-C
Proposed Development – Improvement Area #3B

Proposed Development	Quantity	Measurement
60' Lot	126	Units
50' Lot	205	Units
Total	**331**	**Units**

D. PROPERTY INCLUDED IN IMPROVEMENT AREA #3C

Improvement Area #3C consists of approximately 45.223 acres and is projected to consist of 175 single family residential units. A map of the property within Improvement Area #3C is shown in Appendix A.

The property within Improvement Area #3C is proposed to be developed as follows:

Table II-D
Proposed Development – Improvement Area #3C

Proposed Development	Quantity	Measurement
50' Lot	175	Units
Total	**175**	**Units**

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III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. AUTHORIZED IMPROVEMENT OVERVIEW

372.003. Authorized Improvements

(a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.

(b) A public improvement may include:

(i) landscaping;

(ii) erection of fountains, distinctive lighting, and signs;

(iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;

(iv) construction or improvement of pedestrian malls;

(v) acquisition and installation of pieces of art;

(vi) acquisition, construction, or improvement of libraries;

(vii) acquisition, construction, or improvement of off-street parking facilities;

(viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;

(ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;

(x) the establishment or improvement of parks;

(xi) projects similar to those listed in Subdivisions (i)-(x);

(xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;

(xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement;

(xiv) payment of expenses incurred in the establishment, administration and operation of the district; and

(xv) the development, rehabilitation, or expansion of affordable housing

After analyzing the public improvement projects authorized by the PID Act, the City has determined at this time to undertake only Authorized Improvements listed in Section III.B, Section III.C, Section III.D, and Section III.E as shown in the opinion of probable costs and on the diagrams of the Authorized Improvements included as Appendix B and Appendix D, respectively, for the benefit of the Assessed Property. Any change to the list of Authorized Improvements will require the approval of the City and an update to this Service and Assessment Plan.

B. DESCRIPTIONS AND BUDGETED COSTS OF ZONE IMPROVEMENTS

The Zone Improvements benefit the Zone Improvement Area, including Improvement Area #3A and Improvement Area #3C. The Budgeted Costs of the Zone Improvements are shown in Table III-A. The costs shown in Table III-A are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID. The Budgeted Costs of the Zone Improvements are allocated proportionally throughout the Zone Improvement Area, including Improvement Area #3A and Improvement Area #3C, excluding Non-Benefited Property, in a manner that anticipates planned development of the Zone Improvement Area based on the anticipated buildout value.

Descriptions of the Zone Improvements are presented below as provided by the project engineer.

Roadway Improvements:

The roadway improvement portion of the Zone Improvements includes construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements:

The water improvement portion of the Zone Improvements consists of construction and installation of waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Zone Improvement Area. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements:

The sanitary sewer improvement portion of the Zone Improvements consist of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Zone Improvement Area. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements:

The storm drainage improvement portion of the Zone Improvements consists of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Table III-A
Budgeted Costs – Zone Improvements

Authorized Improvements	Improvement Area #3A Allocated Amount	Improvement Area #3C Allocated Amount	Future Phases in Zone Improvement Area Allocated Amount	Total Zone Improvement Costs
Roadway Improvements	$440,190	$291,793	$566,911	$1,298,894
Water Improvements	$176,198	$116,798	$226,922	$519,918
Sanitary Sewer Improvements	$239,357	$158,665	$308,263	$706,285
Storm Drainage Improvements	$84,226	$55,832	$108,473	$248,531
Total Authorized Improvements	**$939,971**	**$623,087**	**$1,210,569**	**$2,773,628**

Note: The Budgeted Costs are certified and provided by Barraza Consulting Group, LLC. The figures shown in Table III-A may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Authorized Improvement amount does not change.

C. DESCRIPTIONS AND COSTS OF IMPROVEMENT AREA #3A IMPROVEMENTS

The Budgeted Costs of the Improvement Area #3A Projects are shown in Table III-B. The costs shown in Table III-B are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

Descriptions of the Improvement Area #3A Improvements are presented below as provided by the project engineer.

Roadway Improvements:

The roadway improvement portion within Improvement Area #3A includes construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements:

The water improvement portion within Improvement Area #3A consists of construction and installation of waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Improvement Area #3A Assessed Property. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements:

The sanitary sewer improvement portion within Improvement Area #3A consist of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area #3A Assessed Property. The sanitary

sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements:

The storm drainage improvement portion within Improvement Area #3A consists of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Other Soft and Miscellaneous Costs:

The other soft and miscellaneous costs include costs related to general conditions, contractor overhead, performance bond and insurance, project management fee, contingency, and other soft costs.

Table III-B
Budgeted Costs – Improvement Area #3A Projects

Authorized Improvements	Improvement Area #3A Improvements	Improvement Area #3A's Allocated Amount of Zone Improvements	Total Improvement Area #3A Projects
Roadway Improvements	$2,407,446	$440,190	$2,847,636
Water Improvements	$1,170,109	$176,198	$1,346,307
Sanitary Sewer Improvements	$1,383,822	$239,357	$1,623,179
Storm Drainage Improvements	$1,626,126	$84,226	$1,710,352
Soft and miscellaneous costs	$424,850	$0	$424,850
Total Authorized Improvements	**$7,012,353**	**$939,971**	**$7,952,324**

Note: The Budgeted Costs are certified and provided by Barraza Consulting Group, LLC. The figures shown in Table III-B may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Authorized Improvement amount does not change.

D. DESCRIPTIONS AND COSTS OF IMPROVEMENT AREA #3B IMPROVEMENTS

The Budgeted Costs of the Improvement Area #3B Improvements are shown in Table III-C. The costs shown in Table III-C are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

Descriptions of the Improvement Area #3B Improvements descriptions are presented below as provided by the project engineer.

Roadway Improvements:

The roadway improvement portion within Improvement Area #3B includes construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements:

The water improvement portion within Improvement Area #3B consists of construction and installation of waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Improvement Area #3B Assessed Property. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements:

The sanitary sewer improvement portion within Improvement Area #3B consist of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area #3B Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements:

The storm drainage improvement portion within Improvement Area #3B consists of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Other Soft and Miscellaneous Costs:

The other soft and miscellaneous costs include costs related to general conditions, contractor overhead, performance bond and insurance, project management fee, contingency, and other soft costs.

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Table III-C
Budgeted Costs – Improvement Area #3B Improvements

Authorized Improvements	Improvement Area #3B Improvements
Roadway Improvements	$3,536,705
Water Improvements	$2,125,913
Sanitary Sewer Improvements	$2,000,649
Storm Drainage Improvements	$3,775,070
Soft and miscellaneous costs	$385,775
Total Authorized Improvements	**$11,824,112**

Note: The Budgeted Costs are certified and provided by Barraza Consulting Group, LLC. The figures shown in Table III-C may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Authorized Improvement amount does not change.

E. DESCRIPTIONS AND COSTS OF IMPROVEMENT AREA #3C IMPROVEMENTS

The Budgeted Costs of the Improvement Area #3C Projects are shown in Table III-D. The costs shown in Table III-D are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

Descriptions of the Improvement Area #3C Improvements are presented below as provided by the project engineer.

Roadway Improvements:

The roadway improvement portion within Improvement Area #3C includes construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements:

The water improvement portion within Improvement Area #3C consists of construction and installation of waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Improvement Area #3C Assessed Property. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements:

The sanitary sewer improvement portion within Improvement Area #3C consist of construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area #3C Assessed Property. The sanitary

sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements:

The storm drainage improvement portion within Improvement Area #3C consists of reinforced concrete pipes, curb inlets, and storm sewer structures. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Other Soft and Miscellaneous Costs:

The other soft and miscellaneous costs include costs related to general conditions, contractor overhead, performance bond and insurance, project management fee, contingency, and other soft costs.

Table III-D
Budgeted Costs – Improvement Area #3C Projects

Authorized Improvements	Improvement Area #3C Improvements	Improvement Area #3C's Allocated Amount of Zone Improvements	Total Improvement Area #3C Projects
Roadway Improvements	$1,605,738	$291,793	$1,897,530
Water Improvements	$741,792	$116,798	$858,590
Sanitary Sewer Improvements	$664,281	$158,665	$822,946
Storm Drainage Improvements	$1,020,982	$55,832	$1,076,813
Soft and miscellaneous costs	$313,095	$0	$313,095
Total Authorized Improvements	**$4,345,888**	**$623,087**	**$4,968,975**

Note: The Budgeted Costs are certified and provided by Barraza Consulting Group, LLC. The figures shown in Table III-D may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Authorized Improvement amount does not change.

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IV. SERVICE PLAN

A. PROJECTED SOURCES AND USES OF FUNDS

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 PID during the five-year period. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the Actual Costs of the Authorized Improvements, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an "Annual Service Plan Update."

The Improvement Area #3A Improvements have been completed and were accepted by the City in the third quarter of 2025. It is anticipated that the Improvement Area #3B Improvements will be completed and accepted by the City in the third quarter of 2026. It is anticipated that the Improvement Area #3C Improvements will be completed and accepted by the City in the second quarter of 2026. The Zone Improvements have been completed and accepted by the City.

The Budgeted Costs of the Improvement Area #3A Projects, payment of expenses incurred in the establishment, administration and operation of the PID, plus costs of issuance of the Improvement Areas #3A-3C Bonds are $9,254,056 as shown in Table IV-A.

The Budgeted Costs of the Improvement Area #3B Improvements, payment of expenses incurred in the establishment, administration and operation of the PID, plus costs of issuance of the Improvement Areas #3A-3C Bonds are $13,587,515 as shown in Table IV-A.

The Budgeted Costs of the Improvement Area #3C Projects, and payment of expenses incurred in the establishment, administration and operation of the PID, plus costs of issuance of the Improvement Areas #3A-3C Bonds are $5,808,930 as shown in Table IV-A.

The City may issue Bonds and/or enter into a Reimbursement Agreement with a Developer to reimburse the respective Developer for the Actual Costs of the Authorized Improvements constructed, inspected and approved by the City from Assessment Revenues collected (excluding amounts collected for Administrative Expenses or Additional Interest). The sources and uses of funds shown in Table IV-A shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs.

Table IV-A shows the updated sources and uses for the Improvement Area #3A Projects and the Improvement Area #3B Improvements, and the original Improvement Area #3C Projects. The Improvement Areas #3A-3C Bonds shown in Table IV-A are being issued in 2026 and will be used to finance a portion of the costs of the Improvement Area #3A Projects, the Improvement Area #3B Improvements, and the Improvement Area #3C Projects.

Tables in this Section may be rounded to the nearest whole dollar.

Table IV-A
Updated Sources and Uses

Sources of Funds	Improvement Area #3A Projects	Improvement Area #3B Improvements	Improvement Area #3C Projects	City PID Fees[5]	Total
Bond Par	$6,065,000	$8,450,000	$3,696,000	$0	$18,211,000
Other funding sources[1]	$3,189,056	$5,137,515	$2,112,930	$0	$10,439,502
City PID Fees	$0	$0	$0	$2,013,550	$2,013,550
Total Sources	**$9,254,056**	**$13,587,515**	**$5,808,930**	**$2,013,550**	**$30,655,712**
Uses of Funds					
Zone Improvements[2]:					
Roadway Improvements	$440,190	$0	$291,793	$0	$731,983
Water Improvements	$176,198	$0	$116,798	$0	$292,996
Sanitary Sewer Improvements	$239,357	$0	$158,665	$0	$398,022
Storm Drainage Improvements	$84,226	$0	$55,832	$0	$140,058
Subtotal Zone Improvements	*$939,971*	*$0*	*$623,087*	*$0*	*$1,563,058*
Improvement Area #3A, Improvement Area #3B, and Improvement Area #3C Improvements[3]:					
Roadway Improvements	$2,407,446	$3,536,705	$1,605,738	$0	$7,549,888
Water Improvements	$1,170,109	$2,125,913	$741,792	$0	$4,037,814
Sanitary Sewer Improvements	$1,383,822	$2,000,649	$664,281	$0	$4,048,753
Storm Drainage Improvements	$1,626,126	$3,775,070	$1,020,982	$0	$6,422,178
Soft and miscellaneous costs	$424,850	$385,775	$313,095	$0	$1,123,720
Subtotal Improvement Area #3A Costs	*$7,012,353*	*$11,824,112*	*$4,345,888*	*$0*	*$23,182,353*
Estimated Bond Issuance Costs[4]					
Issuance costs	$363,900	$507,000	$221,760	$0	$1,092,660
Administrative Expenses & Consulting Fee	$111,000	$111,000	$111,000	$0	$333,000
Underwriter's discount	$181,950	$253,500	$110,880	$0	$546,330
Capitalized interest	$187,981	$261,903	$114,556	$0	$564,440
Reserve fund	$456,900	$630,000	$281,760	$0	$1,368,660
City PID Fee Account	$0	$0	$0	$2,013,550	$2,013,550
Subtotal Bond Issuance Related Costs	*$1,301,731*	*$1,763,403*	*$839,956*	*$2,013,550*	*$5,918,640*
Total Uses	**$9,254,056**	**$13,587,515**	**$5,808,930**	**$2,013,550**	**$30,664,052**

[1]Other funding sources include all sources of capital for use at the discretion by the respective Developer.
[2] See Table III-A for more details.
[3] See Table III-B, III-C, and III-D for more details.
[4]First year Administrative Expenses are being funded by the respective Developer. Includes $51,000 Administrator Consulting Fee.
[5]City PID Fees are paid directly by the developer and are not funded from the PID Bond proceeds.

B. PROJECTED FIVE-YEAR SERVICE PLAN

Improvement Area #3A

The annual projected costs and annual projected indebtedness for Improvement Area #3A is shown in Table IV-B. The annual projected costs and indebtedness is subject to revision, and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

Table IV-B
Annual Projected Costs and Annual Projected Indebtedness
Improvement Area #3A

Year	Annual Projected Cost[1]	Annual Projected Indebtedness	Other Funding Sources	Projected Improvement Area #3A Annual Installments
2025	$7,952,324	$6,065,000	$1,887,324	$0
2026	$1,301,731	$0	$1,301,731	$0
2027	$0	$0	$0	$548,425
2028	$0	$0	$0	$547,604
2029	$0	$0	$0	$546,547
2030	$0	$0	$0	$546,256
2031	$0	$0	$0	$545,665
Total	**$9,254,056**	**$6,065,000**	**$3,189,056**	**$2,734,497**

[1]First year Administrative Expenses are being funded by the respective Developer.

The annual projected costs shown in Table IV-B are the annual expenditures relating to the Improvement Area #3A Projects, as shown in Table III-B, the costs associated with creating the PID, a bond issuance costs and funding reserves for the Improvement Areas #3A-3C Bonds shown in Table IV-B. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the respective Developer.

Improvement Area #3B

The annual projected costs and annual projected indebtedness for Improvement Area #3B is shown in Table IV-C. The annual projected costs and indebtedness is subject to revision, and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

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Table IV-C
Annual Projected Costs and Annual Projected Indebtedness
Improvement Area #3B

Year	Annual Projected Cost[1]	Annual Projected Indebtedness	Other Funding Sources	Projected Improvement Area #3B Annual Installments
2025	$8,868,084	$8,450,000	$418,084	$0
2026	$4,719,431	$0	$4,719,431	$0
2027	$0	$0	$0	$733,450
2028	$0	$0	$0	$732,679
2029	$0	$0	$0	$732,542
2030	$0	$0	$0	$731,976
2031	$0	$0	$0	$730,980
Total	**$13,587,515**	**$8,450,000**	**$5,137,515**	**$3,661,627**

[1]First year Administrative Expenses are being funded by the respective Developer.

The annual projected costs shown in Table IV-C are the annual expenditures relating to the Improvement Area #3B Improvements, as shown in Table III-C, the costs associated with creating the PID, bond issuance costs and funding reserves for the Improvement Areas #3A-3C Bonds shown in Table IV-B. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the respective Developer.

Improvement Area #3C

The annual projected costs and annual projected indebtedness for Improvement Area #3C is shown in Table IV-D. The annual projected costs and indebtedness is subject to revision, and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

Table IV-D
Annual Projected Costs and Annual Projected Indebtedness
Improvement Area #3C

Year	Annual Projected Cost[1]	Annual Projected Indebtedness	Other Funding Sources	Projected Improvement Area #3C Annual Installments
2025	$3,726,731	$0	$0	$0
2026	$2,082,199	$3,696,000	$2,112,930	$0
2027	$0	$0	$0	$361,440
2028	$0	$0	$0	$360,764
2029	$0	$0	$0	$359,982
2030	$0	$0	$0	$360,096
2031	$0	$0	$0	$359,040
Total	**$5,808,930**	**$3,696,000**	**$2,112,930**	**$1,801,322**

[1]First year Administrative Expenses are being funded by the respective Developer.

The annual projected costs shown in Table IV-D are the annual expenditures relating to the Improvement Area #3C Projects, as shown in Table III-D, the costs associated with creating the PID, bond issuance costs and funding reserves for the Improvement Areas #3A-3C Bonds shown in Table IV-B. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the respective Developer.

C. PID ASSESSMENT NOTICE

The PID Act requires that this Service and Assessment Plan, and each Annual Service Plan Update, include a copy of the "PID Assessment Notice" form (required by Section 5.014 of the Texas Property Code). The PID Assessment Notice is attached hereto as Appendix E and may be updated in an Annual Service Plan Update.

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V. ASSESSMENT PLAN

A. INTRODUCTION

The PID Act requires the City Council to apportion the costs of the Authorized Improvements on the basis of special benefits conferred upon the property because of the Authorized Improvements. The PID Act provides that the costs of the Authorized Improvements may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

The proposed development financing program entails a series of bond financings and/or obligations under the applicable reimbursement agreement that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements.

The City has previously levied the Improvement Area #3A Assessments and the Improvement Area #3B Assessments. The City expects to levy the Improvement Area #3C Assessments in 2026. This Service and Assessment Plan is being updated to provide for the levy for Improvement Area #3C, as well as issuance of the Improvement Areas #3A-3C Bonds to finance the Improvement Area #3A Projects, the Improvement Area #3B Improvements, and the Improvement Area #3C Projects. Following the issuance of the Improvement Areas #3A-3C Bonds, subsequent financings may be issued and/ or executed as the subsequent Future Phases are gradually constructed.

The purpose of this gradual levy of Assessments and related execution of a reimbursement agreement and/ or issuance of bonds in phases is to mirror the actual private development of the Authorized Improvements. The levy of Assessment and related execution of a reimbursement agreement and/ or issuance of bonds are most prudently and efficiently utilized when directly coinciding with construction of public infrastructure needed for private development that is to occur once the infrastructure is completed; it is most effective to issue the Bonds and/ or execute the reimbursement agreement when the infrastructure is needed, not before. Furthermore, there is no economic advantage, and several disadvantages, to issuing debt and encumbering property within the PID prior to the need for the applicable Authorized Improvements.

For purposes of this Service and Assessment Plan, the City Council has determined that the Budgeted Costs of the Improvement Area #3A Projects, Improvement Area #3B Improvements, and Improvement Area #3C Projects, respectively, shall be allocated as described below:

1. The costs of the Improvement Area #3A Projects shall be allocated on the basis of estimated buildout value once such property is developed, and that such method of allocation will result

in the imposition of equal shares of the costs of the Improvement Area #3A Improvements to Parcels similarly benefited.

2. The costs of the Improvement Area #3B Improvements shall be allocated on the basis of estimated buildout value once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Improvement Area #3B Improvements to Parcels similarly benefited.
3. The costs of the Improvement Area #3C Projects shall be allocated on the basis of estimated buildout value once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Improvement Area #3A Improvements to Parcels similarly benefited.
4. The costs of the Zone Improvements shall be allocated on the basis of estimated buildout value once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Zone Improvements to Parcels similarly benefited. The Budgeted Costs of the Zone Improvements are allocated proportionally throughout the Zone Improvement Area, excluding Non-Benefited Property, in a manner that anticipates planned development of the Zone Improvement Area based on the anticipated buildout value.

The Parcels will only be assessed for the special benefits conferred upon the Parcel at this time because of the Improvement Area #3A Projects, Improvement Area #3B Improvements, and Improvement Area #3C Projects, along with costs of issuance of the Improvement Areas #3A-3C Bonds and applicable District formation costs, respectively.

This section of this Service and Assessment Plan currently (i) describes the special benefit received by each Parcel within Improvement Area #3A, Improvement Area #3B and Improvement Area #3C of the PID as a result of the Improvement Area #3A Projects, the Improvement Area #3B Improvements, and the Improvement Area #3C Projects, as applicable, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments levied on the Improvement Area #3A Assessed Property, Improvement Area #3B Assessed Property, and Improvement Area #3C Assessed Property, respectively, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Improvement Area #3A Projects, Improvement Area #3B Improvements, and Improvement Area #3C Projects, as applicable, to Parcels in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Parcels similarly benefited. 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 respective Developers and all future owners and developers of the Improvement Area #3A Assessed Property, Improvement Area #3B Assessed Property, and Improvement Area #3C Assessed Property.

B. SPECIAL BENEFIT

Assessed Property must receive a direct and special benefit from the Authorized Improvements, and this benefit must be equal to or greater than the amount of the Assessments. The Authorized Improvements are provided specifically for the benefit of the Assessed Property. The Authorized Improvements (more particularly described in line-item format in Appendix B to this Service and Assessment Plan) and the costs of issuance and payment of costs incurred in the establishment of

the PID shown in Table IV-A are authorized by the PID Act. These Authorized Improvements are provided specifically for the benefit of the Assessed Property.

Each owner of the Assessed Property has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and has consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. Each of the owners is acting in its interest in consenting to this apportionment and levying of the Assessments because the special benefit conferred upon the Assessed Property by the Authorized Improvements exceeds the amount of the Assessments.

The Authorized Improvements provide a special benefit to the Assessed Property as a result of the close proximity of these improvements to the Assessed Property and the specific purpose of these improvements of providing infrastructure for the Assessed Property. In other words, the Assessed Property could not be used in the manner proposed without the construction of the Authorized Improvements. The Authorized Improvements are being provided specifically to meet the needs of the Assessed Property as required for the proposed use of the property.

The Assessments are being levied to provide the Authorized Improvements that are required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as "the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." (*Dictionary of Real Estate Appraisal, Third Edition.*) The Authorized Improvements are expected to be required for the proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

The respective Developer has evaluated the potential use of the property and have determined that the highest and best use of the property is the use intended and the legal use for the property as described in Section II of this Service and Assessment Plan. The use of the Assessed Property as described herein will require the construction of the Authorized Improvements.

The special assessments will repay financing that is on advantageous terms, as the Bonds issued, to finance the Authorized Improvements will pay interest that is exempt from federal income tax. As a result, all other terms being equal (e.g., maturity, fixed vs. variable rate, credit quality), the tax-exempt bonds will have a lower interest rate than debt that is not tax-exempt. The Bonds also have a longer term than other available financings and may either be repaid or assumed by a buyer at the buyer's option. As a result of these advantageous terms, the financing provided by the PID is the most beneficial means of financing the Authorized Improvements.

Each owner of the Assessed Property will ratify, confirm, accept, agree to and approve: (i) the determinations and finding by the City Council as to the special benefits described in this Service and Assessment Plan and the Assessment Ordinance; (ii) the Service and Assessment Plan and the Assessment Ordinance, and (iii) the levying of Assessments on the Assessed Property. Use of the Assessed Property as described in this Service and Assessment Plan and as authorized by the PID Act requires that Authorized Improvements be acquired, constructed, installed, and/or improved. Funding the Actual Costs of the Authorized Improvements through the PID has been

determined by the City Council to be the most beneficial means of doing so. As a result, the Authorized Improvements result in a special benefit to the Assessed Property, and this special benefit exceeds the amount of the Assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the City Council.

In summary, the Authorized Improvements result in a special benefit to the Assessed Property for the following reasons:

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;

2. The respective Developers have consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the respective Developers are acting in their interests by consenting to this imposition;

3. The Authorized Improvements are required for the highest and best use of the property;

4. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);

5. Financing of the costs of the Authorized Improvement through the PID is determined to be the most beneficial means of providing for the Authorized Improvements; and,

6. As a result, the special benefits to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. ALLOCATION OF COSTS OF ZONE IMPROVEMENTS TO ASSESSED PROPERTY AND FUTURE PHASES

The Zone Improvements will provide a special benefit to property in the Zone Improvement Area. Accordingly, the Budgeted Costs of the Zone Improvements must be allocated to such Property. Table V-A summarizes the allocation of Actual Costs for each type of Zone Improvements to the Zone Improvement Area. The Budgeted Costs shown in Table V-A are estimates and may be revised in Annual Service Plan Updates, but the related Assessment applicable to Improvement Area #3A and Improvement Area #3C may not be increased.

At the time of levy of the Improvement Area #3A Assessments and the Improvement Area #3C Assessments, Improvement Area #3A was projected to contain 264 single family residential units, Improvement Area #3C was projected to contain 175 single family residential units, and the Future Phases within the Zone Improvement Area were projected to contain 340 single family residential units. Table V-A outlines the allocation of the Budgeted Costs of the Zone Improvements on a per Lot basis as provided by the Developer's engineer.

Table V-A
Allocation of the Budgeted Costs of the Zone Improvements

Authorized Improvement	Budgeted Costs
Roadway Improvements	$1,298,894
Water Improvements	$519,918
Sanitary Sewer Improvements	$706,285
Drainage Improvements	$248,531
Total Zone Improvements	**$2,773,628**
Improvement Area #3A	
Engineer's allocation percentage	33.89%
Proportionate Share of Costs	$939,971
Improvement Area #3C	
Engineer's allocation percentage	22.46%
Proportionate Share of Costs	$623,087
Future Phases in the Zone Improvement Area	
Engineer's allocation percentage	43.65%
Proportionate Share of Costs	$1,210,569

[1]See Table III-A for details.

D. ASSESSMENT METHODOLOGY

The costs of the Authorized Improvements may be assessed by the City Council against the Improvement Area #3A Assessed Property, Improvement Area #3B Assessed Property, and Improvement Area #3C Assessed Property, so long as the special benefit conferred upon the Improvement Area #3A Assessed Property, Improvement Area #3B Assessed Property, and Improvement Area #3C Assessed Property by their respective Authorized Improvements equals or exceeds their respective Assessments. The costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Improvement Area #3A Assessed Property, Improvement Area #3B Assessed Property, and Improvement Area #3C Assessed Property, similarly benefited.

1. Assessment Methodology for Improvement Area #3A Projects

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Improvement Area #3A Projects to be financed by the respective Developer, shall be allocated to the Improvement Area #3A Assessed Property by spreading the entire Assessment across the Parcels based on the ratio of the estimated buildout value of each Lot to the estimated total buildout value for all Parcels within Improvement Area #3A.

Based on the Budgeted costs of the Improvement Area #3A Projects, as set forth in Table III-B, the City Council has determined that the benefit to Improvement Area #3A Assessed Property from the Improvement Area #3A Projects is at least equal to the Improvement Area #3A Assessments levied on the Improvement Area #3A Assessed Property.

Upon subsequent divisions of any Parcel, the Improvement Area #3A Assessment applicable to it will then be apportioned pro rata based on the ratio of the estimated buildout value of each Lot to the total estimated buildout value for all Parcels. For residential Lots, when final residential building sites are platted, Improvement Area #3A Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated buildout value at the time residential Lots are platted to the total estimated buildout value for Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council.

The Improvement Area #3A Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #3A is shown on the Improvement Area #3A Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

2. Assessment Methodology for Improvement Area #3B Improvements

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Improvement Area #3B Improvements to be financed by the respective Developer under this Service and Assessment Plan, shall be allocated to the Improvement Area #3B Assessed Property by spreading the entire Assessment across the Parcels based on the ratio of the estimated buildout value of each Lot to the estimated total buildout value for all Parcels within Improvement Area #3B.

Based on the Budgeted Costs of the Improvement Area #3B Improvements, as set forth in Table III-C, the City Council has determined that the benefit to Improvement Area #3B Assessed Property from the Improvement Area #3B Improvements is at least equal to the Improvement Area #3B Assessments levied on the Improvement Area #3B Assessed Property.

Upon subsequent divisions of any Parcel, the Improvement Area #3B Assessment applicable to it will then be apportioned pro rata based on the ratio of the estimated buildout value of each Lot to the total estimated buildout value for all Parcels. For residential Lots, when final residential building sites are platted, Improvement Area #3B Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated buildout value at the time residential Lots are platted to the total estimated buildout value for Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council.

The Improvement Area #3B Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #3B is shown on the Improvement Area #3B Assessment Roll, attached as Appendix H, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

3. Assessment Methodology for Improvement Area #3C Projects

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Improvement Area #3C Projects to be financed by the respective Developer, shall be allocated to the Improvement Area #3C Assessed Property by spreading the entire Assessment across the Parcels based on the ratio of the estimated buildout value of each Lot to the estimated total buildout value for all Parcels within Improvement Area #3C.

Based on the Budgeted costs of the Improvement Area #3C Projects, as set forth in Table III-B, the City Council has determined that the benefit to Improvement Area #3C Assessed Property from the Improvement Area #3C Projects is at least equal to the Improvement Area #3C Assessments levied on the Improvement Area #3C Assessed Property.

Upon subsequent divisions of any Parcel, the Improvement Area #3C Assessment applicable to it will then be apportioned pro rata based on the ratio of the estimated buildout value of each Lot to the total estimated buildout value for all Parcels. For residential Lots, when final residential building sites are platted, Improvement Area #3C Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated buildout value at the time residential Lots are platted to the total estimated buildout value for Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council.

The Improvement Area #3C Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #3C is shown on the Improvement Area #3C Assessment Roll, attached as Appendix I, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

E. ASSESSMENTS

The Assessments for the Improvement Area #3A Projects, Improvement Area #3B Improvements, and Improvement Area #3C Projects, respectively, will be levied on each Parcel or Lot according to the Improvement Area #3A Assessment Roll, the Improvement Area #3B Assessment Roll, and the Improvement Area #3C Assessment Roll or, as shown in Appendix G, Appendix H, and Appendix I, respectively. The Annual Installments for Improvement Area #3A, Improvement Area #3B, and Improvement Area #3C will be collected on the dates and in the amounts shown on the Improvement Area #3A Assessment Roll, Improvement Area #3B Assessment Roll, and Improvement Area #3C Assessment Roll, respectively, subject to revisions made during an Annual Service Plan Update. Non-Benefited Property will not be subject to any Assessments.

See Appendix F for the Assessment per unit, leverage, and estimated tax rate equivalent calculation details for Improvement Area #3A, Improvement Area #3B, and Improvement Area #3C.

F. ADMINISTRATIVE EXPENSES

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of Assessment levied against the Parcel. The Administrative Expenses shall be collected as part of and in the same manner as Annual

Installments in the amounts shown on each Assessment Roll, which may be revised based on actual costs incurred in Annual Service Plan Updates.

G. ADDITIONAL INTEREST RESERVE

Pursuant to the PID Act, the interest rate for any portion of the Assessments which secure a series of Bonds may exceed the actual interest rate per annum paid on the related Bonds by no more than one half of one percent (0.50%) (the "Additional Interest Component"). The interest rate used to determine the Assessments that secure the Bonds is one half of one percent (0.50%) per annum higher than the actual rate paid on the Bonds, with the Additional Interest Component of the Annual Installments allocated to fund a reserve to be used for paying interest associated with a prepayment and to offset any possible delinquency related costs (the "Additional Interest Reserve"). The Additional Interest Reserve shall be funded until it reaches the additional interest reserve requirement stipulated in the applicable Trust Indenture. Once the Additional Interest Reserve is funded in full, the City may allocate the Additional Interest Component of the Annual Installments as provided in the applicable Trust Indenture. No Additional Interest will be collected from any portion of an Assessment which secures a reimbursement obligation and not a series of Bonds.

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VI. TERMS OF THE ASSESSMENTS

A. AMOUNT OF IMPROVEMENT AREA #3A ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN IMPROVEMENT AREA # 3A

The Improvement Area #3A Assessment and Annual Installments for each Improvement Area #3A Assessed Property is shown on the Improvement Area #3A Assessment Roll, attached as Appendix G, and no Improvement Area #3A Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from Improvement Area #3A Assessed Property in an amount sufficient to pay (i) the principal and interest on the Bonds related to Improvement Area #3A, (ii) the Additional Interest component to fund the Additional Interest Reserve, and (iii) to pay Administrative Expenses related to Improvement Area #3A of the PID.

B. AMOUNT OF IMPROVEMENT AREA #3B ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN IMPROVEMENT AREA # 3B

The Improvement Area #3B Assessment and Annual Installments for each Improvement Area #3B Assessed Property is shown on the Improvement Area #3B Assessment Roll, attached as Appendix H, and no Improvement Area #3B Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from Improvement Area #3B Assessed Property in an amount sufficient to pay (i) the principal and interest on the Bonds related to Improvement Area #3B, (ii) the Additional Interest component to fund the Additional Interest Reserve, and (iii) to pay Administrative Expenses related to Improvement Area #3B of the PID.

C. AMOUNT OF IMPROVEMENT AREA #3C ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN IMPROVEMENT AREA # 3C

The Improvement Area #3C Assessment and Annual Installments for each Improvement Area #3C Assessed Property is shown on the Improvement Area #3C Assessment Roll, attached as Appendix I, and no Improvement Area #3C Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from Improvement Area #3C Assessed Property in an amount sufficient to pay (i) the principal and interest on the Bonds related to Improvement Area #3C, (ii) the Additional Interest component to fund the Additional Interest Reserve, and (iii) to pay Administrative Expenses related to Improvement Area #3C of the PID.

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D. REALLOCATION OF ASSESSMENTS

1. Subdivision

Upon the duly approved subdivision of a benefited Parcel within the Assessed Property, including a replat of a previously recorded subdivision plat, the Assessment(s) for the subdivided Parcel shall be reallocated to the new Parcels created by the subdivision in accordance with the following formula:

$$A = S \times (L / T)$$

"A" means the allocated Assessment for a new Parcel.

"S" means the Assessment(s) for the subdivided Parcel.

"L" means the Assessment(s) for the Lot Type or sum of the Assessments for the Lot Types, as applicable, for the new Parcel created by the subdivision.

"T" means the total or sum of the Assessments for all new Parcels created by the subdivision based on the Lot Type or number of prospective Lots and Lot Types applicable to such new Parcels.

The (i) Lot Type or Lot Types applicable to each new Parcel created by the subdivision and (ii) he number of single family lots applicable to each new Parcel created by the subdivision shall be determined by reference to the recorded final plat(s) for the Assessed Property, the replat of such recorded final plats, if applicable, and for Parcels which are anticipated to be further subdivided in the future by the recordation of a final plat the applicable preliminary plat(s) or Concept Plan, with such preliminary plat(s) or Concept Plan to be reviewed and approved by the City Manager. The Assessment(s) applicable to each Lot Type shall be determined by reference to Appendix F.

2. Consolidation

Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the consolidation of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

E. MANDATORY PREPAYMENT OF ASSESSMENTS

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.

2. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the applicable Assessment Ordinance, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

F. REDUCTION OF ASSESSMENTS

1. If after all Authorized Improvements to be funded with a series of Bonds and/or by the respective Developer under a Reimbursement Agreement have been completed and Actual Costs for such Authorized Improvements are less than the Actual Costs of the Authorized Improvements used to calculate the Assessments securing such series of Bonds and/or Reimbursement Agreement, resulting in excess proceeds being available to redeem Bonds and/or reduce the obligation owed under a Reimbursement Agreement, and such excess proceeds shall be applied to redeem Bonds as provided in the Trust Indenture or reduce the obligation owed under a Reimbursement Agreement then the Assessment securing such Bonds and/or Reimbursement Agreement for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Actual Costs or as otherwise provided in the Trust Indenture. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds and/or Reimbursement Agreement.

2. If all the Authorized Improvements are not undertaken resulting in excess proceeds being available to redeem Bonds and/ or a need to reduce the obligations under a Reimbursement Agreement, and such excess proceeds shall be applied to redeem Bonds and/ or reduce obligations under a Reimbursement Agreement, as the case may be, as provided in any Trust Indenture or the terms of a Reimbursement Agreement, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds and/or redeem the obligation under a Reimbursement Agreement, including interest on the Bonds (including Additional Interest) and/or Reimbursement Agreement and Administrative Expenses. The City Council may reduce the Assessments and the Annual Installments for each Parcel in a manner determined by the City Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds and/or Reimbursement Agreement, including interest on the Bonds and/or Reimbursement Agreement and Administrative Expenses. The principal portion of the Assessment for each Parcel shall be reduced for each Parcel such that the sum of the resulting reduced principal portion of the Bonds and/or Reimbursement Agreement is equal to the outstanding principal amount of the Bonds and/or Reimbursement Agreement.

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G. PAYMENT OF ASSESSMENTS

1. Payment in Part or Full

(a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include all Prepayment Costs. If prepayment in full will result in redemption of Bonds, the payment amount shall be reduced by the amount, if any, of interest through the date of redemption of Bonds and reserve funds applied to the redemption under the Trust Indenture, net of any other costs applicable to the redemption of Bonds.

(b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.

(c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Trust Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.

(d) At the option of the owner, the Assessment on any Parcel plus Prepayment Costs may be paid in part.

(e) Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the partial payment is made.

2. Payment in Annual Installments

The PID Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the Assessment to be paid in installments and additionally allows the City to collect interest, Administrative Expenses and other authorized charges in installments. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown on the Assessment Roll, as updated as provided for herein, which include interest and Administrative Expenses. Payment of the Annual Installments shall commence with tax bills mailed after the levy of the Improvement Area #3A Assessments, the Improvement Area #3B Assessments, and the Improvement Area #3C Assessments.

Each of the Improvement Area #3A Assessments, Improvement Area #3B Assessments, and Improvement Area #3C Assessments shall be paid with interest of no more than the lesser of the actual interest rate paid on the Improvement Areas #3A-3C Bonds (plus Additional Interest) related to Improvement Area #3A, Improvement Area #3B, and Improvement Area #3C respectively. Interest on the Improvement Areas #3A-3C Bonds, shall be paid based on an estimated interest rate of 6.00% per annum for years 1 through 30. The Improvement Area #3A Assessment Roll, the Improvement Area #3B Assessment Roll, and the Improvement Area #3C Assessment Roll are shown as Appendix G, Appendix H, and Appendix I, respectively.

Reduction of Assessments

The Annual Installments shall be reduced to equal the actual costs of repaying the Improvement Areas #3A-3C Bonds and actual Administrative Expenses (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 City reserves and shall have the right and option to refund the Bonds, if any are issued, in accordance with Section 372.027 of the PID Act. In the event of such refunding, the Administrator shall recalculate the Annual Installments, and if necessary, may adjust, or decrease, the amount of the Annual Installments so that total Annual Installments of Assessments will be produced in annual amounts that are required to pay the refunding bonds when due and payable as required by and established in the ordinance and/or the indenture authorizing and securing the refunding bonds, and such refunding bonds shall constitute Bonds for purposes of this Service and Assessment Plan.

H. COLLECTION OF ANNUAL INSTALLMENTS

No less frequently than annually, the Administrator shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Parcel. Administrative Expenses shall be allocated among Parcels in proportion to the amount of the Annual Installments for the Parcels. Each Annual Installment shall be reduced by any credits applied under the applicable Trust Indenture, including capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose. Annual Installments shall be collected by the City in the same manner and at the same time as 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 Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the PID Act.

Any sale of property for nonpayment of the Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments 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 Annual Installments against such property as they become due and payable.

Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated as of September 1 and updated annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of the Improvement Area #3A Assessments, Improvement Area #3B Assessments, and Improvement Area #3C Assessments shall be due when billed and were delinquent if not paid prior to February 1, 2027 (subject to any offsets from capitalized interest and any other available funds).

VII. THE ASSESSMENT ROLL

A. IMPROVEMENT AREA #3A ASSESSMENT ROLL

The City Council has evaluated each Parcel within Improvement Area #3A (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of public improvements, and other development factors deemed relevant by the City Council) to determine the amount of Improvement Area #3 Assessed Property within Improvement Area #3A.

The Improvement Area #3A Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Improvement Area #3A Projects. Table VII-A summarizes the $9,254,056 in special benefit received by the Improvement Area #3A Assessed Property from the Improvement Area #3A Projects. The amount of the Improvement Area #3A Assessment is $6,065,000 which is less than the benefit received by the Improvement Area #3A Assessed Property. Accordingly, the total Improvement Area #3A Assessment to be applied to all the Improvement Area #3A Assessed Property is $6,065,000 plus annual Administrative Expenses. The Improvement Area #3A Assessment for each Improvement Area #3A Assessed Property is calculated based on the allocation methodologies described in Section V. The Improvement Area #3A Assessment Roll is attached hereto as Appendix G.

Table VII-A
Improvement Area #3A Projects
Special Benefit Summary

Special Benefit	Total Cost
Total Authorized Improvements[1]	**$7,952,324**
Estimated Bond Issuance Costs	
Issuance costs	$363,900
Administrative Expenses & Consulting Fee	$111,000
Underwriter's discount	$181,950
Capitalized interest	$187,981
Reserve fund	$456,900
Subtotal Estimated Bond Issuance Costs	$1,301,731
Total Special Benefit	**$9,254,056**
Special Benefit	
Total Special Benefit	$9,254,056
Projected Special Assessment	$6,065,000
Excess Benefit	**$3,189,056**

[1]See Table III-B for details.

B. IMPROVEMENT AREA #3B ASSESSMENT ROLL

The City Council has evaluated each Parcel within Improvement Area #3B (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of public improvements, and other development factors deemed relevant by the City Council) to determine the amount of Improvement Area #3B Assessed Property within Improvement Area #3B.

The Improvement Area #3B Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Improvement Area #3B Improvements. Table VII-B summarizes the $13,587,515 in special benefit received by the Improvement Area #3B Assessed Property from the Improvement Area #3B Improvements. The amount of the Improvement Area #3B Assessment is $8,450,000 which is less than the benefit received by the Improvement Area #3B Assessed Property. Accordingly, the total Improvement Area #3B Assessment to be applied to all the Improvement Area #3B Assessed Property is $8,450,000 plus annual Administrative Expenses. The Improvement Area #3B Assessment for each Improvement Area #3B Assessed Property is calculated based on the allocation methodologies described in Section V. The Improvement Area #3B Assessment Roll is attached hereto as Appendix H.

Table VII-B
Improvement Area #3B Improvements
Special Benefit Summary

Special Benefit	Total Cost
Total Authorized Improvements[1]	**$11,824,112**
Estimated Bond Issuance Costs	
Issuance costs	$507,000
Administrative Expenses & Consulting Fee	$111,000
Underwriter's discount	$253,500
Capitalized interest	$261,903
Reserve fund	$630,000
Subtotal Estimated Bond Issuance Costs	$1,763,403
Total Special Benefit	**$13,587,515**
Special Benefit	
Total Special Benefit	$13,587,515
Projected Special Assessment	$8,450,000
Excess Benefit	**$5,137,515**

[1]See Table III-C for details.

C. IMPROVEMENT AREA #3C ASSESSMENT ROLL

The City Council has evaluated each Parcel within Improvement Area #3C (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of public improvements, and other

development factors deemed relevant by the City Council) to determine the amount of Improvement Area #3C Assessed Property within Improvement Area #3C.

The Improvement Area #3C Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Improvement Area #3C Projects. Table VII-B summarizes the $5,808,930 in special benefit received by the Improvement Area #3C Assessed Property from the Improvement Area #3C Projects. The amount of the Improvement Area #3C Assessment is $3,696,000 which is less than the benefit received by the Improvement Area #3C Assessed Property. Accordingly, the total Improvement Area #3C Assessment to be applied to all the Improvement Area #3C Assessed Property is $3,696,000 plus annual Administrative Expenses. The Assessment for each Improvement Area #3C Assessed Property is calculated based on the allocation methodologies described in Section V. The Improvement Area #3C Assessment Roll is attached hereto as Appendix I.

Table VII-C
Improvement Area #3C Projects
Special Benefit Summary

Special Benefit	Total Cost
Total Authorized Improvements[1]	**$4,968,975**
Estimated Bond Issuance Costs	
Issuance costs	$221,760
Administrative Expenses & Consulting Fee	$111,000
Underwriter's discount	$110,880
Capitalized interest	$114,556
Reserve fund	$281,760
Subtotal Estimated Bond Issuance Costs	$839,956
Total Special Benefit	**$5,808,930**
Special Benefit	
Total Special Benefit	$5,808,930
Projected Special Assessment	$3,696,000
Excess Benefit	**$2,112,930**

[1]See Table III-D for details.

D. ANNUAL ASSESSMENT ROLL UPDATES

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Improvement Area #3A Assessment Roll, the Improvement Area #3B Assessment Roll, and the Improvement Area #3C Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the City and permitted by the PID Act: (i) the identification of each Parcel, (ii) the Improvement Area #3A Assessment for each Parcel of Improvement Area #3A Assessed Property, Improvement Area #3B Assessment for each Parcel of Improvement Area #3B Assessed Property, and Improvement Area #3C Assessment for each Parcel of Improvement Area #3C Assessed

Property including any adjustments authorized by this Service and Assessment Plan and in the PID Act; (iii) the Annual Installment for the Improvement Area #3A Assessed Property, Improvement Area #3B Assessed Property, and Improvement Area #3C Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Improvement Area #3A Assessments, Improvement Area #3B Assessments, and Improvement Area #3C Assessments, if any, as provided by Section VI.H. of this Service and Assessment Plan.

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VIII. MISCELLANEOUS PROVISIONS

A. ADMINISTRATIVE REVIEW

The City may elect to designate a third party to serve as Administrator. The City shall notify the respective Developer in writing at least thirty (30) days in advance before appointing a third party Administrator.

To the extent consistent with the PID Act, an owner of an Assessed Parcel claiming that a calculation error has been made in the Assessment Roll(s), including the calculation of the Annual Installment, shall send a written notice describing the error to the City not later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Parcel owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Parcel owner, such change or modification shall be presented to the City Council for approval to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Parcel owner (except for the final year during which the Annual Installment shall be collected or if it is determined there are sufficient funds to meet the expenses of the PID for the current year), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the City Council. Any amendments made to the Assessment Roll(s) pursuant to calculation errors shall be made pursuant to the PID Act.

The decision of the Administrator, or if such decision is appealed to the City Council, the decision of the City Council shall be conclusive. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

B. TERMINATION OF ASSESSMENTS

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After the extinguishment of an Assessment and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the City shall provide the owner of the affected Parcel a recordable "Notice of the PID Assessment Termination".

C. AMENDMENTS

Amendments to the Service and Assessment Plan can be made as permitted or required by the PID Act and under Texas law.

The City Council reserves the right to the extent permitted by the PID Act to amend this Service and Assessment Plan without notice under the PID Act and without notice to property owners of Parcels:(i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, collection costs, and other charges imposed by the Service and Assessment Plan; and, (iv) to make any changes as determined by the City that do not require notice pursuant to the PID Act.

D. COUNTY FILING

Within seven days of its approval by the City council, the County shall file and record this Service and Assessment Plan in the real property records of the County. In addition, the County shall similarly file each Annual Service Plan Update approved by the City Council, with each such filing to occur within seven days of the date each respective Annual Service Plan Update is approved. All such documents shall be filed and recorded in the entirety.

E. ADMINISTRATION AND INTERPRETATION OF PROVISIONS

The City Council shall administer the PID, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act and shall make all interpretations and determinations related to the application of this Service and Assessment Plan unless stated otherwise herein or in the Trust Indenture, such determination shall be conclusive.

F. SEVERABILITY

If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan or the application of same to an assessed Parcel or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Service and Assessment Plan that no part hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the City.

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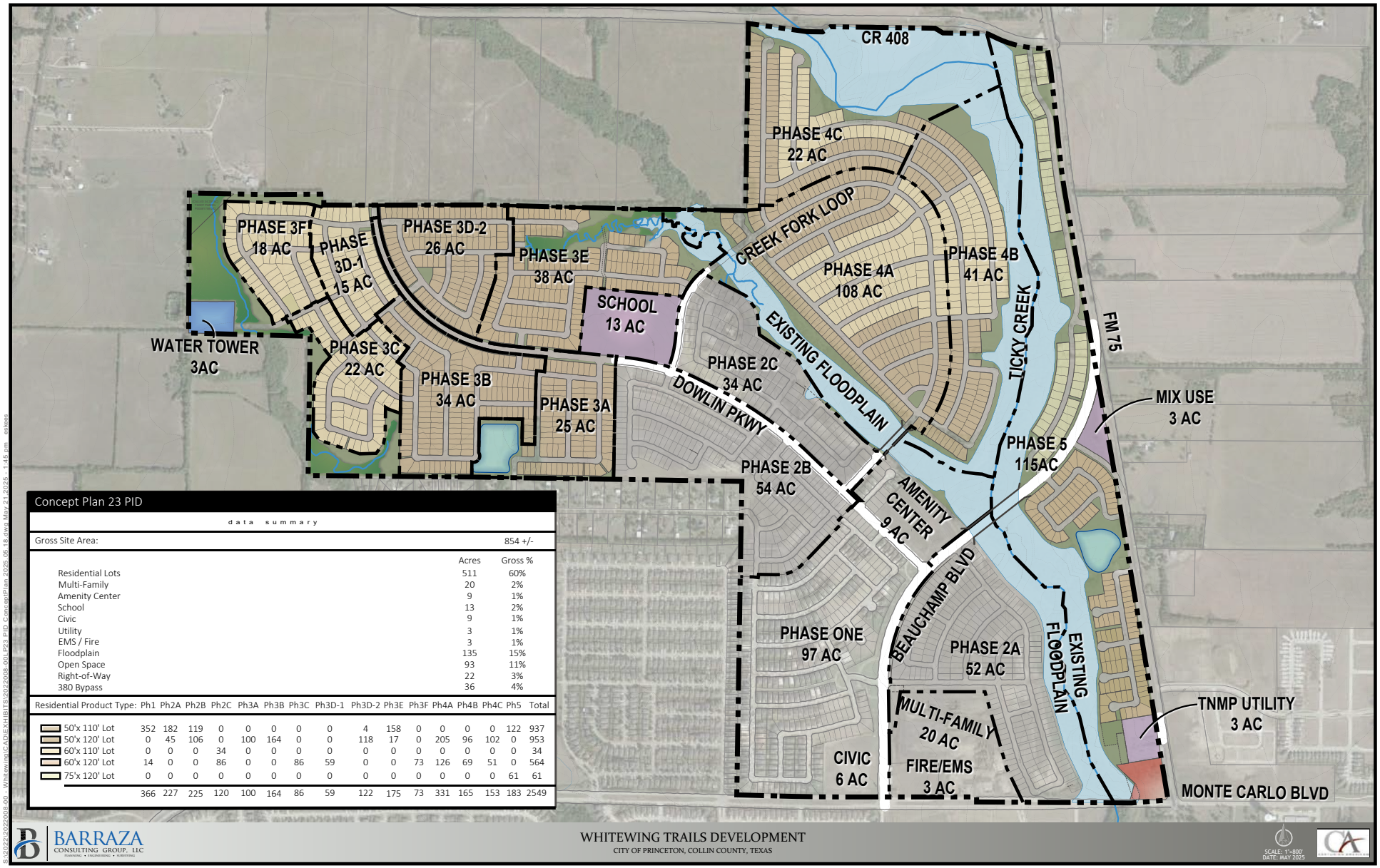
APPENDIX A
PID MAP



Concept Plan 23 PID

data summary

Gross Site Area: 854 +/-

	Acres	Gross %
Residential Lots	511	60%
Multi-Family	20	2%
Amenity Center	9	1%
School	13	2%
Civic	9	1%
Utility	3	1%
EMS / Fire	3	1%
Floodplain	135	15%
Open Space	93	11%
Right-of-Way	22	3%
380 Bypass	36	4%

Residential Product Type:	Ph1	Ph2A	Ph2B	Ph2C	Ph3A	Ph3B	Ph3C	Ph3D-1	Ph3D-2	Ph3E	Ph3F	Ph4A	Ph4B	Ph4C	Ph5	Total
50'x 110' Lot	352	182	119	0	0	0	0	0	4	158	0	0	0	0	122	937
50'x 120' Lot	0	45	106	0	100	164	0	0	118	17	0	205	96	102	0	953
60'x 110' Lot	0	0	0	34	0	0	0	0	0	0	0	0	0	0	0	34
60'x 120' Lot	14	0	0	86	0	0	86	59	0	0	73	126	69	51	0	564
75'x 120' Lot	0	0	0	0	0	0	0	0	0	0	0	0	0	0	61	61
	366	227	225	120	100	164	86	59	122	175	73	331	165	153	183	2549

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

WHITEWING TRAILS DEVELOPMENT
CITY OF PRINCETON, COLLIN COUNTY, TEXAS

SCALE: 1"=800'
DATE: MAY 2025

S:\2022\2022008-00 - Whitewing\CAD\EXHIBITS\2022008-00L P23 PID ConceptPlan 2025_05_16.dwg May 21 2025 - 1:45 pm eakes

APPENDIX B
BUDGETED COSTS OF AUTHORIZED IMPROVEMENTS

COMMUNITY NAME:	**Whitewing Trails**	**GROSS ACREAGE:**	213.2
PHASES:	3A + 3B + +3E + 4A	**NET ACREAGE:**	164.3
CITY OR TOWN:	City of Princeton	**TOTAL LOTS:**	**770**
		TOTAL DENSITY:	4.69
		LANDPLAN:	
		CREATED BY:	NM/ML
		REVIEWED BY:	MC
		CREATED:	02/27/25
		REVISED:	02/13/26

BARRAZA CONSULTING GROUP, LLC
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Improvement Area (IA)			IA #3A		IA #3C	IA #3B
Direct Phase Costs	**TOTALS**	**Phase 3A**	**Phase 3B**	**Phase 3E**	**Phase 4A**	
Lot Count	**770**	**100**	**164**	**175**	**331**	
1 Site Preparation	$ 33,338	$ 7,594	$ 12,454	$ 13,290		
2 Water System	$ 4,342,310	$ 566,896	$ 779,411	$ 870,090	$ 2,125,913	
3 Sanitary Sewer System	$ 4,457,125	$ 604,947	$ 1,018,232	$ 833,296	$ 2,000,649	
4 Drainage System	$ 6,697,461	$ 640,764	$ 1,109,938	$ 1,092,913	$ 3,853,845	
5 Street Improvements	$ 8,256,214	$ 1,113,384	$ 1,721,217	$ 1,877,908	$ 3,543,705	
7 Soft Cost	$ -					
8 Screening/Retaining Walls	$ 78,964	$ 17,987	$ 29,499	$ 31,478		
9 Contingency 0%	$ -	$ -	$ -	$ -		
10 District Formation Costs	$ 880,000	$ 150,000	$ 180,000	$ 250,000	$ 300,000	
Total	$ 24,745,411	$ 3,101,573	$ 4,850,751	$ 4,968,975	$ 11,824,112	
Cost per Lot	$ 32,137	$ 31,016	$ 29,578	$ 28,394	$ 35,722	
Private Costs	**TOTALS**	**Phase 3A**	**Phase 3B**	**Phase 3E**	**Phase 4A**	
Lot Count	**770**	**100**	**164**	**175**	**331**	
1 Site Preparation/Lot Grading	$ 4,182,386	$ 800,878	$ 863,152	$ 914,850	$ 1,603,506	
6 Screening/Retaining Walls	$ 1,933,017	$ 73,290	$ 339,760	$ 1,161,695	$ 358,272	
7 Soft Cost	$ 3,897,567	$ 718,745	$ 739,499	$ 874,405	$ 1,564,917	
9 Contingency 0%	$ -	$ -	$ -	$ -		
Total	$ 10,012,970	$ 1,592,913	$ 1,942,411	$ 2,950,950	$ 3,526,695	
Cost per Lot	$ 13,004	$ 15,929	$ 11,844	$ 16,863	$ 10,655	
TOTALS	***$ 34,758,381***	***$ 4,694,487***	***$ 6,793,163***	***$ 7,919,925***	***$ 15,350,807***	
per lot	***$ 45,141***	***$ 46,945***	***$ 41,422***	***$ 45,257***	***$ 46,377***	
40' Lots	0	0	0	0	0	
50' Lots	644	100	164	175	205	
60' Lots	126	0	0	0	126	
Total Lots	***770***	***100***	***164***	***175***	***331***	

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY.
BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES TAKE-OFFS BEFORE FINANCIAL OBLIGATIONS ARE MADE.

NOTES

[1] Development cost does not include: City/District/County Fees, Bonds, & Permits Rock Excavation, or Unit Price Inflation.

		LOT (1)	LOT (2)	LOT (3)		
COMMUNITY: Whitewing Trail	**LOT COUNT:**	0	100	0	**GROSS ACREAGE:**	29.8
PHASE: Ph 3A	**TYP. LOT WIDTH:**	50	50	60	**NET ACREAGE:**	20.9
CITY OR TOWN: Princeton	**TYP. LOT DEPTH:**	110	120	120	**TOTAL LOTS:**	**100**
	TYP. PAD WIDTH:	40	40	50	**TOTAL DENSITY:**	4.78
	D DEPTH:	75	75	75	**LANDPLAN:**	6
	ARD S/B:	20	20	20	**CREATED BY:**	ML
	ARD S/B:	10	10	10	**REVIEWED BY:**	MC
	ARD S/B:	5	5	5	**CREATED:**	08/18/23
	ARD S/B:	10	10	10	**REVISED:**	**10/01/25**

BARRAZA CONSULTING GROUP, LLC
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ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
DIRECT COSTS					
WATER SYSTEMS					
WATER					
8" P.V.C. PIPE (DR 18 C900)	LF	4,276	$ 53.52	$ 228,851.52	
8" GATE VALVE & BOX	EA	29	$ 2,099.00	$ 60,871.00	
FIRE HYDRANT ASSEMBLY	EA	11	$ 6,441.00	$ 70,851.00	
1" SINGLE WATER SERVICE (ALL LENGTHS)	EA	106	$ 1,201.00	$ 127,306.00	
TRENCH SAFETY	LF	4,246	$ 0.50	$ 2,123.00	
TESTING (EXCLUDING GEOTECH)	LF	4,246	$ 1.25	$ 5,307.50	
2" IRRIGATION SLEEVES	LF	90	$ 17.73	$ 1,595.70	
4" IRRIGATION SLEEVES	LF	90	$ 22.75	$ 2,047.50	
1" IRRIGATION SERVICE	EA	1	$ 1,201.00	$ 1,201.00	
			WATER SUB-TOTAL	**$ 500,154.22**	
			WATER SYSTEM SUB-TOTAL	**$ 500,154.22**	
SANITARY SEWER SYSTEM					
SANITARY SEWER					
8" P.V.C. PIPE (ALL DEPTHS) SDR 35	LF	3,022	$ 54.37	$ 164,306.14	
4" SERVICE LINES	EA	105	$ 855.00	$ 89,775.00	
4' DIAMETER M.H. w/ RAVEN COATING	EA	11	$ 9,971.00	$ 109,681.00	
WATER CROSSING PER TCEQ REQUIREMENTS	EA	4	$ 921.00	$ 3,684.00	
TRENCH SAFETY	LF	3,181	$ 2.00	$ 6,362.00	
TV INSPECTION AFTER FRANCHISE	LF	2,355	$ 1.85	$ 4,356.75	
TESTING (EXCLUDING GEOTECH)	LF	3,181	$ 2.15	$ 6,839.15	
8" SDR-26 PVC	LF	159	$ 57.40	$ 9,126.60	
5' DIA. DROP MANHOLE	EA	4	$ 19,474.00	$ 77,896.00	
5' DIA. STANDARD MANHOLE	EA	1	$ 16,490.00	$ 16,490.00	
CONNECT TO EXISTING MANHOLE	EA	4	$ 3,045.00	$ 12,180.00	
CONCRETE ENCASEMENT	CY	143	$ 95.00	$ 13,585.00	
			SEWER SUB-TOTAL	**$ 514,281.64**	
			SEWER SYSTEM SUB-TOTAL	**$ 514,281.64**	

		LOT (1)	LOT (2)	LOT (3)		
COMMUNITY: Whitewing Trail	LOT COUNT:	0	100	0	GROSS ACREAGE:	29.8
PHASE: Ph 3A	TYP. LOT WIDTH:	50	50	60	NET ACREAGE:	20.9
CITY OR TOWN: Princeton	TYP. LOT DEPTH:	110	120	120	TOTAL LOTS:	**100**
	TYP. PAD WIDTH:	40	40	50	TOTAL DENSITY:	4.78
	D DEPTH:	75	75	75	LANDPLAN:	6
	ARD S/B:	20	20	20	CREATED BY:	ML
	ARD S/B:	10	10	10	REVIEWED BY:	MC
	ARD S/B:	5	5	5	CREATED:	08/18/23
	ARD S/B:	10	10	10	REVISED:	**10/01/25**

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
DRAINAGE SYSTEM					
STORM DRAIN SYSTEM					
18" ADS HP STORM DRAIN W/ FITTINGS	LF	741	$ 65.58	$ 48,594.78	
24" ADS HP STORM DRAIN W/ FITTINGS	LF	509	$ 104.16	$ 53,017.44	
30" ADS HP STORM DRAIN W/ FITTINGS	LF	854	$ 104.88	$ 89,567.52	
36" ADS HP STORM DRAIN W/ FITTINGS	LF	453	$ 129.66	$ 58,735.98	
42" ADS HP STORM DRAIN W/ FITTINGS	LF	275	$ 149.25	$ 41,043.75	
48" ADS HP STORM DRAIN W/ FITTINGS	LF	309	$ 176.14	$ 54,427.26	
60" ADS HP STORM DRAIN W/ FITTINGS	LF	308	$ 243.48	$ 74,991.84	
10' INLET	EA	10	$ 4,629.00	$ 46,290.00	
15' INLET	EA	10	$ 6,707.00	$ 67,070.00	
STORM SEWER M.H. (4 FOOT)	EA	4	$ 5,215.00	$ 20,860.00	
STORM SEWER M.H. (5 FOOT)	EA	1	$ 5,481.00	$ 5,481.00	
STORM SEWER M.H. (6 FOOT)	EA	1	$ 9,220.00	$ 9,220.00	
30" HEADWALL	EA	2	$ 3,343.00	$ 6,686.00	
60" SETP-CD HEADWALL	EA	1	$ 13,200.00	$ 13,200.00	
ROCK RIP-RAP, 6"	SY	84	$ 165.00	$ 13,860.00	
REMOVE EX. HEADWALL & WYE INLET	EA	1	$ 2,350.00	$ 2,350.00	
TRENCH SAFETY	LF	3,465	$ 1.00	$ 3,465.00	
			STORM DRAIN SUB-TOTAL	**$ 608,860.57**	
			DRAINAGE SUB-TOTAL	**$ 608,860.57**	
STREET IMPROVEMENT					
STREET PAVING					
6" REINF. CONC. PAVEMENT, 4000 PSI	SY	14,395	$ 50.00	$ 719,750.00	
7" LIME SUBGRADE	SY	15,260	$ 3.50	$ 53,410.00	
HYDRATED LIME MATERIAL (39.5 lbs/SY)	TON	302	$ 310.00	$ 93,620.00	
CONNECT TO EXISTING STREET HEADER	EA	3	$ 750.00	$ 2,250.00	
REMOVE AND DISPOSE OF EXISTING BARRICADE	EA	3	$ 500.00	$ 1,500.00	
CONCRETE STREET R&R	SY	80	$ 290.00	$ 23,200.00	
			STREET PAVING SUB-TOTAL	**$ 893,730.00**	
SIDEWALK					
5' WIDE, 4" THK 3000 PSI REINF. CONCRETE SIDEWALK	SY	183	$ 59.00	$ 10,797.00	
BARRIER FREE RAMPS	EA	14	$ 2,250.00	$ 31,500.00	
			SIDEWALK SUB-TOTAL	**$ 42,297.00**	
SIGNAGE & STRIPING					
STREET SIGNS, COMBO W/STOP (W/ POSTS)	EA	6	$ 850.00	$ 5,100.00	
NAME BLADES & POSTS	EA	2	800.00	$ 1,600.00	
			SIGNAGE & STRIPING SUB-TOTAL	**$ 6,700.00**	
CONSTRUCTION BONDS					
PERFORMANCE AND PAYMENT BONDS	LS	1	$ 25,000.00	$ 25,000.00	
MAINTENANCE BONDS	LS	1	$ 4,500.00	$ 4,500.00	
			CONSTRUCTION BONDS SUB-TOTAL	**$ 29,500.00**	
			STREET IMPROVEMENT SUB-TOTAL	**$ 972,227.00**	

		LOT (1)	LOT (2)	LOT (3)		
COMMUNITY:	**Whitewing Trail**	**LOT COUNT:**	0	100	0	**GROSS ACREAGE:** 29.8
PHASE:	Ph 3A	**TYP. LOT WIDTH:**	50	50	60	**NET ACREAGE:** 20.9
CITY OR TOWN:	Princeton	**TYP. LOT DEPTH:**	110	120	120	**TOTAL LOTS:** **100**
		TYP. PAD WIDTH:	40	40	50	**TOTAL DENSITY:** 4.78
		D DEPTH:	75	75	75	**LANDPLAN:** 6
		ARD S/B:	20	20	20	**CREATED BY:** ML
		ARD S/B:	10	10	10	**REVIEWED BY:** MC
		ARD S/B:	5	5	5	**CREATED:** 08/18/23
		ARD S/B:	10	10	10	**REVISED:** **10/01/25**

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
PRIVATE COSTS					
GRADING / SITE PREPARATION					
			EROSION CONTROL SUB-TOTAL	**$ -**	
ROUGH GRADING					
CLEARING & GRUBBING	AC	25.6	$ 2,130.00	$ 54,528.00	Private 3A Cost Only; 4.2 Acres C&G for P. Pkwy
MASS GRADING (EXCAVATION)	CY	45,775	$ 3.00	$ 137,325.00	Private 3A Cost Only; 20,085 CY for P. Pkwy
UNCLASSIFIED EXCAVATION TO BE STOCKPILED ON PULTE 60' LOTS	CY	64,900	$ 2.25	$ 146,025.00	
UNCLASSIFIED EXCAVATION TO BE STOCKPILED ON ADJACENT SITE	CY	10,000	$ 2.00	$ 20,000.00	
UNCLASSIFIED EXCAVATION TO BE STOCKPILED ON FUTURE BEAZER LOTS	CY	27,500	$ 2.00	$ 55,000.00	
ROUGH LOT GRADING	LOT	100	$ 250.00	$ 25,000.00	
8' MOISTURE CONDITIONING	LOT	100	$ 3,000.00	$ 300,000.00	
POLY	LOT	100	$ 430.00	$ 43,000.00	
			ROUGH GRADING SUB-TOTAL	**$ 780,878.00**	
FINISH GRADING					
LOT FINISH GRADE	LOT	100	$ 200.00	$ 20,000.00	
			FINISH GRADING SUB-TOTAL	**$ 20,000.00**	
			GRADING / SITE PREPARATION SUB-TOTAL	**$ 800,878.00**	
SITE FENCING/RETAINING WALL IMPROVEMENTS					
RETAINING WALLS					
RETAINING WALL (BLOCK O)	SF	3,870	$ 13.48	$ 52,165.00	
RETAINING WALL (BLOCK P)	SF	1,690	$ 12.50	$ 21,125.00	
			RETAINING WALLS SUB-TOTAL	**$ 73,290.00**	
			SITE FENCING / RETAINING SUB-TOTAL	**$ 73,290.00**	
SOFT COSTS					
ENGINEERING & SURVEYING	LS	1	$ 314,500.00	$ 314,500.00	
CONSTRUCTION INSPECTION	%	3%	$ 6,029,909.04	$ 180,897.27	
MATERIAL TESTING	%	2%	$ 6,029,909.04	$ 120,598.18	
FINAL GEOTECH REPORT	BORINGS	90	$ 675	$ 60,750.00	
LANDSCAPE & HARDSCAPE DESIGN	LS	1	$ 30,000.00	$ 30,000.00	
SWPPP & INSPECTIONS	LS	1	$ 12,000.00	$ 12,000.00	
			ENGINEERING & CONSULTING SUB-TOTAL	**$ 718,745.45**	

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY. BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES TAKE-OFFS BEFORE FINANCIAL OBLIGATIONS ARE MADE.

		LOT (1)	LOT (2)	LOT (3)		
COMMUNITY: Whitewing Trail	LOT COUNT:	0	164	0	GROSS ACREAGE:	42.5
PHASE: Phase 3B	TYP. LOT WIDTH:	50	50	60	NET ACREAGE:	35.4
CITY OR TOWN: Princeton	TYP. LOT DEPTH:	120	120	120	TOTAL LOTS:	**164**
	TYP. PAD WIDTH:	40	40	50	TOTAL DENSITY:	4.63
	D DEPTH:	75	75	75	LANDPLAN:	10
	ARD S/B:	20	20	20	CREATED BY:	JTH
	ARD S/B:	10	10	10	REVIEWED BY:	MC
	ARD S/B:	5	5	5	CREATED:	12/06/23
	ARD S/B:	10	10	10	REVISED:	**10/01/25**

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
DIRECT COSTS					
WATER SYSTEMS					
WATER					
8" P.V.C. PIPE (DR 18 C900)	LF	5,708	$ 50.50	$ 288,254.00	
16" P.V.C. PIPE (DR 18 C900)	LF	311	$ 136.00	$ 42,296.00	
8" GATE VALVE & BOX	EA	26	$ 2,150.00	$ 55,900.00	
16" BUTTERFLY VALVE & BOX	EA	3	$ 8,100.00	$ 24,300.00	
8" X 8" TEE	EA	4	$ 810.00	$ 3,240.00	
16" X 8" CROSS	EA	1	$ 2,850.00	$ 2,850.00	
8" PLUG	EA	3	$ 450.00	$ 1,350.00	
16" PLUG	EA	1	$ 1,350.00	$ 1,350.00	
REMOVE EXIST. 8" PLUG, CONNECT TO EXIST. 8" WATER	EA	3	$ 1,000.00	$ 3,000.00	
REMOVE EXIST. 16" PLUG, CONNECT TO EXIST. 16" WATER	EA	1	$ 2,875.00	$ 2,875.00	
FIRE HYDRANT ASSEMBLY	EA	14	$ 6,900.00	$ 96,600.00	
1" SINGLE WATER SERVICE (ALL LENGTHS)	EA	164	$ 825.00	$ 135,300.00	
TRENCH SAFETY	LF	6,019	$ 0.10	$ 601.90	
TESTING (EXCLUDING GEOTECH)	LF	6,019	$ 2.00	$ 12,038.00	
			WATER SUB-TOTAL	**$ 669,954.90**	
			WATER SYSTEM SUB-TOTAL	**$ 669,954.90**	
SANITARY SEWER SYSTEM					
SANITARY SEWER					
8" P.V.C. PIPE (ALL DEPTHS) SDR 35	LF	3,101	$ 63.50	$ 196,913.50	
12" P.V.C. PIPE (ALL DEPTHS) SDR 26	LF	1,823	$ 91.50	$ 166,804.50	
12" P.V.C. PIPE (ALL DEPTHS) SDR 35	LF	580	$ 147.65	$ 85,637.00	
4" SERVICE LINES	EA	164	$ 1,040.00	$ 170,560.00	
4' DIAMETER MANHOLE w/ RAVEN COATING	EA	18	$ 8,085.00	$ 145,530.00	
5' DIAMETER MANHOLE w/ RAVEN COATING	EA	2	$ 13,775.00	$ 27,550.00	
5' DIAMETER EXTERNAL DROP MANHOLE.	EA	1	$ 25,200.00	$ 25,200.00	
CONNECT TO EXISTING 5' DROP MANHOLE	EA	1	$ 4,350.00	$ 4,350.00	
CONNECT 8" TO EXISTING 4' MANHOLE	EA	1	$ 1,650.00	$ 1,650.00	
8" PLUG	EA	2	$ 225.00	$ 450.00	
12" PLUG	EA	1	$ 400.00	$ 400.00	
WATER CROSSING PER TCEQ REQUIREMENTS	EA	6	$ 1,875.00	$ 11,250.00	
CONCRETE ENCASEMENT	CY	23	$ 225.00	$ 5,175.00	
TRENCH SAFETY	LF	5,504	$ 0.10	$ 550.40	
TESTING (EXCLUDING GEOTECH)	LF	5,504	$ 5.00	$ 27,520.00	
			SEWER SUB-TOTAL	**$ 869,540.40**	
			SEWER SYSTEM SUB-TOTAL	**$ 869,540.40**	

		LOT (1)	LOT (2)	LOT (3)		
COMMUNITY: Whitewing Trail	LOT COUNT:	0	164	0	GROSS ACREAGE:	42.5
PHASE: Phase 3B	TYP. LOT WIDTH:	50	50	60	NET ACREAGE:	35.4
CITY OR TOWN: Princeton	TYP. LOT DEPTH:	120	120	120	TOTAL LOTS:	**164**
	TYP. PAD WIDTH:	40	40	50	TOTAL DENSITY:	4.63
	D DEPTH:	75	75	75	LANDPLAN:	10
	ARD S/B:	20	20	20	CREATED BY:	JTH
	ARD S/B:	10	10	10	REVIEWED BY:	MC
	ARD S/B:	5	5	5	CREATED:	12/06/23
	ARD S/B:	10	10	10	REVISED:	**10/01/25**

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
DRAINAGE SYSTEM					
STORM DRAIN SYSTEM					
18" R.C.P.	LF	920	$ 66.00	$ 60,720.00	
24" R.C.P.	LF	987	$ 81.00	$ 79,947.00	
30" R.C.P.	LF	1,343	$ 107.00	$ 143,701.00	
36" R.C.P.	LF	497	$ 131.00	$ 65,107.00	
42" R.C.P.	LF	500	$ 174.00	$ 87,000.00	
48" R.C.P.	LF	716	$ 210.00	$ 150,360.00	
54" R.C.P.	LF	175	$ 248.00	$ 43,400.00	
10' INLET	EA	7	$ 7,360.00	$ 51,520.00	
15' INLET	EA	17	$ 8,625.00	$ 146,625.00	
20' INLET	EA	2	$ 9,150.00	$ 18,300.00	
INLET PROTECTION	EA	38	$ 230.00	$ 8,740.00	
STORM SEWER M.H. (4 FOOT)	EA	9	$ 7,360.00	$ 66,240.00	
STORM SEWER M.H. (5 FOOT)	EA	2	$ 8,170.00	$ 16,340.00	
STORM SEWER M.H. (6 FOOT)	EA	2	$ 9,100.00	$ 18,200.00	
STORM SEWER M.H. (6 FOOT) W/ 2.5' X 2' ORFIFICE	EA	1	$ 9,500.00	$ 9,500.00	
30" HEADWALL	EA	1	$ 4,600.00	$ 4,600.00	
48" HEADWALL	EA	1	$ 6,850.00	$ 6,850.00	
54" HEADWALL	EA	1	$ 7,360.00	$ 7,360.00	
ROCK RIP-RAP, 12"	SY	20	$ 104.00	$ 2,080.00	
ROCK RIP-RAP, 9"	SY	27	$ 104.00	$ 2,808.00	
ROCK RIP-RAP, 6"	SY	16	$ 104.00	$ 1,664.00	
STORM DRAIN T.V. INSPECTION	LF	5,138	$ 5.00	$ 25,690.00	
TRENCH SAFETY	LF	5,138	$ 0.10	$ 513.80	
			STORM DRAIN SUB-TOTAL	**$ 1,017,265.80**	
CONSTRUCTION BONDS					
PERFORMANCE AND PAYMENT BONDS	EA	1	$ 33,650.00	$ 33,650.00	
MAINTENANCE BONDS	EA	1	$ 6,700.00	$ 6,700.00	
			CONSTRUCTION BONDS SUB-TOTAL	**$ 40,350.00**	
			DRAINAGE SUB-TOTAL	**$ 1,057,615.80**	
STREET IMPROVEMENT					
STREET PAVING					
6" REINF. CONC. PAVEMENT, 4000 PSI	SY	21,874	$ 50.50	$ 1,104,637.00	
8" LIME SUBGRADE	SY	23,189	$ 3.50	$ 81,161.50	
HYDRATED LIME MATERIAL (36#/SY)	TON	417	$ 290.00	$ 120,930.00	
PAVEMENT HEADER	LF	124	$ 35.00	$ 4,340.00	
12" ROCK RIP-RAP @ PAVEMENT HEADER	SY	42	$ 75.00	$ 3,150.00	
STREET BARRICADE	EA	4	$ 2,400.00	$ 9,600.00	
REMOVE BARRICADE & RIP RAP	EA	4	$ 975.00	$ 3,900.00	
CONNECT TO EXISTING STREET HEADER	EA	4	$ 850.00	$ 3,400.00	
			STREET PAVING SUB-TOTAL	**$ 1,331,118.50**	
SIDEWALK					
5' WIDE, 4" THK 3000 PSI REINF. CONCRETE SIDEWALK	SF	1,775	$ 60.00	$ 106,500.00	
BARRIER FREE RAMPS	EA	6	$ 2,350.00	$ 14,100.00	
			SIDEWALK SUB-TOTAL	**$ 120,600.00**	
SIGNAGE & STRIPING					
STREET SIGN	EA	5	800.00	$ 4,000.00	
STREET SIGNS, COMBO W/STOP (W/ POSTS)	EA	10	$ 900.00	$ 9,000.00	
			SIGNAGE & STRIPING SUB-TOTAL	**$ 13,000.00**	
CONSTRUCTION BONDS					
PERFORMANCE AND PAYMENT BONDS	EA	1	$ 21,000.00	$ 21,000.00	
MAINTENANCE BONDS	EA	1	$ 4,000.00	$ 4,000.00	
			CONSTRUCTION BONDS SUB-TOTAL	**$ 25,000.00**	
			STREET IMPROVEMENT SUB-TOTAL	**$ 1,489,718.50**	

		LOT (1)	LOT (2)	LOT (3)		
COMMUNITY: Whitewing Trail	LOT COUNT:	0	164	0	GROSS ACREAGE:	42.5
PHASE: Phase 3B	TYP. LOT WIDTH:	50	50	60	NET ACREAGE:	35.4
CITY OR TOWN: Princeton	TYP. LOT DEPTH:	120	120	120	TOTAL LOTS:	**164**
	TYP. PAD WIDTH:	40	40	50	TOTAL DENSITY:	4.63
	D DEPTH:	75	75	75	LANDPLAN:	10
	ARD S/B:	20	20	20	CREATED BY:	JTH
	ARD S/B:	10	10	10	REVIEWED BY:	MC
	ARD S/B:	5	5	5	CREATED:	12/06/23
	ARD S/B:	10	10	10	REVISED:	**10/01/25**

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
PRIVATE COSTS					
GRADING / SITE PREPARATION					
ROUGH GRADING					
CLEARING & GRUBBING	AC	41.0	$ 1,600.00	$ 65,600.00	
MASS GRADING (EXCAVATION)	CY	106,659	$ 2.75	$ 293,312.25	
ROUGH LOT GRADING	LOT	164	$ 300.00	$ 49,200.00	
8' MOISTURE CONDITIONING	LOT	48	$ 2,150.00	$ 103,200.00	
5' MOISTURE CONDITIONING	LOT	104	$ 1,990.00	$ 206,960.00	
2' MOISTURE CONDITIONING	LOT	12	$ 1,140.00	$ 13,680.00	
POLY	LOT	164	$ 500.00	$ 82,000.00	
			ROUGH GRADING SUB-TOTAL	**$ 813,952.25**	
FINISH GRADING					
LOT FINISH GRADE	LOT	164	$ 300.00	$ 49,200.00	
			FINISH GRADING SUB-TOTAL	**$ 49,200.00**	
			GRADING / SITE PREPARATION SUB-TOTAL	**$ 863,152.25**	
SITE FENCING/RETAINING WALL IMPROVEMENTS					
PERIMETER / SCREENING WALLS					
SCREEN WALL (W/ MOW STRIP)	LF	1,370	$ 110.00	$ 150,700.00	
LANDSCAPE AND IRRIGATION	LF	1,370	$ 138.00	$ 189,060.00	
			PERIMETER/SCREENING WALL SUB-TOTAL	**$ 339,760.00**	
			SITE FENCING / RETAINING SUB-TOTAL	**$ 339,760.00**	
SOFT COSTS					
ENGINEERING & SURVEYING	LOT	164	$ 3,000	$ 492,000.00	
CONSTRUCTION INSPECTION	%	3%	$ 4,949,981.85	$ 148,499.46	
MATERIAL TESTING	%	2%	$ 4,949,981.85	$ 98,999.64	
			ENGINEERING & CONSULTING SUB-TOTAL	**$ 739,499.09**	

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY. BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES TAKE-OFFS BEFORE FINANCIAL OBLIGATIONS ARE MADE.

		LOT (1)	LOT (2)	LOT (3)		
COMMUNITY NAME: 3E	**LOT COUNT:**	158	17	0	**GROSS ACREAGE:**	44.8
PHASE: Phase 3E	**TYP. LOT WIDTH:**	50	50	60	**NET ACREAGE:**	34.9
CITY OR TOWN: Princeton	**TYP. LOT DEPTH:**	110	120	120	**TOTAL LOTS:**	**175**
	TYP. PAD WIDTH:	40	40	50	**TOTAL DENSITY:**	5.01
	TYP. PAD DEPTH:	75	75	75	**LANDPLAN:**	19
	FRONT YARD S/B:	20	20	20	**CREATED BY:**	MLL
	REAR YARD S/B:	10	10	10	**REVIEWED BY:**	MC
	SIDE YARD S/B:	5	5	5	**CREATED:**	**10/30/25**
	CORNER SIDE YARD S/B:	10	10	10	**REVISED:**	**01/30/26**

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
DIRECT COSTS					
WATER SYSTEMS					
WATER					
8" P.V.C. PIPE (DR 18 C900)	LF	6,958	$ 48.20	$ 335,375.60	
MUELLER HG-3 FLUSHING SYSTEM	EA	2	$ 6,500.00	$ 13,000	
8" GATE VALVE & BOX	EA	46	$ 2,100.00	$ 96,600.00	
8" PLUG W/ MARKER	EA	2	$ 465.00	$ 930.00	
CONNECT TO EXIST. LINE	EA	1	$ 1,000.00	$ 1,000.00	
FIRE HYDRANT ASSEMBLY	EA	17	$ 6,140.00	$ 104,380.00	
1" SINGLE WATER SERVICE (ALL LENGTHS)	EA	175	$ 855.00	$ 149,625.00	
1" SINGLE WATER SERVICE FOR FUTURE LOTS (ALL LENGTHS)	EA	4	$ 855.00	$ 3,420.00	
1" IRRIGATION SERVICE	EA	5	$ 885.00	$ 4,425.00	
2" CONDUIT (SCH 40) AT INTERSECTIONS	LF	250	$ 35.50	$ 8,875.00	
4" CONDUIT (SCH 40) AT INTERSECTIONS	LF	250	$ 38.20	$ 9,550.00	
TRENCH SAFETY	LF	6,958	$ 0.10	$ 695.80	
TESTING (EXCLUDING GEOTECH)	LF	6,958	$ 2.00	$ 13,916.00	
			WATER SUB-TOTAL	**$ 741,792.40**	
CONSTRUCTION BONDS					
MAINTENANCE BONDS	EA	1	$ 11,500.00	$ 11,500.00	
			CONSTRUCTION BONDS SUB-TOTAL	**$ 11,500.00**	
			WATER SYSTEM SUB-TOTAL	**$ 753,292.40**	
SANITARY SEWER SYSTEM					
SANITARY SEWER					
8" P.V.C. PIPE (ALL DEPTHS) SDR 35	LF	4,546	$ 60.00	$ 272,760.00	
4" SERVICE LINES	EA	125	$ 900.00	$ 112,500.00	
4" SERVICE LINES (FUTURE)	EA	4	$ 900.00	$ 3,600.00	
4" SERVICE TAP ON EXIST LINE	EA	50	$ 1,400.00	$ 70,000.00	
4' DIAMETER M.H. w/ RAVEN COATING	EA	18	$ 8,740.00	$ 157,320.00	
ADJUST EXISTING M.H.	EA	9	$ 1,760.00	$ 15,840.00	
8" PLUG	EA	1	$ 250.00	$ 250.00	
CONNECT TO EXIST. MH	EA	0	$ 1,500.00	$ -	
WATER CROSSING PER TCEQ REQUIREMENTS	EA	10	$ 775.00	$ 7,750.00	
REMOVE EX 8" PLUG & CONNECT TO 8"	EA	2	$ 625.00	$ 1,250.00	
TRENCH SAFETY	LF	4,512	$ 0.10	$ 451.20	
TESTING (EXCLUDING GEOTECH)	LF	4,512	$ 5.00	$ 22,560.00	
			SEWER SUB-TOTAL	**$ 664,281.20**	
CONSTRUCTION BONDS					
MAINTENANCE BONDS	EA	1	$ 10,350.00	$ 10,350.00	
			FINISH GRADING SUB-TOTAL	**$ 10,350.00**	
			SEWER SYSTEM SUB-TOTAL	**$ 674,631.20**	

		LOT (1)	LOT (2)	LOT (3)		
COMMUNITY NAME: 3E	**LOT COUNT:**	158	17	0	**GROSS ACREAGE:**	44.8
PHASE: Phase 3E	**TYP. LOT WIDTH:**	50	50	60	**NET ACREAGE:**	34.9
CITY OR TOWN: Princeton	**TYP. LOT DEPTH:**	110	120	120	**TOTAL LOTS:**	**175**
	TYP. PAD WIDTH:	40	40	50	**TOTAL DENSITY:**	5.01
BARRAZA CONSULTING GROUP, LLC PLANNING • ENGINEERING • SURVEYING	**TYP. PAD DEPTH:**	75	75	75	**LANDPLAN:**	19
	FRONT YARD S/B:	20	20	20	**CREATED BY:**	MLL
	REAR YARD S/B:	10	10	10	**REVIEWED BY:**	MC
	SIDE YARD S/B:	5	5	5	**CREATED:**	**10/30/25**
	CORNER SIDE YARD S/B:	10	10	10	**REVISED:**	**01/30/26**

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
DRAINAGE SYSTEM					
STORM DRAIN SYSTEM					
18" R.C.P.	LF	2,700	$ 66.00	$ 178,200.00	
24" R.C.P.	LF	419	$ 82.00	$ 34,358.00	
30" R.C.P.	LF	983	$ 107.00	$ 105,181.00	
36" R.C.P.	LF	693	$ 131.00	$ 90,783.00	
42" R.C.P.	LF	391	$ 174.00	$ 68,034.00	
48" R.C.P.	LF	369	$ 211.00	$ 77,859.00	
10' INLET	EA	23	$ 7,590.00	$ 174,570.00	
15' INLET	EA	8	$ 8,740.00	$ 69,920.00	
20' INLET	EA	2	$ 9,315.00	$ 18,630.00	
4' x 4' "Y" INLET	EA	1	$ 5,865.00	$ 5,865.00	
INLET PROTECTION	EA	34	$ 200.00	$ 6,800.00	
STORM SEWER M.H. (4 FOOT)	EA	3	$ 6,440.00	$ 19,320.00	
STORM SEWER M.H. (5 FOOT)	EA	1	$ 7,130.00	$ 7,130.00	
STORM SEWER M.H. (6 FOOT)	EA	4	$ 7,935.00	$ 31,740.00	
CONNECT TO EXIST. LINE	EA	1	$ 850.00	$ 850.00	
18" HEADWALL	EA	1	$ 4,025.00	$ 4,025.00	
24" HEADWALL	EA	1	$ 4,260.00	$ 4,260.00	
30" HEADWALL	EA	1	$ 4,485.00	$ 4,485.00	
48" HEADWALL	EA	2	$ 6,670.00	$ 13,340.00	
5' WIDE CONCRETE PILOT CHANNEL, 5" THICK	LF	1,029	$ 46.00	$ 47,334.00	
ROCK RIP-RAP, 6"	SY	259	$ 86.00	$ 22,274.00	
ROCK RIP-RAP, 12"	SY	59	$ 92.00	$ 5,428.00	
18" PLUG	EA	1	$ 325.00	$ 325.00	
30" PLUG	EA	1	$ 440.00	$ 440.00	
36" PLUG	EA	1	$ 500.00	$ 500.00	
REMOVE & DISPOSE EX. 18" HEADWALL	EA	1	$ 1,000.00	$ 1,000.00	
STORM DRAIN T.V. INSPECTION	LF	5,555	$ 5.00	$ 27,775.00	
TRENCH SAFETY	LF	5,555	$ 0.10	$ 555.50	
			STORM DRAIN SUB-TOTAL	**$ 1,020,981.50**	
CONSTRUCTION BONDS					
MAINTENANCE BONDS	EA	1	$ 16,100.00	$ 16,100.00	
			CONSTRUCTION BONDS SUB-TOTAL	**$ 16,100.00**	
			DRAINAGE SUB-TOTAL	**$ 1,037,081.50**	
STREET IMPROVEMENT					
STREET PAVING					
6" REINF. CONC. PAVEMENT, 4000 PSI	SY	23,590	$ 49.25	$ 1,161,807.50	
8" LIME SUBGRADE	SY	26,388	$ 3.75	$ 98,955.00	
HYDRATED LIME MATERIAL (48#/SY)	TON	634	$ 350.00	$ 221,900.00	
REMOVE EXISTING BARRICADE & RIPRAP	EA	2	$ 1,000.00	$ 2,000.00	
CONSTRUCT STANDARD PAVEMENT HEADER	EA	2	$ 750.00	$ 1,500.00	
CONNECT TO EXISTING PAVEMENT HEADER	EA	2	$ 500.00	$ 1,000.00	
END OF ROAD BARRICADE (TYPE III)	EA	2	$ 2,850.00	$ 5,700.00	
6" ROCK RIP RAP (END OF STREET)	SY	21	$ 55.00	$ 1,155.00	
8' WIDE CURLEX EROSION CONTROL MATTING	LF	15,205	$ 1.50	$ 22,807.50	
			STREET PAVING SUB-TOTAL	**$ 1,516,825.00**	
SIDEWALK					
5' WIDE, 4" THK 3000 PSI REINF. CONCRETE SIDEWALK	SF	3,455	$ 6.50	$ 22,457.50	
SITE FACILITIES	LS	1	$ 625.00	$ 625.00	
BARRIER FREE RAMPS	EA	22	$ 2,315.00	$ 50,930.00	
			SIDEWALK SUB-TOTAL	**$ 74,012.50**	
SIGNAGE & STRIPING					
STREET NAME SIGN	EA	5	$ 1,000.00	$ 5,000.00	
STREET SIGNS, COMBO W/STOP (W/ POSTS)	EA	9	$ 1,100.00	$ 9,900.00	
			SIGNAGE & STRIPING SUB-TOTAL	**$ 14,900.00**	
CONSTRUCTION BONDS					
MAINTENANCE BONDS	EA	1	$ 25,145.00	$ 25,145.00	
			CONSTRUCTION BONDS SUB-TOTAL	**$ 25,145.00**	
			STREET IMPROVEMENT SUB-TOTAL	**$ 1,630,882.50**	

		LOT (1)	LOT (2)	LOT (3)		
COMMUNITY NAME: 3E	**LOT COUNT:**	158	17	0	**GROSS ACREAGE:**	44.8
PHASE: Phase 3E	**TYP. LOT WIDTH:**	50	50	60	**NET ACREAGE:**	34.9
CITY OR TOWN: Princeton	**TYP. LOT DEPTH:**	110	120	120	**TOTAL LOTS:**	**175**
	TYP. PAD WIDTH:	40	40	50	**TOTAL DENSITY:**	5.01
BARRAZA CONSULTING GROUP, LLC PLANNING • ENGINEERING • SURVEYING	**TYP. PAD DEPTH:**	75	75	75	**LANDPLAN:**	19
	FRONT YARD S/B:	20	20	20	**CREATED BY:**	MLL
	REAR YARD S/B:	10	10	10	**REVIEWED BY:**	MC
	SIDE YARD S/B:	5	5	5	**CREATED:**	**10/30/25**
	CORNER SIDE YARD S/B:	10	10	10	**REVISED:**	**01/30/26**

ITEM DESCRIPTION		UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
PRIVATE COSTS						
GRADING / SITE PREPARATION						
	EROSION CONTROL / SWPPP					
	CONSTRUCTION ENTRANCE	EA	2	$ 2,600.00	$ 5,200.00	
	INLET PROTECTION EXISTING INLETS	EA	35	$ 165.00	$ 5,775.00	
	MAINTENANCE	LT	175.0	$ 150.00	$ 26,250.00	
	SILT FENCE (WIRE BACK)	LF	6,160	$ 1.95	$ 12,012.00	
				EROSION CONTROL SUB-TOTAL	**$ 49,237.00**	
	ROUGH GRADING					
	CLEARING & GRUBBING	AC	46.0	$ 1,000.00	$ 46,000.00	
	MASS GRADING (EXCAVATION)	CY	86,741	3.00	$ 260,223.00	
	ROUGH LOT GRADING	LOT	175	$ 300.00	$ 52,500.00	
	4' MOISTURE CONDITIONING	LOT	30	$ 1,200.00	$ 36,000.00	
	7' MOISTURE CONDITIONING	LOT	28	$ 1,800.00	$ 50,400.00	
	10' MOISTURE CONDITIONING	LOT	99	$ 2,500.00	$ 247,500.00	
	POLY	LOT	175	$ 450.00	$ 78,750.00	
	8' CURLEX - CHANNEL	SF	65,000	$ 0.19	$ 12,350.00	
	ROCK CHECK DAM	EA	6	$ 1,050.00	$ 6,300.00	
				ROUGH GRADING SUB-TOTAL	**$ 790,023.00**	
	FINISH GRADING					
	LOT FINISH GRADE	LOT	175	$ 300.00	$ 52,500.00	
	SEED DISTURBED AREAS	AC	28.0	$ 350.00	$ 9,800.00	
				FINISH GRADING SUB-TOTAL	**$ 62,300.00**	
				GRADING / SITE PREPARATION SUB-TOTAL	**$ 901,560.00**	
SITE FENCING/RETAINING WALL IMPROVEMENTS						
	LANDSCAPE AND HARDSCAPE					
	HARDSCAPE	LS	$ 577,605.00	1	$ 577,605.00	Incl. Screening Wall
	LANDSCAPE & IRRIGATION	LS	$ 278,989.87	1	$ 278,989.87	
				PERIMETER / SCREENING WALLS SUB-TOTAL	**$ 856,594.87**	
	RETAINING WALLS					
	2'- 4' RETAINING WALL	LF	3,670	$ 86.00	$ 315,620.00	
	4'-8' RETAINING WALL	LF	400	$ 175.00	$ 70,000.00	
				RETAINING WALLS SUB-TOTAL	**$ 305,100.00**	
				SITE FENCING / RETAINING SUB-TOTAL	**$ 1,161,694.87**	
DRY UTILITIES						
	STREET LIGHTS	EA	16	$ -	$ -	
				DRY UTILITIES SUB-TOTAL	**$ -**	
ENGINEERING, CONSULTING & FEES						
	ENGINEERING & SURVEYING	LS	1	$ 523,700.00	$ 523,700.00	
	CONSTRUCTION INSPECTION	LS	1	$ 129,518.33	$ 129,518.33	
	MATERIAL TESTING	LS	1	$ 161,837.00	$ 161,837.00	
	FINAL GEOTECH REPORT	LS	1	$ 17,800	$ 17,800.00	
	LANDSCAPE & HARDSCAPE DESIGN	LS	1	$ 29,550.00	$ 29,550.00	
	SWPPP & INSPECTIONS	LS	1	$ 12,000.00	$ 12,000.00	
				ENGINEERING & CONSULTING SUB-TOTAL	**$ 874,405.33**	

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY. BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES TAKE-OFFS BEFORE FINANCIAL OBLIGATIONS ARE MADE.

		LOT (1)	LOT (2)	LOT (3)		
COMMUNITY: Whitewing Trail	LOT COUNT:	0	100	0	GROSS ACREAGE:	29.8
PHASE: Shared Direct	TYP. LOT WIDTH:	50	50	60	NET ACREAGE:	20.9
CITY OR TOWN: Princeton	TYP. LOT DEPTH:	110	120	120	TOTAL LOTS:	**100**
	TYP. PAD WIDTH:	40	40	50	TOTAL DENSITY:	4.78
	D DEPTH:	75	75	75	LANDPLAN:	6
	ARD S/B:	20	20	20	CREATED BY:	ML
	ARD S/B:	10	10	10	REVIEWED BY:	MC
	ARD S/B:	5	5	5	CREATED:	08/18/23
	ARD S/B:	10	10	10	REVISED:	**10/01/25**

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
GRADING / SITE PREPARATION					
ROUGH GRADING					
CLEARING & GRUBBING	AC	4.2	$ 2,130.00	$ 8,946.00	
MASS GRADING (EXCAVATION)	CY	20,085	2.50	$ 50,212.50	
			ROUGH GRADING SUB-TOTAL	**$ 59,158.50**	
			GRADING / SITE PREPARATION SUB-TOTAL	**$ 59,158.50**	
			PHASE 3A	**$ 7,594.16**	**Pro Rata Share (# lots/779): 13%**
			PHASE 3B	**$ 12,454.42**	**Pro Rata Share (# lots/779): 21%**
			PHASE 3E	**$ 13,289.78**	**Pro Rata Share (# lots/779): 22%**
			FUTURE PHASES	**$ 25,820.14**	**Pro Rata Share (# lots/779): 44%**
WATER SYSTEMS					
WATER					
12" P.V.C. PIPE (DR 18 C900)	LF	782	$ 87.72	$ 68,597.04	
16" P.V.C. PIPE (DR 18 C900)	LF	1,910	$ 135.75	$ 259,282.50	
8" P.V.C. PIPE (DR 18 C900)	LF	220	$ 54.79	$ 12,053.80	
AIR RELEASE VALVE (2")	EA	1	$ 6,929.00	$ 6,929	
8" GATE VALVE & BOX	EA	1	$ 2,186.00	$ 2,186.00	
12" GATE VALVE & BOX	EA	5	$ 4,017.00	$ 20,085.00	
16" BUTTERFLY VALVE & BOX	EA	8	$ 6,515.00	$ 52,120.00	
CONNECT TO EXIST. LINE (16" WATER)	EA	1	$ 3,155.00	$ 3,155.00	
FIRE HYDRANT ASSEMBLY	EA	5	$ 7,651.00	$ 38,255.00	
TESTING & CHLORINATION	LF	2,643	$ 1.25	$ 3,303.75	
TRENCH SAFETY	LF	2,643	$ 0.50	$ 1,321.50	
16" BUTTERFLY VALVE	EA	1	$ 6,515.00	$ 6,515.00	
FIRE HYDRANT ASSEMBLY	EA	2	$ 7,651.00	$ 15,302.00	
2" IRRIGATION SLEEVES	LF	480	$ 17.73	$ 8,510.40	
4" IRRIGATION SLEEVES	LF	480	$ 22.75	$ 10,920.00	
6" IRRIGATION SLEEVES	LF	221	$ 25.22	$ 5,573.62	
1.5" IRRIGATION SERVICE	EA	2	$ 2,904.00	$ 5,808.00	
			WATER SUB-TOTAL	**$ 519,917.61**	
			WATER SYSTEM SUB-TOTAL	**$ 519,917.61**	
			PHASE 3A	**$ 66,741.67**	**Pro Rata Share (# lots/779): 13%**
			PHASE 3B	**$ 109,456.34**	**Pro Rata Share (# lots/779): 21%**
			PHASE 3E	**$ 116,797.92**	**Pro Rata Share (# lots/779): 22%**
			FUTURE PHASES	**$ 226,921.68**	**Pro Rata Share (# lots/779): 44%**

		LOT (1)	LOT (2)	LOT (3)		
COMMUNITY: Whitewing Trail	LOT COUNT:	0	100	0	GROSS ACREAGE:	29.8
PHASE: Shared Direct	TYP. LOT WIDTH:	50	50	60	NET ACREAGE:	20.9
CITY OR TOWN: Princeton	TYP. LOT DEPTH:	110	120	120	TOTAL LOTS:	100
	TYP. PAD WIDTH:	40	40	50	TOTAL DENSITY:	4.78
	D DEPTH:	75	75	75	LANDPLAN:	6
	ARD S/B:	20	20	20	CREATED BY:	ML
	ARD S/B:	10	10	10	REVIEWED BY:	MC
	ARD S/B:	5	5	5	CREATED:	08/18/23
	ARD S/B:	10	10	10	REVISED:	10/01/25

BARRAZA CONSULTING GROUP, LLC
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ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
SANITARY SEWER SYSTEM					
SANITARY SEWER					
12" P.V.C. PIPE (ALL DEPTHS) SDR 26	LF	1,198	$ 95.39	$ 114,277.22	
15" P.V.C. PIPE (ALL DEPTHS) SDR 26	LF	1,120	$ 120.43	$ 134,881.60	
8" P.V.C. PIPE (ALL DEPTHS) SDR 26	LF	265	$ 57.40	$ 15,211.00	
8" P.V.C. PIPE (ALL DEPTHS) SDR 35	LF	2,077	$ 54.37	$ 112,926.49	
DEMO EX. 4' DIAMETER M.H.	EA	1	$ 3,300.00	$ 3,300.00	
4' DIAMETER M.H. w/ RAVEN COATING	EA	8	$ 9,671.00	$ 77,368.00	
5' DIAMETER M.H. w/ RAVEN COATING	EA	1	$ 16,490.00	$ 16,490.00	
5' DIAMETER DROP M.H. w/ RAVEN COATING	EA	1	$ 19,474.00	$ 19,474.00	
5' DIAMETER M.H. TYPE "S" w/RAVEN COATING	EA	2	$ 17,958.00	$ 35,916.00	
CONNECT TO EXIST. STUB (12")	EA	1	$ 1,427.00	$ 1,427.00	
CONNECT TO EXIST. STUB (15")	EA	1	$ 1,956.00	$ 1,956.00	
WATER CROSSING PER TCEQ REQUIREMENTS	EA	6	$ 971.00	$ 5,826.00	
TRENCH SAFETY	LF	5,869	$ 2.00	$ 11,738.00	
TESTING (EXCLUDING GEOTECH)	LF	5,869	$ 2.15	$ 12,618.35	
12" DIAMOND LOK-21 PIPE	LF	820	$ 132.79	$ 108,887.80	
5' DIA STANDARD MANHOLE W/ VENTED LID	EA	1	$ 20,258.00	$ 20,258.00	
MANHOLE MARKERS	EA	10	$ 560.00	$ 5,600.00	
8" END & PLUG	EA	3	$ 1,450.00	$ 4,350.00	
15" END AND PLUG	EA	1	$ 2,450.00	$ 2,450.00	
CONCRETE ENCASEMENT	CY	14	$ 95.00	$ 1,330.00	
			SEWER SUB-TOTAL	**$ 706,285.46**	
			SEWER SYSTEM SUB-TOTAL	**$ 706,285.46**	
			PHASE 3A	**$ 90,665.66**	**Pro Rata Share (# lots/779): 13%**
			PHASE 3B	**$ 148,691.68**	**Pro Rata Share (# lots/779): 21%**
			PHASE 3E	**$ 158,664.90**	**Pro Rata Share (# lots/779): 22%**
			FUTURE PHASES	**$ 308,263.23**	**Pro Rata Share (# lots/779): 44%**

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
DRAINAGE SYSTEM					
STORM DRAIN SYSTEM					
18" ADS HP STORM DRAIN W/ FITTINGS	LF	174	$ 63.64	$ 11,073.36	
24" ADS HP STORM DRAIN W/ FITTINGS	LF	198	$ 85.33	$ 16,895.34	
10' INLET	EA	2	$ 4,629.00	$ 9,258.00	
15' INLET	EA	2	$ 6,707.00	$ 13,414.00	
TEMPORARY GRADE-TO-DRAIN	LF	650	$ 30.00	$ 19,500.00	
ROCK RIP-RAP, 12"	SY	510	$ 175.00	$ 89,250.00	
TRENCH SAFETY	LF	281	$ 2.00	$ 562.00	
18" ADS HP STORM PIPE	LF	0	$ 63.64	$ -	
5'X3' RCB	LF	136	$ 295.94	$ 40,247.84	
5'X3' SET HEADWALL	EA	4	$ 8,700.00	$ 34,800.00	
8" ROCK RIP RAP	SY	42	$ 165.00	$ 6,930.00	
6" ROCK RIP RAP	SY	40	$ 165.00	$ 6,600.00	
			STORM DRAIN SUB-TOTAL	**$ 248,530.54**	
			DRAINAGE SUB-TOTAL	**$ 248,530.54**	
			PHASE 3A	**$ 31,903.79**	**Pro Rata Share (# lots/779): 13%**
			PHASE 3B	**$ 52,322.22**	**Pro Rata Share (# lots/779): 21%**
			PHASE 3E	**$ 55,831.64**	**Pro Rata Share (# lots/779): 22%**
			FUTURE PHASES	**$ 108,472.89**	**Pro Rata Share (# lots/779): 44%**

		LOT (1)	LOT (2)	LOT (3)		
COMMUNITY: Whitewing Trail	LOT COUNT:	0	100	0	GROSS ACREAGE:	29.8
PHASE: Shared Direct	TYP. LOT WIDTH:	50	50	60	NET ACREAGE:	20.9
CITY OR TOWN: Princeton	TYP. LOT DEPTH:	110	120	120	TOTAL LOTS:	**100**
	TYP. PAD WIDTH:	40	40	50	TOTAL DENSITY:	4.78
	D DEPTH:	75	75	75	LANDPLAN:	6
	ARD S/B:	20	20	20	CREATED BY:	ML
	ARD S/B:	10	10	10	REVIEWED BY:	MC
	ARD S/B:	5	5	5	CREATED:	08/18/23
	ARD S/B:	10	10	10	REVISED:	**10/01/25**

BARRAZA CONSULTING GROUP, LLC
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ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
STREET IMPROVEMENT					
STREET PAVING					
8" REINF. CONC. PAVEMENT, 4000 PSI	SY	12,852	$ 58.75	$ 755,055.00	
7" LIME SUBGRADE	SY	13,427	$ 3.50	$ 46,994.50	
HYDRATED LIME MATERIAL (36#/SY)	TON	265	$ 310.00	$ 82,150.00	
PAVEMENT HEADER	~~LF~~ EA	7	$ 700.00	$ 4,900.00	
CONNECT TO STREET HEADER	EA	1	$ 1,000.00	$ 1,000.00	
REMOVE AND DISPOSE OF EXISTING BARRICADES	EA	1	$ 650.00	$ 650.00	
STREET BARRICADE	EA	7	$ 1,600.00	$ 11,200.00	
			STREET PAVING SUB-TOTAL	**$ 901,949.50**	
SIDEWALK					
5' WIDE, 4" THK 3000 PSI REINF. CONCRETE SIDEWALK	SY	2,824	$ 59.00	$ 166,616.00	
BARRIER FREE RAMPS	EA	12	$ 2,250.00	$ 27,000.00	
			SIDEWALK SUB-TOTAL	**$ 193,616.00**	
SIGNAGE & STRIPING					
STOP SIGN & POST	EA	3	500.00	$ 1,500.00	
STREET SIGNS, COMBO W/STOP (W/ POSTS)	EA	3	$ 850.00	$ 2,550.00	
			SIGNAGE & STRIPING SUB-TOTAL	**$ 4,050.00**	
			STREET IMPROVEMENT SUB-TOTAL	**$ 1,099,615.50**	
			PHASE 3A	**$ 141,157.32**	**Pro Rata Share (# lots/779): 13%**
			PHASE 3B	**$ 231,498.00**	**Pro Rata Share (# lots/779): 21%**
			PHASE 3E	**$ 247,025.30**	**Pro Rata Share (# lots/779): 22%**
			FUTURE PHASES	**$ 479,934.88**	**Pro Rata Share (# lots/779): 44%**
SITE FENCING/RETAINING WALL IMPROVEMENTS					
PERIMETER / SCREENING WALLS					
SCREEN WALL (W/ MOW STRIP)	LF	565	$ 110.00	$ 62,150.00	
LANDSCAPE AND IRRIGATION	LF	565	$ 138.00	$ 77,970.00	
			PERIMETER/SCREENING WALL SUB-TOTAL	**$ 140,120.00**	
			SITE FENCING / RETAINING SUB-TOTAL	**$ 140,120.00**	
			PHASE 3A	**$ 17,987.16**	**Pro Rata Share (# lots/779): 13%**
			PHASE 3B	**$ 29,498.95**	**Pro Rata Share (# lots/779): 21%**
			PHASE 3B	**$ 31,477.54**	**Pro Rata Share (# lots/779): 22%**
			FUTURE PHASES	**$ 61,156.35**	**Pro Rata Share (# lots/779): 44%**

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY. BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES TAKE-OFFS BEFORE FINANCIAL OBLIGATIONS ARE MADE.

		LOT (1)	LOT (2)	LOT (3)		
COMMUNITY: Whitewing Trail	LOT COUNT:	0	205	126	GROSS ACREAGE:	96.1
PHASE: Phase 4A	TYP. LOT WIDTH:	50	50	60	NET ACREAGE:	73.1
CITY OR TOWN: Princeton	TYP. LOT DEPTH:	120	120	120	TOTAL LOTS:	**331**
	TYP. PAD WIDTH:	40	40	50	TOTAL DENSITY:	4.53
	D DEPTH:	75	75	75	LANDPLAN:	10
	ARD S/B:	20	20	20	CREATED BY:	JTH
	ARD S/B:	10	10	10	REVIEWED BY:	MC
	ARD S/B:	5	5	5	CREATED:	12/06/23
	ARD S/B:	10	10	10	REVISED:	**10/01/25**

BARRAZA CONSULTING GROUP, LLC
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ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
DIRECT COSTS					
WATER SYSTEMS					
WATER					
8" P.V.C. PIPE (DR 18 C900) w/ FITTINGS	LF	14,333	$ 48.50	$ 695,150.50	
12" P.V.C. PIPE (DR 18 C900) w/ FITTINGS	LF	3,487	$ 106.00	$ 369,622.00	
8" GATE VALVE & BOX	EA	103	$ 2,050.00	$ 211,150.00	
12" GATE VALVE & BOX	EA	19	$ 3,650.00	$ 69,350.00	
8" END & PLUG	EA	15	$ 430.00	$ 6,450.00	
12" END & PLUG	EA	2	$ 615.00	$ 1,230.00	
12"X8" REDUCER	EA	2	$ 750.00	$ 1,500.00	
4" SCHEDULE 40 PVC CROSSING	LF	1,900	$ 36.25	$ 68,875.00	
6" SCHEDULE 40 PVC CROSSING	LF	1,418	$ 41.00	$ 58,138.00	
FLUSHING VALVE	EA	17	$ 5,840.00	$ 99,280.00	
1" IRRIGATION SERVICE	EA	1	$ 800.00	$ 800.00	
FIRE HYDRANT ASSEMBLY	EA	31	$ 6,350.00	$ 196,850.00	
1" SINGLE WATER SERVICE (ALL LENGTHS)	EA	341	$ 780.00	$ 265,980.00	
REMOVE 12" GATE VALVE AND PLUG	EA	2	$ 600.00	$ 1,200.00	
REMOVE 2" FLUSH VALVE & MUELLER HG-3	EA	2	$ 575.00	$ 1,150.00	
CONNECT TO EXISTING 12" WATER	EA	2	$ 1,000.00	$ 2,000.00	
TRENCH SAFETY	LF	17,820	$ 0.10	$ 1,782.00	
TESTING (EXCLUDING GEOTECH)	LF	17,820	$ 2.00	$ 35,640.00	
CONSTRUCTION TESTING (GEOTECH)	LS	1	$ 39,765.00	$ 39,765.00	
			WATER SUB-TOTAL	**$ 2,125,912.50**	
			WATER SYSTEM SUB-TOTAL	**$ 2,125,912.50**	
SANITARY SEWER SYSTEM					
SANITARY SEWER					
8" P.V.C. PIPE (ALL DEPTHS) SDR 26	LF	2,159	$ 77.30	$ 166,890.70	
8" P.V.C. PIPE (ALL DEPTHS) SDR 35	LF	11,880	$ 58.25	$ 692,010.00	
12" P.V.C. PIPE (ALL DEPTHS) SDR 26	LF	237	$ 93.75	$ 22,218.75	
8" RESTRAINED JOINT P.V.C. PIPE (ALL DEPTHS) SDR 26	LF	534	$ 125.00	$ 66,750.00	
12" RESTRAINED JOINT P.V.C. PIPE (ALL DEPTHS) SDR 26	LF	290	$ 163.00	$ 47,270.00	
4" SERVICE LINES	EA	342	$ 655.00	$ 224,010.00	
4' DIAMETER MANHOLE w/ RAVEN COATING	EA	57	$ 7,550.00	$ 430,350.00	
5' DIAMETER MANHOLE w/ RAVEN COATING	EA	9	$ 13,420.00	$ 120,780.00	
5' DIAMETER EXTERNAL DROP MANHOLE.	EA	5	$ 15,500.00	$ 77,500.00	
CONNECT TO EXISTING 6' DROP MANHOLE	EA	1	$ 1,370.00	$ 1,370.00	
8" CLEANOUT	EA	14	$ 975.00	$ 13,650.00	
MANHOLE MARKER	EA	7	$ 60.00	$ 420.00	
CLEANOUT MARKER	EA	14	$ 60.00	$ 840.00	
WATER CROSSING PER TCEQ REQUIREMENTS	EA	24	$ 765.00	$ 18,360.00	
CONCRETE ENCASEMENT	SF	1,949	$ 5.00	$ 9,745.00	
TRENCH SAFETY	LF	15,100	$ 0.10	$ 1,510.00	
TESTING (EXCLUDING GEOTECH)	LF	15,100	$ 4.75	$ 71,725.00	
CONSTRUCTION TESTING (GEOTECH)	LS	1	$ 35,250.00	$ 35,250.00	
			SEWER SUB-TOTAL	**$ 2,000,649.45**	
			SEWER SYSTEM SUB-TOTAL	**$ 2,000,649.45**	

		LOT (1)	LOT (2)	LOT (3)		
COMMUNITY: Whitewing Trail	LOT COUNT:	0	205	126	GROSS ACREAGE:	96.1
PHASE: Phase 4A	TYP. LOT WIDTH:	50	50	60	NET ACREAGE:	73.1
CITY OR TOWN: Princeton	TYP. LOT DEPTH:	120	120	120	TOTAL LOTS:	**331**
	TYP. PAD WIDTH:	40	40	50	TOTAL DENSITY:	4.53
	D DEPTH:	75	75	75	LANDPLAN:	10
BARRAZA CONSULTING GROUP, LLC PLANNING • ENGINEERING • SURVEYING	ARD S/B:	20	20	20	CREATED BY:	JTH
	ARD S/B:	10	10	10	REVIEWED BY:	MC
	ARD S/B:	5	5	5	CREATED:	12/06/23
	ARD S/B:	10	10	10	REVISED:	**10/01/25**

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
DRAINAGE SYSTEM					
STORM DRAIN SYSTEM					
18" R.C.P.	LF	313	$ 65.00	$ 20,345.00	
24" R.C.P.	LF	2,696	$ 80.00	$ 215,680.00	
30" R.C.P.	LF	1,787	$ 105.00	$ 187,635.00	
36" R.C.P.	LF	959	$ 129.00	$ 123,711.00	
42" R.C.P.	LF	1,397	$ 172.00	$ 240,284.00	
48" R.C.P.	LF	290	$ 208.00	$ 60,320.00	
54" R.C.P.	LF	742	$ 245.00	$ 181,790.00	
60" R.C.P.	LF	543	$ 282.00	$ 153,126.00	
72" R.C.P.	LF	498	$ 424.00	$ 211,152.00	
7' x 5' RCB	LF	807	$ 583.00	$ 470,481.00	
10' X 8' RCB	LF	600	$ 1,162.00	$ 697,200.00	
10' INLET	EA	26	$ 7,475.00	$ 194,350.00	
15' INLET	EA	20	$ 8,625.00	$ 172,500.00	
20' INLET	EA	6	$ 9,200.00	$ 55,200.00	
INLET PROTECTION	EA	53	$ 200.00	$ 10,600.00	
STORM SEWER M.H. (4 FOOT)	EA	9	$ 7,360.00	$ 66,240.00	
STORM SEWER M.H. (5 FOOT)	EA	7	$ 8,280.00	$ 57,960.00	
STORM SEWER M.H. (6 FOOT)	EA	3	$ 9,085.00	$ 27,255.00	
STORM SEWER M.H. (7'x5')	EA	1	$ 9,085.00	$ 9,085.00	
18" SETP-CD w/o CROSSBARS	EA	2	$ 4,370.00	$ 8,740.00	
30" SETP-CD w/o CROSSBARS	EA	1	$ 4,715.00	$ 4,715.00	
36" SETP-CD w/o CROSSBARS	EA	1	$ 5,400.00	$ 5,400.00	
54" SETP-CD w/o CROSSBARS	EA	1	$ 7,475.00	$ 7,475.00	
60" SETP-CD w/o CROSSBARS	EA	2	$ 8,280.00	$ 16,560.00	
72" SETP-CD w/o CROSSBARS	EA	1	$ 9,660.00	$ 9,660.00	
48" TYPE "C" HEADWALL w/o CROSSBARS	EA	2	$ 7,015.00	$ 14,030.00	
7' X 5' SETP-CD HEADWAL w/o CROSSBARS	EA	1	$ 9,660.00	$ 9,660.00	
FW-O HEADWALL ON 6 - 10' X 8' BOX CULVERTS	EA	2	$ 62,270.00	$ 124,540.00	
FW-O HEADWALL ON 4 - 10' X 8' BOX CULVERTS	EA	2	$ 78,475.00	$ 156,950.00	
3' X 3' Y-INLET	EA	1	$ 5,750.00	$ 5,750.00	
12" DRY ROCK RIP-RAP	SY	735	$ 110.00	$ 80,850.00	
ROCK RIP-RAP, 12"	SY	171	$ 104.00	$ 17,784.00	
ROCK RIP-RAP, 6"	SY	327	$ 98.00	$ 32,046.00	
18" PLUG	EA	4	$ 200.00	$ 800.00	
24" PLUG	EA	4	$ 225.00	$ 900.00	
30" PLUG	EA	1	$ 260.00	$ 260.00	
42" PLUG	EA	1	$ 350.00	$ 350.00	
REMOVE 18" RCP	LF	3	$ 37.25	$ 111.75	
REMOVE 60" RCP	LF	23	$ 111.50	$ 2,564.50	
REMOVE AND RELOCATE EXISTING HEADWALL	EA	1	$ 14,850.00	$ 14,850.00	
REMOVE 48" RCP	LF	47	$ 80.50	$ 3,783.50	
METAL BEAM GUARD FENCE	LF	380	$ 95.00	$ 36,100.00	
CONSTRUCTION TESTING (GEOTECH)	LS	1	$ 21,535.00	$ 21,535.00	
STORM DRAIN T.V. INSPECTION (EXCLUDING GEOTECH)	LF	9,225	$ 4.75	$ 43,818.75	
TRENCH SAFETY	LF	9,225	$ 0.10	$ 922.50	
			STORM DRAIN SUB-TOTAL	**$ 3,775,070.00**	
CONSTRUCTION BONDS					
PERFORMANCE AND PAYMENT BONDS	EA	1	$ 65,550.00	$ 65,550.00	
MAINTENANCE BONDS	EA	1	$ 13,225.00	$ 13,225.00	
			CONSTRUCTION BONDS SUB-TOTAL	**$ 78,775.00**	
			DRAINAGE SUB-TOTAL	**$ 3,853,845.00**	

		LOT (1)	LOT (2)	LOT (3)		
COMMUNITY: Whitewing Trail	LOT COUNT:	0	205	126	GROSS ACREAGE:	96.1
PHASE: Phase 4A	TYP. LOT WIDTH:	50	50	60	NET ACREAGE:	73.1
CITY OR TOWN: Princeton	TYP. LOT DEPTH:	120	120	120	TOTAL LOTS:	**331**
	TYP. PAD WIDTH:	40	40	50	TOTAL DENSITY:	4.53
	D DEPTH:	75	75	75	LANDPLAN:	10
	ARD S/B:	20	20	20	CREATED BY:	JTH
	ARD S/B:	10	10	10	REVIEWED BY:	MC
	ARD S/B:	5	5	5	CREATED:	12/06/23
	ARD S/B:	10	10	10	REVISED:	**10/01/25**

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

ITEM DESCRIPTION	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT	NOTES
STREET IMPROVEMENT					
STREET PAVING					
6" REINF. CONC. PAVEMENT, 4000 PSI	SY	53,252	$ 49.60	$ 2,641,299.20	
8" LIME SUBGRADE	SY	56,460	$ 3.22	$ 181,801.20	
HYDRATED LIME MATERIAL (36#/SY)	TON	1,497	$ 305.00	$ 456,585.00	
PAVEMENT HEADER	LF	186	$ 20.00	$ 3,720.00	
12" ROCK RIP-RAP @ PAVEMENT HEADER	SY	96	$ 73.25	$ 7,032.00	
STREET BARRICADE	EA	6	$ 1,500.00	$ 9,000.00	
REMOVE BARRICADE & RIP RAP	EA	2	$ 2,000.00	$ 4,000.00	
CONNECT TO EXISTING STREET HEADER	EA	2	$ 500.00	$ 1,000.00	
CONSTRUCTION TESTING (GEOTECH)	LS	1	$ 43,657.00	$ 43,657.00	
			STREET PAVING SUB-TOTAL	**$ 3,348,094.40**	
SIDEWALK					
5' WIDE, 4" THK 3000 PSI REINF. CONCRETE SIDEWALK	SF	1,245	$ 65.35	$ 81,360.75	
BARRIER FREE RAMPS	EA	50	$ 1,710.00	$ 85,500.00	
			SIDEWALK SUB-TOTAL	**$ 166,860.75**	
SIGNAGE & STRIPING					
STREET SIGNS, COMBO W/STOP (W/ POSTS)	EA	25	$ 870.00	$ 21,750.00	
			SIGNAGE & STRIPING SUB-TOTAL	**$ 21,750.00**	
CONSTRUCTION BONDS					
MAINTENANCE BONDS	EA	1	$ 7,000.00	$ 7,000.00	
			CONSTRUCTION BONDS SUB-TOTAL	**$ 7,000.00**	
			STREET IMPROVEMENT SUB-TOTAL	**$ 3,543,705.15**	
PRIVATE COSTS					
GRADING / SITE PREPARATION					
ROUGH GRADING					
CLEARING & GRUBBING	AC	111.6	$ 1,523.48	$ 170,020.37	
SEED DISTURBED AREAS	AC	43	$ 250.00	$ 10,750.00	
UNCLASSIFIED EXCAVATION	CY	122,277	$ 3.09	$ 377,835.93	
ROUGH LOT GRADING	LOT	331	$ 250.00	$ 82,750.00	
7' MOISTURE CONDITIONING	LOT	331	$ 2,000.00	$ 662,000.00	
6-MIL POLY ON MOISTURE-CONDITIONED LOTS	LOT	331	$ 400.00	$ 132,400.00	
CONSTRUCTION TESTING (GEOTECH)	LS	1	$ 75,000.00	$ 75,000.00	
DRAINAGE MAINTENANCE ON SOUTHERN CHANNEL	DAILY	4	$ 2,500.00	$ 10,000.00	
			ROUGH GRADING SUB-TOTAL	**$ 1,520,756.30**	
FINISH GRADING					
LOT FINISH GRADE	LOT	331	$ 250.00	$ 82,750.00	
			FINISH GRADING SUB-TOTAL	**$ 82,750.00**	
			GRADING / SITE PREPARATION SUB-TOTAL	**$ 1,603,506.30**	
SITE FENCING/RETAINING WALL IMPROVEMENTS					
PERIMETER / SCREENING WALLS					
8' TRAIL	SF	40,896	$ 7.00	$ 286,272.00	
LANDSCAPE AND IRRIGATION	SF	90,000	$ 0.80	$ 72,000.00	
			PERIMETER/SCREENING WALL SUB-TOTAL	**$ 358,272.00**	
			SITE FENCING / RETAINING SUB-TOTAL	**$ 358,272.00**	
SOFT COSTS					
ENGINEERING & SURVEYING	LOT	331	$ 3,000	$ 993,000.00	
CONSTRUCTION INSPECTION	%	3%	$ 11,438,337.10	$ 343,150.11	
MATERIAL TESTING	%	2%	$ 11,438,337.10	$ 228,766.74	
			ENGINEERING & CONSULTING SUB-TOTAL	**$ 1,564,916.86**	

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY. BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES TAKE-OFFS BEFORE FINANCIAL OBLIGATIONS ARE MADE.

APPENDIX C
PID LEGAL DESCRIPTION

BEING a tract of land situated in the David Cherry Survey, Abstract No. 166, City of Princeton, Collin County, Texas and being all of a called 853.61 acre tract of land described in deed to Macavity Company, LLC recorded in Instrument No. 20160627000808950 Official Public Records, Collin County, Texas and being more particularly described as follows:

BEGINNING at 1/2" iron rod found at the south end of a right-of-way corner clip located at the intersection of the west right-of-way line of F.M. Highway No. 75 (a 90-foot wide right-of-way) and the north right-of-way line of Monte Carlo Boulevard (a variable width right-of-way) and being the southeast corner said 853.61 acre tract;

THENCE with said north right-of-way line of said Monte Carlo Boulevard, the following courses and distances:

South 85°26'29" West, a distance of 317.54 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for corner;
North 89°37'58" West, a distance of 1472.25 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner;
North 0°08'28" West, a distance of 47.52 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner;
North 90°00'00" West, a distance of 1219.59 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found at the beginning of a tangent curve to the right having a central angle of 1°29'49", a radius of 24940.00 feet, a chord bearing and distance of North 89°15'06" West,
651.58 feet; In a northwesterly direction, with said curve to the right, an arc distance of 651.60 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner;
North 88°30'11" West, a distance of 406.84 feet to a "X" cut in concrete found for the southeast corner of Block H, Villas of Monte Carlo Phase One, an addition to the City of Princeton according to the plat recorded in Volume Q, Page 480, Map Records, Collin County, Texas;

THENCE departing said north right-of-way line of Monte Carlo Boulevard and with the east lines of said Villas of Monte Carlo Phase One, Villas at Monte Carlo Phase Two A, an addition to the City of Princeton according to the plat recorded in Volume 2014, Page 466 of said Map Records and Villas at Monte Carlo Phase Two B, an addition to the City of Princeton according to the plat recorded in Volume 2014, Page 468 of said Map Records, North 0°54'35" East, a distance of 2390.61 feet to a 1/2" iron rod found for the southeast corner of Lot 18, Block D, Ragon Estates, an addition to the City of Princeton according to the plat recorded in Volume J, Page 532 of said Map Records;

THENCE with the east line of said Ragon Estates, North 1°01'14" East, a distance of 589.42 feet to a 5/8" iron rod found for the northeast corner of Lot 13, Block C of said Ragon Estates;

THENCE with the north line of said Ragon Estates, North 89°04'12" West, a distance of 2470.27 feet to a point for the northwest corner of said Ragon Estates and being the northeast corner of Lot

31, Block 24, Park Trails - Phase 3, an addition to the City of Princeton according to the plat recorded in Volume 2018, Page 702 of said Map Records; from said point a 5/8" iron rod found bears South 23°58'30" East, a distance of 0.31 feet;

THENCE with the north line of said Park Trails - Phase 3, North 89°26'18" West, a distance of 1650.22 feet to a 1" iron pipe found for the northwest corner of Lot 7, Block 23 of said Park Trail - Phase 3 and being in the east line of a called 50.461 acre tract of land described as "Tract 1" in deed to Srilakshmi

Veluri and Radhika Velivilli, recorded in Instrument No. 20150120000064420 of said Official Public Records;

THENCE with said east line of Tract 1, North 0°49'42" East, a distance of 1322.40 feet to a 1" iron pipe found for the northeast corner of said Tract 1;

THENCE with the north line of said Tract 1, North 88°26'27" West, a distance of 1154.37 feet to a 1/2" iron rod found for the northwest corner of said Tract 1 and being the southeast corner of a called 1.251 acre tract of land described as Tract 2 in said deed to Srilakshmi Veluri and Radhika Velivilli;

THENCE with the east lines of said 853.61 acre tract, a called 22.474 acre tract of land described in deed to Hari Prasad Myneni recorded in Instrument No. 20150120000064440 of said Official Public Records and a called 101 acre tract of land described in deed to Harold Brown Bixler, recorded in Instrument No. 20140815000874290 of said Official Public Records, North 0°18'16" East, a distance of 1328.51 feet to a point for the westernmost northwest corner of said 853.61 acre tract and being in the south line of a called 11.058 acre tract described in deed to Valerie L. Bixler recorded in Instrument No.
20120827001062980 of said Official Public Records from which a 1/2" iron rod found bears North 33°11'19" West, a distance of 0.44 feet;

THENCE with said south line of the 11.058 acre tract, South 89°02'00" East, a distance of 164.68 feet to a 3-1/2" metal corner post found for the southeast corner of said 11.058 acre tract and being the southwest corner of Lot 3, Free Rein # l Addition, an addition to the City of Princeton according to the plat recorded in Volume 2010, Page 69 of said Map Records;

THENCE with the south line of said Lot 3, South 88°57'40" East, a distance of 560.77 feet to a PK nail found for the southeast corner of said Lot 3 and being the southwest corner of a called 306.81 acre tract described in deed to Hasan Pirkul and Tulin Pirkul, Gurgun Muharrem and Semahat Muharrem, Kemal Altinkemer and Chery L. Altinkemer and Hakan Aytac and Alper Aytac recorded in Volume 5218, Page 3630 of the Land Records, Collin County, Texas;

THENCE with the south line of said 306.81 acre tract, following courses and distances:

North 89°33'50" East, a distance of 551.89 feet to a 5/8" iron rod found for corner;
South 0°10'50" West, a distance of 103.30 feet to a 3/4" iron rod found for corner;
South 89°34'09" East, a distance of 321.08 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner; North 89°51'02" East, a distance of 1206.51 feet to a

5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner; South 88°26'10" East, a distance of 1494.09 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner; South 89°52'10" East, a distance of 343.52 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner; South 88°43'10" East, a distance of 642.64 feet to a 1" iron pipe found for the southeast corner of said 306.81 acre tract;

THENCE with the east line of said 306.81 acre tract, North 0°49'26" East, a distance of 1780.23 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found in the south right-of-way line of County Road No. 408 (a variable width right-of-way) for the northernmost northwest corner of said 853.61 acre tract;

THENCE departing said east line of the 306.81 acre tract and with said south right-of-way line of County Road No. 408, the following courses and distances:

South 82°00'49" East, a distance of 561.42 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for corner;
South 89°11'09" East, a distance of 149.57 feet to a 5/8" iron rod with plastic cap stamped "Woolpert Inc." found for corner;
North 56°39'33" East, a distance of 89.06 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner;
South 89°11'09" East, a distance of 992.91 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner;
South 59°11'14" East, a distance of 87.34 feet to a 5/8" iron rod found for corner;
South 89°13'25" East, a distance of 416.33 feet to a 5/8" iron rod with plastic cap stamped "Woolpert Inc." found at the beginning of a non-tangent curve to the right having a central angle of 4°33'58", a radius of 955.00 feet, a chord bearing and distance of South 65°48'44" East, 76.09 feet;

In a southeasterly direction, with said curve to the right, an arc distance of 76.11 feet to a 5/8" iron rod with plastic cap stamped "KHA" set from which a 5/8" iron rod found bears South 21°59'07" East, a distance of 0.34 feet and being at the beginning of a reverse curve to the left having a central angle of 25°31'47", a radius of 1045.00 feet, a chord bearing and distance of South 76°17'38" East, 461.79 feet;
In a southeasterly direction, with said curve to the left, an arc distance of 465.63 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner;
South 89°03'32" East, a distance of 58.08 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner at the intersection of said south right-of-way line of County Road No. 408 with said west right-of-way line of F.M. Highway No. 75;

THENCE with said west right-of-way line of F.M. Highway No. 75, the following courses and distances:

South 10°02'44" East, a distance of 132.84 feet to a 5/8" iron rod found at the beginning of a non-tangent curve to the right having a central angle of 3°21'26", a radius of 1864.86 feet, a chord bearing and distance of South 6°55'03" East, 109.26 feet; from said point a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found bears South 86°29'42" West, a distance of 1.46 feet, a 1" iron rod found bears North 34°41'43" West, a distance

of 2.10 feet and a wooden highway monument found bears North 3°09'11" East, a distance of 1.42 feet;

In a southeasterly direction, with said curve to the right, an arc distance of 109.27 feet to a Wooden Highway Monument Found for corner from which a 1/2" iron rod found bears North 29°57'26" West, a distance of 1.59 feet and a 5/8" iron rod found bears North 2°33'17" East, a distance of 1.20 feet;

South 6°02'12" East, a distance of 800.82 feet to a Wooden Highway Monument found at the beginning of a non-tangent curve to the left having a central angle of 3°59'45", a radius of 5774.58 feet, a chord bearing and distance of South 7°59'23" East, 402.63 feet;

In a southeasterly direction, with said curve to the left, an arc distance of 402.71 feet to a Wooden Highway Monument found for corner from which a 1/2" iron rod found bears North 53°21'59" West, a distance of 1.35 feet;

South 10°02'31" East, a distance of 2572.86 feet to a 3/4" iron rod found for corner from which a Wooden Highway Monument found bears South 31°15'49" East, a distance of 0.56 feet;

South 9°21'23" East, a distance of 2427.20 feet to a 1/2" iron rod found for the northeast corner of a called 1.000 acre tract of land described in deed to Texas-New Mexico Power Company recorded in Volume 2707, Page 444 of said Land Records;

THENCE departing said west right-of-way line of F.M. Highway No. 75 and with the north line of said
1.000 acre tract, North 88°45'53" West, a distance of 189.45 feet to a 1/2" iron rod found for the northwest corner of said 1.000 acre tract;

THENCE with the west line of said 1.000 acre tract, South 1°08'22" West, a distance of 209.33 feet to a 1/2" iron rod found for the southwest corner of said 1.000 acre tract;

THENCE with the south line of said 1.000 acre tract, South 89°06'43" East, a distance of 227.29 feet to a 1/2" iron rod found in said west right-of-way line of F.M. Highway No. 75 for the southeast corner of said 1.000 acre tract;

THENCE with said west right-of-way line of F .M. Highway No. 75, South 9°11'17" East, a distance of
550.57 feet to a 5/8" iron rod with plastic cap stamped "Sparr Surveys" found for corner at the north end of said right-of-way corner clip;

THENCE with said right-of-way corner clip, South 40°13'14" West, a distance of 38.73 feet to the POINT OF BEGINNING and containing 853.536 acres or 37,180,008 square feet of land.

Bearing system based on the Texas Coordinate System of 1983, North Central Zone (4202), North American Datum of 1983.

APPENDIX C-1
IMPROVEMENT AREA #3A LEGAL DESCRIPTION

Phase #3A and Phase #3B

DESCRIPTION
72.282 ACRES

BEING a tract of land situated in the David Cherry Survey, Abstract No. 166, in the City of Princeton, Collin County, Texas, being part of that called 853.61 acre tract described in deed to MM Princeton 854, LLC, recorded in Instrument Number 20190227000202460, Official Public Records, Collin County, Texas (OPRCCT), and all of that a called 42.482 acre tract of land described in deed to Pulte Homes of Texas, L.P. recorded in Instrument Number 2024000066731, O.P.R.C.C.T., being more particularly described as follows:

BEGINNING at a 1/2-Inch iron rod with cap stamped "USA INC" found at the southwest corner of Lot 1, Block A, of Marcella Green Elementary School, according to the final plat recorded in Book 2025, Page 197, Plat Records, Collin County, Texas (P.R.C.C.T.), being in the north right-of-way of Dowlin Parkway (a 70-foot right-of-way);

THENCE South 05˚38'51" West, a distance of 70.00 feet to the south right-of-way line of said Dowlin Parkway;

THENCE South 84˚22'14" East, with the south right-of-way line of said Dowlin Parkway, a distance of 353.79 feet to the northwest corner of Lot 1X, Block B, Whitewing Trails Phase 2B Addition, an Addition to the City of Princeton, Collin County, Texas, according to the Plat thereof, recorded in Book 2023, Pages 137-139, P.R.C.C.T.;

THENCE South 05˚39'35" West, with the west line of said Lot 1X, Block B, a distance of 20.00 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" found at the northwest corner of Lot 8, Block B of said Whitewing Trails Phase 2B;

THENCE South 00˚56'58" West, with an easterly line of said MM Princeton 854 tract, and the west line of Block B of said Whitewing Trails Phase 2B, a distance of 1,078.28 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" found at a southeasterly corner of said MM Princeton 854 tract, and the southwest corner of Lot 26X, Block B of said Whitewing Trails Phase 2B, said point also being located on the north line of Ragon Estates addition, an addition to the City of Princeton, Collin County, Texas, according to the plat thereof recorded in Cabinet J, Page 532, PRCCT;

THENCE with a southerly line of said MM Princeton 854 tract, and the north line of said Ragon Estates Addition and Park Trails Phase 3, the following courses and distances:

North 89˚04'39" West, passing at a distance of 968.19 feet, a 1/2-Inch iron rod found with cap stamped "DC&A #3935" at the northwest right-of-way corner of San Remo Drive, an existing 50-foot right-of-way, and continuing in all for a total distance of 1,250.84 feet to a 1/2-Inch iron pipe found at the northwest corner of said Ragon Estates, being the northeast corner of Park Trails Phase 3, an addition to the city of Princeton according to the plat recorded in Volume 2018, Page 702, P.R.C.C.T.;

North 89˚25'45" West, a distance of 1650.34 feet to a 1/2-inch iron pipe found for the southwest corner of said Pulte Homes of Texas, L.P. tract, also being located on the east line of that tract of land described as "Tract 1" in deed to Srilakshmi Yeluri, and Radhika Velivelli recorded in Instrument Number. 20150120000064420, OPRDCT;

THENCE North 00˚48’58” East, with the west line of said PULTE HOMES OF TEXAS, L.P. tract, and the east line of said Tract 1, a distance of 1322.34 feet to a 1-Inch iron pipe found at an interior ell corner of said PULTE HOMES OF TEXAS, L.P. tract, and the northeast corner of said Tract 1;

THENCE North 88˚26’09” West, continuing with the west line of said PULTE HOMES OF TEXAS, L.P. tract, and the north line of Tract 1, a distance of 117.85 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found for corner;

THENCE with the north line of said PULTE HOMES OF TEXAS, L.P., the following courses and distances, all to 5/8-inch iron rods with cap stamped “BCG 10194538” found for corner:

North 26°28’36" West, a distance of 34.46 feet;

North 63º31’24” East, a distance of 135.40 feet;

South 33º16’30” East, a distance of 138.73 feet;

South 34º14’54” East, a distance of 63.27 feet;

South 35º48’32” East, a distance of 63.27 feet;

South 37º43’52” East, a distance of 88.82 feet;

South 42º49’03” West, a distance of 96.07 feet;

South 33º54’29” West, a distance of 81.87 feet;

South 22º00’39” West, a distance of 81.87 feet;

South 10º32’52” West, a distance of 81.94 feet;

South 00º56’46” West, a distance of 416.29 feet;

South 37º12’16” East, a distance of 99.70 feet;

South 71º12’27” East, a distance of 327.40 feet;

South 72º42’03” East, a distance of 84.16 feet;

North 88º15’03” East, a distance of 149.41 feet;

North 36º26’07” East, a distance of 118.50 feet;

North 11º52’52” East, a distance of 71.71 feet;

North 00º56’46” East, a distance of 271.84 feet;

South 58º01’21” East, a distance of 33.77 feet;

South 70º31’53” East, a distance of 118.57 feet;

North 00°56'46" East, a distance of 410.49 feet;

North 35°44'11" East, a distance of 42.78 feet, said iron rod being the beginning of a non-tangent curve to the right;

Northwesterly, with said curve which has a central angle of 02º15’28”, a radius of 1905.00 feet, a chord which bears North 53º08’05” West, a chord distance of 75.07 feet, and an arc distance of 75.07 feet;

North 38°22'09" East, a distance of 60.00 feet;

North 37°12'20" East, a distance of 110.01 feet;

North 50°37'26" West, a distance of 81.46 feet;

North 48°18'52" West, a distance of 58.36 feet;

North 46°23'14" West, a distance of 58.36 feet;

North 44°27'35" West, a distance of 58.36 feet;

North 42°31'56" West, a distance of 58.36 feet;

North 40°17'51" West, a distance of 76.96 feet;

North 38°12'04" West, a distance of 50.00 feet;

North 51°47'56" East, a distance of 110.01 feet;

North 47°43'07" East, a distance of 70.27 feet;

North 51°47'56" East, a distance of 110.02 feet;

North 07°36'33" East, a distance of 28.68 feet, said iron rod being the beginning of a non-tangent curve to the right;

THENCE over and across said MM Princeton 854, LLC tract the following courses and distances:

With said non-tangent curve to the right having a central angle of 30°35’50”, a radius of 1425.00 feet and a chord which bears North 20°53’32” West, a chord distance of 751.97 feet and for an arc length of 760.98 feet

North 82˚23’48” East, a distance of 70.05 feet to the beginning of a non-tangent curve to the left;

Southeasterly, with said curve which has a central angle of 79˚02’00”, a radius of 1,355.00 feet, and a chord which bears South 45˚00’23” East, a chord distance of 1,724.38 feet, and for an arc distance of 1,869.08 feet;
South 84˚31’23” East, a distance of 125.53 feet;
South 84˚22’14” East, a distance of 561.85 feet to the **POINT OF BEGINNING,** and containing 72.282 acres of land.

APPENDIX C-2
IMPROVEMENT AREA #3B LEGAL DESCRIPTION

Phase #4A

LEGAL DESCRIPTION
96.113 ACRES

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:
WHEREAS D.R. HORTON-TEXAS, LTD., is the owner of that certain tract of land situated in the David Cherry Survey, Abstract No. 166, in the City of Princeton, Collin County, Texas, and being part of that certain 231.997 acre tract of land described in Deed to D.R. HORTON-TEXAS, LTD., recorded in Instrument No. 2024000047052, O.P.R.C.C.T., and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-Inch iron rod with cap stamped "BCG 10194538" found at a west corner of said D.R. HORTON-TEXAS, LTD. tract, at the northern most terminus point of West Creek Fork Loop, a 60-foot right-of-way, as shown on the plat of Whitewing Trails Phase 2C, an addition to the City of Princeton, Collin County, Texas, recorded in Book 2023, Page 134-136, Plat Records, Collin County, Texas (P.R.C.C.T.), and being on an easterly line of that certain called 853.61 acre tract of land described in deed to MM Princeton 854, LLC recorded in Instrument No. 20190227000202460, O.P.R.C.C.T, and also being at the beginning of a curve to the right;
THENCE with the common west line of said D.R. HORTON-TEXAS, LTD tract, and an easterly line of said MM Princeton 854, LLC tract, the following courses and distances:

With said tangent curve to the right through a central angle of 03˚33'12", having a radius of 640.00 feet, whose long chord bears North 51˚14'05" East for a distance of 39.69 feet and has an arc length of 39.69 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" found;

North 53˚00'36" East, a distance of 258.71 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" found in the approximate centerline of Tickey Creek Tributary 4;

THENCE with the west line of said D.R. HORTON-TEXAS, LTD. tract, and an easterly line of said MM Princeton 854, LLC tract, and also northwesterly along the approximate centerline of said Tickey Creek Tributary 4, the following courses and distances:

North 49˚29'09" West, a distance of 83.98 feet to a point for corner;
North 35°33'09" East, a distance of 39.46 feet to a point for corner;

North 21°21'43" West, a distance of 104.91 feet to a point for corner;

North 83°00'09" West, a distance of 75.30 feet to a point for corner;

South 63°40'14" West, a distance of 75.34 feet to a point for corner;

South 18°46'05" West, a distance of 73.36 feet to a point for corner;

South 00°00'00" East, a distance of 27.52 feet to a point for corner;

South 69°50'22" West, a distance of 34.22 feet to a point for corner;

North 67°46'53" West, a distance of 81.44 feet to a point for corner;

North 54°50'53" West, a distance of 35.28 feet to a point for corner;

North 33°16'07" West, a distance of 47.80 feet to a point for corner;

North 15°31'56" West, a distance of 12.24 feet to a point for corner;

North 14°41'01" East, a distance of 28.45 feet to a point for corner;

North 67°23'29" East, a distance of 25.57 feet to a point for corner;

South 81°08'49" East, a distance of 51.09 feet to a point for corner;

South 49°00'23" East, a distance of 19.98 feet to a point for corner;

South 74°29'02" East, a distance of 12.25 feet to a point for corner;

North 64°39'59" East, a distance of 13.78 feet to a point for corner;

North 05°51'33" East, a distance of 25.69 feet to a point for corner;

North 02°07'20" West, a distance of 17.70 feet to a point for corner;

North 41°38'58" West, a distance of 7.89 feet to a point for corner;

South 89°15'57" West, a distance of 51.14 feet to a point for corner;
North 62°56'26" West, a distance of 33.13 feet to a point for corner;

North 50°25'38" West, a distance of 44.23 feet to a point for corner;

North 52°39'57" West, a distance of 31.33 feet to a point for corner;

North 88°51'18" West, a distance of 32.79 feet to a point for corner;

South 37°53'26" West, a distance of 14.95 feet to a point for corner;

South 05°42'50" West, a distance of 19.76 feet to a point for corner;

South 81°34'39" West, a distance of 17.89 feet to a point for corner;

North 61°56'26" West, a distance of 11.14 feet to a point for corner;

North 05°31'50" West, a distance of 40.82 feet to a point for corner;

North 49°24'48" West, a distance of 12.09 feet to a point for corner;

South 86°28'50" West, a distance of 42.69 feet to a point for corner;

North 26°34'36" West, a distance of 13.19 feet to a point for corner;

South 80°44'53" West, a distance of 31.27 feet to a point for corner;

North 00°07'50" East, a distance of 107.30 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" found on a northerly line of said D.R. HORTON-TEXAS, LTD. tract, and on the south line of that tract of land described as Tract One, in Deed to Princeton Estates TX, LLC, recorded in Instrument No. 20211221002569910, O.P.R.C.C.T., from which a 5/8-Inch iron rod with cap stamped "SPARR SURVEYING" found on said south line of Tract One, bears North 89°52'09" West, 200.42 feet;

THENCE with a northerly line of said D.R. HORTON-TEXAS, LTD. tract, and the south and east lines of said Tract one, the following courses and distances:

South 89°52'14" East, a distance of 143.08 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" found;

South 88°43'08" East, a distance of 641.93 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" found at the southeast corner of said Tract One, also being an interior ell corner of said D.R. HORTON-TEXAS, LTD tract;

North 00°49'27" East, a distance of 65.78 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" found;

THENCE over and across said D.R. HORTON-TEXAS, LTD. tract, the following courses and distances:

South 89°10'33" East, a distance of 181.00 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" set;

South 00°49'27" West, a distance of 10.47 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" set;

South 89°10'33" East, a distance of 120.00 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" set;

North 00°49'27" East, a distance of 40.85 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" set;

North 66°00'53" East, a distance of 93.64 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" set;

North 63°23'43" East, a distance of 51.54 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" set;

North 61°58'57" East, a distance of 51.49 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" set;

North 62°41'42" East, a distance of 51.49 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" set;

North 63°24'28" East, a distance of 51.49 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

North 64°07'13" East, a distance of 51.49 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

North 64°50'04" East, a distance of 51.73 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

North 65°32'50" East, a distance of 51.25 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

North 66°15'30" East, a distance of 51.49 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

North 66°58'15" East, a distance of 51.49 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

North 67°41'01" East, a distance of 51.49 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

North 69°50'14" East, a distance of 58.34 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

North 74°16'51" East, a distance of 59.45 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

North 78°47'36" East, a distance of 59.45 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

North 83°18'22" East, a distance of 59.45 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

North 87°49'07" East, a distance of 59.45 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 87°40'07" East, a distance of 59.45 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 83°09'22" East, a distance of 59.45 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 78°38'36" East, a distance of 59.45 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 74°07'51" East, a distance of 59.45 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 68°59'41" East, a distance of 75.86 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 64°13'02" East, a distance of 50.00 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 59°07'45" East, a distance of 84.04 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 53°27'23" East, a distance of 65.39 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 48°29'32" East, a distance of 65.39 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 43°31'41" East, a distance of 65.39 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 38°46'38" East, a distance of 84.18 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 32°46'01" East, a distance of 50.00 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 26°26'27" East, a distance of 95.36 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 20°42'16" East, a distance of 77.28 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 14°50'13" East, a distance of 77.28 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 08°58'10" East, a distance of 77.28 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 03°28'13" East, a distance of 146.20 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 03°04'32" East, a distance of 892.36 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 01°18'55" East, a distance of 55.85 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 01°27'33" West, a distance of 55.85 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 04°14'43" West, a distance of 55.85 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 07°02'48" West, a distance of 55.85 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 09°51'23" West, a distance of 55.85 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 12°38'24" West, a distance of 55.85 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 15°26'06" West, a distance of 55.85 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 18°13'49" West, a distance of 55.85 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 21°01'32" West, a distance of 55.85 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538”;

South 23°49'14" West, a distance of 55.85 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 26°45'20" West, a distance of 61.44 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 30°20'20" West, a distance of 82.13 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538”

South 33°38'54" West, a distance of 50.00 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

North 56°21'06" West, a distance of 5.68 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 33°38'54" West, a distance of 120.00 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

North 56°21'06" West, a distance of 119.30 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set at the beginning of a non-tangent curve to the right;

With said non-tangent curve to the right through a central angle of 02°04'07", having a radius of 1040.00 feet, whose long chord bears S42°42'06"W for a distance of 37.55 feet and has an arc length of 37.55 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set;

South 43°44'10" West, a distance of 290.21 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” set on the northeast line of Whitewing Trails Phase 1, an addition to the City of Princeton, Collin County, Texas according to the final plat recorded in Book 2020, Page 659-662, P.R.C.C.T.;

THENCE North 46˚00’40” West, with the northeast line of said Whitewing Trails Phase 1 a distance of 10.00 feet to the north corner of said Whitewing Trails Phase 1;

THENCE South 43˚44’10” West, with the northwest line of said Whitewing Trails Phase 1, a distance of 58.27 feet to an exterior ell corner of said D.R. HORTON-TEXAS, LTD tract, and also being the most easterly terminus point of East Creek Fork Loop, a 60-foot right-of-way, as shown on the above-mentioned final plat of said Whitewing Trails Phase 2C;
THENCE northwesterly, with the common northeast line of said Whitewing Trails Phase 2C, and the west line of said D.R. HORTON-TEXAS, LTD. tract the following courses and distances:

N46°16'08"W, a distance of 60.00 to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found;

South 88°43'52" West, a distance of 28.28 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found;

North 46°16'08" West, a distance of 105.00 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found;

North 51°58'46" West, a distance of 50.25 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found;

North 46°16'08" West, a distance of 472.04 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found at the beginning of a tangent curve to the right;

With said tangent curve to the right through a central angle of 23°33'06", having a radius of 60.00 feet whose long chord bears North 34°29'27" West for a distance of 24.49 feet and an arc length of 24.66 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found at the beginning of a reverse curve to the left;

With said reverse curve to the left through a central angle of 10°29'59", having a radius of 60.00 feet whose long chord bears North 27°57'38" West for a distance of 10.98 feet and an arc length of 11.00 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found;

North 33°12'30" West, a distance of 475.22 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found;

North 56°02'09" West, a distance of 445.23 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found;

North 05°23'42" West, a distance of 226.48 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found;

North 36°42'00" West, a distance of 177.98 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found;

North 62°20'42" West, a distance of 421.74 to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found for the most westerly northwest corner of Lot 8X, Block A, of said Whitewing Trails Phase 2C, also being the beginning of a non-tangent curve to the left;
THENCE with said non-tangent curve to the left through a central angle of 02°08'42", having a radius of 580.00 feet whose long chord bears South 50°32'07" West for a distance of 21.71 feet, and an arc length of 21.71 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found on the east right-of-way line of the above-mentioned West Creek Fork Loop;

THENCE N40°32'32"W, over and across said West Creek Fork Loop, a distance of 60.00 feet to the **POINT OF BEGINNING** of the tract of land described herein, and containing 4,186,667 square feet, or 96.133 acres of land more or less.

APPENDIX C-3
IMPROVEMENT AREA #3C LEGAL DESCRIPTION

EXHIBIT "A"

BEING a tract of land situated in the David Cherry Survey, Abstract No. 166, City of Princeton, Collin County, Texas, being part of that certain called 853.61 acre tract of land described in deed to MM PRINCETON 854, LLC, recorded in Instrument No. 20190227000202460, of the Official Public Records, Collin County, Texas (O.P.R.C.C.T.), and being more particularly described by metes and bounds as follows:

BEGINNING at the northeast corner of a called 13.092 acre tract of land described in deed to Princeton Independent School District recorded in Instrument No. 2022000127344, O.P.R.C.C.T., hereinafter referred to as "School Tract", being in the west right-of-way line of West Creek Fork Loop, a 60-foot right-of-way, as shown on the plat of Whitewing Trails Phase 2C, an addition to the City of Princeton, Collin County, Texas, recorded in Book 2023, Page 134-136, Plat Records, Collin County, Texas (P.R.C.C.T.), from which a 1/2-inch iron rod found bears North 59° 04' 21" West for a distance of 0.49 feet;

THENCE with the north and west lines of said School Tract the following courses and distances:

North 84° 22' 04" West for a distance of 820.89 feet to a 1/2-inch iron rod with plastic cap stamped "USA INC" found**;**

North 86° 18' 15" West for a distance of 49.93 feet to a 5/8-inch iron rod with cap stamped "BCG 10194538" set;

North 84° 22' 19" West for a distance of 54.69 feet to a 1/2-inch iron rod with plastic cap stamped "USA INC" found for the northwest corner of said School Tract**;**

South 05° 38' 51" West for a distance of 627.52 feet with said west line to a 5/8-inch iron rod with plastic cap stamped "BCG 10194538" found for the southwest corner of said school tract, also being the north right-of-way line of Dowlin Parkway a (70' Right-of-Way) as shown on the Final Plat of Whitewing Trails Phase 3A, an addition to the City of Princeton, Collin County, Texas, recorded in Book 2025, Pages 572-574, Plat Records, Collin County, Texas (P.R.C.C.T.);

THENCE with the north right-of-way line of said Dowlin Parkway, the following courses and distances:

North 84° 22' 14" West for a distance of 561.85 feet to a 5/8-inch iron rod with cap stamped "BCG 10194538" found;

North 84° 31' 23" West for a distance of 125.53 feet to a 5/8-inch iron rod with cap stamped "BCG 10194538" found, also being at the beginning of a curve to the right;

With said curve to the right through a central angle of 13° 10' 20", having a radius of 1355.00 feet, an arch length of 311.51 feet and whose long chord bears North 77° 56' 13" West, 310.83 feet to a 5/8-inch iron rod with cap stamped "BCG 10194538" found;

THENCE departing the north right-of-way line of said Dowlin Parkway, over and across said MM Princeton 854, LLC tract, the following courses and distances:

North 18° 26' 30" East for a distance of 601.39 feet to a 5/8-inch iron rod with cap stamped "BCG 10194538" set;

North 05° 44' 45" East for a distance of 59.41 feet to a 5/8-inch iron rod with cap stamped "BCG 10194538" set;

North 00° 00' 00" East for a distance of 170.17 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” set;

North 90° 00' 00" East for a distance of 105.00 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” set;

North 00° 00’ 00” East for a distance of 50.00 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” set;

North 45° 00' 00" East for a distance of 14.14 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” set;

North 00° 00' 00" East for a distance of 220.00 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” set;

North 45° 00' 00" West for a distance of 14.14 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” set;

North 00° 00' 00" West for a distance of 50.00 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” set;

North 90° 00' 00" East for a distance of 5.40 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” set;

North 00° 00' 00" East for a distance of 125.65 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” set on the north line of MM Princeton 854, LLC tract and the south line of that tract of land describe by deed to SS DEE & SRA,LLC, recorded in Instrument Number 20190821001019790 O.P.R.C.C.T.**;**

THENCE South 88° 45' 50" East for a distance of 290.48 feet with the common line of said MM Princeton 854, LLC tract and said SS DEE & SRA, LLC tract to a 1/2-inch iron rod found for the southeast corner of said SS DEE & SRA, LLC tract being the southwest corner of that tract of land described as “Tract Two” by deed to Preston Estates TX, LLC, recorded in Instrument Number 20211221002569910 O.P.R.D.C.T.**;**

THENCE South 88°27’06” East for a distance of 748.27 feet with the south line of said Tract Two to a 1/2-inch iron rod found on the south line of Tract One as described said Princeton EstatesTX, LLC document;

THENCE South 88°21'51" East for a distance of 237.78 feet with the common line of said MM Princeton 854, LLC and said Tract One to a 1/2-inch iron rod with cap stamped “SPARR SURVEYING” found;

THENCE South 89°52’09” East for a distance of 200.42 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” set on the common line of said MM Princeton 854, LLC tract, being in the west line of that tract of land described by deed to D.R. Horton-Texas, LTD. Recorded in Instrument Number 2024000047052 O.P.R.C.C.T.**;**

THENCE with the common line of said D.R. Horton-Texas LTD tract and said MM Princeton 854, LLC tract the following courses and distances:

South 00° 07' 50" West for a distance of 107.30 feet to the approximate center of a creek and continuing with said creek and said common line the following courses and distances:

North 80° 44' 53" East for a distance of 31.27 feet**;**

South 26° 34' 36" East for a distance of 13.19 feet;

North 86° 28' 50" East for a distance of 42.69 feet;

South 49° 24' 48" East for a distance of 12.09 feet;

South 05° 31' 50" East for a distance of 40.82 feet;

South 61° 56' 26" East for a distance of 11.14 feet;

North 81° 34' 39" East for a distance of 17.89 feet;

North 05° 42' 50" East for a distance of 19.76 feet;

North 37° 53' 26" East for a distance of 14.95 feet;

South 88° 51' 18" East for a distance of 32.79 feet;

South 52° 39' 57" East for a distance of 31.33 feet;

South 50° 25' 38" East for a distance of 44.23 feet;

South 62° 56' 26" East for a distance of 33.13 feet;

North 89° 15' 57" East for a distance of 51.14 feet;

South 41° 39' 01" East for a distance of 7.89 feet;

South 02° 07' 19" East for a distance of 17.70 feet;

South 05° 51' 33" West for a distance of 25.69 feet;

South 64° 39' 59" West for a distance of 13.78 feet;

North 74° 29' 02" West for a distance of 12.25 feet;

North 49° 00' 23" West for a distance of 19.98 feet;

North 81° 08' 49" West for a distance of 51.09 feet;

South 67° 23' 29" West for a distance of 25.57 feet;

South 14° 41' 01" West for a distance of 28.45 feet;

South 15° 31' 56" East for a distance of 12.24 feet;

South 33° 16' 07" East for a distance of 47.80 feet;

South 54° 50' 53" East for a distance of 35.28 feet;

South 67° 46' 53" East for a distance of 81.44 feet;

North 69° 50' 22" East for a distance of 34.22 feet;

North 00° 00' 00" East for a distance of 27.52 feet**;**

North 18° 46' 05" East for a distance of 73.36 feet**;**

North 63° 40' 14" East for a distance of 75.34 feet**;**

South 83° 00' 09" East for a distance of 75.30 feet**;**

South 21° 21' 43" East for a distance of 104.91 feet**;**

South 35° 33' 09" West for a distance of 39.46 feet**;**

South 49° 29' 09" East for a distance of 83.98 feet**;**

South 53° 00' 36" West, departing said creek, for a distance of 258.71 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” set at the beginning of a curve to the left;

THENCE with said curve to the left through a central angle of 14° 03' 42", having a radius of 640.11 feet, passing at an arc length of 39.69 feet, the north corner of said Whitewing Trails Phase 2C and continuing a total arch length of 157.10 feet, and whose long chord bears South 45° 58' 45" West for a distance of 156.70 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” set;

THENCE continuing with the common westerly line of said Whitewing Trails Phase 2C and the east line of said MM Princeton 854, LLC tract the following courses and distances:

South 80° 54' 49" West for a distance of 29.32 feet to a 5/8-inch iron rod with cap stamped “BC`G 10194538” set;

South 34° 28' 00" West for a distance of 60.07 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” set;

South 12° 45' 45" East for a distance of 28.94 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” set, at the beginning of a non-tangent curve to the left;

With said non-tangent curve to the left through a central angle of 06° 35' 39", having a radius of 640.00 feet, an arch length of 73.66 feet and whose long chord bears South 26° 41' 40" West for a distance of 73.62 feet to **the POINT OF BEGINNING** and containing 1,969,895 square feet or 45.223 acres of land more or less.

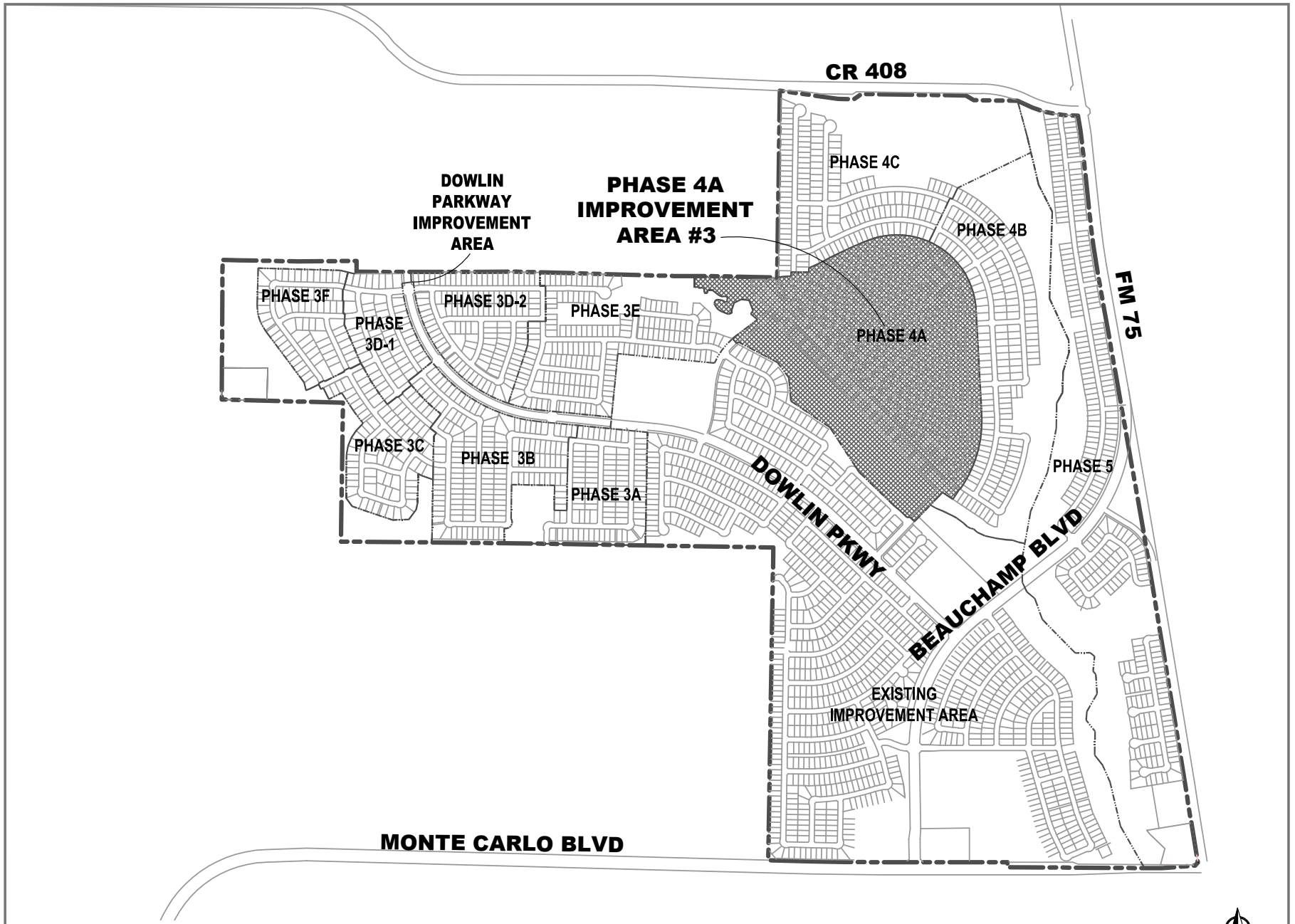
NOTES:

This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

12/11/2025

Adam T. Johnson, RPLS No. 6664

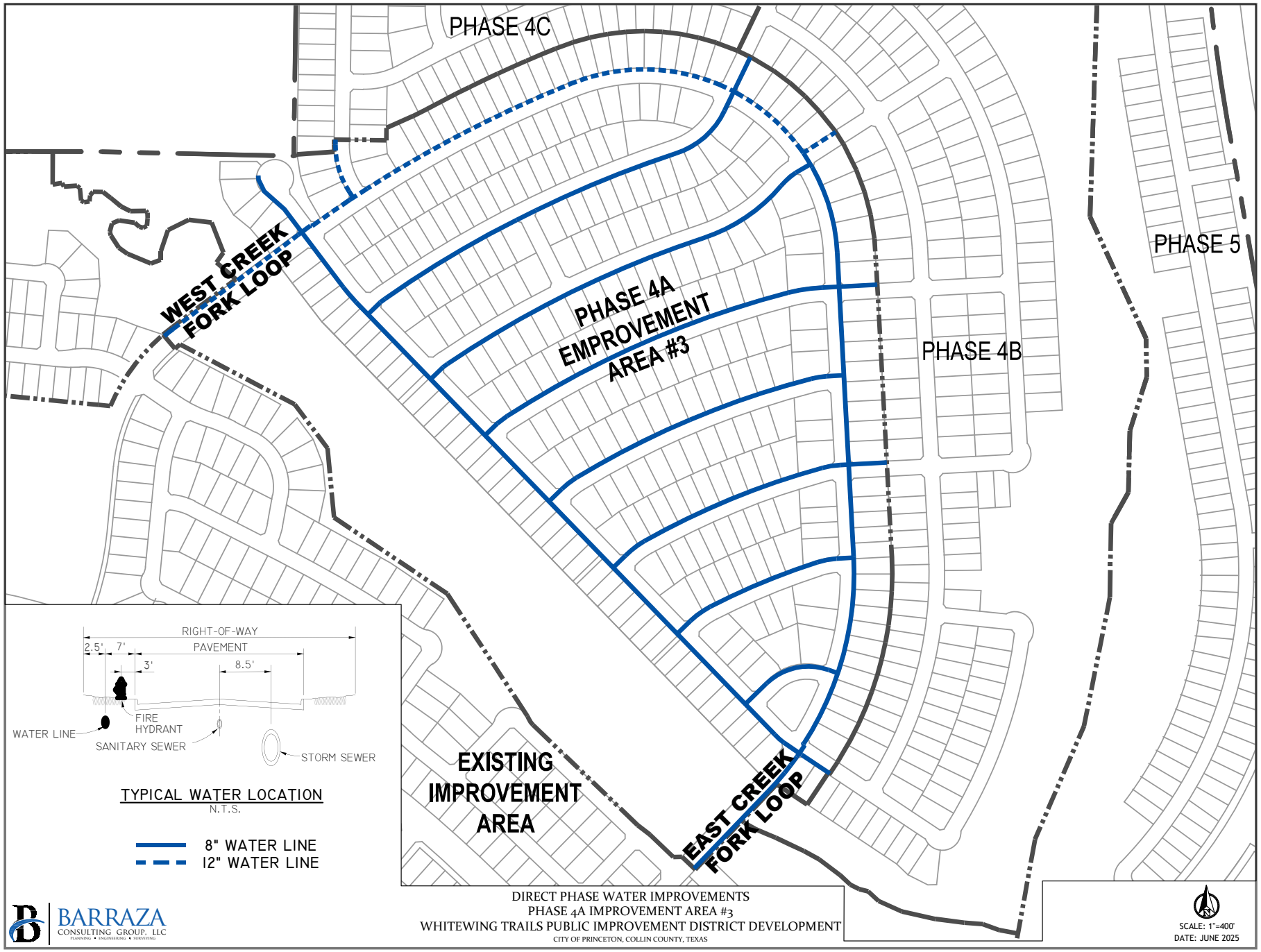
APPENDIX D
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

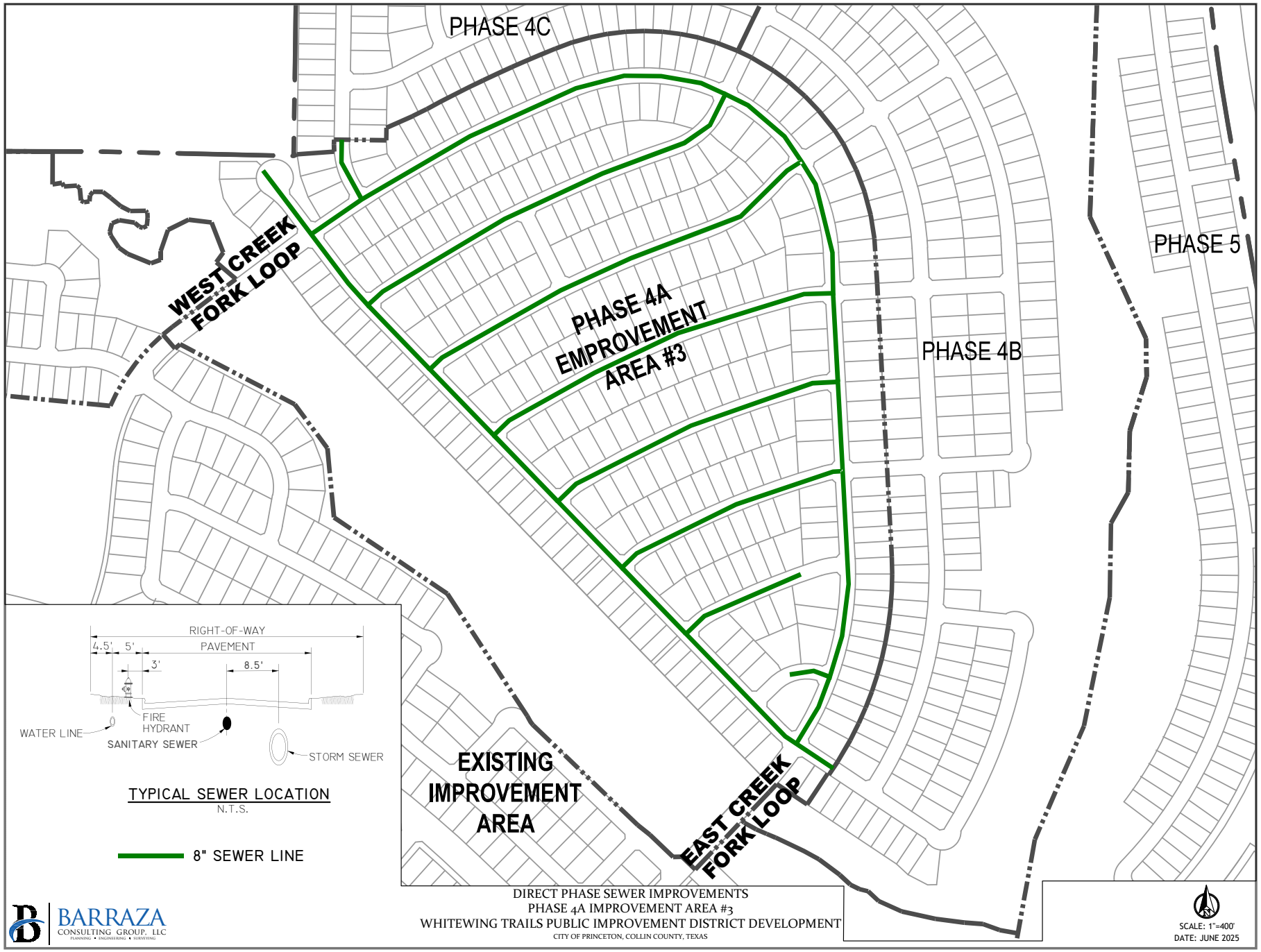


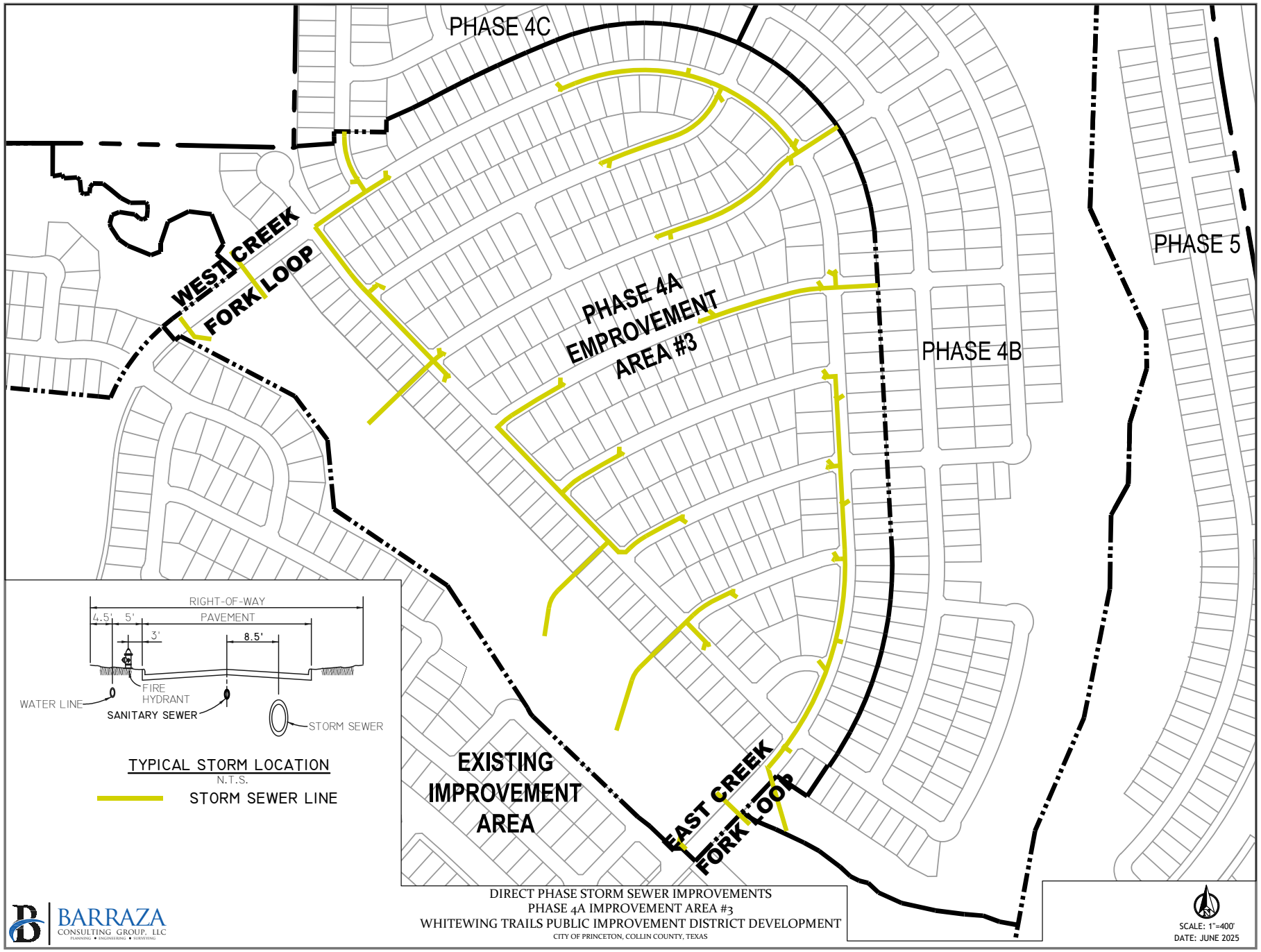
BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

PHASE 4A IMPROVEMENT AREA #3
WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT DEVELOPMENT
CITY OF PRINCETON, COLLIN COUNTY, TEXAS

SCALE: 1"=1,200'
DATE: JUNE 2025


PHASE 4C
PHASE 5
PHASE 4B
WEST CREEK FORK LOOP
PHASE 4A EMPROVEMENT AREA #3
EXISTING IMPROVEMENT AREA
EAST CREEK FORK LOOP
RIGHT-OF-WAY
2.5'
7'
PAVEMENT
3'
8.5'
FIRE HYDRANT
WATER LINE
SANITARY SEWER
STORM SEWER
TYPICAL WATER LOCATION
N.T.S.
8" WATER LINE
12" WATER LINE
BARRAZA
CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING
DIRECT PHASE WATER IMPROVEMENTS
PHASE 4A IMPROVEMENT AREA #3
WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT DEVELOPMENT
CITY OF PRINCETON, COLLIN COUNTY, TEXAS
N
SCALE: 1"=400'
DATE: JUNE 2025


PHASE 4C
PHASE 5
PHASE 4B
WEST CREEK FORK LOOP
PHASE 4A EMPROVEMENT AREA #3
EXISTING IMPROVEMENT AREA
EAST CREEK FORK LOOP
RIGHT-OF-WAY
4.5'
5'
PAVEMENT
3'
8.5'
FIRE HYDRANT
WATER LINE
SANITARY SEWER
STORM SEWER
TYPICAL SEWER LOCATION
N.T.S.
8" SEWER LINE
BARRAZA
CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING
DIRECT PHASE SEWER IMPROVEMENTS
PHASE 4A IMPROVEMENT AREA #3
WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT DEVELOPMENT
CITY OF PRINCETON, COLLIN COUNTY, TEXAS
N
SCALE: 1"=400'
DATE: JUNE 2025



BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

DIRECT PHASE STORM SEWER IMPROVEMENTS
PHASE 4A IMPROVEMENT AREA #3
WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT DEVELOPMENT
CITY OF PRINCETON, COLLIN COUNTY, TEXAS

SCALE: 1"=400'
DATE: JUNE 2025

PHASE 4C

WEST CREEK FORK LOOP

PHASE 4A EMPROVEMENT AREA #3

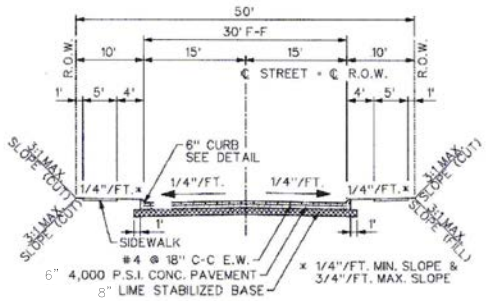
PHASE 4B

PHASE 5

EXISTING IMPROVEMENT AREA

EAST CREEK FORK LOOP

Local Type G - Front Entry (50' ROW)



TYPICAL ROADWAY PAVING SECTION

SCALE: NTS

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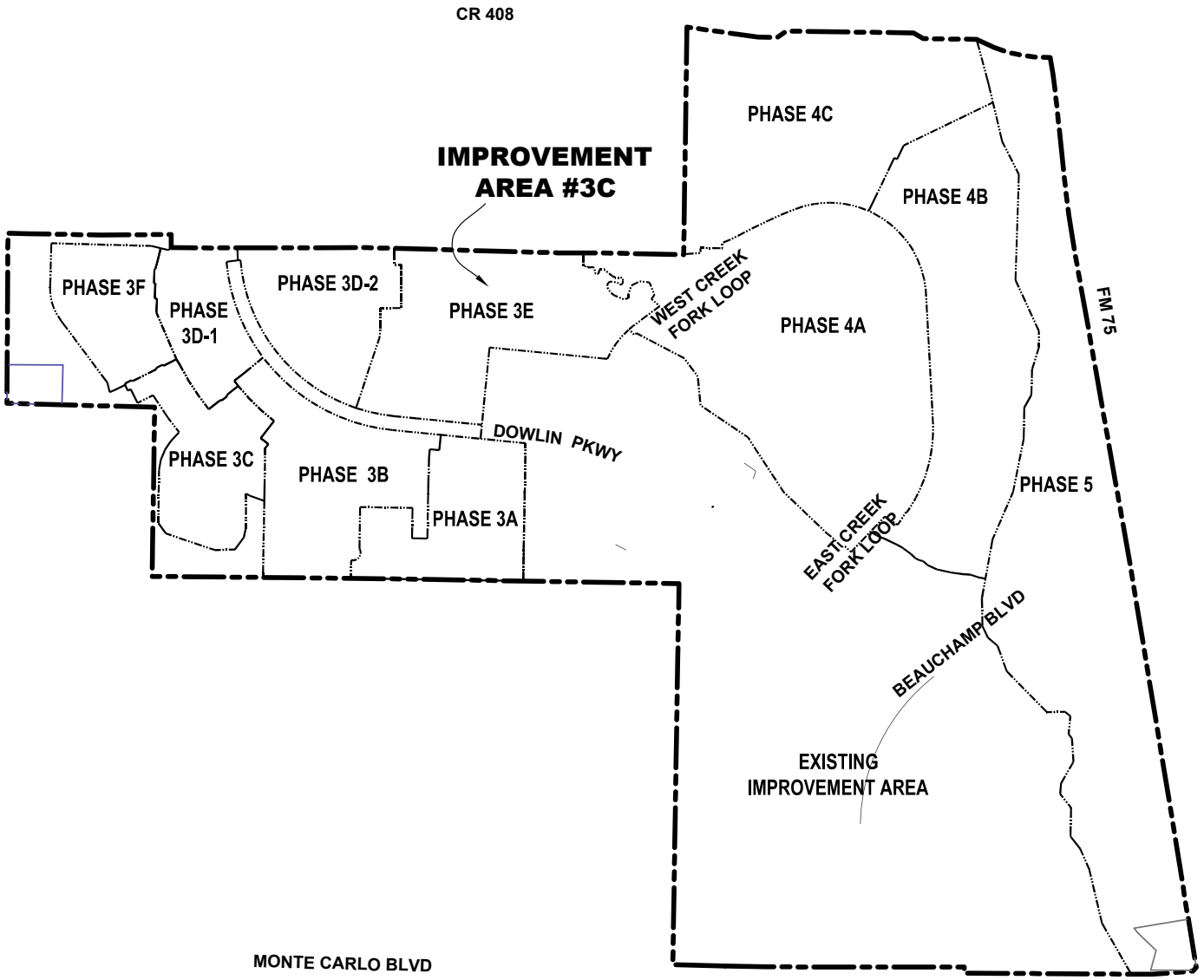
DIRECT PHASE ROAD IMPROVEMENTS
PHASE 4A IMPROVEMENT AREA #3
WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT DEVELOPMENT
CITY OF PRINCETON, COLLIN COUNTY, TEXAS

SCALE: 1"=400'
DATE: JUNE 2025



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BARRAZA CONSULTING GROUP, LLC
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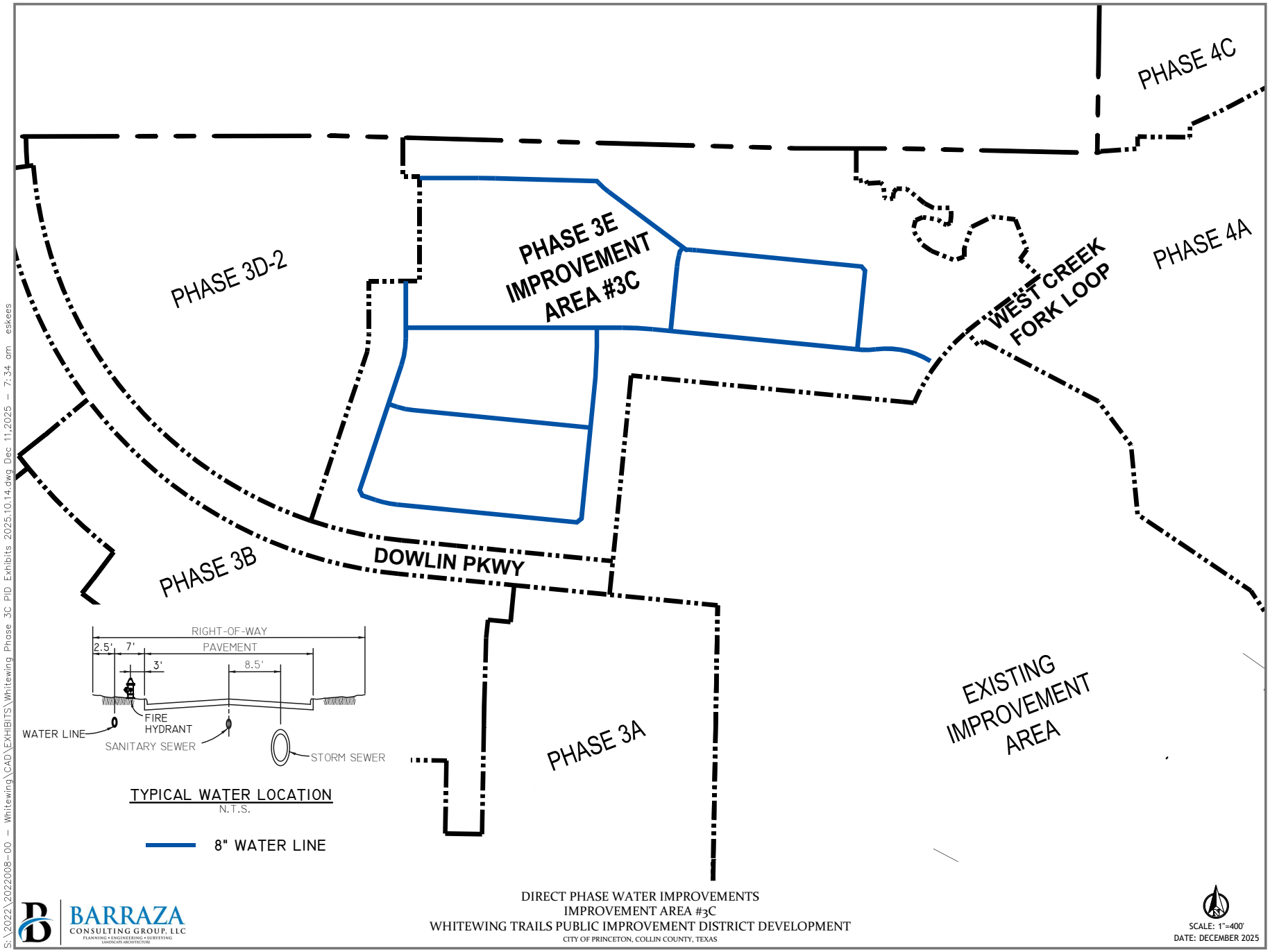
LANDSCAPE ARCHITECTURE

IMPROVEMENT AREA #3C
WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT DEVELOPMENT
CITY OF PRINCETON, COLLIN COUNTY, TEXAS

SCALE: 1"=1,200'
DATE: DECEMBER 2025



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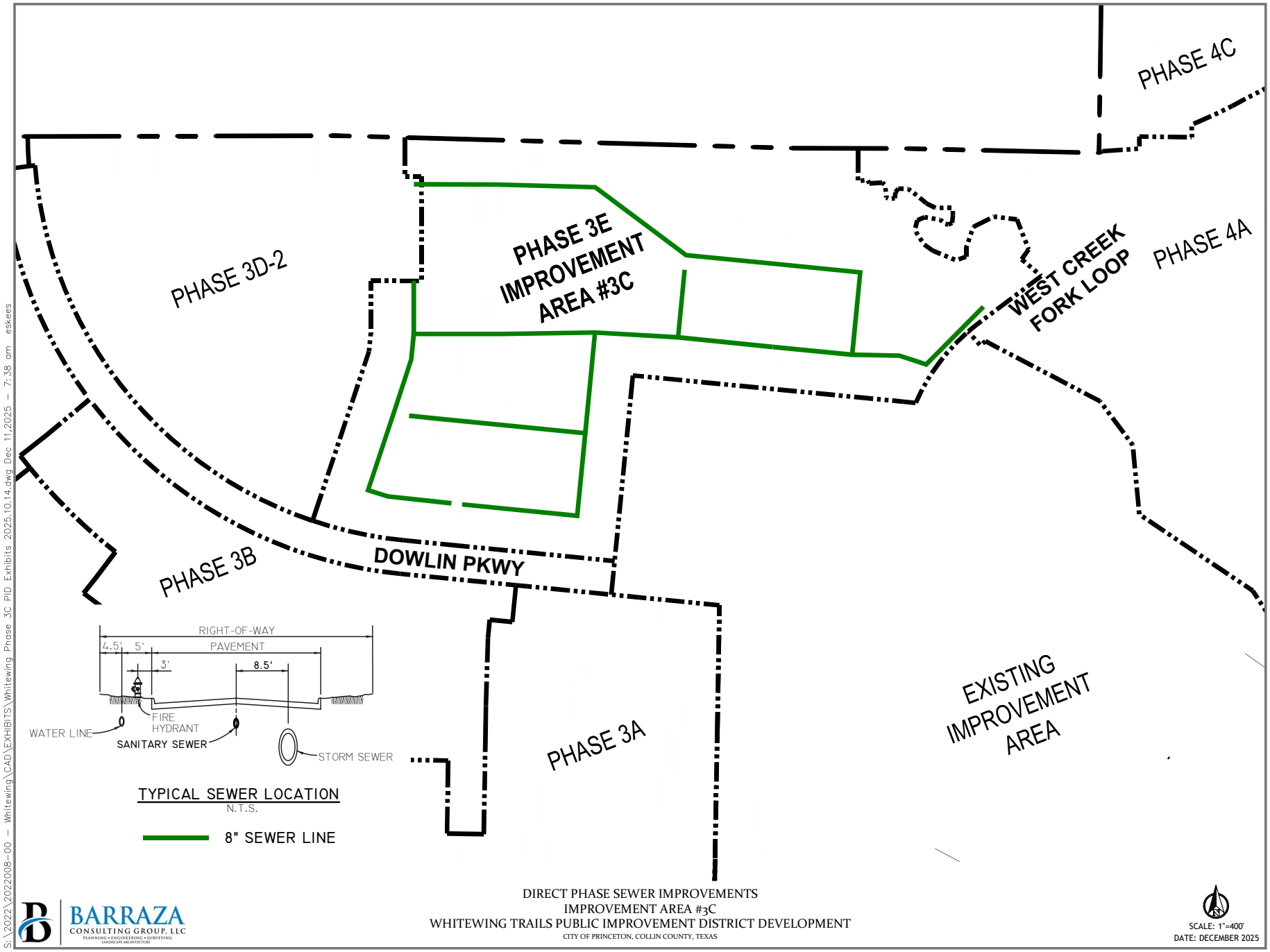
DIRECT PHASE WATER IMPROVEMENTS
IMPROVEMENT AREA #3C
WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT DEVELOPMENT
CITY OF PRINCETON, COLLIN COUNTY, TEXAS

SCALE: 1"=400'
DATE: DECEMBER 2025



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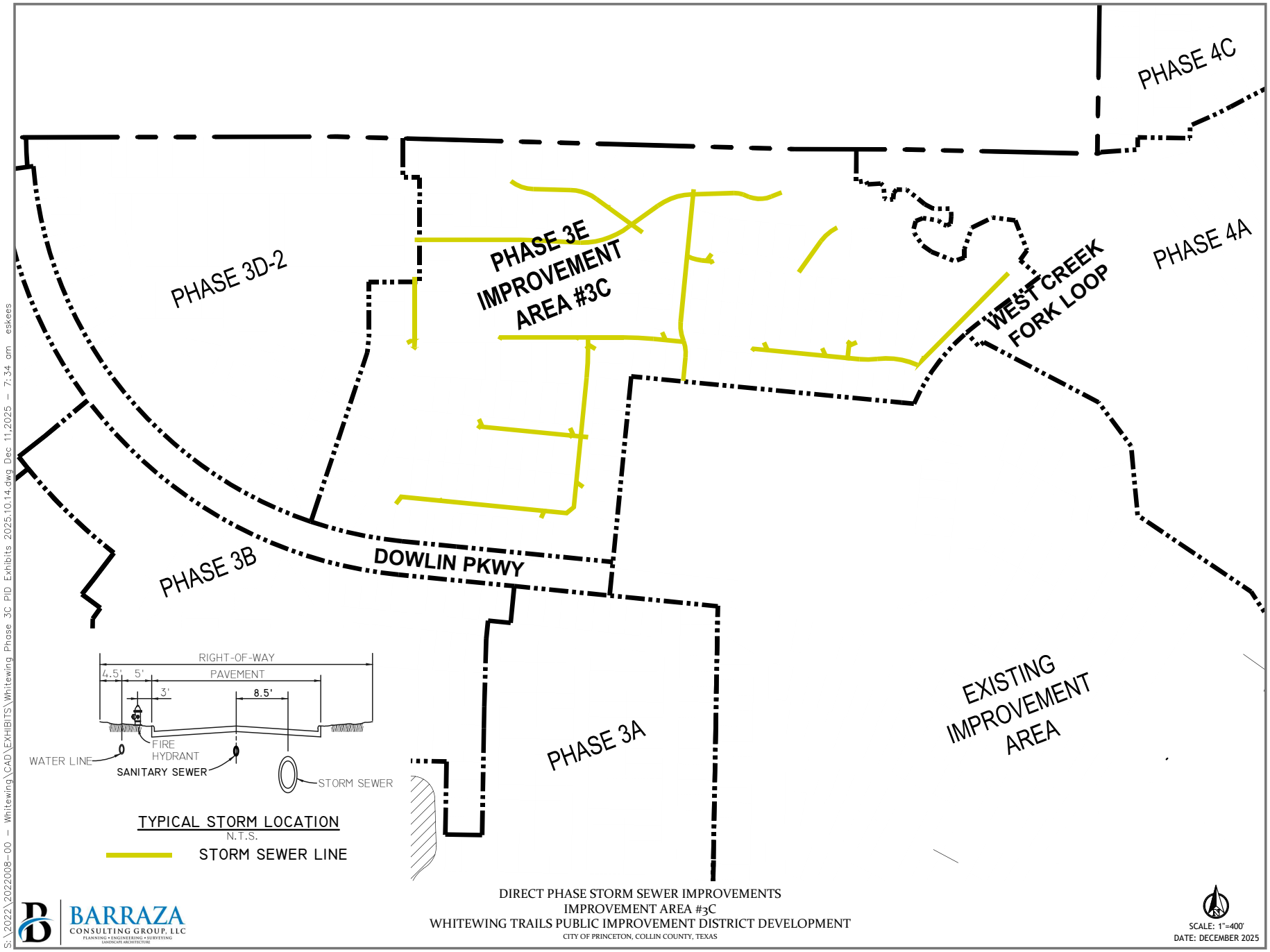
LANDSCAPE ARCHITECTURE

DIRECT PHASE SEWER IMPROVEMENTS
IMPROVEMENT AREA #3C
WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT DEVELOPMENT
CITY OF PRINCETON, COLLIN COUNTY, TEXAS

SCALE: 1"=400'
DATE: DECEMBER 2025



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LANDSCAPE ARCHITECTURE

DIRECT PHASE STORM SEWER IMPROVEMENTS
IMPROVEMENT AREA #3C
WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT DEVELOPMENT
CITY OF PRINCETON, COLLIN COUNTY, TEXAS

SCALE: 1"=400'
DATE: DECEMBER 2025

PHASE 4C

PHASE 3D-2

PHASE 3E IMPROVEMENT AREA #3C

WEST CREEK FORK LOOP

PHASE 4A

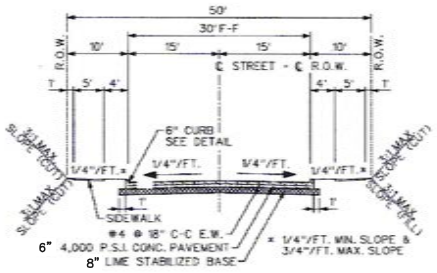
PHASE 3B

DOWLIN PKWY

PHASE 3A

EXISTING IMPROVEMENT AREA

Local Type G - Front Entry (50' ROW)



TYPICAL ROADWAY PAVING SECTION
SCALE: NTS

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DIRECT PHASE ROAD IMPROVEMENTS
IMPROVEMENT AREA #3C
WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT DEVELOPMENT
CITY OF PRINCETON, COLLIN COUNTY, TEXAS

SCALE: 1"=400'
DATE: DECEMBER 2025

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APPENDIX E
PID ASSESSMENT NOTICE

AFTER RECORDING RETURN TO:

_____
_____
_____
_____
_____][1]

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF PRINCETON, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

LOT TYPE _____ PRINCIPAL ASSESSMENT: $_____

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Princeton, Texas (the "City"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the ***Whitewing Trails Public Improvement District No. 2*** (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. The exact amount of each annual installment will be approved each year by the 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.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[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 COLLIN §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §
§
COUNTY OF COLLIN §

The foregoing instrument was acknowledged before me by _____and _____ , known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this_____ , 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

APPENDIX F
ASSESSMENT PER UNIT, PROJECTED LEVERAGE AND PROJECTED TAX RATE EQUIVALENTS

Appendix F

A) Lot Types

For purposes of calculating and allocating Assessments, the Improvement Area #3A Assessed Property and Improvement Area #3B Assessed Property has been classified in one of two Lot Types.

"Lot Type 1" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 100 feet as provided by the development standards shown in the Development Agreement.

"Lot Type 2" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 75 feet as provided by the development standards shown in the Development Agreement.

"Lot Type 3" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 60 feet as provided by the development standards shown in the Development Agreement.

"Lot Type 4" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 50 feet as provided by the development standards shown in the Development Agreement.

"Lot Type 5" means lots identified as such on the Assessment Roll, being lots typically with a Lot Type classified as multifamily as provided by the development standards shown in the Development Agreement.

B) Proposed Development

The following table shows the original proposed residential units to be developed within the PID.

Table F-1
Proposed Development within the PID - Original

Description	Proposed Development	
Lot Type 1 (100' Lot)	27	Units
Lot Type 2 (75' Lot)	61	Units
Lot Type 3 (60' Lot)	1,019	Units
Lot Type 4 (50' Lot)	1,369	Units
Lot Type 5 (Multi-Family)	400	Units
Total	**2,876**	**Units**

The following table shows the revised proposed residential units to be developed within the PID.

Table F-2
Proposed Development within the PID - Revised

Description	Proposed Development	
Lot Type 2 (75' Lot)	61	Units
Lot Type 3 (60' Lot)	598	Units
Lot Type 4 (50' Lot)	1,890	Units
Lot Type 5 (Multi-Family)	400	Units
Total	**2,949**	Units

Table F-3 shows the proposed residential units to be developed within Improvement Area #3A.

Table F-3

Proposed Development – Improvement Area #3A

Description	Proposed Development	
Lot Type 4 (50' Lot)	264	Units
Total	**264**	Units

Table F-4 shows the proposed residential units to be developed within Improvement Area #3B.

Table F-4
Proposed Development – Improvement Area #3B

Description	Proposed Development	
Lot Type 3 (60' Lot)	126	Units
Lot Type 4 (50' Lot)	205	Units
Total	**331**	Units

Table F-5 shows the proposed residential units to be developed within Improvement Area #3C.

Table F-5
Proposed Development – Improvement Area #3C

Description	Proposed Development	
Lot Type 4 (50' Lot)	175	Units
Total	**175**	Units

C) Improvement Area #3A

Table F-6 sets forth the Assessment per unit for each Lot Type within Improvement Area #3A.

Table F-6
Assessment per Unit – Improvement Area #3A

Lot Type	Planned No. of Units	Projected Home Value per Unit	Estimated Total Buildout Value	Percentage of Total Buildout Value	Total Assessment	Average Annual Installment	Assessment Per Unit
Lot Type 4 (50' Lot)	264	$425,000	$112,200,000	100.00%	$6,065,000	$544,523.09	$22,973.48
Total	264		$112,200,000				

The projected leverage for each Parcel or Lot within Improvement Area #3A, calculated based on the estimated finished lot values and projected average home values for each Lot Type is shown in Table F-7.

Table F-7
Projected Leverage – Improvement Area #3A

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Average Home Value per Unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 4 (50' Lot)	264	$86,500	$425,000	$22,973.48	3.77	18.50

The projected tax rate equivalent per unit for Parcel or Lot within Improvement Area #3A, calculated based on the estimated finished lot values and projected average home values for each Lot Type is shown in Table F-8.

Table F-8
Estimated Tax Rate Equivalent per unit – Improvement Area #3A

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Improvement Area #3A Average Annual Installment per unit	Tax Rate Equivalent (per $100 Lot Value)	Tax Rate Equivalent (per $100 Home Value)
Lot Type 4 (50’ Lot)	264	$86,500	$425,000	$2,062.59	$2.38	$0.4853

D) Improvement Area #3B

Table F-9 sets forth the Assessment per unit for each Lot Type within Improvement Area #3B.

Table F-9
Assessment per Unit – Improvement Area #3B

Lot Type	Planned No. of Units	Projected Home Value per Unit	Estimated Total Buildout Value	Percentage of Total Buildout Value	Total Assessment	Average Annual Installment	Assessment Per Unit
Lot Type 3 (60' Lot)	126	$500,000	$63,000,000	41.97%	$3,546,045	$305,988.30	$28,143.21
Lot Type 4 (50' Lot)	205	$425,000	$87,125,000	58.03%	$4,903,955	$423,162.39	$23,921.73
Total	**331**		**$150,125,000**	**100.00%**	**$8,450,000**	**$729,150.68**	

The projected leverage for each Parcel or Lot within Improvement Area #3B, calculated based on the estimated finished lot values and projected average home values for each Lot Type is shown in Table F-10.

Table F-10
Projected Leverage – Improvement Area #3B

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Average Home Value per Unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 3 (60' Lot)	126	$103,200	$500,000	$28,143.21	3.67	17.77
Lot Type 4 (50' Lot)	205	$87,500	$425,000	$23,921.73	3.66	17.77

The projected tax rate equivalent per unit for Parcel or Lot within Improvement Area #3B, calculated based on the estimated finished lot values and projected average home values for each Lot Type is shown in Table F-11.

Table F-11
Estimated Tax Rate Equivalent per Unit – Improvement Area #3B

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Improvement Area #3A Average Annual Installment per unit	Tax Rate Equivalent (per $100 Lot Value)	Tax Rate Equivalent (per $100 Home Value)
Lot Type 3 (60' Lot)	126	$103,200	$500,000	$2,428.48	$2.35	$0.4857
Lot Type 4 (50' Lot)	205	$87,500	$425,000	$2,064.21	$2.36	$0.4857

E) Improvement Area #3C

Table F-12 sets forth the Assessment per unit for each Lot Type within Improvement Area #3C.

Table F-12
Assessment per Unit – Improvement Area #3C

Lot Type	Planned No. of Units	Projected Home Value per Unit	Estimated Total Buildout Value	Percentage of Total Buildout Value	Total Assessment	Average Annual Installment	Assessment Per Unit
Lot Type 4 (50' Lot)	175	$425,000	$74,375,000	100.00%	$3,696,000	$358,387.06	$21,120.00
Total	**175**		**$74,375,000**				

The projected leverage for each Parcel or Lot within Improvement Area #3C, calculated based on the estimated finished lot values and projected average home values for each Lot Type is shown in Table F-13.

Table F-13
Projected Leverage – Improvement Area #3C

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Average Home Value per Unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 4 (50' Lot)	175	$88,500	$425,000	$21,120.00	4.19	20.12

The projected tax rate equivalent per unit for Parcel or Lot within Improvement Area #3C, calculated based on the estimated finished lot values and projected average home values for each Lot Type is shown in Table F-14.

Table F-14
Estimated Tax Rate Equivalent per Unit – Improvement Area #3C

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Improvement Area #3A Average Annual Installment per unit	Tax Rate Equivalent (per $100 Lot Value)	Tax Rate Equivalent (per $100 Home Value)
Lot Type 4 (50' Lot)	175	$88,500	$425,000	$2,047.93	$2.31	$0.4819

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #3A, Improvement Area #3B, and Improvement Area #3C are shown on the Improvement Area #3A Assessment Roll, the Improvement Area #B Assessment Roll, and the Improvement Area #3B Assessment Roll attached as Appendix G, Appendix H, and Appendix I, respectively, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the

F) **Phases #2-6 MIA**

Table F-15 sets forth the outstanding Assessment per unit for each Lot Type within Phases #2-6 MIA.

Table F-15
Outstanding Assessment per Unit – Phases #2-6 MIA

Lot Type	Planned No. of Units	Projected Home Value per Unit	Estimated Total Buildout Value[1]	Percentage of Total Buildout Value	Outstanding MIA Assessment	Average Outstanding Annual Installment	Outstanding Assessment Per Unit
Lot Type 2 (75' Lot)	61	$421,875	$25,734,375	3.93%	$298,024	$27,104	$4,885.64
Lot Type 3 (60' Lot)	584	$337,500	$197,100,000	30.07%	$2,469,025	$207,589	$3,908.51
Lot Type 4 (50' Lot)	1,538	$281,250	$432,562,500	66.00%	$5,418,607	$455,582	$3,257.09
Total	**2,183**		**$655,396,875**		**$7,590,000**		

[1]Estimated Buildout Value is based on original home values pursuant to the Phases #2-6 MIA SAP

The projected leverage for each Parcel or Lot within the Phases #2-6 MIA, calculated based on the estimated finished lot values and projected average home values for each Lot Type, is shown in Table F-16.

Table F-16
Projected Leverage – Phases #2-6 MIA

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Phases #2-6 MIA Outstanding Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 3 (60' Lot)	1,005	$62,400	$337,500	$3,908.51	15.97	86.35
Lot Type 4 (50' Lot)	1,007	$52,000	$281,250	$3,257.09	15.97	86.35

The projected tax rate equivalent per unit for Parcel or Lot within the Phases #2-6 MIA, calculated based on the estimated finished lot values and projected average home values for each Lot Type, is shown in Table F-17 on the following page.

Table F-17
Estimated Tax Rate Equivalent per unit – Phases #2-6 MIA

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Phases #2-6 MIA Average Outstanding Annual Installment per unit	Tax Rate Equivalent (per $100 Lot Value)	Tax Rate Equivalent (per $100 Home Value)
Lot Type 3 (60' Lot)	1,005	$62,400	$337,500	$355.46	$0.57	$0.1053
Lot Type 4 (50' Lot)	1,007	$52,000	$281,250	$296.22	$0.57	$0.1053

The Assessment and Annual Installments for each Parcel or Lot located within the Phases #2-6 MIA are shown on the Phases #2-6 MIA Assessment Roll attached as Appendix J and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

Table F-18 shows Improvement Area #3A, Improvement Area #3B, and Improvement Area #3C's outstanding share of the Phases #2-6 MIA Assessments calculated based on estimated buildout value.

Table F-18
Outstanding Improvement Area #3A, Improvement Area #3B, and Improvement Area #3C's Share of Phases #2-6 MIA Assessments

Lot Type	Planned No. of Units	Original Home Value per Unit	Estimated Buildout Value[1]	Percentage of Estimated Buildout Value	Share of Phases #2-6 Major Improvement Area Assessments
Phases #2-6 Major Improvement Area					
			$663,328,125	100%	$7,590,000
Improvement Area #3A					
Lot Type 4 (50' Lot)	264	$281,250	$74,250,000		
Sub-total			$74,250,000	11.33%	$859,872
Improvement Area #3B					
Lot Type 3 (60' Lot)	126	$337,500	$42,525,000	6.49%	$492,472
Lot Type 4 (50' Lot)	205	$281,250	$57,656,250	8.80%	$667,704
Sub-total			$100,181,250	15.29%	$1,160,176
Improvement Area #3C					
Lot Type 4 (50' Lot)	175	$281,250	$49,218,750		
Sub-total			$49,218,750	7.51%	$569,991
Total	**770**		**$223,650,000**		**$2,590,039**

[1]Estimated Buildout Value is based on original home values pursuant to the Phases #2-6 MIA SAP

G) Combined Phases #2-6 MIA and Improvement Area #3A

Table F-19 sets forth the combined Assessment per unit for each Lot Type within Improvement Area #3A based on the outstanding Phases #2-6 Major Improvement Area Assessment per unit and the Improvement Area #3A Assessment per unit as shown in Table F-15 and Table F-6, respectively.

Table F-19
Combined Assessment per Unit – Phases #2-6 MIA & Improvement Area #3A

Lot Type	Share of Phases #2-6 MIA Assessments	Planned No. of Units	Phases #2-6 Outstanding Assessment per Unit	Improvement Area #3A Assessment per Unit	Total Combined Assessment per Unit
Lot Type 4 (50' Lot)	$859,872	264	$3,257.09	$22,973.48	$26,230.58

The combined projected leverage for each Parcel or Lot within Improvement Area #3A, calculated based on the estimated finished lot values and projected average home values for each Lot Type is shown in Table F-20.

Table F-20
Combined Projected Leverage – Phases #2-6 MIA & Improvement Area #3A

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	Projected Home Value per unit	Combined Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 4 (50' Lot)	264	$86,500	$425,000	$26,230.58	3.30	16.20

The combined projected tax rate equivalent per unit for Parcel or Lot within Improvement Area #3A, calculated based on the estimated finished lot values and projected average home values for each Lot Type is shown in Table F-21 below.

Table F-21
Combined Estimated Tax Rate Equivalent per unit – Phases #2-6 MIA & Improvement Area #3A

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Combined Average Annual Installment per unit	Tax Rate Equivalent (per $100 Lot Value)	Tax Rate Equivalent (per $100 Home Value)
Lot Type 4 (50' Lot)	264	$86,500	$425,000	$2,358.80	$2.73	$0.5550

The combined Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #3A is shown on the combined Improvement Area #3A Assessment Roll

attached as Appendix K, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

H) Combined Phases #2-6 MIA and Improvement Area #3B

Table F-22 sets forth the combined Assessment per unit for each Lot Type within Improvement Area #3B based on the outstanding Phases #2-6 Major Improvement Area Assessment per unit and the Improvement Area #3B Assessment per unit as shown in Table F-15 and Table F-9, respectively.

Table F-22
Outstanding Combined Assessment per Unit - Phases #2-6 MIA & Improvement Area #3B

Lot Type	Share of Phases #2-6 MIA Assessments	Planned No. of Units	Phases #2-6 Outstanding Assessment per Unit	Improvement Area #3B Assessment per Unit	Total Combined Assessment per Unit
Lot Type 3 (60' Lot)	$492,472	126	$3,908.51	$28,143.21	$32,051.72
Lot Type 4 (50' Lot)	$667,704	205	$3,257.09	$23,921.73	$27,178.82

The combined projected leverage for each Parcel or Lot within Improvement Area #3B, calculated based on the estimated finished lot values and projected average home values for each Lot Type, is shown in Table F-23.

Table F-23
Combined Projected Leverage – Phases #2-6 MIA & Improvement Area #3B

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	Projected Home Value per unit	Combined Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 3 (60' Lot)	126	$103,200	$500,000	$32,051.72	3.22	15.60
Lot Type 4 (50' Lot)	205	$87,500	$425,000	$27,178.82	3.22	15.64
Total	**331**					

The combined projected tax rate equivalent per unit for Parcel or Lot within Improvement Area #3B, calculated based on the estimated finished lot values and projected average home values for each Lot Type is shown in Table F-24 on the following page.

Table F-24
Combined Estimated Tax Rate Equivalent per unit – Phases #2-6 MIA & Improvement Area #3B

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Combined Average Annual Installment per unit	Tax Rate Equivalent (per $100 Lot Value)	Tax Rate Equivalent (per $100 Home Value)
Lot Type 3 (60' Lot)	126	$103,200	$500,000	$2,783.94	$2.70	$0.5568
Lot Type 4 (50' Lot)	205	$87,500	$425,000	$2,360.42	$2.70	$0.5554
Total	**331**					

The combined Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #3B are shown on the combined Improvement Area #3B Assessment Roll attached as Appendix L, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

I) Combined Phases #2-6 MIA and Improvement Area #3C

Table F-25 sets forth the combined Assessment per unit for each Lot Type within Improvement Area #3C based on the outstanding Phases #2-6 Major Improvement Area Assessment per unit and the Improvement Area #3C Assessment per unit as shown in Table F-15 and Table F-12, respectively.

Table F-25
Outstanding Combined Assessment per Unit - Phases #2-6 MIA & Improvement Area #3C

Lot Type	Share of Phases #2-6 MIA Assessments	Planned No. of Units	Phases #2-6 Outstanding Assessment per Unit	Improvement Area #3C Assessment per Unit	Total Combined Assessment per Unit
Lot Type 4 (50' Lot)	$569,991	175	$3,257.09	$21,120.00	$24,377.09

The combined projected leverage for each Parcel or Lot within Improvement Area #3C, calculated based on the estimated finished lot values and projected average home values for each Lot Type, is shown in Table F-26 on the following page.

Table F-26
Combined Projected Leverage – Phases #2-6 MIA & Improvement Area #3C

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	Projected Home Value per unit	Combined Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 4 (50' Lot)	175	$88,500	$425,000	$24,377.09	3.63	17.43

The combined projected tax rate equivalent per unit for Parcel or Lot within Improvement Area #3C, calculated based on the estimated finished lot values and projected average home values for each Lot Type, is shown in Table F-27 below.

Table F-27
Combined Estimated Tax Rate Equivalent per unit – Phases #2-6 MIA & Improvement Area #3C

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Combined Average Annual Installment per unit	Tax Rate Equivalent (per $100 Lot Value)	Tax Rate Equivalent (per $100 Home Value)
Lot Type 4 (50' Lot)	175	$88,500	$425,000	$2,344.14	$2.65	$0.5516

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #3C are shown on the Improvement Area #3C Assessment Roll attached as Appendix M, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

APPENDIX G
PROPOSED IMPROVEMENT AREA #3A ASSESSMENT ROLL

Appendix G-1
Proposed Improvement Area #3A Assessment Roll

Parcel	**All Parcels**
Projected Buildout Value	**112,200,000**
Assessment	**$6,065,000**

Year[1]	Principal	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment[3]
9/30/26	$0	$187,981	$0	$0	($187,981)	$0
9/30/27	$93,000	$363,900	$61,200	$30,325	$0	$548,425
9/30/28	$97,000	$358,320	$62,424	$29,860	$0	$547,604
9/30/29	$101,000	$352,500	$63,672	$29,375	$0	$546,547
9/30/30	$106,000	$346,440	$64,946	$28,870	$0	$546,256
9/30/31	$111,000	$340,080	$66,245	$28,340	$0	$545,665
9/30/32	$117,000	$333,420	$67,570	$27,785	$0	$545,775
9/30/33	$123,000	$326,400	$68,921	$27,200	$0	$545,521
9/30/34	$129,000	$319,020	$70,300	$26,585	$0	$544,905
9/30/35	$136,000	$311,280	$71,706	$25,940	$0	$544,926
9/30/36	$143,000	$303,120	$73,140	$25,260	$0	$544,520
9/30/37	$151,000	$294,540	$74,602	$24,545	$0	$544,687
9/30/38	$159,000	$285,480	$76,095	$23,790	$0	$544,365
9/30/39	$167,000	$275,940	$77,616	$22,995	$0	$543,551
9/30/40	$176,000	$265,920	$79,169	$22,160	$0	$543,249
9/30/41	$186,000	$255,360	$80,752	$21,280	$0	$543,392
9/30/42	$197,000	$244,200	$82,367	$20,350	$0	$543,917
9/30/43	$208,000	$232,380	$84,014	$19,365	$0	$543,759
9/30/44	$219,000	$219,900	$85,695	$18,325	$0	$542,920
9/30/45	$232,000	$206,760	$87,409	$17,230	$0	$543,399
9/30/46	$245,000	$192,840	$89,157	$16,070	$0	$543,067
9/30/47	$259,000	$178,140	$90,940	$14,845	$0	$542,925
9/30/48	$275,000	$162,600	$92,759	$13,550	$0	$543,909
9/30/49	$291,000	$146,100	$94,614	$12,175	$0	$543,889
9/30/50	$308,000	$128,640	$96,506	$10,720	$0	$543,866
9/30/51	$326,000	$110,160	$98,436	$9,180	$0	$543,776
9/30/52	$345,000	$90,600	$100,405	$7,550	$0	$543,555
9/30/53	$366,000	$69,900	$102,413	$5,825	$0	$544,138
9/30/54	$388,000	$47,940	$104,461	$3,995	$0	$544,396
9/30/55	$411,000	$24,660	$106,551	$2,055	$0	$544,266
Total	**$6,065,000**	**$6,974,521**	**$2,374,085**	**$565,545**	**($187,981)**	**$15,791,170**

[1]The 9/30/XX dates represent the fiscal year end for the Improvement Areas #3A-3C Bonds.

[2]The interest is calculated using a 6.00% interest rate for years 1 through 30 under the Improvement Areas #3A-3C Bonds for the Improvement Area #3A Projects.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

Appendix G-2
Proposed Improvement Area #3A Assessment Roll - 50’ Lot

Parcel	**Lot Type 4 (50' Lot)**
Projected Buildout Value	**$425,000**
Percent of Total Assessment	**0.38%**
Assessment	**$22,973.48**

Year[1]	Principal	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment[3]
9/30/26	$0	$712	$0	$0	($712)	$0
9/30/27	$352	$1,378	$232	$115	$0	$2,077
9/30/28	$367	$1,357	$236	$113	$0	$2,074
9/30/29	$383	$1,335	$241	$111	$0	$2,070
9/30/30	$402	$1,312	$246	$109	$0	$2,069
9/30/31	$420	$1,288	$251	$107	$0	$2,067
9/30/32	$443	$1,263	$256	$105	$0	$2,067
9/30/33	$466	$1,236	$261	$103	$0	$2,066
9/30/34	$489	$1,208	$266	$101	$0	$2,064
9/30/35	$515	$1,179	$272	$98	$0	$2,064
9/30/36	$542	$1,148	$277	$96	$0	$2,063
9/30/37	$572	$1,116	$283	$93	$0	$2,063
9/30/38	$602	$1,081	$288	$90	$0	$2,062
9/30/39	$633	$1,045	$294	$87	$0	$2,059
9/30/40	$667	$1,007	$300	$84	$0	$2,058
9/30/41	$705	$967	$306	$81	$0	$2,058
9/30/42	$746	$925	$312	$77	$0	$2,060
9/30/43	$788	$880	$318	$73	$0	$2,060
9/30/44	$830	$833	$325	$69	$0	$2,057
9/30/45	$879	$783	$331	$65	$0	$2,058
9/30/46	$928	$730	$338	$61	$0	$2,057
9/30/47	$981	$675	$344	$56	$0	$2,057
9/30/48	$1,042	$616	$351	$51	$0	$2,060
9/30/49	$1,102	$553	$358	$46	$0	$2,060
9/30/50	$1,167	$487	$366	$41	$0	$2,060
9/30/51	$1,235	$417	$373	$35	$0	$2,060
9/30/52	$1,307	$343	$380	$29	$0	$2,059
9/30/53	$1,386	$265	$388	$22	$0	$2,061
9/30/54	$1,470	$182	$396	$15	$0	$2,062
9/30/55	$1,557	$93	$404	$8	$0	$2,062
Total	**$22,973**	**$26,419**	**$8,993**	**$2,142**	**($712)**	**$59,815**

[1]The 9/30/XX dates represent the fiscal year end for the Improvement Areas #3A-3C Bonds.

[2]The interest is calculated using a 6.00% interest rate for years 1 through 30 under the Improvement Areas #3A-3C Bonds for the Improvement Area #3A Projects.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

APPENDIX H
PROPOSED IMPROVEMENT AREA #3B ASSESSMENT ROLL

Appendix H-1
Proposed Improvement Area #3B Assessment Roll

Parcel	**All Parcels**
Projected Buildout Value	**$150,125,000**
Assessment	**$8,450,000**

Year[1]	Principal	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment[3]
9/30/26	$0	$261,903	$0	$0	($261,903)	$0
9/30/27	$123,000	$507,000	$61,200	$42,250	$0	$733,450
9/30/28	$129,000	$499,620	$62,424	$41,635	$0	$732,679
9/30/29	$136,000	$491,880	$63,672	$40,990	$0	$732,542
9/30/30	$143,000	$483,720	$64,946	$40,310	$0	$731,976
9/30/31	$150,000	$475,140	$66,245	$39,595	$0	$730,980
9/30/32	$158,000	$466,140	$67,570	$38,845	$0	$730,555
9/30/33	$167,000	$456,660	$68,921	$38,055	$0	$730,636
9/30/34	$176,000	$446,640	$70,300	$37,220	$0	$730,160
9/30/35	$185,000	$436,080	$71,706	$36,340	$0	$729,126
9/30/36	$195,000	$424,980	$73,140	$35,415	$0	$728,535
9/30/37	$206,000	$413,280	$74,602	$34,440	$0	$728,322
9/30/38	$218,000	$400,920	$76,095	$33,410	$0	$728,425
9/30/39	$230,000	$387,840	$77,616	$32,320	$0	$727,776
9/30/40	$244,000	$374,040	$79,169	$31,170	$0	$728,379
9/30/41	$258,000	$359,400	$80,752	$29,950	$0	$728,102
9/30/42	$273,000	$343,920	$82,367	$28,660	$0	$727,947
9/30/43	$289,000	$327,540	$84,014	$27,295	$0	$727,849
9/30/44	$306,000	$310,200	$85,695	$25,850	$0	$727,745
9/30/45	$324,000	$291,840	$87,409	$24,320	$0	$727,569
9/30/46	$343,000	$272,400	$89,157	$22,700	$0	$727,257
9/30/47	$364,000	$251,820	$90,940	$20,985	$0	$727,745
9/30/48	$386,000	$229,980	$92,759	$19,165	$0	$727,904
9/30/49	$409,000	$206,820	$94,614	$17,235	$0	$727,669
9/30/50	$434,000	$182,280	$96,506	$15,190	$0	$727,976
9/30/51	$461,000	$156,240	$98,436	$13,020	$0	$728,696
9/30/52	$489,000	$128,580	$100,405	$10,715	$0	$728,700
9/30/53	$519,000	$99,240	$102,413	$8,270	$0	$728,923
9/30/54	$551,000	$68,100	$104,461	$5,675	$0	$729,236
9/30/55	$584,000	$35,040	$106,551	$2,920	$0	$728,511
Total	**$8,450,000**	**$9,789,243**	**$2,374,085**	**$793,945**	**($261,903)**	**$21,145,370**

[1]The 9/30/XX dates represent the fiscal year end for the Improvement Areas #3A-3C Bonds.

[2]The interest is calculated using a 6.00% interest rate for years 1 through 30 under the Improvement Areas #3A-3C Bonds for the Improvemer Area #3B Improvements.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

Appendix H-2
Proposed Improvement Area #3B Assessment Roll - 60’ Lot

Parcel	**Lot Type 3 (60' Lot)**
Projected Buildout Value	**$500,000**
Percent of Total Assessment	**0.33%**
Assessment	**$28,143.21**

Year[1]	Principal	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment3
9/30/26	$0	$872	$0	$0	($872)	$0
9/30/27	$410	$1,689	$204	$141	$0	$2,443
9/30/28	$430	$1,664	$208	$139	$0	$2,440
9/30/29	$453	$1,638	$212	$137	$0	$2,440
9/30/30	$476	$1,611	$216	$134	$0	$2,438
9/30/31	$500	$1,582	$221	$132	$0	$2,435
9/30/32	$526	$1,553	$225	$129	$0	$2,433
9/30/33	$556	$1,521	$230	$127	$0	$2,433
9/30/34	$586	$1,488	$234	$124	$0	$2,432
9/30/35	$616	$1,452	$239	$121	$0	$2,428
9/30/36	$649	$1,415	$244	$118	$0	$2,426
9/30/37	$686	$1,376	$248	$115	$0	$2,426
9/30/38	$726	$1,335	$253	$111	$0	$2,426
9/30/39	$766	$1,292	$259	$108	$0	$2,424
9/30/40	$813	$1,246	$264	$104	$0	$2,426
9/30/41	$859	$1,197	$269	$100	$0	$2,425
9/30/42	$909	$1,145	$274	$95	$0	$2,424
9/30/43	$963	$1,091	$280	$91	$0	$2,424
9/30/44	$1,019	$1,033	$285	$86	$0	$2,424
9/30/45	$1,079	$972	$291	$81	$0	$2,423
9/30/46	$1,142	$907	$297	$76	$0	$2,422
9/30/47	$1,212	$839	$303	$70	$0	$2,424
9/30/48	$1,286	$766	$309	$64	$0	$2,424
9/30/49	$1,362	$689	$315	$57	$0	$2,424
9/30/50	$1,445	$607	$321	$51	$0	$2,425
9/30/51	$1,535	$520	$328	$43	$0	$2,427
9/30/52	$1,629	$428	$334	$36	$0	$2,427
9/30/53	$1,729	$331	$341	$28	$0	$2,428
9/30/54	$1,835	$227	$348	$19	$0	$2,429
9/30/55	$1,945	$117	$355	$10	$0	$2,426
Total	**$28,143**	**$32,604**	**$7,907**	**$2,644**	**($872)**	**$70,426**

[1]The 9/30/XX dates represent the fiscal year end for the Improvement Areas #3A-3C Bonds.

[2]The interest is calculated using a 6.00% interest rate for years 1 through 30 under the Improvement Areas #3A-3C Bonds for the Improvemer Area #3B Improvements.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

Appendix H-3
Proposed Improvement Area #3B Assessment Roll - 50’ Lot

Parcel	**Lot Type 4 (50' Lot)**
Projected Buildout Value	**$425,000**
Percent of Total Assessment	**0.28%**
Assessment	**$23,921.73**

Year[1]	Principal	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment[3]
9/30/26	$0	$741	$0	$0	($741)	$0
9/30/27	$348	$1,435	$173	$120	$0	$2,076
9/30/28	$365	$1,414	$177	$118	$0	$2,074
9/30/29	$385	$1,392	$180	$116	$0	$2,074
9/30/30	$405	$1,369	$184	$114	$0	$2,072
9/30/31	$425	$1,345	$188	$112	$0	$2,069
9/30/32	$447	$1,320	$191	$110	$0	$2,068
9/30/33	$473	$1,293	$195	$108	$0	$2,068
9/30/34	$498	$1,264	$199	$105	$0	$2,067
9/30/35	$524	$1,235	$203	$103	$0	$2,064
9/30/36	$552	$1,203	$207	$100	$0	$2,062
9/30/37	$583	$1,170	$211	$97	$0	$2,062
9/30/38	$617	$1,135	$215	$95	$0	$2,062
9/30/39	$651	$1,098	$220	$91	$0	$2,060
9/30/40	$691	$1,059	$224	$88	$0	$2,062
9/30/41	$730	$1,017	$229	$85	$0	$2,061
9/30/42	$773	$974	$233	$81	$0	$2,061
9/30/43	$818	$927	$238	$77	$0	$2,061
9/30/44	$866	$878	$243	$73	$0	$2,060
9/30/45	$917	$826	$247	$69	$0	$2,060
9/30/46	$971	$771	$252	$64	$0	$2,059
9/30/47	$1,030	$713	$257	$59	$0	$2,060
9/30/48	$1,093	$651	$263	$54	$0	$2,061
9/30/49	$1,158	$586	$268	$49	$0	$2,060
9/30/50	$1,229	$516	$273	$43	$0	$2,061
9/30/51	$1,305	$442	$279	$37	$0	$2,063
9/30/52	$1,384	$364	$284	$30	$0	$2,063
9/30/53	$1,469	$281	$290	$23	$0	$2,064
9/30/54	$1,560	$193	$296	$16	$0	$2,064
9/30/55	$1,653	$99	$302	$8	$0	$2,062
Total	**$23,922**	**$27,713**	**$6,721**	**$2,248**	**($741)**	**$59,862**

[1]The 9/30/XX dates represent the fiscal year end for the Improvement Areas #3A-3C Bonds.

[2]The interest is calculated using a 6.00% interest rate for years 1 through 30 under the Improvement Areas #3A-3C Bonds for the Improvemer Area #3B Improvements.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

APPENDIX I
PROPOSED IMPROVEMENT AREA #3C ASSESSMENT ROLL

Appendix I-1
Proposed Improvement Area #3C Assessment Roll

Parcel	**All Parcels**
Projected Buildout Value	**$74,375,000**
Assessment	**$3,696,000**

Year[1]	Principal	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment[3]
9/30/26	$0	$114,556	$0	$0	($114,556)	$0
9/30/27	$60,000	$221,760	$61,200	$18,480	$0	$361,440
9/30/28	$62,000	$218,160	$62,424	$18,180	$0	$360,764
9/30/29	$64,000	$214,440	$63,672	$17,870	$0	$359,982
9/30/30	$67,000	$210,600	$64,946	$17,550	$0	$360,096
9/30/31	$69,000	$206,580	$66,245	$17,215	$0	$359,040
9/30/32	$72,000	$202,440	$67,570	$16,870	$0	$358,880
9/30/33	$75,000	$198,120	$68,921	$16,510	$0	$358,551
9/30/34	$78,000	$193,620	$70,300	$16,135	$0	$358,055
9/30/35	$81,000	$188,940	$71,706	$15,745	$0	$357,391
9/30/36	$85,000	$184,080	$73,140	$15,340	$0	$357,560
9/30/37	$89,000	$178,980	$74,602	$14,915	$0	$357,497
9/30/38	$93,000	$173,640	$76,095	$14,470	$0	$357,205
9/30/39	$97,000	$168,060	$77,616	$14,005	$0	$356,681
9/30/40	$102,000	$162,240	$79,169	$13,520	$0	$356,929
9/30/41	$107,000	$156,120	$80,752	$13,010	$0	$356,882
9/30/42	$112,000	$149,700	$82,367	$12,475	$0	$356,542
9/30/43	$118,000	$142,980	$84,014	$11,915	$0	$356,909
9/30/44	$124,000	$135,900	$85,695	$11,325	$0	$356,920
9/30/45	$131,000	$128,460	$87,409	$10,705	$0	$357,574
9/30/46	$138,000	$120,600	$89,157	$10,050	$0	$357,807
9/30/47	$145,000	$112,320	$90,940	$9,360	$0	$357,620
9/30/48	$153,000	$103,620	$92,759	$8,635	$0	$358,014
9/30/49	$161,000	$94,440	$94,614	$7,870	$0	$357,924
9/30/50	$170,000	$84,780	$96,506	$7,065	$0	$358,351
9/30/51	$180,000	$74,580	$98,436	$6,215	$0	$359,231
9/30/52	$190,000	$63,780	$100,405	$5,315	$0	$359,500
9/30/53	$200,000	$52,380	$102,413	$4,365	$0	$359,158
9/30/54	$212,000	$40,380	$104,461	$3,365	$0	$360,206
9/30/55	$224,000	$27,660	$106,551	$2,305	$0	$360,516
9/30/56	$237,000	$14,220	$108,682	$1,185	$0	$361,087
Total	**$3,696,000**	**$4,338,136**	**$2,482,766**	**$351,965**	**($114,556)**	**$10,754,311**

[1]The 9/30/XX dates represent the fiscal year end for the Improvement Areas #3A-3C Bonds.
[2]The interest is calculated using a 6.00% interest rate for years 1 through 30 under the Improvement Areas #3A-3C Bonds for the Improvement Area #3C Projects.
[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

Appendix I-2
Proposed Improvement Area #3C Assessment Roll by Lot Type - 50' Lot

Parcel	Lot Type 4 (50' Lot)
Projected Buildout Value	**$425,000**
Percent of Total Assessment	**0.57%**
Assessment	**$21,120.00**

Year[1]	Principal	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment[3]
9/30/26	$0	$655	$0	$0	($655)	$0
9/30/27	$343	$1,267	$350	$106	$0	$2,065
9/30/28	$354	$1,247	$357	$104	$0	$2,062
9/30/29	$366	$1,225	$364	$102	$0	$2,057
9/30/30	$383	$1,203	$371	$100	$0	$2,058
9/30/31	$394	$1,180	$379	$98	$0	$2,052
9/30/32	$411	$1,157	$386	$96	$0	$2,051
9/30/33	$429	$1,132	$394	$94	$0	$2,049
9/30/34	$446	$1,106	$402	$92	$0	$2,046
9/30/35	$463	$1,080	$410	$90	$0	$2,042
9/30/36	$486	$1,052	$418	$88	$0	$2,043
9/30/37	$509	$1,023	$426	$85	$0	$2,043
9/30/38	$531	$992	$435	$83	$0	$2,041
9/30/39	$554	$960	$444	$80	$0	$2,038
9/30/40	$583	$927	$452	$77	$0	$2,040
9/30/41	$611	$892	$461	$74	$0	$2,039
9/30/42	$640	$855	$471	$71	$0	$2,037
9/30/43	$674	$817	$480	$68	$0	$2,039
9/30/44	$709	$777	$490	$65	$0	$2,040
9/30/45	$749	$734	$499	$61	$0	$2,043
9/30/46	$789	$689	$509	$57	$0	$2,045
9/30/47	$829	$642	$520	$53	$0	$2,044
9/30/48	$874	$592	$530	$49	$0	$2,046
9/30/49	$920	$540	$541	$45	$0	$2,045
9/30/50	$971	$484	$551	$40	$0	$2,048
9/30/51	$1,029	$426	$562	$36	$0	$2,053
9/30/52	$1,086	$364	$574	$30	$0	$2,054
9/30/53	$1,143	$299	$585	$25	$0	$2,052
9/30/54	$1,211	$231	$597	$19	$0	$2,058
9/30/55	$1,280	$158	$609	$13	$0	$2,060
9/30/56	$1,354	$81	$621	$7	$0	$2,063
Total	**$21,120**	**$24,789**	**$14,187**	**$2,011**	**($655)**	**$61,453**

[1]The 9/30/XX dates represent the fiscal year end for the Improvement Areas #3A-3C Bonds.

[2]The interest is calculated using a 6.00% interest rate for years 1 through 30 under the Improvement Areas #3A-3C Bonds for the Improvement Area #3C Projects.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

APPENDIX J
IMPROVEMENT AREA #3A, #3B, AND #3C'S SHARE PHAES 2-6 MIA SAP ASSESSMENT ROLL

Appendix J-1
Improvement Area #3A's share of MIA Assessment Roll

Projected Buildout Value	**$148,500,000**
Assessment	**$930,112**

Year [1]	Principal	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/30/2019	$0	$49,463	$0.00	$0	($49,463)	$0
9/30/2020	$0	$51,764	$0.00	$0	($51,764)	$0
9/30/2021	$0	$51,764	$0.00	$0	($51,764)	$0
9/30/2022	$16,427	$51,764	$5,594.04	$4,651	$0	$78,435
9/30/2023	$16,994	$50,942	$5,705.92	$4,568	$0	$78,210
9/30/2024	$18,126	$50,093	$5,820.04	$4,483	$0	$78,523
9/30/2025	$18,693	$49,186	$5,936.44	$4,393	$0	$78,208
9/30/2026	$19,826	$48,252	$6,055.17	$4,299	$0	$78,432
9/30/2027	$20,392	$47,260	$6,176.27	$4,200	$0	$78,029
9/30/2028	$21,525	$46,241	$6,299.80	$4,098	$0	$78,164
9/30/2029	$22,658	$45,165	$6,425.79	$3,991	$0	$78,239
9/30/2030	$23,791	$43,918	$6,554.31	$3,877	$0	$78,141
9/30/2031	$25,490	$42,610	$6,685.40	$3,758	$0	$78,544
9/30/2032	$26,623	$41,208	$6,819.11	$3,631	$0	$78,281
9/30/2033	$27,756	$39,744	$6,955.49	$3,498	$0	$77,953
9/30/2034	$29,455	$38,217	$7,094.60	$3,359	$0	$78,126
9/30/2035	$31,155	$36,597	$7,236.49	$3,212	$0	$78,200
9/30/2036	$32,854	$34,883	$7,381.22	$3,056	$0	$78,175
9/30/2037	$34,553	$33,076	$7,528.84	$2,892	$0	$78,051
9/30/2038	$36,819	$31,176	$7,679.42	$2,719	$0	$78,394
9/30/2039	$38,519	$29,151	$7,833.01	$2,535	$0	$78,037
9/30/2040	$40,784	$26,936	$7,989.67	$2,342	$0	$78,053
9/30/2041	$43,617	$24,591	$8,149.46	$2,138	$0	$78,496
9/30/2042	$45,883	$22,083	$8,312.45	$1,920	$0	$78,198
9/30/2043	$48,715	$19,445	$8,478.70	$1,691	$0	$78,329
9/30/2044	$51,547	$16,644	$8,648.27	$1,447	$0	$78,286
9/30/2045	$54,379	$13,680	$8,821.24	$1,190	$0	$78,070
9/30/2046	$57,778	$10,553	$8,997.66	$918	$0	$78,246
9/30/2047	$61,177	$7,231	$9,177.62	$629	$0	$78,214
9/30/2048	$64,575	$3,713	$9,361.17	$323	$0	$77,973
Total	**$930,112**	**$1,057,349**	**$197,717.60**	**$79,819**	**($152,990)**	**$2,112,006**

[1]The 9/30/XX dates represent the fiscal year end for the MIA Bonds.

[2]The interest is calculated using a 5.00% interest rate for years 1 through 30 under the MIA Bonds.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

Appendix J-2
Improvement Area #3B's share of MIA Assessment Roll

Projected Buildout Value	**$200,362,500**
Assessment	**$1,254,947**

Year [1]	Principal	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/30/2019	$0	$66,738	$0	$0	($66,738)	$0
9/30/2020	$0	$69,842	$0	$0	($69,842)	$0
9/30/2021	$0	$69,842	$0	$0	($69,842)	$0
9/30/2022	$22,164	$69,842	$7,548	$6,275	$0	$105,828
9/30/2023	$22,928	$68,734	$7,699	$6,164	$0	$105,525
9/30/2024	$24,457	$67,587	$7,853	$6,049	$0	$105,946
9/30/2025	$25,221	$66,364	$8,010	$5,927	$0	$105,522
9/30/2026	$26,750	$65,103	$8,170	$5,801	$0	$105,824
9/30/2027	$27,514	$63,766	$8,333	$5,667	$0	$105,280
9/30/2028	$29,043	$62,390	$8,500	$5,530	$0	$105,462
9/30/2029	$30,571	$60,938	$8,670	$5,384	$0	$105,563
9/30/2030	$32,100	$59,256	$8,843	$5,231	$0	$105,431
9/30/2031	$34,393	$57,491	$9,020	$5,071	$0	$105,975
9/30/2032	$35,921	$55,599	$9,201	$4,899	$0	$105,620
9/30/2033	$37,450	$53,624	$9,385	$4,719	$0	$105,177
9/30/2034	$39,743	$51,564	$9,572	$4,532	$0	$105,411
9/30/2035	$42,035	$49,378	$9,764	$4,333	$0	$105,511
9/30/2036	$44,328	$47,066	$9,959	$4,123	$0	$105,477
9/30/2037	$46,621	$44,628	$10,158	$3,902	$0	$105,309
9/30/2038	$49,678	$42,064	$10,361	$3,669	$0	$105,772
9/30/2039	$51,971	$39,332	$10,569	$3,420	$0	$105,291
9/30/2040	$55,028	$36,343	$10,780	$3,160	$0	$105,312
9/30/2041	$58,850	$33,179	$10,996	$2,885	$0	$105,910
9/30/2042	$61,907	$29,795	$11,216	$2,591	$0	$105,508
9/30/2043	$65,728	$26,236	$11,440	$2,281	$0	$105,685
9/30/2044	$69,549	$22,456	$11,669	$1,953	$0	$105,627
9/30/2045	$73,371	$18,457	$11,902	$1,605	$0	$105,335
9/30/2046	$77,956	$14,239	$12,140	$1,238	$0	$105,573
9/30/2047	$82,542	$9,756	$12,383	$848	$0	$105,529
9/30/2048	$87,128	$5,010	$12,630	$436	$0	$105,204
Total	**$1,254,947**	**$1,426,620**	**$266,769**	**$107,695**	**($206,421)**	**$2,849,609**

[1]The 9/30/XX dates represent the fiscal year end for the MIA Bonds.

[2]The interest is calculated using a 5.00% interest rate for years 1 through 30 under the MIA Bonds.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

Appendix J-3
Improvement Area #3C's share of MIA Assessment Roll

Projected Buildout Value	**$98,437,500**
Assessment	**$616,552**

Year [1]	Principal	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/30/2019	$0	$32,788	$0	$0	($32,788)	$0
9/30/2020	$0	$34,313	$0	$0	($34,313)	$0
9/30/2021	$0	$34,313	$0	$0	($34,313)	$0
9/30/2022	$10,889	$34,313	$3,708	$3,083	$0	$51,993
9/30/2023	$11,265	$33,769	$3,782	$3,028	$0	$51,844
9/30/2024	$12,016	$33,205	$3,858	$2,972	$0	$52,051
9/30/2025	$12,391	$32,605	$3,935	$2,912	$0	$51,843
9/30/2026	$13,142	$31,985	$4,014	$2,850	$0	$51,991
9/30/2027	$13,518	$31,328	$4,094	$2,784	$0	$51,724
9/30/2028	$14,269	$30,652	$4,176	$2,717	$0	$51,813
9/30/2029	$15,020	$29,939	$4,260	$2,645	$0	$51,863
9/30/2030	$15,771	$29,113	$4,345	$2,570	$0	$51,798
9/30/2031	$16,897	$28,245	$4,432	$2,491	$0	$52,065
9/30/2032	$17,648	$27,316	$4,520	$2,407	$0	$51,891
9/30/2033	$18,399	$26,345	$4,611	$2,319	$0	$51,673
9/30/2034	$19,525	$25,333	$4,703	$2,227	$0	$51,788
9/30/2035	$20,652	$24,259	$4,797	$2,129	$0	$51,837
9/30/2036	$21,778	$23,123	$4,893	$2,026	$0	$51,820
9/30/2037	$22,905	$21,926	$4,991	$1,917	$0	$51,738
9/30/2038	$24,407	$20,666	$5,091	$1,802	$0	$51,966
9/30/2039	$25,533	$19,324	$5,192	$1,680	$0	$51,729
9/30/2040	$27,035	$17,855	$5,296	$1,553	$0	$51,739
9/30/2041	$28,913	$16,301	$5,402	$1,417	$0	$52,033
9/30/2042	$30,415	$14,638	$5,510	$1,273	$0	$51,836
9/30/2043	$32,292	$12,890	$5,620	$1,121	$0	$51,923
9/30/2044	$34,169	$11,033	$5,733	$959	$0	$51,894
9/30/2045	$36,047	$9,068	$5,847	$789	$0	$51,751
9/30/2046	$38,300	$6,995	$5,964	$608	$0	$51,868
9/30/2047	$40,553	$4,793	$6,084	$417	$0	$51,846
9/30/2048	$42,806	$2,461	$6,205	$214	$0	$51,686
Total	**$616,552**	**$700,894**	**$131,063**	**$52,910**	**($101,414)**	**$1,400,004**

[1]The 9/30/XX dates represent the fiscal year end for the MIA Bonds.

[2]The interest is calculated using a 5.00% interest rate for years 1 through 30 under the MIA Bonds.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

APPENDIX K
PROPOSED COMBINED PHAES 2-6 MIA AND IMPROVEMENT AREA #3A ASSESSMENT ROLL

Appendix K-1
Proposed Combined MIA and Improvement Area #3A Assessment Roll

Assessment **$6,995,112**

Year[1]	Direct Principal	MIA Principal	Direct Interest[2]	MIA Interest[3]	Administrative Expenses[4]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/30/20	$0	$0	$0	$49,463	$0	$0	($49,463)	$0
9/30/21	$0	$0	$0	$51,764	$0	$0	($51,764)	$0
9/30/22	$0	$0	$0	$51,764	$0	$0	($51,764)	$0
9/30/23	$0	$16,427	$0	$51,764	$5,594	$4,651	$0	$78,435
9/30/24	$0	$16,994	$0	$50,942	$5,706	$4,568	$0	$78,210
9/30/25	$0	$18,126	$0	$50,093	$5,820	$4,483	$0	$78,523
9/30/26	$0	$18,693	$187,981	$49,186	$5,936	$4,393	($187,981)	$78,208
9/30/27	$93,000	$19,826	$363,900	$48,252	$67,255	$34,624	$0	$626,857
9/30/28	$97,000	$20,392	$358,320	$47,260	$68,600	$34,060	$0	$625,633
9/30/29	$101,000	$21,525	$352,500	$46,241	$69,972	$33,473	$0	$624,711
9/30/30	$106,000	$22,658	$346,440	$45,165	$71,372	$32,861	$0	$624,495
9/30/31	$111,000	$23,791	$340,080	$43,918	$72,799	$32,217	$0	$623,806
9/30/32	$117,000	$25,490	$333,420	$42,610	$74,255	$31,543	$0	$624,319
9/30/33	$123,000	$26,623	$326,400	$41,208	$75,740	$30,831	$0	$623,802
9/30/34	$129,000	$27,756	$319,020	$39,744	$77,255	$30,083	$0	$622,858
9/30/35	$136,000	$29,455	$311,280	$38,217	$78,800	$29,299	$0	$623,052
9/30/36	$143,000	$31,155	$303,120	$36,597	$80,376	$28,472	$0	$622,720
9/30/37	$151,000	$32,854	$294,540	$34,883	$81,984	$27,601	$0	$622,862
9/30/38	$159,000	$34,553	$285,480	$33,076	$83,623	$26,682	$0	$622,415
9/30/39	$167,000	$36,819	$275,940	$31,176	$85,296	$25,714	$0	$621,945
9/30/40	$176,000	$38,519	$265,920	$29,151	$87,002	$24,695	$0	$621,286
9/30/41	$186,000	$40,784	$255,360	$26,936	$88,742	$23,622	$0	$621,445
9/30/42	$197,000	$43,617	$244,200	$24,591	$90,517	$22,488	$0	$622,413
9/30/43	$208,000	$45,883	$232,380	$22,083	$92,327	$21,285	$0	$621,958
9/30/44	$219,000	$48,715	$219,900	$19,445	$94,173	$20,016	$0	$621,249
9/30/45	$232,000	$51,547	$206,760	$16,644	$96,057	$18,677	$0	$621,685
9/30/46	$245,000	$54,379	$192,840	$13,680	$97,978	$17,260	$0	$621,137
9/30/47	$259,000	$57,778	$178,140	$10,553	$99,938	$15,763	$0	$621,171
9/30/48	$275,000	$61,177	$162,600	$7,231	$101,936	$14,179	$0	$622,123
9/30/49	$291,000	$64,575	$146,100	$3,713	$103,975	$12,498	$0	$621,861
9/30/50	$308,000	$0	$128,640	$0	$96,506	$10,720	$0	$543,866
9/30/51	$326,000	$0	$110,160	$0	$98,436	$9,180	$0	$543,776
9/30/52	$345,000	$0	$90,600	$0	$100,405	$7,550	$0	$543,555
9/30/53	$366,000	$0	$69,900	$0	$102,413	$5,825	$0	$544,138
9/30/54	$388,000	$0	$47,940	$0	$104,461	$3,995	$0	$544,396
9/30/55	$411,000	$0	$24,660	$0	$106,551	$2,055	$0	$544,266
9/30/55	$411,000	$0	$24,660	$0	$106,551	$2,055	$0	$544,266
Total	**$6,065,000**	**$930,112**	**$6,974,521**	**$1,057,349**	**$2,571,802**	**$645,364**	**($340,972)**	**$17,903,176**

[1]The 9/30/2019 through 9/30/2025 dates represent the fiscal year end for the MIA Bonds. The 9/30/2026 and onward dates represent the Improvement Areas #3A-3C Bonds.

[2]The interest is calculated using an estimated 6.00% interest rate for years 1 through 30 under the Improvement Areas #3A-3C Bonds for the Improvement Area #3A Projects.

[3]The interest is calculated using a 5.00% interest rate the MIA Bonds.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

Appendix K-2
Proposed Combined MIA and Improvement Area #3A Assessment Roll – 50' Lot

Assessment	**$26,497**

Year[1]	Direct Principal	MIA Principal	Direct Interest[2]	MIA Interest[3]	Administrative Expenses[4]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/30/20	$0	$0	$0	$187	$0	$0	($187)	$0
9/30/21	$0	$0	$0	$196	$0	$0	($196)	$0
9/30/22	$0	$0	$0	$196	$0	$0	($196)	$0
9/30/23	$0	$62	$0	$196	$21	$18	$0	$297
9/30/24	$0	$64	$0	$193	$22	$17	$0	$296
9/30/25	$0	$69	$0	$190	$22	$17	$0	$297
9/30/26	$0	$71	$712	$186	$22	$17	($712)	$296
9/30/27	$352	$75	$1,378	$183	$255	$131	$0	$2,374
9/30/28	$367	$77	$1,357	$179	$260	$129	$0	$2,370
9/30/29	$383	$82	$1,335	$175	$265	$127	$0	$2,366
9/30/30	$402	$86	$1,312	$171	$270	$124	$0	$2,366
9/30/31	$420	$90	$1,288	$166	$276	$122	$0	$2,363
9/30/32	$443	$97	$1,263	$161	$281	$119	$0	$2,365
9/30/33	$466	$101	$1,236	$156	$287	$117	$0	$2,363
9/30/34	$489	$105	$1,208	$151	$293	$114	$0	$2,359
9/30/35	$515	$112	$1,179	$145	$298	$111	$0	$2,360
9/30/36	$542	$118	$1,148	$139	$304	$108	$0	$2,359
9/30/37	$572	$124	$1,116	$132	$311	$105	$0	$2,359
9/30/38	$602	$131	$1,081	$125	$317	$101	$0	$2,358
9/30/39	$633	$139	$1,045	$118	$323	$97	$0	$2,356
9/30/40	$667	$146	$1,007	$110	$330	$94	$0	$2,353
9/30/41	$705	$154	$967	$102	$336	$89	$0	$2,354
9/30/42	$746	$165	$925	$93	$343	$85	$0	$2,358
9/30/43	$788	$174	$880	$84	$350	$81	$0	$2,356
9/30/44	$830	$185	$833	$74	$357	$76	$0	$2,353
9/30/45	$879	$195	$783	$63	$364	$71	$0	$2,355
9/30/46	$928	$206	$730	$52	$371	$65	$0	$2,353
9/30/47	$981	$219	$675	$40	$379	$60	$0	$2,353
9/30/48	$1,042	$232	$616	$27	$386	$54	$0	$2,357
9/30/49	$1,102	$245	$553	$14	$394	$47	$0	$2,356
9/30/50	$1,167	$0	$487	$0	$366	$41	$0	$2,060
9/30/51	$1,235	$0	$417	$0	$373	$35	$0	$2,060
9/30/52	$1,307	$0	$343	$0	$380	$29	$0	$2,059
9/30/53	$1,386	$0	$265	$0	$388	$22	$0	$2,061
9/30/54	$1,470	$0	$182	$0	$396	$15	$0	$2,062
9/30/55	$1,557	$0	$93	$0	$404	$8	$0	$2,062
Total	**$22,973**	**$3,523.15**	**$26,419**	**$4,005**	**$9,742**	**$2,445**	**($1,292)**	**$67,815**

[1]The 9/30/2019 through 9/30/2025 dates represent the fiscal year end for the MIA Bonds. The 9/30/2026 and onward dates represent the Improvement Areas #3A-3C Bonds.

[2]The interest is calculated using an estimated 6.00% interest rate for years 1 through 30 under the Improvement Areas #3A-3C Bonds for the Improvement Area #3A Projects.

[3]The interest is calculated using a 5.00% interest rate the MIA Bonds.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

APPENDIX L
PROPOSED COMBINED PHAES 2-6 MIA AND IMPROVEMENT AREA #3B ASSESSMENT ROLL

Appendix L-1
Proposed Combined MIA and Improvement Area #3B Assessment Roll

Assessment **$9,704,947**

Year[1]	Direct Principal	MIA Principal	Direct Interest[2]	MIA Interest[3]	Administrative Expenses[4]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/30/20	$0	$0	$0	$66,738	$0	$0	($66,738)	$0
9/30/21	$0	$0	$0	$69,842	$0	$0	($69,842)	$0
9/30/22	$0	$0	$0	$69,842	$0	$0	($69,842)	$0
9/30/23	$0	$22,164	$0	$69,842	$7,548	$6,275	$0	$105,828
9/30/24	$0	$22,928	$0	$68,734	$7,699	$6,164	$0	$105,525
9/30/25	$0	$24,457	$0	$67,587	$7,853	$6,049	$0	$105,946
9/30/26	$0	$25,221	$261,903	$66,364	$8,010	$5,927	($261,903)	$105,522
9/30/27	$123,000	$26,750	$507,000	$65,103	$69,370	$48,051	$0	$839,274
9/30/28	$129,000	$27,514	$499,620	$63,766	$70,757	$47,302	$0	$837,959
9/30/29	$136,000	$29,043	$491,880	$62,390	$72,172	$46,520	$0	$838,005
9/30/30	$143,000	$30,571	$483,720	$60,938	$73,616	$45,694	$0	$837,539
9/30/31	$150,000	$32,100	$475,140	$59,256	$75,088	$44,826	$0	$836,411
9/30/32	$158,000	$34,393	$466,140	$57,491	$76,590	$43,916	$0	$836,530
9/30/33	$167,000	$35,921	$456,660	$55,599	$78,122	$42,954	$0	$836,256
9/30/34	$176,000	$37,450	$446,640	$53,624	$79,684	$41,939	$0	$835,337
9/30/35	$185,000	$39,743	$436,080	$51,564	$81,278	$40,872	$0	$834,537
9/30/36	$195,000	$42,035	$424,980	$49,378	$82,903	$39,748	$0	$834,045
9/30/37	$206,000	$44,328	$413,280	$47,066	$84,562	$38,563	$0	$833,799
9/30/38	$218,000	$46,621	$400,920	$44,628	$86,253	$37,312	$0	$833,734
9/30/39	$230,000	$49,678	$387,840	$42,064	$87,978	$35,989	$0	$833,549
9/30/40	$244,000	$51,971	$374,040	$39,332	$89,737	$34,590	$0	$833,670
9/30/41	$258,000	$55,028	$359,400	$36,343	$91,532	$33,110	$0	$833,414
9/30/42	$273,000	$58,850	$343,920	$33,179	$93,363	$31,545	$0	$833,857
9/30/43	$289,000	$61,907	$327,540	$29,795	$95,230	$29,886	$0	$833,358
9/30/44	$306,000	$65,728	$310,200	$26,236	$97,135	$28,131	$0	$833,430
9/30/45	$324,000	$69,549	$291,840	$22,456	$99,077	$26,273	$0	$833,196
9/30/46	$343,000	$73,371	$272,400	$18,457	$101,059	$24,305	$0	$832,592
9/30/47	$364,000	$77,956	$251,820	$14,239	$103,080	$22,223	$0	$833,318
9/30/48	$386,000	$82,542	$229,980	$9,756	$105,142	$20,013	$0	$833,433
9/30/49	$409,000	$87,128	$206,820	$5,010	$107,244	$17,671	$0	$832,873
9/30/50	$434,000	$0	$182,280	$0	$96,506	$15,190	$0	$727,976
9/30/51	$461,000	$0	$156,240	$0	$98,436	$13,020	$0	$728,696
9/30/52	$489,000	$0	$128,580	$0	$100,405	$10,715	$0	$728,700
9/30/53	$519,000	$0	$99,240	$0	$102,413	$8,270	$0	$728,923
9/30/54	$551,000	$0	$68,100	$0	$104,461	$5,675	$0	$729,236
9/30/55	$584,000	$0	$35,040	$0	$106,551	$2,920	$0	$728,511
Total	**$8,450,000**	**$1,254,947**	**$9,789,243**	**$1,426,620**	**$2,640,854**	**$901,640**	**($468,324)**	**$23,994,979**

[1]The 9/30/2019 through 9/30/2025 dates represent the fiscal year end for the MIA Bonds. The 9/30/2026 and onward dates represent the Improvement Areas #3A-3C Bonds.

[2]The interest is calculated using an estimated 6.00% interest rate for years 1 through 30 under the Improvement Areas #3A-3C Bonds for the Improvement Area #3B Improvements.

[3]The interest is calculated using a 5.00% interest rate the MIA Bonds.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

Appendix L-2
Proposed Combined MIA and Improvement Area #3B Assessment Roll – 60' Lot

Assessment **$32,371**

Year[1]	Direct Principal	MIA Principal	Direct Interest[2]	MIA Interest[3]	Administrative Expenses[4]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/30/20	$0	$0	$0	$225	$0	$0	($225)	$0
9/30/21	$0	$0	$0	$235	$0	$0	($235)	$0
9/30/22	$0	$0	$0	$235	$0	$0	($235)	$0
9/30/23	$0	$75	$0	$235	$25	$21	$0	$357
9/30/24	$0	$77	$0	$232	$26	$21	$0	$356
9/30/25	$0	$82	$0	$228	$26	$20	$0	$357
9/30/26	$0	$85	$872	$224	$27	$20	($872)	$355
9/30/27	$410	$90	$1,689	$219	$231	$160	$0	$2,799
9/30/28	$430	$93	$1,664	$215	$236	$158	$0	$2,795
9/30/29	$453	$98	$1,638	$210	$241	$155	$0	$2,795
9/30/30	$476	$103	$1,611	$205	$246	$152	$0	$2,794
9/30/31	$500	$108	$1,582	$200	$250	$149	$0	$2,790
9/30/32	$526	$116	$1,553	$194	$255	$146	$0	$2,790
9/30/33	$556	$121	$1,521	$187	$261	$143	$0	$2,789
9/30/34	$586	$126	$1,488	$181	$266	$140	$0	$2,786
9/30/35	$616	$134	$1,452	$174	$271	$136	$0	$2,784
9/30/36	$649	$142	$1,415	$166	$276	$133	$0	$2,782
9/30/37	$686	$149	$1,376	$159	$282	$129	$0	$2,781
9/30/38	$726	$157	$1,335	$150	$288	$124	$0	$2,781
9/30/39	$766	$167	$1,292	$142	$293	$120	$0	$2,780
9/30/40	$813	$175	$1,246	$133	$299	$115	$0	$2,781
9/30/41	$859	$185	$1,197	$122	$305	$110	$0	$2,780
9/30/42	$909	$198	$1,145	$112	$311	$105	$0	$2,781
9/30/43	$963	$209	$1,091	$100	$318	$100	$0	$2,780
9/30/44	$1,019	$221	$1,033	$88	$324	$94	$0	$2,780
9/30/45	$1,079	$234	$972	$76	$330	$88	$0	$2,779
9/30/46	$1,142	$247	$907	$62	$337	$81	$0	$2,777
9/30/47	$1,212	$263	$839	$48	$344	$74	$0	$2,779
9/30/48	$1,286	$278	$766	$33	$351	$67	$0	$2,780
9/30/49	$1,362	$294	$689	$17	$358	$59	$0	$2,778
9/30/50	$1,445	$0	$607	$0	$321	$51	$0	$2,425
9/30/51	$1,535	$0	$520	$0	$328	$43	$0	$2,427
9/30/52	$1,629	$0	$428	$0	$334	$36	$0	$2,427
9/30/53	$1,729	$0	$331	$0	$341	$28	$0	$2,428
9/30/54	$1,835	$0	$227	$0	$348	$19	$0	$2,429
9/30/55	$1,945	$0	$117	$0	$355	$10	$0	$2,426
Total	**$28,143**	**$4,228**	**$32,604**	**$4,806**	**$8,806**	**$3,007**	**($1,568)**	**$80,026**

[1]The 9/30/2019 through 9/30/2025 dates represent the fiscal year end for the MIA Bonds. The 9/30/2026 and onward dates represent the Improvement Areas #3A-3C Bonds.

[2]The interest is calculated using an estimated 6.00% interest rate for years 1 through 30 under the Improvement Areas #3A-3C Bonds for the Improvement Area #3B Improvements.

[3]The interest is calculated using a 5.00% interest rate the MIA Bonds.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

Appendix L-3

Proposed Combined MIA and Improvement Area #3B Assessment Roll - 50' Lot

Assessment **$27,445**

Year[1]	Direct Principal	MIA Principal	Direct Interest[2]	MIA Interest[3]	Administrative Expenses[4]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/30/20	$0	$0	$0	$187	$0	$0	($187)	$0
9/30/21	$0	$0	$0	$196	$0	$0	($196)	$0
9/30/22	$0	$0	$0	$196	$0	$0	($196)	$0
9/30/23	$0	$62	$0	$196	$21	$18	$0	$297
9/30/24	$0	$64	$0	$193	$22	$17	$0	$296
9/30/25	$0	$69	$0	$190	$22	$17	$0	$297
9/30/26	$0	$71	$741	$186	$22	$17	($741)	$296
9/30/27	$348	$75	$1,435	$183	$196	$136	$0	$2,373
9/30/28	$365	$77	$1,414	$179	$200	$134	$0	$2,370
9/30/29	$385	$82	$1,392	$175	$204	$132	$0	$2,370
9/30/30	$405	$86	$1,369	$171	$208	$129	$0	$2,369
9/30/31	$425	$90	$1,345	$166	$212	$127	$0	$2,365
9/30/32	$447	$97	$1,320	$161	$217	$124	$0	$2,366
9/30/33	$473	$101	$1,293	$156	$221	$121	$0	$2,365
9/30/34	$498	$105	$1,264	$151	$225	$119	$0	$2,362
9/30/35	$524	$112	$1,235	$145	$230	$116	$0	$2,360
9/30/36	$552	$118	$1,203	$139	$234	$112	$0	$2,359
9/30/37	$583	$124	$1,170	$132	$239	$109	$0	$2,358
9/30/38	$617	$131	$1,135	$125	$244	$106	$0	$2,358
9/30/39	$651	$139	$1,098	$118	$249	$102	$0	$2,357
9/30/40	$691	$146	$1,059	$110	$254	$98	$0	$2,358
9/30/41	$730	$154	$1,017	$102	$259	$94	$0	$2,357
9/30/42	$773	$165	$974	$93	$264	$89	$0	$2,358
9/30/43	$818	$174	$927	$84	$269	$85	$0	$2,357
9/30/44	$866	$185	$878	$74	$275	$80	$0	$2,357
9/30/45	$917	$195	$826	$63	$280	$74	$0	$2,356
9/30/46	$971	$206	$771	$52	$286	$69	$0	$2,355
9/30/47	$1,030	$219	$713	$40	$292	$63	$0	$2,357
9/30/48	$1,093	$232	$651	$27	$297	$57	$0	$2,357
9/30/49	$1,158	$245	$586	$14	$303	$50	$0	$2,355
9/30/50	$1,229	$0	$516	$0	$273	$43	$0	$2,061
9/30/51	$1,305	$0	$442	$0	$279	$37	$0	$2,063
9/30/52	$1,384	$0	$364	$0	$284	$30	$0	$2,063
9/30/53	$1,469	$0	$281	$0	$290	$23	$0	$2,064
9/30/54	$1,560	$0	$193	$0	$296	$16	$0	$2,064
9/30/55	$1,653	$0	$99	$0	$302	$8	$0	$2,062
Total	**$23,922**	**$3,523**	**$27,713**	**$4,005**	**$7,470**	**$2,550**	**($1,321)**	**$67,862**

[1]The 9/30/2019 through 9/30/2025 dates represent the fiscal year end for the MIA Bonds. The 9/30/2026 and onward dates represent the Improvement Areas #3A-3C Bonds.

[2]The interest is calculated using an estimated 6.00% interest rate for years 1 through 30 under the Improvement Areas #3A-3C Bonds for the Improvement Area #3B Improvements.

[3]The interest is calculated using a 5.00% interest rate the MIA Bonds.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

APPENDIX M
PROPOSED COMBINED PHAES 2-6 MIA AND IMPROVEMENT AREA #3C ASSESSMENT ROLL

Appendix M-1
Proposed Combined MIA and Improvement Area #3C Assessment Roll

Assessment **$4,312,552**

Year[1]	Direct Principal	MIA Principal	Direct Interest[2]	MIA Interest[3]	Administrative Expenses[4]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/30/20	$0	$0	$0	$32,788	$0	$0	($32,788)	$0
9/30/21	$0	$0	$0	$34,313	$0	$0	($34,313)	$0
9/30/22	$0	$0	$0	$34,313	$0	$0	($34,313)	$0
9/30/23	$0	$10,889	$0	$34,313	$3,708	$3,083	$0	$51,993
9/30/24	$0	$11,265	$0	$33,769	$3,782	$3,028	$0	$51,844
9/30/25	$0	$12,016	$0	$33,205	$3,858	$2,972	$0	$52,051
9/30/26	$0	$12,391	$114,556	$32,605	$3,935	$2,912	($114,556)	$51,843
9/30/27	$60,000	$13,142	$221,760	$31,985	$65,214	$21,330	$0	$413,431
9/30/28	$62,000	$13,518	$218,160	$31,328	$66,518	$20,964	$0	$412,488
9/30/29	$64,000	$14,269	$214,440	$30,652	$67,848	$20,587	$0	$411,796
9/30/30	$67,000	$15,020	$210,600	$29,939	$69,205	$20,195	$0	$411,959
9/30/31	$69,000	$15,771	$206,580	$29,113	$70,590	$19,785	$0	$410,838
9/30/32	$72,000	$16,897	$202,440	$28,245	$72,001	$19,361	$0	$410,945
9/30/33	$75,000	$17,648	$198,120	$27,316	$73,441	$18,917	$0	$410,442
9/30/34	$78,000	$18,399	$193,620	$26,345	$74,910	$18,454	$0	$409,728
9/30/35	$81,000	$19,525	$188,940	$25,333	$76,408	$17,972	$0	$409,179
9/30/36	$85,000	$20,652	$184,080	$24,259	$77,937	$17,469	$0	$409,397
9/30/37	$89,000	$21,778	$178,980	$23,123	$79,495	$16,941	$0	$409,318
9/30/38	$93,000	$22,905	$173,640	$21,926	$81,085	$16,387	$0	$408,943
9/30/39	$97,000	$24,407	$168,060	$20,666	$82,707	$15,807	$0	$408,647
9/30/40	$102,000	$25,533	$162,240	$19,324	$84,361	$15,200	$0	$408,658
9/30/41	$107,000	$27,035	$156,120	$17,855	$86,048	$14,563	$0	$408,621
9/30/42	$112,000	$28,913	$149,700	$16,301	$87,769	$13,892	$0	$408,575
9/30/43	$118,000	$30,415	$142,980	$14,638	$89,525	$13,188	$0	$408,745
9/30/44	$124,000	$32,292	$135,900	$12,890	$91,315	$12,446	$0	$408,843
9/30/45	$131,000	$34,169	$128,460	$11,033	$93,141	$11,664	$0	$409,468
9/30/46	$138,000	$36,047	$120,600	$9,068	$95,004	$10,839	$0	$409,558
9/30/47	$145,000	$38,300	$112,320	$6,995	$96,904	$9,968	$0	$409,488
9/30/48	$153,000	$40,553	$103,620	$4,793	$98,842	$9,052	$0	$409,860
9/30/49	$161,000	$42,806	$94,440	$2,461	$100,819	$8,084	$0	$409,610
9/30/50	$170,000	$0	$84,780	$0	$96,506	$7,065	$0	$358,351
9/30/51	$180,000	$0	$74,580	$0	$98,436	$6,215	$0	$359,231
9/30/52	$190,000	$0	$63,780	$0	$100,405	$5,315	$0	$359,500
9/30/53	$200,000	$0	$52,380	$0	$102,413	$4,365	$0	$359,158
9/30/54	$212,000	$0	$40,380	$0	$104,461	$3,365	$0	$360,206
9/30/55	$224,000	$0	$27,660	$0	$106,551	$2,305	$0	$360,516
9/30/56	$237,000	$0	$14,220	$0	$108,682	$1,185	$0	$361,087
Total	**$3,696,000**	**$616,552**	**$4,338,136**	**$700,894**	**$2,613,829**	**$404,875**	**($215,970)**	**$12,154,316**

[1]The 9/30/2019 through 9/30/2025 dates represent the fiscal year end for the MIA Bonds. The 9/30/2026 and onward dates represent the Improvement Areas #3A-3C Bonds.

[2]The interest is calculated using an estimated 6.00% interest rate for years 1 through 30 under the Improvement Areas #3A-3C Bonds for the Improvement Area #3C Projects.

[3]The interest is calculated using a 5.00% interest rate the MIA Bonds.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

Appendix M-2

Proposed Combined MIA and Improvement Area #3C Assessment Roll by Lot Type – 50' Lots

Assessment **$24,643**

Year[1]	Direct Principal	MIA Principal	Direct Interest[2]	MIA Interest[3]	Administrative Expenses[4]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/30/20	$0	$0	$0	$187	$0	$0	($187)	$0
9/30/21	$0	$0	$0	$196	$0	$0	($196)	$0
9/30/22	$0	$0	$0	$196	$0	$0	($196)	$0
9/30/23	$0	$62	$0	$196	$21	$18	$0	$297
9/30/24	$0	$64	$0	$193	$22	$17	$0	$296
9/30/25	$0	$69	$0	$190	$22	$17	$0	$297
9/30/26	$0	$71	$655	$186	$22	$17	($655)	$296
9/30/27	$343	$75	$1,267	$183	$373	$122	$0	$2,362
9/30/28	$354	$77	$1,247	$179	$380	$120	$0	$2,357
9/30/29	$366	$82	$1,225	$175	$388	$118	$0	$2,353
9/30/30	$383	$86	$1,203	$171	$395	$115	$0	$2,354
9/30/31	$394	$90	$1,180	$166	$403	$113	$0	$2,348
9/30/32	$411	$97	$1,157	$161	$411	$111	$0	$2,348
9/30/33	$429	$101	$1,132	$156	$420	$108	$0	$2,345
9/30/34	$446	$105	$1,106	$151	$428	$105	$0	$2,341
9/30/35	$463	$112	$1,080	$145	$437	$103	$0	$2,338
9/30/36	$486	$118	$1,052	$139	$445	$100	$0	$2,339
9/30/37	$509	$124	$1,023	$132	$454	$97	$0	$2,339
9/30/38	$531	$131	$992	$125	$463	$94	$0	$2,337
9/30/39	$554	$139	$960	$118	$473	$90	$0	$2,335
9/30/40	$583	$146	$927	$110	$482	$87	$0	$2,335
9/30/41	$611	$154	$892	$102	$492	$83	$0	$2,335
9/30/42	$640	$165	$855	$93	$502	$79	$0	$2,335
9/30/43	$674	$174	$817	$84	$512	$75	$0	$2,336
9/30/44	$709	$185	$777	$74	$522	$71	$0	$2,336
9/30/45	$749	$195	$734	$63	$532	$67	$0	$2,340
9/30/46	$789	$206	$689	$52	$543	$62	$0	$2,340
9/30/47	$829	$219	$642	$40	$554	$57	$0	$2,340
9/30/48	$874	$232	$592	$27	$565	$52	$0	$2,342
9/30/49	$920	$245	$540	$14	$576	$46	$0	$2,341
9/30/50	$971	$0	$484	$0	$551	$40	$0	$2,048
9/30/51	$1,029	$0	$426	$0	$562	$36	$0	$2,053
9/30/52	$1,086	$0	$364	$0	$574	$30	$0	$2,054
9/30/53	$1,143	$0	$299	$0	$585	$25	$0	$2,052
9/30/54	$1,211	$0	$231	$0	$597	$19	$0	$2,058
9/30/55	$1,280	$0	$158	$0	$609	$13	$0	$2,060
9/30/56	$1,354	$0	$81	$0	$621	$7	$0	$2,063
Total	**$21,120**	**$3,523**	**$24,789**	**$4,005**	**$14,936**	**$2,314**	**($1,234)**	**$69,453**

[1]The 9/30/2019 through 9/30/2025 dates represent the fiscal year end for the MIA Bonds. The 9/30/2026 and onward dates represent the Improvement Areas #3A-3C Bonds.

[2]The interest is calculated using an estimated 6.00% interest rate for years 1 through 30 under the Improvement Areas #3A-3C Bonds for the Improvement Area #3C Projects.

[3]The interest is calculated using a 5.00% interest rate the MIA Bonds.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Services Plan Updates. Assumes a 2% increase per year.

APPENDIX N
ASSESSMENT ROLL SUMMARIES

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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McCALL
PARKHURST & HORTON

Proposed Form of Opinion of Bond Counsel

An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.

CITY OF PRINCETON, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 IMPROVEMENT AREAS #3A-3C PROJECT)

IN THE AGGREGATE PRINCIPAL AMOUNT OF $18,211,000

AS BOND COUNSEL for the City of Princeton, Texas (the ***Issuer***), we have examined into the legality and validity of the issue of the bonds described above (the ***Bonds***), which bear interest from the date specified in the text of the Bonds, until maturity or prior redemption, at the rates and payable on the dates as stated in the text of the Bonds, and maturing and subject to redemption on the dates specified in the text of the Bonds, all in accordance with the Ordinance authorizing the issuance of the Bonds (the ***Bond Ordinance***) and the Indenture of Trust between the Issuer and Regions Bank, dated April 15, 2026 (the ***Trust Indenture***).

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, and have examined and relied upon a transcript of certified proceedings of the Issuer and other pertinent instruments furnished by the Issuer relating to the authorization, issuance and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the Issuer upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, and have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to governmental immunity, bankruptcy, reorganization, and other similar matters affecting creditors' rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of the Issuer which are payable as to principal and interest from the sources provided in the Bond Ordinance and the Trust Indenture, (ii) the covenants and agreements in the Trust Indenture constitutes a valid and binding obligations of the Issuer, (iii) the Bonds constitute valid and legally binding special obligations of the Issuer secured under the Trust Indenture, and (iv) the Bonds are payable in accordance with the priorities established in the Trust Indenture from the sources provided therein.

THE ISSUER has reserved the right, subject to the restrictions stated in the Trust Indenture, to amend the Trust Indenture in the manner provided therein; and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in principal amount of all outstanding bonds affected by such amendment and secured by the Trust Indenture.

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Austin, Texas 78701
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F 512.472.0871

717 North Harwood
Suite 900
Dallas, Texas 75201
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700 N. St. Mary's Street
Suite 1525
San Antonio, Texas 78205
T 210.225.2800
F 210.225.2984

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THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than specified in the Trust Indenture.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the ***Code***). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance by the Issuer with certain covenants, regarding the use and investment of the proceeds of the Bonds and the use of the property financed and refinanced therewith. In expressing the aforementioned opinions, we have relied on certain representations and covenants regarding the use and investment of the proceeds of the Bonds. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation's adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the ***Service***); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering our opinions with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds. Our role in connection with the Issuer's Limited Offering Memorandum prepared for use in connection with the sale of the Bonds has been limited as described therein.

Respectfully,

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APPENDIX E-1

FORM OF CITY DISCLOSURE AGREEMENT

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CITY OF PRINCETON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 IMPROVEMENT AREAS #3A-3C PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of Issuer, dated as of April 15, 2026 (this "Disclosure Agreement"), is executed and delivered by and among the City of Princeton, Texas (the "Issuer"), MuniCap, Inc. (the "Administrator"), and Regions Bank, an Alabama state banking corporation, acting solely in its capacity as dissemination agent (the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2026 (Whitewing Trails Public Improvement District No. 2 Improvement Areas #3A-3C 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 April 15, 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:

"Administrative Expenses" shall have the meaning assigned to such term in the Indenture.

"Administrator" shall have the meaning assigned to such term in the Indenture. The initial Administrator is MuniCap, Inc.

"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.

"Developers" shall mean, as applicable, MM Princeton 854, LLC, a Texas limited liability company (the "Master Developer"), Pulte Homes of Texas, L.P., a Texas limited partnership ("ulte"), D.R. Horton – Texas, Ltd., a Texas limited partnership ("DR Horton"), or GRBK Edgewood, LLC, a Texas limited liability company ("GRBK").

"Disclosure Agreements of the Developers" shall mean (1) the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of April 15, 2026, executed and delivered by the Master Developer, the Administrator, and the Dissemination Agent; (2) the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of April 15, 2026, executed and delivered by Pulte, the Administrator, and the Dissemination Agent; (3) the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of April 15, 2026, executed and delivered by DR Horton, the Administrator, and the Dissemination Agent; and (4) the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of April 15, 2026, executed and delivered by GRBK, the Administrator, and the Dissemination Agent.

"Disclosure Representative" shall mean the Finance Director 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 Regions Bank, an Alabama state banking corporation, 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 Whitewing Trails Public Improvement District No. 2.

"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 Areas #3A-3C" 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 MuniCap, Inc. 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 (1st) 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 any of the Developers of real property within Improvement Areas #3A-3C 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 Trustee or 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 Regions Bank. The Issuer will give prompt written notice to the Developers, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreements of Developers, 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 Statements for the Fiscal Year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 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 Agreements of Developers and a default under any of the Disclosure Agreements of Developers 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 Administrative Expenses collected from the property owners in Improvement Areas #3A-3C, 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 fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean the Dissemination Agent has actual knowledge of any event described in Section 6 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent 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 Administrative Expenses.

(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 Administrative Expenses collected from the property owners in Improvement Areas #3A-3C, 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 any of the Developers to provide information to the Administrator as and when required under the Disclosure Agreements of Developers. 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 Administrative Expenses.

(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, 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 Administrative Expenses 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 Administrative Expenses component of the Annual Installments collected from the property owners in Improvement Areas #3A-3C, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Areas #3A-3C, including the payment of the fees and expenses of the Administrator for its 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 Dissemination Agent and Trustee:		Regions Bank
	Attn:	Shawn Bednasek
		3773 Richmond Avenue, Suite 1100
		Houston, Texas 77046
	E-mail:	Shawn.bednasek@regions.com
If to Administrator:		MuniCap, Inc.
		600 E. John Carpenter Freeway, Suite 150
		Irving, Texas 75062
	E-mail:	TXPID@municap.com
With a copy to:	Attn:	Keenan Rice
		PO Box #119
		Simpsonville, Maryland 21150
	E-mail:	Keenan.rice@municap.com
If to the Issuer:		City of Princeton
	Attn:	City Manager
		P.O. Box 159
		Princeton, Texas 75132
	E-mail:	jjones@princetontx.us
If to Participating Underwriter:		FMSbonds, Inc.
		5 Cowboys Way, Suite 300-25
		Frisco, Texas 75034
	E-mail:	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 PRINCETON, TEXAS

By: _____
Mayor

REGIONS BANK, an Alabama state banking corporation
(as Dissemination Agent)

By: _____
Authorized Officer

MUNICAP, INC.
(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 Princeton, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Whitewing Trails Public Improvement District No. 2 Improvement Areas #3A-3C Project) (the "Bonds")
CUSIP Nos.	[insert CUSIP NOs.]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that the City of Princeton, 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 April 15, 2026, by and among the Issuer, MuniCap, Inc., as "Administrator," and Regions Bank, an Alabama state banking corporation, as "Dissemination Agent." The Issuer anticipates that [the Annual Financial Information][the Annual Collections Report][audited/unaudited financial statements] will be filed by _____.

Dated:_____

REGIONS BANK,
on behalf of the City of Princeton, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Princeton, Texas

EXHIBIT B

CITY OF PRINCETON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2
IMPROVEMENT AREAS #3A-3C PROJECT)

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: Regions Bank
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 Areas #3A-3C [(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 Areas #3A-3C of the District

The [YEAR] certified total assessed value for the Assessed Property in Improvement Areas #3A-3C of the District is approximately $[AMOUNT] according to the Collin 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 PRINCETON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2
IMPROVEMENT AREAS #3A-3C PROJECT)

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: Regions Bank
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.
February 15	15	Immediately upon receipt, but in no event later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies. Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. Issuer and Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.
March 1	28/29	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 E-2

FORM OF DEVELOPER DISCLOSURE AGREEMENT

The form of Developer Disclosure Agreement to be executed by the Master Developer is included here as Appendix E-2. Each Developer Disclosure Agreement is expected to be in substantially the form of the Developer Disclosure Agreement included as Appendix E-2.

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CITY OF PRINCETON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2
IMPROVEMENT AREAS #3A-3C PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of April 15, 2026 (this "Disclosure Agreement"), is executed and delivered by and among MM Princeton 854, LLC, a Texas limited liability company (the "Developer"), MuniCap, Inc. (the "Administrator"), and Regions Bank, an Alabama state banking corporation, 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 April 15, 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:

"Administrative Expenses" shall have the meaning assigned to such term in the Indenture.

"Administrator" shall have the meaning assigned to such term in the Indenture. The Issuer has selected MuniCap, Inc., as the initial Administrator.

"Affiliate" shall mean an entity that owns property within Phase #3A of the District and is controlled by, controls, or is under common control with the Developer, including any Homebuilder.

"Annual Installment" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to "Improvement Area #3A Assessments" in the Service and Assessment Plan.

"Business Day" shall have the meaning assigned to such term in the Indenture.

"Certification Letter" shall mean a certification letter provided by the Developer or Homebuilder, if any, pursuant to Section 3, in substantially the form attached as Exhibit D.

"Developer" shall mean MM Princeton 854, LLC, a Texas limited liability company, its successors and assigns, including any Affiliate of the Developer.

"Developer Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"Disclosure Agreement of Issuer" shall mean the Continuing Disclosure Agreement of Issuer with respect to the Bonds dated as of even date herewith executed and delivered by the Issuer, the Administrator, and the Dissemination Agent.

"Dissemination Agent" shall mean Regions Bank, an Alabama state banking corporation, 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 Whitewing Trails Public Improvement District No. 2.

"EMMA" shall mean the Electronic Municipal Market Access System administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at http://emma.msrb.org.

"Homebuilder(s)" shall mean any merchant homebuilder who enters into an Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

"Improvement Area #3A Improvements" shall have the meaning assigned to such term in the Service and Assessment Plan.

"Issuer" shall mean the City of Princeton, 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 Phase #3A 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.

"Phase #3A" shall have the meaning assigned to it in the Service and Assessment Plan.

"Phase #3A Improvements" means the portion of the Improvement Area #3A Improvements benefitting Phase #3A.

"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 September 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 10 or more of the single family residential lots within Phase #3A.

"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.

"Zone Improvements" shall have the meaning assigned to it in the Service and Assessment Plan.

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, September 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 Phase #3A on a parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Phase #3A 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 Zone Improvements or any development or improvements within Phase #3A, including the Phase #3A Improvements;

(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 Phase #3A 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 Phase #3A 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 Phase #3A, 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 Phase #3A 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 Phase #3A 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 Phase #3A Improvements or Zone Improvements 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 Phase #3A Improvements or Zone Improvements 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 Phase #3A 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 10 or more single family residential lots within Phase #3A, 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 10 or more single family residential lots within Phase #3A, 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 Regions Bank.

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 (i) liabilities due to the Dissemination Agent's negligence or willful misconduct, and (ii) liabilities resulting from claims made by the Developer against the Dissemination Agent. 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 (i) liabilities due to the Administrator's breach, negligence, or willful misconduct, and (ii) liabilities resulting from claims made by the Developer against the Administrator.

The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The Developer, the Administrator, and the Dissemination Agent agree that the legal expenses of the Dissemination Agent or the Administrator to which it is expressly entitled to be paid pursuant to this 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 Administrative Expenses 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 Administrative Expenses component of the Annual Installments collected from the property owners in Phase #3A, 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 Administrative Expenses 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 Phase #3A, 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 the Dissemination Agent and Trustee:		Regions Bank
	Attn:	Shawn Bednasek 3773 Richmond Avenue, Suite 1100 Dallas, Texas 75248
	E-mail:	Shawn.bednasek@regions.com
If to Administrator:		MuniCap, Inc.

		600 E. John Carpenter Freeway, Suite 150 Irving, Texas 75062
	E-mail:	TXPID@municap.com
With a copy to:	Attn:	Keenan Rice PO Box #119 Simpsonville, Maryland 21150
	E-mail:	Keenan.rice@municap.com
If to the Issuer:		City of Princeton
	Attn:	City Manager P.O. Box 159 Princeton, Texas 75132
	E-mail:	jjones@princetontx.us
If to Participating Underwriter:		FMSbonds, Inc. 5 Cowboys Way, Suite 300-25 Frisco, Texas 75034
	E-mail:	Tdavenport@fmsbonds.com

SECTION 21. Term of Disclosure Agreement. Except for surviving indemnities of the parties to this Disclosure Agreement, this Disclosure Agreement terminates on the earlier of (i) the first date on which none of the Bonds remain Outstanding and (ii) the first date on which the reporting obligations of all Reporting Parties have terminated in accordance with the terms of this Disclosure Agreement.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

REGIONS BANK, an Alabama state banking corporation,
Dissemination Agent

By: _____
Authorized Officer

DEVELOPER:

MM PRINCETON 854, LLC,
a Texas limited liability company

By: MMM Ventures, LLC
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC
a Delaware limited liability company
Its Manager

By:_____
Name: Mehrdad Moayedi
Its: Manager

MUNICAP, INC.,
Administrator

By: _____
Name: _____
Title: _____

EXHIBIT A

CITY OF PRINCETON, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2
IMPROVEMENT AREAS #3A-3C PROJECT)

DEVELOPER QUARTERLY REPORT
[*INSERT QUARTERLY ENDING DATE*]

Delivery Date: _____, 2026

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT
Name: Regions Bank
Address:
City:
Telephone:
Contact Person: Attn:

I. Expenditures Paid from Accounts under Indenture

1. TOTAL BUDGETED COSTS REQUIRED TO COMPLETE PHASE #3A IMPROVEMENTS: $_____

   TOTAL BUDGETED COSTS REQUIRED TO COMPLETE ZONE IMPROVEMENTS: $_____

2. Of the budgeted costs for Phase #3A Improvements and Zone Improvements shown in the Service and Assessment Plan:

   a. Actual costs drawn from the Improvement Area #3A Improvement Account: $_____
   b. Actual costs drawn from the Improvement Area #3B Improvement Account: $_____
   c. Actual costs drawn from the Improvement Area #3C Improvement Account: $_____

II. Status of Phase #3A Improvements and Zone Improvements

Projected/actual completion date of the Phase #3A Improvements

1. [Actual/Expected] date of completion of the Phase #3A Improvements: [_____]
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [_____]

Projected/actual completion date of the Zone Improvements

1. [Actual/Expected] date of completion of the Zone Improvements: [_____]
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [_____]

III. Unit Mix in Phase #3A

Product Type	Number of Units
Single Family __'	
Single Family __'	

IV. Lot Status in Phase #3A

Of the 100 lots in Phase #3A, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 100
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 Phase #3A (if incomplete): _____

V. Ownership of Lots/Units in Phase #3A

PLANNED LOTS IN PHASE #3A: 100

Of the 100 lots in Phase #3A:

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): _____[1]
    a. a. Number of lots owned by [*insert name of Homebuilder*]: _____[2]
    b. b. Number of lots owned by [*insert name of Homebuilder*]: _____
4. Number of units owned by homeowners: _____

VI. Home Sales Information in Phase #3A

PLANNED HOMES IN PHASE #3A: 100

Of the 100 homes planned for Phase #3A:

1. How many total building permits were issued **during the current quarter**? _____

[1] 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.

[2] 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*]: _____][3]
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. Material Changes

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Lot Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgement pursuant to the Disclosure Agreement?

5. **Reserved.**

[3] Include a line item for each individual Homebuilder.

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 Princeton, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Whitewing Trails Public Improvement District No. 2 Improvement Areas #3A-3C Project) (the "Bonds")
CUSIP Numbers:	[insert CUSIP Numbers]
Date of Delivery:	_____, 2026

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Developer[1]"] ["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 MM Princeton 854, LLC, a Texas limited liability company (the "Developer"), MuniCap, Inc., as Administrator, and Regions Bank, an Alabama state banking corporation, as Dissemination Agent. The [Developer][Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

Regions Bank, an Alabama state banking corporation,
on behalf of the Developer,
as Dissemination Agent

By: _____

Title: _____

cc: City of Princeton, Texas

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer:	City of Princeton, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Whitewing Trails Public Improvement District No. 2 Improvement Areas #3A-3C Project) (the "Bonds")
CUSIP Numbers.	[insert CUSIP Numbers]
Date of Delivery:	_____, 2026

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Regions Bank
3773 Richmond Ave., Suite 1100
Houston, Texas 77046

City of Princeton, Texas
2000 E. Princeton Drive
Princeton, Texas 75407

MM Princeton 854, LLC
1800 Valley View Lane, Suite 300
Farmers Branch, Texas 75234

[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 MM Princeton 854, LLC, a Texas limited liability company (the "Developer"), MuniCap, Inc., as Administrator, and Regions Bank, an Alabama state banking corporation, as Dissemination Agent.

Dated: _____

MuniCap, Inc.
on behalf of the [Developer] [Significant Homebuilder],
as Administrator)

By: _____

Title: _____

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer:	City of Princeton, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Whitewing Trails Public Improvement District No. 2 Improvement Areas #3A-3C Project)
CUSIP Numbers:	[insert CUSIP Numbers]
Quarterly Ending Date:	_____, 2026

Re: Quarterly Report for Whitewing Trails Public Improvement District No. 2 – Improvement Areas #3A-3C

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among MM Princeton 854, LLC, a Texas limited liability company[1] (the "Developer"), MuniCap, Inc., as Administrator, and Regions Bank, an Alabama state banking corporation, 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.

DEVELOPER:

MM PRINCETON 854, LLC,
a Texas limited liability company

By: MMM Ventures, LLC
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC
a Delaware limited liability company
Its Manager

By:_____
Name: Mehrdad Moayedi
Its: Manager

[1] If applicable, replace with applicable successor(s)/assign(s).

[OR SIGNIFICANT HOMEBUILDER (as Significant Homebuilder)]	
By:	
Name:	
Title:	

EXHIBIT E

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF DEVELOPER REPORTING OBLIGATIONS

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Whitewing Trails Public Improvement District No. 2 – Improvement Areas #3A-3C – Continuing Disclosure Obligation

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 2026, you have been assigned and have assumed the obligations, requirements, or covenants to construct one or more of the Phase #3A Improvements or Zone Improvements (as those terms are defined in the Disclosure Agreement of Developer (as defined herein) within the Whitewing Trails Public Improvement District No. 2 (the "District").

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the "Disclosure Agreement of Developer") by and among MM Princeton 854, LLC, a Texas limited liability company (the "Developer"), MuniCap, Inc. (the "Administrator"), and Regions Bank, an Alabama state banking corporation (the "Dissemination Agent"), with respect to the "City of Princeton, Texas, Special Assessment Revenue Bonds, Series 2026 (Whitewing Trails Public Improvement District No. 2 Improvement Areas #3A-3C Project)," any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Phase #3A Improvements or Zone Improvements is defined as a Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

MM PRINCETON 854, LLC,
a Texas limited liability company

By: MMM Ventures, LLC
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC
a Delaware limited liability company
Its Manager

By:_____
Name: Mehrdad Moayedi
Its: Manager

Acknowledged by:
[INSERT ASSIGNEE NAME]
By: _____
Title: _____

EXHIBIT F

FORM OF SIGNIFICANT HOMEBUILDER ACKNOWLEDGEMENT

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

Re: Whitewing Trails Public Improvement District No. 2 – Improvement Areas #3A-3C – Continuing Disclosure Obligation

Dear _____,

As of _____, 2026, you own ____ lots within Phase #3A of Whitewing Trails Public Improvement District No. 2 (the "District"). Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer related to the captioned Bonds (the "Disclosure Agreement of Developer") by and among MM Princeton 854, LLC, a Texas limited liability company (the "Developer"), MuniCap, Inc. (the "Administrator"), and Regions Bank, an Alabama state banking corporation (the "Dissemination Agent"), with respect to the "City of Princeton, Texas, Special Assessment Revenue Bonds, Series 2026 (Whitewing Trails Public Improvement District No. 2 Improvement Areas #3A-3C Project)," any entity that owns 10 or more of the single family residential lots within Phase #3A 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,

MM PRINCETON 854, LLC,
a Texas limited liability company

By: MMM Ventures, LLC
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC
a Delaware limited liability company
Its Manager

By:_____
Name: Mehrdad Moayedi
Its: Manager

Acknowledged by:
[INSERT ASSIGNEE NAME]
By: _____
Title" _____

APPENDIX F

FORM OF CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 IMPROVEMENT AREAS #3A-3C PROJECTS CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

THIS WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 IMPROVEMENT AREAS #3A-3C PROJECTS CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT (this "Agreement"), dated as of April 27, 2026 is by and between the **CITY OF PRINCETON, TEXAS**, a home rule municipality of the State of Texas (the "City"), and **MM PRINCETON 854, LLC**, a Texas limited liability company ("MM Princeton"); **PULTE HOMES OF TEXAS, L.P,** a Texas limited partnership ("Pulte"); **D.R. HORTON – TEXAS, LTD,** a Texas limited partnership; and **GRBK EDGEWOOD, LLC** a Texas limited liability company ("GBRK", together with MM Princeton, Pulte, and Horton, 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 Authorized Improvements actually paid or incurred for construction and installation of the Authorized Improvements.

"Administrator" means, initially, Municap, Inc., or any other individual or entity designated by the City to administer the District.

"Authorized Improvements" means improvements authorized by Section 372.003 of the Act, including and as listed in Appendix B of the Service and Assessment Plan. An individual Authorized Improvement, including a completed segment, section or part, shall be referred to as an Authorized Improvement.

"Bond Improvement Account of the Project Fund" means, as applicable in the relevant context, the Improvement Area #3A Bond Improvement Account, the Improvement Area #3B Bond Improvement Account, and the Improvement Area #3C Bond Improvement Account within the Project Fund created under Section 6.1 of the Indenture.

"Bond Ordinance" means the ordinance adopted by the City Council on April 13, 2026 authorizing the issuance of the Bonds pursuant to the Indenture.

"Bonds" means the City's bonds designated "City of Princeton, Texas, Special Assessment Revenue Bonds, Series 2026 (Whitewing Trails Public Improvement District No. 2 Improvement Areas #3A-3C Project)".

"Budgeted Costs" means the anticipated, agreed upon costs of the Authorized Improvements as shown on Appendix B of the Service and Assessment Plan.

"Certificate for Payment" means a certificate substantially in the form of Exhibit A attached to the Indenture approved by the Developer and the City Representative executed by a Person approved by the City Representative, delivered to the City Representative and the Trustee specifying the amount of work performed with respect to the Authorized Improvements and the Actual Costs of the Authorized Improvements, and requesting payment for such costs or, as appropriate, for the Budgeted Costs, in accordance with this Agreement, from money on deposit in the Project Fund as further described in the Indenture.

"City Inspector" means an individual employed by or an agent of the City whose job is, in part or in whole, to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

"City Regulations" means City Code provisions, ordinances, design standards, uniform codes, and other policies duly adopted by the City.

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

"Construction Contracts" means the contracts for the construction of an Authorized Improvement. "Construction Contract" means any one of the Construction Contracts.

"Cost" means the Budgeted Costs or the Actual Cost of an Authorized Improvement 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 Authorized Improvement, the Actual Cost, as appropriate, of such Authorized Improvement in excess of the Budgeted Cost.

"Development Agreement" means that certain First Amended and Restated Whitewing Trails Development Agreement executed by and among the City and the Developer, dated June 10, 2019, as amended.

"Development Standards" means the standards for Development set forth in the Development Agreement.

"District" shall mean Whitewing Trails Public Improvement District No. 2 created June 10, 2019.

"Final Completion" means completion of an Authorized Improvement in compliance with applicable City Regulations and Development Standards.

"Improvement Area #3A Bond Improvement Account" means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

"Improvement Area #3B Bond Improvement Account" means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

"Improvement Area #3C Bond Improvement Account" means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

"Indenture" means that certain Indenture of Trust between the City and Regions Bank, as trustee, dated as of April 15, 2026, relating to the Bonds.

"PID Bond Proceeds" means proceeds of the Bonds, net of costs of issuance, capitalized interest, reserve funds and other financing costs, that are deposited to the Bond Improvement Account of the Project Fund.

"Plans" means the plans, specifications, schedules and related construction contracts for the Authorized Improvements, respectively, approved pursuant to the applicable standards, ordinances, procedures, policies and directives of the City, the Development Agreement, and any other applicable governmental entity.

"Project Fund" means the fund, including the accounts created and established under such fund, where PID Bond Proceeds, excluding those deposited in other funds in accordance with the Indenture, shall be deposited, and the fund by such name created under the Indenture.

"Service and Assessment Plan" means the Whitewing Trails Public Improvement District No. 2 Service and Assessment Plan (Improvement Area #3A, Improvement Area #3B, and Improvement Area #3C) adopted on April 13, 2026 by the City Council, prepared pursuant to the Act.

ARTICLE II
RECITALS

Section 2.01. The District and the Authorized Improvements.

(a) The City has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Authorized Improvements.

(b) The City has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Ordinance and the Indenture. The PID Bond Proceeds shall be used, in part, to finance all or a portion of the Authorized Improvements in accordance with the terms and limitations of the Development Agreement and the Service and Assessment Plan.

(c) The Authorized Improvements as set forth in the Service and Assessment Plan are eligible to be financed with PID Bond Proceeds, to the extent specified therein.

(d) The PID Bond Proceeds shall be deposited in accordance with the Indenture.

(e) The Developer will undertake, oversee, or ensure the construction and development of the Authorized Improvements for acquisition and acceptance by the City in accordance with the terms and conditions contained in the Development Agreement.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

ARTICLE III
FUNDING

Section 3.01. Bonds.

(a) The City, in connection with this Agreement, intends to proceed with the issuance and delivery of the Bonds.

(b) The projects to be partially financed with the PID Bond Proceeds are the Authorized Improvements. The payment of costs from the PID Bond Proceeds for such Authorized Improvements shall be made from the Bond Improvement Account of the Project Fund, established under the Indenture pursuant to the terms of the Indenture.

(c) The City has no obligation to provide any funds to finance for the Authorized Improvements other than from assessments levied on the District. The Developer agrees and acknowledges that it is solely responsible for funding all Cost Overruns for the Authorized Improvements, as qualified, however, by the distribution of Cost Underrun (as defined in Section 4.03 hereof) monies, as detailed in Section 4.03.

(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. Any such loss may diminish the amounts available in the Project Fund to partially fund Costs of the Authorized Improvements. The Developer's, or any other owners of property in the District, obligation to pay Assessments is not in any way dependent on the availability of amounts in the Project Fund to pay for all or any portion of the Costs of the Authorized Improvements.

(e) The Developer acknowledges that any lack of availability of amounts in the funds or accounts established in the Indenture to pay the costs of the Authorized Improvements shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Authorized Improvements required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

ARTICLE IV
CONSTRUCTION OF AUTHORIZED IMPROVEMENTS

Section 4.01. Duty of Developer to Construct.

(a) All Authorized Improvements shall be constructed by, or at the direction of, the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Authorized Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken and with applicable City Regulations and Development Standards. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Authorized Improvements, to be acquired and accepted by the City, from the Developer as provided in this Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Authorized Improvement and, upon completion, inspection, and acceptance, convey each such Authorized Improvement to the City in accordance with the terms hereof, even if there are insufficient funds in the Project Fund to pay the Actual Costs thereof. 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 Authorized Improvements required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. The Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended.

Section 4.03. Remaining Funds After Completion of an Authorized Improvement. Upon the Final Completion of an Authorized Improvement and payment of all outstanding invoices for such Authorized Improvement, if the Actual Cost of such Authorized Improvement is less than the Budgeted Cost (a "Cost Underrun"), any remaining Budgeted Cost may be made available to pay Cost Overruns on any other Authorized Improvement. The City shall promptly confirm to the Administrator that such remaining amounts are available to pay such Cost Overruns, the City Representative, in consultation with the Developer and the Administrator, will determine how to use such moneys to secure the payment and performance of the work for other Authorized Improvement. Any Cost Underrun for any Authorized Improvement is available to pay Cost Overruns on any other Authorized Improvement.

Section 4.04. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as "change orders") required for the construction of the Authorized Improvements. Developer or its contractors may approve and implement any change orders, even if such change order would increase the Cost of

an Authorized Improvement, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such change orders except to the extent amounts are available, or become available, pursuant to Section 4.03. 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. The costs of issuance of the Bonds shall be paid from the PID Bond Proceeds at closing pursuant to a City Directive. Costs of the Developer relating to the creation of the District (as set forth in the Service and Assessment Plan) shall be paid from PID Bond Proceeds at closing pursuant to a fully executed Certificate for Payment, substantially in the form of Exhibit A attached to the Indenture, or otherwise agreed to by the Developer, Administrator, and the City Representative, submitted by the Developer to the City and the Trustee in advance of the closing of the Bonds.

Section 5.02. Certificate for Payment for an Authorized Improvement.

(a) No payment hereunder shall be made from the Project Fund to the Developer for work on an Authorized Improvement until a Certificate for Payment is received from the Developer. Upon receipt of a Certificate for Payment substantially in the form attached to the Indenture, the City shall review each Certificate for Payment in order to confirm compliance with all applicable governmental laws, rules and regulations, the Service and Assessment Plan, the applicable Plan, and this Agreement, and to verify and approve the Actual Cost of such work specified in such Certificate for Payment. The City shall also conduct such review as is required in its discretion to confirm the matters certified in the Certificate for Payment. The Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review.

(b) The City shall review each Certificate for Payment within ten (10) Business Days of receipt thereof and upon approval, certify the Certificate for Payment pursuant to the provisions of the Indenture, and payment shall be made to the Developer pursuant to the terms of the Indenture provided that funds are available under the Indenture. If a Certificate for Payment is approved only in part, the City shall specify the extent to which the Certificate for Payment is approved and payment for such partially approved Certificate for Payment shall be made to the Developer pursuant to the terms of the Indenture, provided that funds are available under the Indenture.

(c) If the City requires additional documentation, timely disapproves or questions the correctness or authenticity of the Certificate for Payment, the City shall deliver a detailed notice to the Developer within ten (10) Business Days of receipt thereof, and payment with respect to disputed portion(s) of the Certificate for Payment shall not be made until the Developer and the City have jointly settled such dispute or additional information has been provided to the City's

reasonable satisfaction. A denial of any portion of a Certificate for Payment may be appealed to the City Council by the Developer in writing within thirty (30) days of being denied by the City Representative.

Section 5.03. Payment for an Authorized Improvement.

(a) Upon receipt of a reviewed and approved Certificate for Payment, the Trustee shall make payment as set forth in the Indenture.

(b) Each approved Certificate for Payment that awaits reimbursement shall not accrue interest.

(c) The Trustee shall make payment as set forth in the Certificate for Payment. If the request for payment results in ninety percent (90%) or more of the Budgeted Costs for such Authorized Improvement identified in such request for payment being paid, then Trustee shall hold the payment until Final Completion of the work with respect to that Authorized Improvement and acceptance of same by the City.

Section 5.04 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 Authorized Improvement to foreclosure, forfeiture, or sale.

ARTICLE VI
OWNERSHIP AND TRANSFER OF THE AUTHORIZED IMPROVEMENTS

Section 6.01. Authorized Improvements to be Owned by the City – Title Evidence. If required by the City, the Developer shall furnish to the City a preliminary title report for land with respect to an Authorized Improvement including any related rights-of-way, easements, and open spaces if any, to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City, for review and approval at least thirty (30) calendar days prior to the transfer of title of an Authorized Improvement to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the City does not approve the preliminary title report, the City shall not be obligated to accept title to the Authorized Improvement until the Developer has cured such objections to title to the reasonable satisfaction of the City.

Section 6.02. Authorized Improvements Constructed on City Land or Developer Land. If the Authorized Improvement is on land owned by the City, the City hereby grants to the Developer a temporary easement to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance by the City) of the Authorized Improvement. If the Authorized Improvement is on land owned by the Developer, the Developer shall dedicate easements by plat or shall execute and deliver to the City such access and maintenance easements as the City may reasonably require in recordable form, and the Developer hereby grants to the City

a nonexclusive access and maintenance easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance by the City) of the Authorized Improvement. The grant of the permanent easement shall not relieve the Developer of any obligation to grant the City title to property and/or easements related to the Authorized Improvement as required by this Agreement or as should in the City's reasonable judgment be granted to provide for convenient access to and routine and emergency maintenance of such Authorized Improvement. The provisions for inspection and acceptance of such Authorized Improvement otherwise provided herein shall apply to such Authorized Improvement.

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The respective Developer represents and warrants for the benefit of the City as follows, provided, each representation and warranty contained in this Agreement is hereby made by MM Princeton, Pulte, Horton, and GRBK solely with respect to itself and its own activities, assets, and obligations, as applicable. MM Princeton, Pulte, Horton, and GRBK shall be deemed to make any representation or warranty with respect to any other Party, and the representations and warranties of MM Princeton, Pulte, Horton, and GRBK shall be several and not joint.

(a) Organization. MM Princeton and GRBK are each limited liability companies, and Pulte and Horton are each Texas limited partnerships, all of which are duly formed, organized and validly existing under the laws of the State of Texas, are in compliance with the laws of the State of Texas, and have the power and authority to own its properties and assets and to fulfill its obligations in this Agreement and to carry on their 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. The consummation by the Developer of the transactions contemplated hereby is not in violation of or in conflict with, nor does it constitute a default under, any term or provision of the organizational documents of the Developer, or any of the terms of any agreement or instrument to which the Developer is a Party, or by which the Developer is bound, or of any provision of any applicable law, ordinance, rule or regulation of any governmental authority or of any provision of any applicable order, judgment or decree of any court, arbitrator or governmental authority.

(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 Authorized Improvements in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Authorized Improvements.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Project Fund for the acquisition, construction or installation of any improvements that are not part of the costs associated with the Authorized Improvements, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certification for Payments.

(f) 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.

(g) Financial Records. For a period of two years after completion of the Authorized Improvements, the Developer covenants to maintain proper books of record and account for the construction of the Authorized Improvements and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles and shall be available for inspection by the City or its agent at any reasonable time during regular business hours on reasonable notice.

Section 7.02. Indemnification and Hold Harmless. The Developer shall assume the defense of, and indemnify by reason of, or resulting from Developer's breach of any provision of this Agreement and shall hold harmless the City Inspector, the City, employees, officials, officers, representatives and agents of the City, and each of them (each an "Indemnified Party"), from and against all actions, damages, claims, losses or expense of every type and description (including without limitation attorney's fees and related expenses) to which they may be subjected or put, by reason of, or resulting from the breach of any provision of this Agreement by the Developer, the negligent design, engineering and/or construction by the Developer or any architect, engineer or contractor hired by the Developer of any of the Authorized Improvements, the Developer's nonpayment under contracts between the Developer and its consultants, engineers, advisors, contractors, subcontractors and suppliers in the provision of the Authorized Improvements, or any claims of persons employed by the Developer or its agents to construct such projects. Notwithstanding the foregoing, no indemnification is given hereunder for any action, damage, claim, loss or expense directly attributable to the willful misconduct or gross negligence of any Indemnified Party.

Section 7.03. Use of Monies by City; Changes to Indenture. The City agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies held in the Project Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Authorized Improvements, the City agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the costs of Authorized Improvements is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer is or may be increased or otherwise adversely affected in any manner, or (c) the rights of the Developer are or may be modified, limited, restricted or otherwise adversely affected in any manner.

ARTICLE VIII
TERMINATION

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the City and the Developer, and the Developer shall have no claim or right to any further payments for the Authorized Improvements Cost hereunder, which has not been accepted by the City or as otherwise may be provided in such written consent.

Section 8.02. City's Election for Cause.

(a) The City, upon notice to Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such breach or default described in Section 8.02(a) occurs, the City shall give written notice of its knowledge of such breach or default to the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice). Upon receipt of such notice, Developer agrees to promptly meet and confer with the City Inspector and other appropriate City staff and consultants as to available options to assure timely completion, subject to the terms of this Agreement, of the Authorized Improvements. The City shall allow the Developer a minimum of ninety (90) days to eliminate or to mitigate such breach or default to the reasonable satisfaction of the City ("Cure Period"). The Cure Period may be extended, at the sole discretion of the City, if the Developer, to the reasonable satisfaction of the City, is proceeding with diligence to eliminate or mitigate such breach or default. If at the end of the Cure Period (and any extension thereof), as determined reasonably by the City, the Developer has not eliminated or completely mitigated such grounds to the reasonable satisfaction of the City, the City may then terminate this Agreement. Upon termination of this Agreement, the City shall (i) provide written notice of such termination the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice) and (ii) instruct the Trustee to cease making payments for the Actual Costs and/or Budgeted Costs, as appropriate, of Authorized Improvements, provided that the Developer shall receive payment of the Actual Costs or Budgeted Costs, as appropriate, of any Authorized Improvements that were accepted by the City at the time of termination, so long as the Developer has complied with the requirements of the Development Agreement, this Agreement and the Indenture.

(c) Except as set forth in subsection (b), above, if this Agreement is terminated by the City, the Developer shall have no claim or right to any further payments for the Authorized Improvements hereunder and the City shall have no obligation to perform any work related to Authorized Improvements or to incur any associated expense or cost.

Section 8.03. Termination Upon Payment of Authorized Improvements. This Agreement will terminate upon the Final Completion of the Authorized Improvements and payment to the Developer as provided for in the Indenture.

Section 8.04. Construction of the Authorized Improvements Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Authorized Improvements in accordance with this Agreement and the Development Agreement.

Section 8.05. Force Majeure. 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), then the specified time for performance shall be extended by the amount of the delay actually so caused.

ARTICLE IX
MISCELLANEOUS

Section 9.01. Limited Liability of City. The Developer agrees that any and all obligations of the City arising out of or related to this Agreement are special obligations of the City, and the City's obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Project Fund and from no other source. Neither the City, the City Inspector, City Representative nor any other City employee, officer, official or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	Attn: City Manager City of Princeton 2000 E Princeton Drive Princeton, Texas 75407
With a copy to:	Attn: City Attorney Wolfe, Tidwell & McCoy, LLP City of Princeton Attorney 2591 Dallas Parkway, Suite 205 Frisco, TX 75034
To MM Princeton:	Attn: Mehrdad Moayedi MM Princeton 854, LLC 1800 Valley View Lane, Suite 300 Farmers Branch, Texas 75234
With a copy to:	Attn: Travis Boghetich Boghetich Law, PLLC 1800 Valley View Lane, Suite 360 Farmers Branch, Texas 75234
To Pulte:	Attn: Jeff Poole

Pulte Homes of Texas, L.P.
9111 Cypress Waters, Suite 100
Coppell, Texas 75019

With a copy to: Attn: Travis Boghetich
Boghetich Law, PLLC
1800 Valley View Lane, Suite 360
Farmers Branch, Texas 75234

To Horton: Attn: David Booth
D.R. Horton – Texas, Ltd.
4306 Miller Road
Rowlett, Texas 75088

With a copy to: Attn: Travis Boghetich
Boghetich Law, PLLC
1800 Valley View Lane, Suite 360
Farmers Branch, Texas 75234

To GBRK: Attn: Brian Hunnicutt
Greenbrick Partners
5501 Headquarters Drive, Suite 300W
Plano, Texas 75024

With a copy to: Attn: Travis Boghetich
Boghetich Law, PLLC
1800 Valley View Lane, Suite 360
Farmers Branch, Texas 75234

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

The City shall advise the Developer of the name and address of any person who is to receive any notice or other communication pursuant to this Agreement.

Section 9.03. 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 9.04. Audit. The City Inspector 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 the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Authorized Improvements and any bids taken or received for the construction thereof or materials therefor.

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 9.02 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 lienholder on the Property, without prior written consent of the City Representative. A lienholder is not a party to this Agreement unless this Agreement is amended, with the consent of the lienholder, to add the lienholder as a Party. 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 Representative (which consent shall not be unreasonably withheld if assignee demonstrates financial ability to perform), except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for an Authorized Improvement. In any event, any such assignment shall be in writing, 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, City Regulations, Development Standards, use regulations, ordinances or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this Agreement and the Development Agreement, the Development Agreement shall control. To the extent there is a conflict between this Agreement and the Indenture, the Indenture shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the City or the Developer shall be for the sole and exclusive benefit of the City and the Developer.

Section 9.10. Amendment. Except as otherwise provided in Section 9.05, upon agreement by the parties, this Agreement may be amended, from time to time in a manner consistent with the Act, the Indenture, and the Bond Ordinance by written supplement hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective upon its execution and delivery, on the Closing Date of the Bonds, by the parties hereto. All representations and warranties set forth therein shall be deemed to have been made on the Closing Date of the Bonds.

Section 9.13. 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 9.14 Term. The term of this Agreement, other than the provisions contained herein which survive the termination of this Agreement, shall be pursuant to Section 8.03 of this Agreement.

Section 9.15 Statutory Verifications.

The Developer makes the following representation and verifications to enable the City to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned Company. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

Section 9.16 Form 1295. Submitted herewith is a completed Form 1295 in connection with the Developer's participation in the execution of this Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of _____, 2026.

CITY OF PRINCETON

By: _____
Name: Eugene Escobar, Jr
Title: Mayor

ATTEST:

By: _____
Name: Amber Anderson
Title: City Secretary

APPROVED AS TO FORM:

_____
Name: Clark McCoy
Title: City Attorney

MM PRINCETON:

MM PRINCETON 854, LLC,
a Texas limited liability company

By: MMM Ventures, LLC,
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC,
a Delaware limited liability company
Its Manager

By: _____
Name: Mehrdad Moayedi
Its: Manager

[MM PRINCETON SIGNATURE PAGE TO WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 IMPROVEMENT AREAS #3A-3C PROJECTS CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT]

PULTE:

PULTE HOMES OF TEXAS, L.P.,
a Texas limited partnership

By: Pulte Nevada I LLC,
a Delaware limited liability company
its General Partner

By: _____
Name: _____
Title: _____

[PULTE SIGNATURE PAGE TO WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 IMPROVEMENT AREAS #3A-3C PROJECTS CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT]

HORTON:

D.R. HORTON – TEXAS, LTD.,
a Texas limited partnership

By: D.R. HORTON, INC.,
a Delaware corporation,
its authorized agent

By: _____
Name: _____
Title: _____

[HORTON SIGNATURE PAGE TO WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 IMPROVEMENT AREAS #3A-3C PROJECTS CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT]

GRBK:

GRBK EDGEWOOD, LLC
a Texas limited liability company

By: _____
Name: _____
Title: _____

[GRBK SIGNATURE PAGE TO WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT NO. 2 IMPROVEMENT AREAS #3A-3C PROJECTS CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT]

APPENDIX G

APPRAISAL

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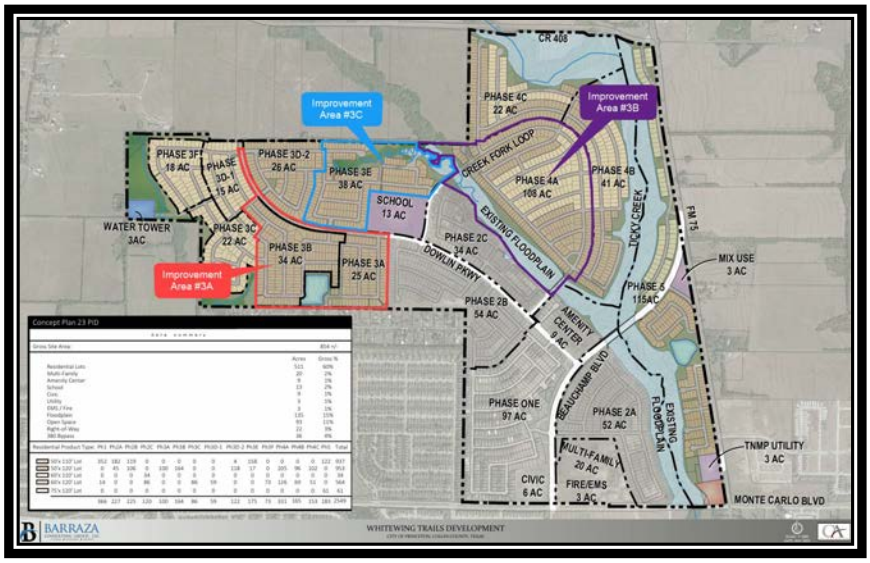
APPRAISAL REPORT

PROJECT #A26-0129-08



WHITEWING TRAILS PUBLIC IMPROVEMENT DISTRICT
72.282 ACRES CONTAINING 264 RESIDENTIAL LOTS IN IMPROVEMENT AREA #3A,
96.113 ACRES CONTAINING 331 RESIDENTIAL LOTS IN IMPROVEMENT AREA #3B,
AND 45.223 ACRES CONTAINING 175 RESIDENTIAL LOTS IN IMPROVEMENT AREA #3C
PRINCETON, COLLIN COUNTY, TX 75407

FOR:

FMSBONDS, INC.
5 COWBOYS WAY, SUITE 300-25
FRISCO, TEXAS 75034

EFFECTIVE DATES OF APPRAISAL:
SEPTEMBER 1, 2025 (DATE OF SUBSTANTIAL COMPLETION) FOR 264 RESIDENTIAL LOTS IMPROVEMENT AREA #3A, FEBRUARY 1, 2026 (DATE OF SUBSTANTIAL COMPLETION) FOR 331 RESIDENTIAL LOTS IN IMPROVEMENT AREA #3B, AND MAY 1, 2026 (DATE OF SUBSTANTIAL COMPLETION) FOR 175 RESIDENTIAL LOTS IN IMPROVEMENT AREA #3C

PREPARED BY:
JAMES L. MAIBACH, CPM, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER, LESLIE TOLLIVER, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER, AND BRANDON LAWSON, APPRAISER TRAINEE
OF:

PEYCO SOUTHWEST REALTY, INC.
1703 NORTH PEYCO DRIVE
ARLINGTON, TEXAS 76001

March 27, 2026

Mr. R.R "Tripp" Davenport, III
Director
FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034
tdavenport@fmsbonds.com

SUBJECT: Market Value "Upon Completion" Appraisal
Whitewing Trails Public Improvement District, Improvement Area #3A, #3B, and #3C
Princeton, Collin County, Texas

Mr. Davenport,

At your request, we have inspected and appraised the above-referenced property. The purpose of the appraisal is to develop an opinion of retrospective market value of the Fee Simple interest of the 264 residential lots located in Improvement Area #3A (IA #3A) of the Whitewing Trails Public Improvement District (referred to as Whitewing Trails PID), the retrospective market value of 331 residential lots located in Improvement Area #3B (IA #3B), and the prospective market value of 175 residential lots located in Improvement Area #3C (IA #3C). Whitewing Trails PID has a total of 213.618-acres consisting of the following:

- Retrospective Market Value as of **September 1, 2025 for 264 detached residential lots in Whitewing Trails PID IA #3A on approximately 72.282 acres. The lots are as follows:**
  - **264 lots with 50-foot frontages**
- Retrospective Market Value as of **February 1, 2026 for 331 detached residential lots in Whitewing Trails PID IA #3B on approximately 96.113 acres. The lots are as follows:**
  - **205 lots with 50-foot frontages, and**
  - **126 lots with 60-foot frontages**
- Prospective Market Value as of **May 1, 2026 or 175 detached residential lots in Whitewing Trails PID IA #3C on approximately 45.223 acres. The lots are as follows:**
  - **175 lots with 50-foot frontages**

Note: Several graphics included in this report depict development phasing rather than the improvement area identifiers used throughout the analysis. Per the client's direction, Phase 3A and Phase 3B are collectively designated as Improvement Area #3A. Phase 4A is designated as Improvement Area #3B, and Phase 3E is designated as Improvement Area #3C for the purposes of this report.

The client and intended user for the assignment are FMSbonds, Inc. The City of Princeton is also an intended user. 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 Princeton or Collin County, nor is it the basis of a determination of the benefit of any constructed or installed public improvements will have on properties within Whitewing Trails PID.

At Substantial Completion, which was September 1, 2025 for IA #3A and February 1, 2026 for IA #3B and forecast to be May 1, 2026 for IA #3C, the subject property is expected to consist of the infrastructure necessary to provide residential streets, drainage, and utilities to the individual lots within Whitewing Trails PID. A public improvement district containing the property within Whitewing Trails PID, which comprises 861.564 total acres and is Zoned Planned Development via Ordinance No. 2009-07-28, dated July, 28, 2009, and amended via

Whitewing Trails Public Improvement District

Ordinance No. 2016-08-22, dated August 22, 2016 and via Ordinance No. 2019-06-24-01, dated May 27, 2019. Each of the lots are located in Princeton ISD.

Per discussions with the client and information pulled from the Development Agreement, IA #3A, 3B, and 3C within the Whitewing Trails PID comprises of a total of approximately 213.618 acres of land with an estimated build-out of 644 detached single-family residential 50-foot frontage (FF) lots and 126 detached single-family residential 60-FF lots totaling 770 improved residential lots, located in the City of Princeton, Texas. The subject property of this assignment - Whitewing Trails PID - will be developed across multiple phases.

Within Whitewing Trails PID IA #3A each of the 50-FF lot types will have an average of 6,000-square feet (SF). Within Whitewing Trails PID IA #3B each of the 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. Within Whitewing Trails PID IA #3C 158 of the 50-FF lot types will have an average of 5,500 SF and 17 of the 50-FF lot types will have an average of 6,000-SF. The minimum lot depths for each of the 50-FF and the 60-FF lots in IA #3A and #3B of the subject property will be 120' in depth. The minimum lot depths for 158 of the 50-FF in IA #3C of the subject property will be 110' in depth and 17 of the 50-FF in IA #3C of the subject property will be 120' in depth. The two lot types may have different market values with identical characteristics. We have considered any difference in market value based on lot depth is marginal, and other attributes, such as overall situs of the PID, are more important to the market value consideration of a single lot.

The focus of our appraisal of the Whitewing Trails PID is as follows:

Whitewing Trails PID			
Area Type	**50' Lot Type**	**60' Lot Type**	**Total Lots Appraised**
IA #3A	*264*	*0*	***264***
IA #3B	*205*	*126*	***331***
IA #3C	*175*	*0*	***175***
Total	*644*	*126*	***770***

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 Dates 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 dates utilized in this report are currently incomplete for IA #3C of the Whitewing Trails PID 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 provided by Barraza Consulting Group, LLC, the Professional Engineers, as of March 1, 2025, for 770 improved residential lots in Whitewing Trails PID.
- All information relative to the property located within Whitewing Trails PID including land areas, lot totals, lot sizes, and other pertinent data that was provided by MM Princeton 854, LLC; DR Horton - Texas, LTD; GRBK Edgewood, LLC; Pulte Homes of Texas, LP, (the "Developers"), Barraza Consulting Group, LLC (Professional Engineers and Surveyor), the City of Princeton, Collin County, and the Collin Central Appraisal District is assumed to be correct.
- The subject is proposed residential lots construction with an expected retrospective completion date of September 1, 2025 for IA #3A, a retrospective completion date of February 1, 2026 for IA #3B, and an expected prospective completion date of May 1, 2026 for IA #3C of Whitewing Trails PID; therefore, this report contains a retrospective and prospective opinion's 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.
- Following discussions with the client, 36 lots within IA #3B 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 Whitewing Trails PID development will obtain the LOMR and reclaim the 36 lots in IA #3B.

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 2026-2027 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 conclusions as of the Expected Completion Dates are as follows:

WHITEWING TRAILS PID IA #3A					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Retrospective Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
264	50 FF	$86,500	September 1, 2025	$1730/FF	$22,836,000
264					***$22,836,000***
Amenity Fee Reimbursement*				$1,500/per lot	$26,400
Marketing Fee Reimbursement*				$500/per lot	$26,400
Public Development Fee Reimbursement*				$1,800/per lot	$180,000
Total Retail Lot Value					**$23,068,800**

Note: The Amenity Fee, Marketing Fee, and Public Development Fee Reimbursement is only for 100 of the 264 total lots.

WHITEWING TRAILS PID IA #3B					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
205	50 FF	$87,500	February 1, 2026	$1750/FF	$17,937,500
126	60 FF	$103,200	February 1, 2026	$1720/FF	$13,003,200
331					***$30,940,700***

WHITEWING TRAILS PID IA #3C					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
175	50 FF	$88,500	May 1, 2026	$1770/FF	$15,487,500
175					***$15,487,500***

After considering discount cash flows, our final value conclusions "Upon Completion" is shown on the following page:

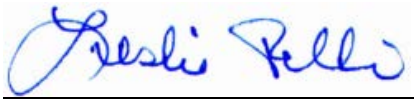
INCOME APPROACH VALUE INDICATION	
Fee Simple Interest, Complete September 1, 2025	
Whitewing Trails PID (IA #3A) ***264 Improved Lots on 72.282 Acres***	***$18,165,000 ($68,800/Lot Rounded)***
Fee Simple Interest, Complete Feburary 1, 2026	
Whitewing Trails PID (IA #3B) ***331 Improved Lots on 96.113 Acres***	***$25,261,000 ($76,300/Lot Rounded)***
Fee Simple Interest, Complete June 1, 2026	
Whitewing Trails PID (IA #3C) ***175 Improved Lots on 45.223 Acres***	***$13,070,000 ($74,600/Lot Rounded)***

Attached is our Appraisal Report which summarizes the investigation and analyses undertaken in arriving at our value conclusions. Should you have any questions, please contact our office.

Respectfully submitted,

Peyco Southwest Realty

James L. Maibach, CPM
TX-1323658-CG
State Certified General Real Estate Appraiser



Leslie Tolliver
TX-1381494-CG
State Certified General Real Estate Appraiser
Candidate for Designation, Appraisal Institute

Brandon Lawson

Brandon Lawson
TX-1343865-T
Appraiser Trainee
Associate Member, Appraisal Institute

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EXECUTIVE SUMMARY

Property Name	**Whitewing Trails PID; Improvement Area #3A, #3B, and #3C**
Property Type	Master-Planned Community
Location	Northwest Quadrant of Monte Carlo Boulevard and Longneck Road
City, County, State, Zip	City of Princeton, Collin County, TX 75407
Legal Descriptions (Collin CAD)	Multiple Legal Descriptions
Owner of Record	MM Princeton 854, LLC; DR Horton - Texas, LTD; GRBK Edgewood, LLC; Pulte Homes of Texas, LP
Census Tract	0310.03
Tax ID – Collin Central Appraisal District	Multiple Tax ID's
Total Land Area	213.618-AC - Total Land Area
Total Lots	770 Total Lots
Total Lots by Improvement Area	264 50-Front Footage Width Lots in IA #3A 205 50-Front Footage Width Lots in IA #3B 126 60-Front Footage Width Lots in IA #3B 175 50-Front Footage Width Lots in IA #3C
Topography	Gently Sloping
FEMA Flood Zones	IA #3A: Unshaded Zone X; IA #3B/IA #3C: Unshaded Zone X and Shaded Zone AE
FEMA Panel	48085C0285J
FEMA Map Date	6/2/2009
Utilities	
Water	City of Princeton
Sewer	City of Princeton
Electric	Oncor
Natural Gas	Atmos
Zoning (City of Princeton)	Planned Development - 10
Future Land Use	Single-Family Residential Subdivision
Highest & Best Use	Single-Family Residential Subdivision
Final Value Conclusion IA #3A (Income)	**$18,165,000 ($68,800/Lot Rounded) Effective Date of September 1, 2025, for 264 Improved Residential Lots on 72.282 Acres**
Final Value Conclusion IA #3B (Income)	**$25,261,000 ($76,300/Lot Rounded) Effective Date of Feburary 1, 2026, for 331 Improved Residential Lots on 96.113 Acres**
Final Value Conclusion IA #3C (Income)	**$13,070,000 ($74,600/Lot Rounded) Effective Date of June 1, 2026, for 175 Improved Residential Lots on 45.223 Acres**
Exposure Period	6-12 Months
Marketing Period	6-12 Months
Date of Inspection	February 9, 2026
Dates of Valuation	September 1, 2025 for IA #3A Feburary 1, 2026 for IA #3B June 1, 2026 for IA #3C
Report Date	March 27, 2026

CERTIFICATION

We certify that, to the best of our knowledge and belief that:

(1) The statements of fact contained in this report are true and correct.

(2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

(3) We have no present or prospective interest in the property that is the subject of this analysis, and we have no personal interest with respect to the parties involved.

(4) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

(5) Our compensation for completing this assignment is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this report, or upon developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our engagement in this assignment is not contingent upon developing or reporting predetermined results.

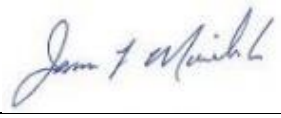
(6) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

(7) Leslie Tolliver has inspected the subject property. James L. Maibach and Brandon Lawson have not physically viewed the subject property. The values herein were developed and reported by James L. Maibach, Leslie Tolliver, and Brandon Lawson.

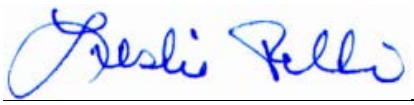
(8) This assignment was not based on a requested minimum value, a specific valuation, or the approval of a loan.

(9) None of the signatories have previously performed services as an appraiser or in any other capacity, other than that specifically stated, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.

(10) James L. Maibach is not a member of the Appraisal Institute. Leslie Tolliver is a Candidate for Designation and Brandon Lawson is an Associate Member of the Appraisal Institute. As of the date of this report, Leslie Tolliver has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute, and Brandon Lawson has completed the Standards and Ethics Education Requirements for Associate Members. The use of this report is subject to the requirements of the Appraisal Institute relating to review by their duly authorized representatives.



James L. Maibach, CPM
TX-1323658-CG
State Certified General Real Estate Appraiser



Leslie Tolliver
TX-1381494-CG
State Certified General Real Estate Appraiser
Candidate for Designation, Appraisal Institute

Brandon Lawson

Brandon Lawson
TX-1343865-T
Appraiser Trainee
Associate Member, Appraisal Institute

SCOPE OF WORK

Scope of Work is defined by the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." Under the Scope of Work Rule, the appraiser must:

- Identify the problem to be solved;
- Determine and perform the scope of work necessary to develop credible assignment results; and
- Disclose the scope of work in the report.

The problems to be solved are:

- Determine the Retrospective Market Value with a Substantial Completion Date of September 1, 2025 for the Fee Simple interest of 264 improved single-family residential lots in IA #3A of Whitewing Trails PID.
  - 50-FF - 264 lots

- Determine the Retrospective Market Value with a Substantial Completion Date of February 1, 2026 for the Fee Simple interest of 331 improved single-family residential lots in IA #3B of Whitewing Trails PID.
  - 50-FF - 205 lots
  - 60-FF - 126 lots

- Determine the Prospective Market Value with a Substantial Completion Date of May 1, 2026 for the Fee Simple interest of 175 improved single-family residential lots in IA #3C of Whitewing Trails PID.
  - 50-FF - 175 lots

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.

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.

1 The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice, Washington, D.C.: Appraisal Standards Board (2020-2021), DEFINITIONS

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 – Collin Central Appraisal District (CCAD)
- Legal descriptions
- Deed Records – Collin County
- Approved Ordinance No. 2009-07-28, as amended, by the City of Princeton
- The Whitewing Trails PID Concept Plan Exhibit and Survey by Barraza Consulting Group, LLC, Professional Surveyors

Type and Extent of Data Researched
The following information was reviewed in preparing this report:

- Public record data
- Approved Ordinance No. 2009-07-28, as amended, by the City of Princeton
- City of Princeton Maps and Land Use Plans
- Flood plain maps
- Topographic maps
- Demographics – CoStar, ESRI, and US Census Bureau
- Market Conditions Data – S&P Case Schiller, CoreLogic, Zonda, NTREIS, JLL, CBRE, Integra, CoStar, etc.
- The Whitewing Trails PID Concept Plan Exhibit and Survey by Barraza Consulting Group, LLC, Professional Surveyors
- Estimated development costs provided by Barraza Consulting Group, LLC, Professional Engineers
- Conversations with developers and homebuilders in DFW market
- Development Agreement between MM Princeton 854, LLC and the City of Princeton

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:

- 770 Improved Single-Family Residential Lots (50-FF and 60-FF)

Improved Detached Single-Family Residential Lots (770 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 not all major improvements are in place, *the Cost Approach is not the most appropriate and thus was not utilized* for the 770 Improved Residential Lots.

Income (Subdivision Development) Approach

In the Income Capitalization Approach, the retail value of the residential lots is estimated. The individual lot values are based on lot sales in competing developments. The absorption rates, expenses, and discount rates are also based on competing developments. Since sales of individual lots to an end-user homeowner is exceedingly rare in tract home subdivisions in this market, the value of an individual retail lot is effectively the same value of a portion of lots to a homebuilder because homebuilders tend to be the exclusive buyers of vacant developed lots from land developers. In addition, discussions with developers and homebuilders as well as review of contracts indicate that lots are typically received by the builders on a takedown schedule with annual price escalations of approximately 6% so the lots are not released in bulk to the home builders. The indicated value by the Income (Subdivision) Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since the problem to be solved in this assignment is to determine the bulk sale value of 770 improved residential lots, as of the dates of Substantial Completion (Effective Dates), *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 and land in the Whitewing Trails PID is summarized below:

Approach	***Applicability to Subject***	***Use in Assignment***
Cost Approach	*Not Appropriate 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 50-FF Lots, and the 60-FF Lots*	*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 60% is industrial warehouse, 20% is Class B and C office and 20% in retail product in Tarrant, Dallas, and Johnson counties. Mr. Maibach has been personally involved in over 135 residential development projects as a broker, developer, bank director, and zoning consultant in the past 35 years. Leslie E. Tolliver is a State Certified General Appraiser and has appraised numerous properties similar to the subject since 2015. Brandon Lawson is an Appraiser Trainee and has assisted in numerous properties similar to the subject property. Attention is invited 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, since 1976. In the past 12 months, our firm has completed numerous valuation assignments involving similar properties. Mr. Maibach currently owns since 1998, represents, and manages multiple properties throughout the DFW Metroplex, mostly in Tarrant, Dallas, Johnson, and Ellis Counties. The subject is located in the City of Princeton, Collin County, Texas.

INTENDED USE AND USERS

The intended use of the appraisal is to estimate the market value upon completion of the underwriting of a proposed Public Improvement District bond transaction as of the Effective Dates of Substantial Completion. The client and intended user is FMSbonds, Inc. The City of Princeton 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 Princeton 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 **March 27, 2026.** The initial draft of this appraisal report was completed on **February 26, 2026.**

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 **September 1, 2025 for IA #3A, February 1, 2026 for IA #3B, and May 1, 2026 for IA #3C**, which is the expected dates of Substantial Completion. Leslie Tolliver Inspected the property on **February 9, 2026**. James L. Maibach, and Brandon Lawson have not inspected the subject property.

ASSIGNMENT CONDITIONS
Assignment conditions include assumptions that affect the scope of work, other than those previously discussed in the "Assumptions and Limiting Conditions". There are no other material and specific Hypothetical Conditions or Extraordinary Assumptions other than those referenced in this report.

PROPERTY RIGHTS APPRAISED
The property rights appraised in this assignment are the Fee Simple Estate in the subject property. A commitment for Title Insurance was not submitted to the appraisers and reservations, if any, are unknown. If property rights differ from the above definitions, the value may be affected.

ASSETS APPRAISED
The assets appraised in this appraisal assignment include land, any primary and ancillary site improvements. No furniture, fixtures, equipment (FF&E), personal property, mineral rights or business value were included in the valuation process.

ENVIRONMENTAL CONDITIONS
No environmental report was available to us, and no recent environmental tests were performed. Because we have no evidence to the contrary, we have assumed that the property is free of any material defects, other than those noted, which would adversely affect the value, including, but not limited to, asbestos and toxic waste. Our value conclusions are subject to revision should these assumptions prove incorrect. We caution and advise the user of this report to obtain environmental studies which may be required to ascertain the status of the property regarding asbestos and other hazardous materials.

HISTORY OF SUBJECT PROPERTY
Collin Central Appraisal District deed records indicate that IA #3A is owned by MM Princeton 854, LLC, IA #3B is owned by DR Horton - Texas, LTD, and IA #3C is owned by GRBK Edgewood, LLC. The subject property consists of multiple parcels as IA #3A has been platted for development. The history of the subject property is outlined below:

- IA #3A:
    - Currently, IA #3A is platted for development, prior to being replatted, MM Princeton 854, LLC was deeded parcel #2658194 from Macavity Company, LLC via deed instrument 20190227000202460, dated February 27, 2019. Details of this transaction were not disclosed to the appraisers. This transaction appears to be arms-length.
- IA #3B:
    - DR Horton - Texas, LTD was deeded parcel #2919098 from MM Princeton 854, LLC via deed instrument 2024000047052, dated April, 27, 2024. The purchase price of the property was for 276 acres, which is to be developed into approximately 639 single-family residential paper lots for $21,087,000 (76,402/AC) plus a $1,000 amenity fee per Paper Lot; and a $500 marketing fee per Paper Lot. This transaction appears to be arms-length and the sales price was within market rates.
- IA #3C:
    - GRBK Edgewood, LLC was deeded parcel #2950988 from MM Princeton 854, LLC via deed instrument 2025000030207, dated March 14, 2025. The purchase price of the property was for

45.223 acres, which is to be developed into approximately 175 single-family residential paper lots for $5,250,000 (116,091/AC) plus a $1,000 amenity fee per Paper Lot; a $500 marketing fee per Paper Lot, and a $1,800 public development fee per Paper Lot. This transaction appears to be arms-length and 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

The subject property includes multiple tracts consisting of various legal descriptions within the Whitewing Trails PID as IA #3A has been partially replatted for development. IA #3B and IA #3C have not been replatted at this time:

- Prior to being replatted, parcel #2658194 was legally described as: Subdivision- Name: CHERRY, DAVID SY, Reference - S / 166
- Parcel #2919098: ABS A0166 DAVID CHERRY SURVEY, SHEET 2, TRACT 232, 231.997 ACRES
- Parcel #2950988: ABS A0166 DAVID CHERRY SURVEY, SHEET 2, TRACT 237, 45.223 ACRES

COMPLETED TRANSACTIONS TO BUILDERS

The land within the development is owned by MM Princeton 854, LLC, DR Horton - Texas, LTD, and GRBK Edgewood, LLC. The subject property has three completed sales contracts and one pending sales contract. The first completed Purchase and Sale Agreement, dated January 30, 2024, is between MM Princeton 854, LLC (Sellers) and Pulte Homes of Texas, LP (Buyer) for approximately 250 single-family residential paper lots in phase 3 consisting of 164 50-FF lots and 86 60-FF lots. Under the contract terms, Pulte Homes of Texas, LP will acquire the 50-FF for $5,740,000 ($35,000/lot) and the 60-FF lots for $3,010,000 ($35,000/Lot). The Additional Consideration for these Phase 3 paper lots will accrue at a rate of 6.0%. Additionally, Pulte Homes of Texas, LP, will pay closing fees to the seller, including $1,500 for an amenity fee, and $500 for a marketing fee. The agreed-upon sales prices align with market values for comparable residential paper lots, and the transaction appears to be arms-length.

The second completed Purchase and Sale Agreement, dated December 17, 2024, is between MM Princeton 854, LLC (Sellers) and GRBK Edgewood, LLC (Buyer) for approximately 175 single-family residential paper lots in phase 3 consisting of 175 50-FF lots. Under the contract terms, GRBK Edgewood, LLC will acquire the 50-FF paper lots for $5,250,000 ($30,000/lot). The Additional Consideration for these Phase 3 paper lots will accrue at a rate of 6.0%. Additionally, GRBK Edgewood, LLC, will pay closing fees to the seller, including $1,500 per lot for an amenity fee, $500 per lot for a marketing fee, and $1,800 per lot for a public development fee. The agreed-upon sales prices align with market values for comparable residential paper lots, and the transaction appears to be arms-length.

The third completed Purchase and Sale Agreement, dated November 3, 2023, is between MM Princeton 854, LLC (Sellers) and DRHI, Inc. (Buyer) for approximately 639 single-family residential paper lots in phase 4. Under the contract terms, DRHI, Inc. will acquire the paper lots for $21,087,000 ($33,000/lot). The Additional Consideration for these Phase 4 paper lots will accrue at a rate of 6.0%. Additionally, DRHI, Inc. will pay closing fees to the seller, including $1,500 for an amenity fee and $500 for a marketing fee. The agreed-upon sales prices align with market values for comparable residential paper lots, and the transaction appears to be arms-length.

PENDING TRANSACTIONS TO BUILDERS

The remaining pending Purchase and Sale Agreement, dated May 26, 2020, is between MM Princeton 854, LLC (Sellers) and Beazer Homes Texas, LP (Buyer), as amended, for approximately 310 fully developed single-family residential lots across phase 2 and phase 3. Under the contract terms, Beazer Homes Texas, LP will acquire the 50-FF at $55,000 per lot in phase 2 and $60,000 per lot in phase 3. The 60-FF lots will be acquired for $60,000 per lot in phase 2 and $72,000 per lot in phase 3. The Additional Consideration for these phase 2 and phase 3 lots will accrue at a rate of 6.0%. Additionally, Beazer Homes Texas, LP, will pay closing fees to the seller, including $1,500 per lot for an amenity fee, $500 per lot for a marketing fee, and $1,800 per lot for a public development fee. The agreed-upon sales prices align with market values for comparable vacant improved residential lots, and the transaction appears to be arms-length.

Real Estate Taxes
Collin Central Appraisal District

Real estate tax assessments are administered by the Collin Central Appraisal District (CCAD) and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by $100, then multiplying the estimate by the composite rate.

Real estate taxes and assessments for using the subject property using the 2025 tax rates are shown in the following table which include taxes to the City of Princeton, Collin County, Collin College, and Princeton ISD. The projected combined tax rate for those entities is **2.548700 per $100 assessed** as shown in the table below:

Projected Property Taxes - 2026	
Entity	**Rate**
City of Princeton	0.440200
Collin County	0.149300
Collin College	0.081200
Princeton ISD	1.878000
Total	**2.548700**

The Whitewing Trails PID IA #3A is comprised of numerous contiguous tracts of land consisting of single-family and HOA parcels. Thus, if we were to add up every parcel that is currently within the Whole Property, the total would not give an accurate reflection of the land value for a 72.282-AC. A more accurate predictor of the assessed land value as a single parcel is to review unimproved tracts within IA #3B and #3C, and apply those assessed rates to IA #3A.

The Whitewing Trails PID IA #3B and 3C, is within two tracts of land consisting of two tax parcels. The projected (2026) tax burden for the subject property – which is currently in the process of being developed – is $486,844.37, which is partially reduced due to an ag exemption. A table of the assessed values and property taxes for the projected tax year (2026) of the subject property is shown below:

TAXES (COLLIN CAD - 2026)							
ID	**Owner**	**Size (AC)**	**Improvement Market Value**	**Land Market Value**	**Ag Exemption**	**Assessed Value**	**Estimated Taxes**
2919098	DR Horton - Texas, LTD	231.997	$ -	$ 18,481,525	$ -	$ 18,481,525	$ 347,064.56
2950988	GRBK Edgewood, LLC	235.7913	$ -	$ 8,634,963	$ 1,191,552	$ 7,443,411	$ 139,779.82
Total:		**467.788**	**$0.00**	**$27,116,488**	**$ 1,191,552**	**$25,924,936**	**$486,844.37**

The Land market value represented by Collin Central Appraisal District (Collin CAD) are not necessarily accurate. The land market that Collin CAD has determined - **$27,116,488 ($57,967/AC, $1.33/SF)** – would lead to a tax burden of **$509,220.53** for IA #3B and IA #3C. When the property is redeveloped into residential use, 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.

Applying the same rates to IA#3A (**$57,967/AC, $1.33/SF**) would lead to a land market value of **$4,190,002, which would lead to a tax burden of $78,684.05**.

Upon substantial completion of the improved lots, the appraised value is expected to increase significantly; however, based on our company's experience as licensed property tax consultants working with tax districts and homebuilders, we believe the finished lots will be assessed by the appraisal district at below retail lot value. Finished lots are often assessed by tax districts at approximately 70% of the retail value because the tax district does not have reliable information on updated costs and because developers are eligible for an inventory reduction on their lots.

MARKET OVERVIEW

ECONOMIC INDICATORS: BEIGE BOOK

FEDERAL RESERVE BANK (January 14, 2026)

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

Overall economic activity increased at a slight to modest pace in eight of the twelve Federal Reserve Districts, with three Districts reporting no change and one reporting a modest decline. This marks an improvement over the last three report cycles where a majority of Districts reported little change. Most banks reported slight to modest growth in consumer spending this cycle, largely attributed to the holiday shopping season. Several Districts also noted that spending was stronger among higher-income consumers with increased spending on luxury goods, travel, tourism, and experiential activities. Meanwhile, low to moderate income consumers were seen to be increasingly price sensitive and hesitant to spend on nonessential goods and services. Auto sales were little changed to down across most Districts. Manufacturing activity varied with five Districts reporting growth and six reporting contraction. Nonfinancial services demand was generally seen as steady to increasing somewhat. Banking conditions were generally reported as stable or improving, with some increased demand coming from credit cards, home equity loans, and commercial lending. Residential real estate sales, construction, and lending activity softened in the majority of Districts that report on the sector. Agriculture conditions were largely unchanged with only Atlanta reporting a modest decline due to weaker demand for exported commodities. Energy demand and production was flat to down slightly. Outlooks for future activity were mildly optimistic with most expecting slight to modest growth in coming months.

Labor Markets

Employment was mostly unchanged in the most recent period, with eight of the twelve Districts reporting no changes in hiring. Multiple Districts reported an increase in the usage of temporary workers, with one contact reporting this allows them "to stay flexible in uncertain times." When firms were hiring, it was mostly to backfill vacancies rather than create new positions. Firms reported continued challenges finding skilled labor, particularly in engineering, health care, and other trades. Several reports mentioned that fewer workers were switching jobs. Multiple contacts reported exploring AI implementation primarily for productivity enhancement and potential future workforce management. AI's current impact on employment was limited, with more significant effects anticipated in the coming years rather than immediately. Wages grew at a moderate pace, with multiple contacts reporting that wage growth had returned to "normal" levels.

Prices

Prices grew at a moderate rate across a large majority of Districts, with only two Districts reporting slight price growth. Cost pressures due to tariffs were a consistent theme across all Districts. Several contacts that initially absorbed tariff-related costs were beginning to pass them on to customers as pre-tariff inventories became depleted or as pressures to preserve margins grew more acute. But contacts in a few industries—like retail and restaurants—were reluctant to pass costs along to price-sensitive customers. Energy and insurance costs continued to be a significant strain on margins. Looking ahead, firms expect some moderation in price growth, but anticipated prices to remain elevated as they work through increased costs.

ELEVENTH DISTRICT
FEDERAL RESERVE BANK OF DALLAS – JANUARY 14, 2026

Summary of Economic Activity
Economic activity in the Eleventh District held steady over the reporting period. Little change was seen in manufacturing, retail, nonfinancial services, and real estate. The banking sector was a bright spot, with loan volumes increasing over the past six weeks. Activity in the energy sector weakened slightly, hampered by low oil prices. Employment was largely unchanged, and prices increased moderately. Outlooks remained cautious, dampened by concern over the level of demand and the inflationary impact of tariffs.

Labor Markets
Employment held largely steady over the reporting period. Some layoffs continued in the energy sector, particularly among oil and gas support services firms. Few layoffs were noted otherwise, though some contacts reported reduced work hours amid a slowdown in business. A staffing agency said companies are slow to backfill open positions and make hiring decisions in general. Overall, few labor shortages were noted, though there were scattered reports of difficulty filling certain skilled or semi-skilled positions due to a lack of qualified candidates. When asked about the effect of AI on employment, most companies using AI said it hasn't had an impact, though a quarter expect it to decrease their need for workers over the next few years. Wage growth in 2025 among more than 250 surveyed Texas manufacturing and services firms was 3.5 percent, on average, down from 4.3% in 2024. Firms expect 3.3% wage growth in 2026, on average. Among energy firms, wage growth stagnated.

Prices
Price pressures remained moderate overall, with the exception of manufacturing raw materials prices which remained elevated. In a recent Dallas Fed survey, services companies reported 3.7% input price growth in 2025, on average, down slightly from 2024, and they expect input cost growth to moderate further in 2026, to 3.1%. Among manufacturers, input cost growth averaged 5.5% in 2025, up notably from 3.8% in 2024, and is expected to slow notably to 4.1% 2026. Selling price growth ticked down to 2.3% in 2025 and is expected to be 2.5% in 2026, on average across sectors. Contacts continued to note a combination of absorbing tariff costs and passing some on to customers.

Manufacturing
Factory output was flat to down slightly in December after a strong November. Recent weakness was driven primarily by nondurable goods production, including chemicals. Petrochemical production fell, with contacts saying some customers were holding back or canceling orders due to anemic global demand and the high level of uncertainty, particularly regarding trade policy. Machinery and transportation equipment manufacturing were areas of relative strength. Capital spending among manufacturers continued to increase moderately. Manufacturing outlooks were hampered by continued tariff uncertainty, though contacts said lower interest rates could help spur demand.

Retail Sales
Retail sales activity was mixed in December. Retailers noted that customers remained price sensitive, with even marginal price adjustments leading to significant changes in demand. Retailers observed consumer bifurcation, with lower-income households particularly struggling with higher prices. In some Hispanic communities, store traffic dropped due to immigration enforcement concerns. Auto dealers reported weaker sales compared to the previous year, though one noted that luxury brand sales were holding up better. Overall outlooks for the coming year were tepid but positive on net, with many contacts expecting increases in sales.

Nonfinancial Services

Activity in nonfinancial services was largely flat over the reporting period. Some revenue gains were seen among leisure and hospitality firms, as well as in education and health care. Recent weakness was concentrated in professional and business services. A consulting firm said they were seeing a reduction in the number of opportunities for consulting services in the public sector. Activity in transportation services was mixed—softness was reported in cargo volumes, while air lines reported improving demand across the industry. Holiday air travel bookings were strong, and one contact noted that demand for higher-priced international travel has been unexpectedly robust. Staffing contacts said demand held steady. Outlooks were fairly stable overall, with contacts broadly expecting increased activity six months from now. The level of demand remained the top outlook concern, followed closely by domestic policy uncertainty and inflation.

Construction and Real Estate

Conditions in the housing market remained challenging during the reporting period. Existing home sales were fairly steady but weak. On the new home side, demand for entry-level homes was sluggish, while the move-up and luxury markets were somewhat resilient, according to contacts. Homebuilders reported an elevated level of speculative inventory. There was ongoing downward pressure on home prices and builder margins, and outlooks remained weak.

Commercial real estate activity improved on net. Apartment demand slowed at year end, and rent concessions remained widespread. Office leasing increased overall but was fragmented, with strong net absorption reported for top-tier space, but continued weakness in demand for lower-tier properties. Leasing demand for industrial and retail space was solid.

Financial Services

Loan volume and demand increased in December after decreasing in the previous month. Loan volume was driven up by commercial real estate loans. Credit standards and terms tightened; however, loan pricing continued to decline. Overall loan performance deteriorated at a slower pace than the prior period. Bankers reported increasing general business activity. Their outlooks leaned optimistic. Contacts expect growth in loan demand and business activity six months from now but a slight deterioration in loan performance.

Community Perspectives

Nonprofits continued to report elevated demand for social services, driven by economic pressures and community needs. The heighted demand for food assistance from the disruption of the federal Supplemental Nutrition Assistance Program has largely abated, though demand remains higher than last year. Contacts noted that lower-income families budgeted more tightly during the holiday season to manage limited resources, seeking bargains and cutting back on travel and dining out. A community services nonprofit in Southern New Mexico said some migrant farm workers have been afraid to show up to work given recent immigration enforcement policies, and that even missing one paycheck is impactful to their households. A workforce development con tact noted higher demand for employment services compared with this time last year and said there is increasing interest in workshops on the adoption of AI and other digital tools.

TEXAS ECONOMIC OUTLOOK (EXCERPTS)
Texas A&M University – Texas Real Estate Research Center
Jorge Barro (Updated January 16, 2026)

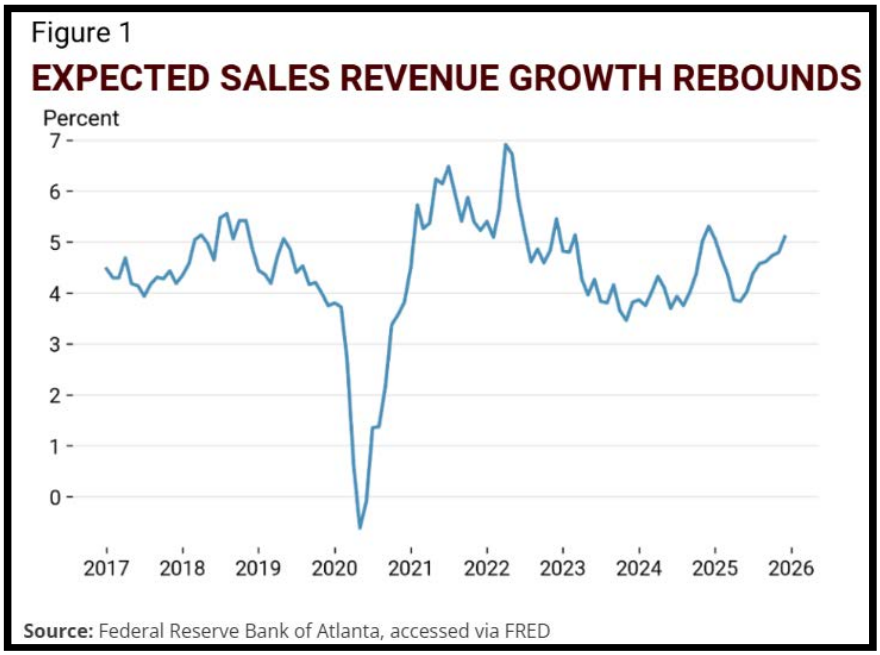
Summary
The U.S. economy continues to expand at a robust pace, despite recent headwinds in the labor market. Third quarter 2025 real gross domestic product increased at an annual rate of 4.3%, exceeding expectations and increasing from a rate of 3.8% in the second quarter 2025. Consumer spending, which historically accounts for roughly two-thirds of real GDP, continued to sustain elevated economic growth in the third quarter with contributions from trade and government spending as well. Within consumer expenditures, healthcare remains a leading contributor to growth. Investment declined slightly, resulting from a decline in inventories.

The U.S. labor market sustained weak growth in December as the U.S. economy added 50,000 jobs. The unemployment rate, however, dipped slightly to 4.4 percent, down from 4.5%. Business sentiment in survey data indicates widespread labor market optimism in the coming months. Data from the National Federation of Independent Businesses and the Federal Reserve Banks of Atlanta and Dallas show an improvement trend in expected hiring over the next several months. In the months preceding the COVID pandemic, the unemployment rate had been hovering around 3.5%, and labor markets could show some gravitation toward that value.

The Federal Reserve met in December and reduced its key short-term interest rate by 25 basis points to a range of 3.5% to 3.75%. Moreover, the Fed reaffirmed its commitment to stabilizing its balance sheet, which could ease financial conditions in short-term debt markets. Despite short-term rates falling, the 10-year Treasury yield increased 14 basis points from 4.02% to 4.16% in December. The 10-year Treasury rate remains a critical benchmark for long-term interest rates, including mortgage rates.

Stories We're Following

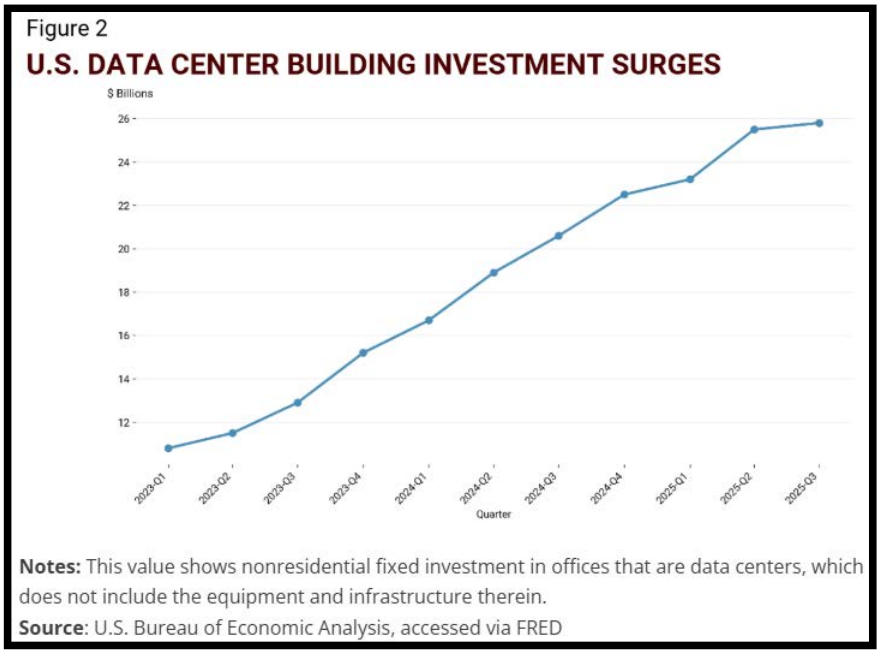
- ***Sales Revenue Growth Outlook***
  - *The issue: The Survey of Business Expectations housed at the Federal Reserve Bank of Atlanta tracks certain aspects of business sentiment and expectations. This survey offers early insights into the near-term U.S. macroeconomic outlook. Two important series provided by the survey are the average expected employment growth rate, which gives an outlook for labor markets, and the sales revenue growth rate, which gives an outlook for private sector economic growth. While the former has been a focus of past Texas Economic Outlook reports, this edition focuses on the latter.*
  - *Updates: Expected sales revenue growth surged in December, showing a strong rebound since the start of the global trade war in April of 2025. While the series shown here is a three-month average for smoothing, the unsmoothed series (not shown) reflects the largest increase since June of 2022 when inflation was surging. Now, as inflation trends downward, this improving sales growth outlook shows no signs of a looming economic downturn. Moreover, it could indicate an improvement in the employment outlook and the broader macroeconomic outlook.*



- *Labor Market Conditions*
  - *The issue: Several factors, including policy-related uncertainty and productivity advancements from artificial intelligence, have likely contributed to a slowdown in hiring. Despite the slowdown in hiring, the rate of layoffs has also remained mostly constant in recent months. This slowdown in both hiring and layoffs has coincided with a slow increase in the unemployment rate as the broad labor market cools. Two key factors provide an indication of the labor market outlook: 1) the hiring outlook, which is based on business survey data, and 2) historical pre-recession troughs in the unemployment rate, which shows where the natural rate of unemployment could be, absent any business cycle disruptions.*
  - *Updates: As of the end of December 2025, the unemployment rate stands at 4.4%. Two key observations show where the unemployment rate could trend towards as the economy recovers from the counter-cyclical monetary policy and broader policy uncertainty. First, in late 2019 and early 2020, before the steep economic effects of the pandemic, the unemployment rate appeared to be stabilizing and converging near 3.5%, possibly reflecting the natural rate of unemployment. Then, in April 2023, as the effects of post-pandemic fiscal and monetary stimulus subsided, the unemployment rate again troughed near 3.4% before rising again to its current level. Although the unemployment rate could continue to climb, hiring optimism in business surveys and a low natural rate of unemployment indicate the unemployment rate could soon begin gravitating toward its pre-pandemic trend.*

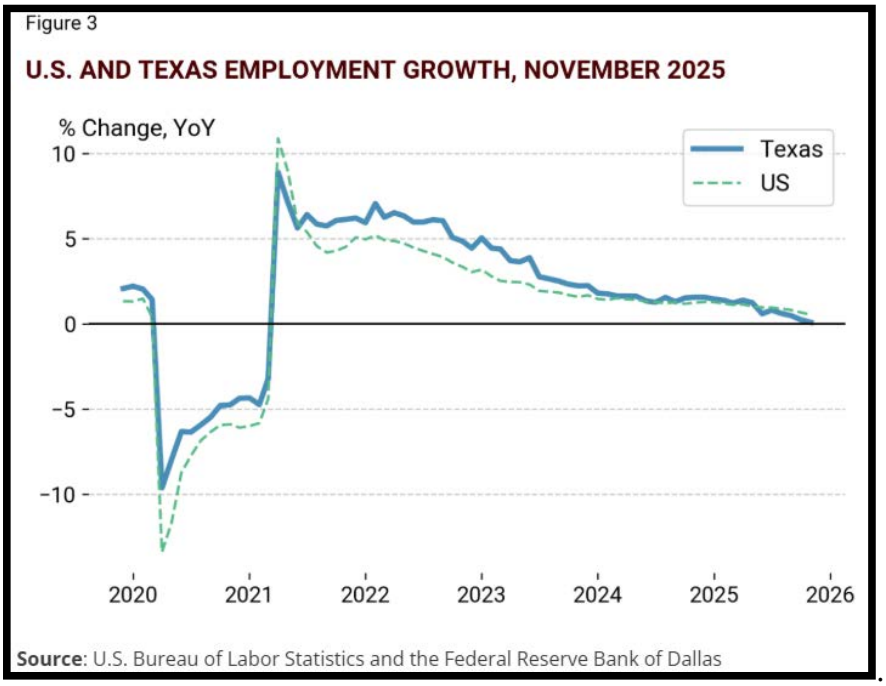
- *Data Center Investment*
  - *The issue: Technological advancements and the proliferation of artificial intelligence has required massive investment in data centers throughout the U.S. These data centers provide the critical infrastructure, including servers, storage systems, and other equipment, used to operate digital services. In recent years, the U.S. Bureau of Economic Analysis began itemizing data center structures as a component of its nonresidential fixed investments in offices. Although this only accounts for the building itself and not the hardware and infrastructure held within it, the value serves as an indicator of strong growth in the area.*

- *Updates: Texas has been a major beneficiary of the surge in data center investments. With 405 data centers, Texas is currently second only to Virginia, which has 663 data centers. Moreover, data center construction in Texas is set to double in the coming years as an additional 442 data centers are currently under construction or planned. This surge in data center construction is expected to have a large economic impact on both the state and the corresponding regions.*



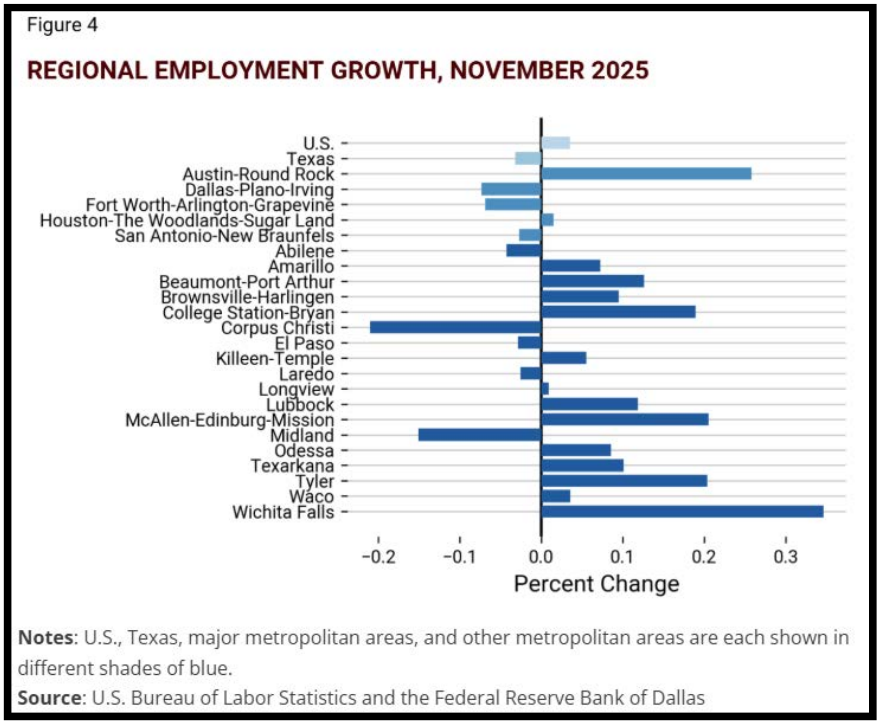
Texas Economic Indicators

The November labor market data showed a steepening deceleration in Texas. Year-over-year job growth fell below the national average with losses across several geographies and industries, particularly those that show sensitivity to oil prices (Figure 3). Despite these losses, business sentiment data shows signs of optimism that the broader labor market could rebound in 2026.



Employment

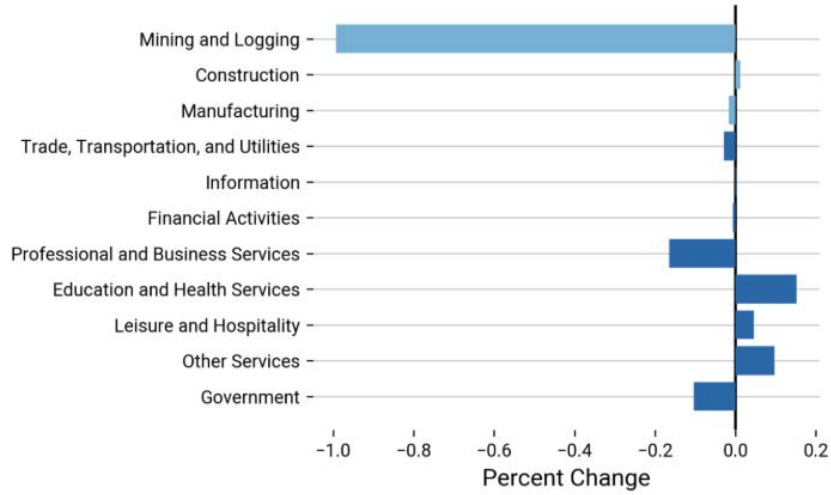
The November jobs report showed negative growth in Texas, while the broader U.S. grew slightly (Figure 4). Several regions throughout the state, including the Dallas-Fort Worth metropolitan area, experienced job losses. The Austin and Wichita Falls metropolitan areas experienced sizeable gains, while Houston and several other metropolitan areas experienced more moderate gains.



The November jobs report showed steep losses in the Texas Mining and Logging sector, likely the result of unusually low oil prices (Figure 5). Construction and manufacturing remained mostly flat in November, while the service sector showed mixed results.

Figure 5

TEXAS INDUSTRIAL EMPLOYMENT GROWTH, NOVEMBER 2025

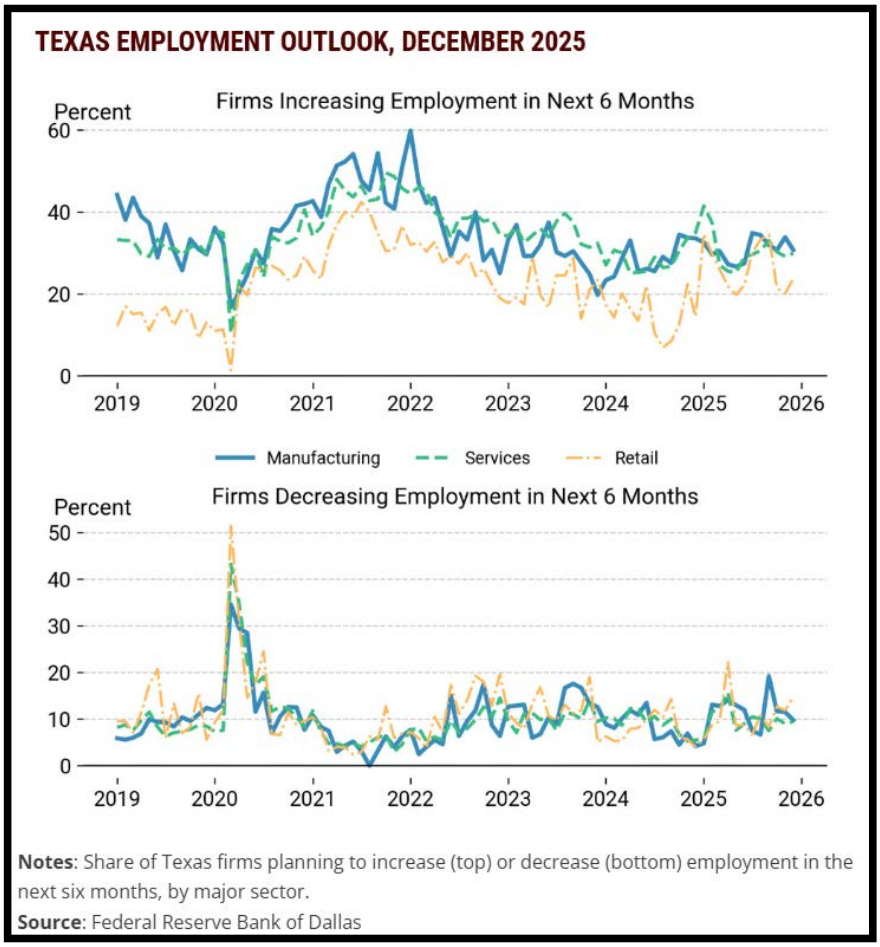


Notes: Goods-producing and service-providing industries are shown in different shades of blue.

Source: U.S. Bureau of Labor Statistics and the Federal Reserve Bank of Dallas

Employment Outlook

The share of Texas firms planning to hire in the next six months rose in services and retail while dipping slightly in the manufacturing sector (Figure 6). Manufacturing and services are still showing improvement, relative to the steep decline experienced in 2025, but the retail employment outlook remains low, despite the uptick. The number of firms planning to decrease employment dipped in manufacturing, while increasing slightly in retail and services. If the share of firms hiring in the next six months continues trending upward, it could confirm an improvement in the outlook for the broader Texas labor market and economy.

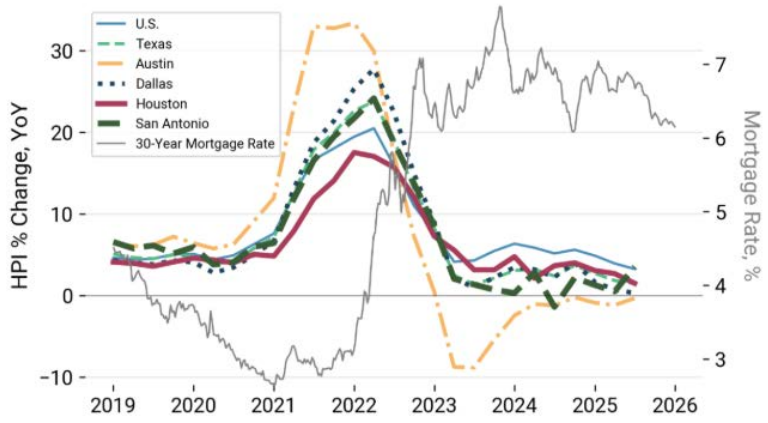


Housing and Mortgage Rates

Mortgage rates declined in December, as rates fell 7 basis points from 6.23% to 6.15% (Figure 7). Overall, mortgage rates have trended downward but have stabilized somewhat in recent months. Still, mortgage rates remain elevated, well above pre-pandemic lows, creating a headwind in the residential real estate market.

Figure 7

HOUSE PRICE GROWTH AND MORTGAGE RATES THROUGH DECEMBER 2025



Notes: House price index data is provided through Q3 2025, and mortgage rate data is provided through the end of December.
Source: FHFA and Freddie Mac, accessed via FRED

The mortgage spread (Figure 8), defined as the premium of mortgage rates over the 10-year Treasury yield, hit a critical benchmark, falling below 200 basis points for the first time since the Fed ceased its purchases of mortgage-backed securities in 2022. The spread fell 22 basis points, from 221 down to 199 basis points (i.e., from 2.21% points to 1.99% points). The mortgage spread, which provides useful context of mortgage rates in broader capital markets, remained elevated compared to the historical range of 150-175 basis points. This suggests that as capital markets normalize, mortgage rates could decline by another 25 basis points, relative to the 10-year Treasury yield.

Figure 8

INTEREST RATES AND THE MORTGAGE SPREAD, DECEMBER UPDATE

Notes: The mortgage spread is defined as the 30-year mortgage rate minus 10-year Treasury yield. Its typical range is 1.5 percent to 1.75 percent (150 to 175 basis points).

Source: Freddie Mac, Board of Governors of the Federal Reserve, and author's calculations; data accessed via FRED

TEXAS HOUSING INSIGHT (EXCERPTS)
Texas A&M University – Texas Real Estate Research Center
Yanling Mayer (February 3, 2026)

Summary

Texas home sales fell sharply in November 2025, extending the subdued momentum observed in October. The weaker-than-expected November sales partly reflect a difficult comparison with the unusually strong rebound in late 2024, when sharply lower interest rates temporarily drew out demand and boosted sales. National home sales showed a similar pattern, posting a notable decline in November.

Year to date (YTD), sales growth remains positive and is on track to produce a modest year-end gain of roughly 1% to 2%. Pending home sales (a forward-looking indicator) point to an uptick for December. The decline in mortgage rates through November and December, in anticipation of the Federal Reserve's third consecutive 25-basis-point rate cut on Dec. 18, 2025, was expected to draw additional buyers back into the market to close out the year.

New listing activity slowed markedly through November, reflecting both a larger-than-normal seasonal downturn and the impact of already elevated inventory levels that continue to exert pricing pressure on sellers. Overall inventory remains high and is well above what was typical before the pandemic. Meanwhile, as the housing market continues to adjust to persistent affordability constraints on one side and elevated inventory levels on the other, home prices are continually softening across major Texas metros.

Mortgage rates, already showing early signs of easing, are expected to decline further in 2026 as the administration proposes measures for Government Sponsored Enterprises to increase liquidity in the mortgage market. At the same time, the Federal Reserve's quantitative easing and continues support of the Treasury market are likely to exert additional downward pressure on interest rates. The path of mortgage rates will remain the dominant factor shaping buyer demand, seller participation, and inventory dynamics to the overall market transition in 2026.

November Sales Post a Large Decline, While YTD Growth Remains Positive

Table 1

NOVEMBER 2025 STATE & NATIONAL SALES

	Closed Sales	YoY Change	YTD Change	Median Price	Pending Sales YoY
Texas	22,950	(8.0%)	0.8%	$330,000	4.0%
U.S.	295,000	(6.3%)	(0.5%)	$410,000	3.3%

Notes: The sales numbers reflect actual sales, not the seasonally adjusted annual rate.
Source: Texas REALTORS and National Association of REALTORS data (accessed at Haver Analytics)

- *November sales declined 8% from a year ago. The weak year-over-year (YoY) number was partly attributable to the unusually strong market rebound in later 2024, when sharply lower interest rates temporarily boosted demand. Even so, YTD sales remained at 0.8% above last year's level.*
- *November's median home prices held steady at $333,000 month-over-month (MoM), slightly below last year's level of $333,000.*
- *Similarly, seasonally unadjusted national home sales fell 6.3%. Regionally, sales fell 9.5% in the Northeast, 6.5% in the Midwest, 5% in the South, and 7% in the West.*
- *The national median home price of existing single-family homes was $410,000, a modest increase from $404,400 a year earlier.*

Monthly Market Snapshot: November Sales and Inventory Trends

Table 2

TEXAS HOUSING MARKET INDICATORS

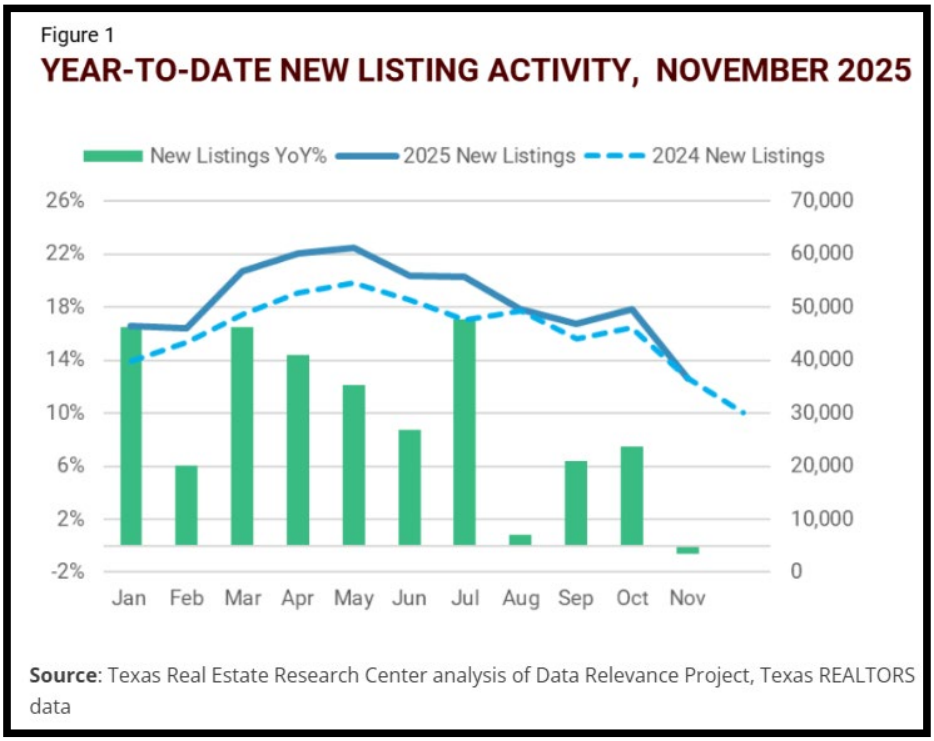
Sales Activity	Nov-2025	Nov-2024	Nov-2023
Average Days on Market	72	63	55
Turnover Rate	16.4%	18.6%	20.7%
Median Seller Price Cuts	$18,740	$15,000	$14,000
Sale-to-List Price Ratio	0.95	0.96	0.96

Active Inventory	Nov-2025	Nov-2024	Nov-2023
Months' Supply	5.2	4.5	3.7
Average Days on Market	103	95	89

Notes: The turnover rate is calculated as pending sales divided by inventory, where inventory is the average of month-beginning and month-end inventory
Source: Texas Real Estate Research Center analysis of Data Relevance Project and Texas REALTORS data

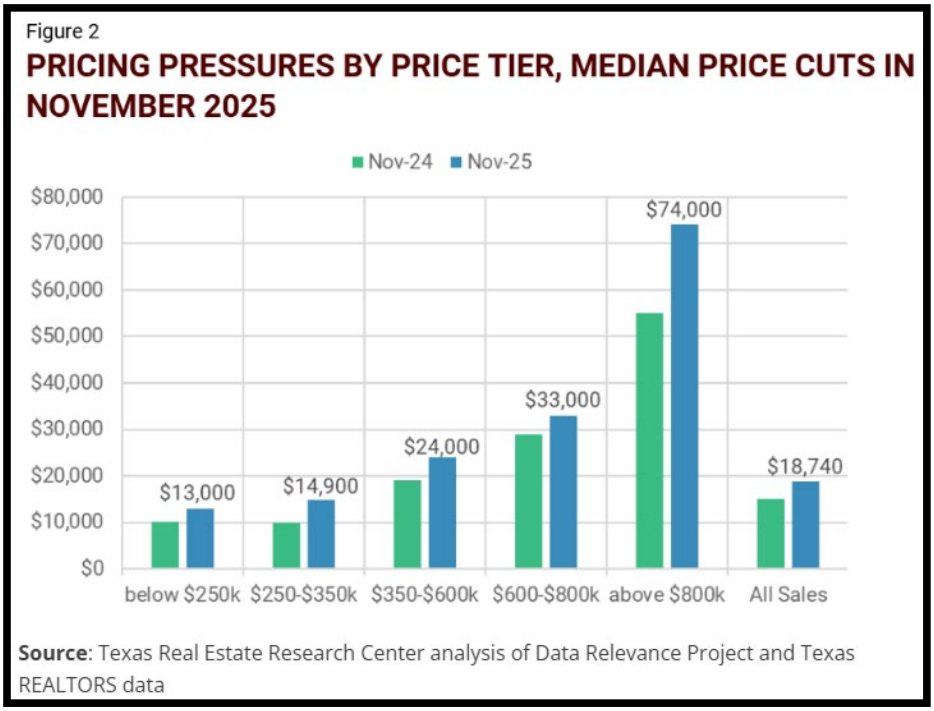
- *In November, homes sold averaged 72 days on the market, corresponding to an inventory turnover rate of 16.4%, down from 18.6% a year earlier and 20.7% in 2023.*
- *Sellers continued to offer larger price concessions amid elevated inventory pressure. In November, the median price cut was $18,740, about a 5% reduction from the original asking price, resulting in a sale-to-list ratio of 0.95.*
- *As of November, active inventory is at a 5.2-month supply, rising from 4.5 months a year earlier. In Texas, a three- to four-month supply is generally considered indicative of a more stable and balanced market.*
- *Average days-on-market (DOM) for unsold inventory climbed to 103 days, having sat on the market about a month longer than sold homes, which averaged 72 days.*

New Listing Activity Pulled Back Sharply, and Overall Inventory Remained Elevated



- *November recorded a sharp pullback in new listing activity, down nearly 1% YoY. Seasonally, the month also posted the steepest MoM decline for a November.*
- *Even without December data, new listing activity in 2025 already reached a record 565,000, surpassing 2024's total of 544,000.*
- *Even with a sharp decline expected in December, 2025 will still mark the highest annual level of seller activity since 2011.*
- *Amid a sharp pullback in new listing activity, total active inventory declined 4.9% since October but remains elevated at 16.2% above the 2024 level.*

Home Price Declines Persist

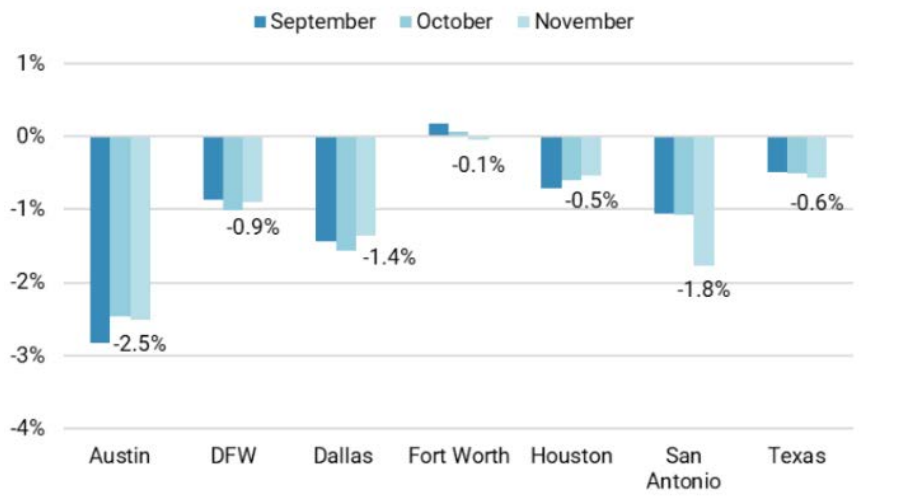


- *Seller pricing pressure continued to intensify in November, with median price cuts rising to $18,740—a 25% increase from a year earlier.*
- *The $250k-$350k segment experienced the sharpest adjustment, with median price cuts up 49%, climbing from $10,000 in November 2024 to $14,900 in November 2025.*
- *The $800k and above segment also saw heightened pricing pressure, with median price cuts rising 35%—from $55,000 in November 2024 to $74,000 in November 2025.*
- *Likewise, in the entry level segment, median price cuts reached $13,000, up 30% from $10,000 a year earlier.*

Texas Home Price Declines Persist

Figure 3

TEXAS HPI: TEXAS AND REGIONAL HOME PRICE TRENDS



Note: The YoY change in the price index is calculated as a three-month moving average.
Source: Texas Real Estate Research Center analysis of Data Relevance Project, Texas REALTORS data

- *The pace of price softening shows little indication of easing. Statewide, YoY home prices declined 0.6%, a slight uptick from the 0.5% declines recorded in September and October.*
- *The pricing pressure appeared to have intensified the most in San Antonio, where home prices declined 1.8% YoY, a notable uptick from 1% in September and October.*
- *Home prices in Austin continue to trend downward, averaging 2.5% YoY in October and November. The city's median sales price in November was $425,000, down from $431,000 recorded a year ago and from $465,000 in November 2022.*
- *Notably, price declines in the DFW market have been largely concentrated in the Dallas-Plano-Irving metropolitan division, where YoY prices declined 1.4% in November. In contrast, prices in the more affordable Fort Worth-Arlington Grapevine area remained relatively stable through November.*
- *Prices in the Houston area continue to face downward pressure from elevated inventory levels, though the pace of declines appeared to moderate. In November, prices fell 0.5% YoY, compared with declines of 0.6% in October and 0.7% in September.*

Local Housing Market Indicators

Table 3

METRO LEVEL HOME SALES, NOVEMBER 2025

Texas Metros	Monthly Sales	Sales YOY%	Sales YTD%	Median Price
Dallas-Fort Worth-Arlington	6,188	(10.5%)	0.2%	$375,000
Texas	22,950	(7.6%)	0.8%	$330,000

Source: Texas Real Estate Research Center analysis of Data Relevance Project, Texas REALTORS data

Table 4

METRO LEVEL MONTH-END INVENTORY, NOVEMBER 2025

Texas Metros	Active Listings	Active Listings YoY%	New Listings YoY%	Months' Supply
Dallas-Fort Worth-Arlington	32,300	12.2%	(1.8%)	4.2
Texas	143,935	16.2%	(0.6%)	5.2

Source: Texas Real Estate Research Center analysis of Data Relevance Project, Texas REALTORS data

Table 5

SINGLE-FAMILY HOUSING PERMITS, OCTOBER 2025

Texas Metros	Year-to-Date Units	YoY%, YTD	Permit Unit Value	Unit Value YoY%
Dallas-Fort Worth-Arlington	34,778	(14.2%)	$312,461	(3.5%)
Texas	122,369	(10.2%)	$293,021	(2.0%)

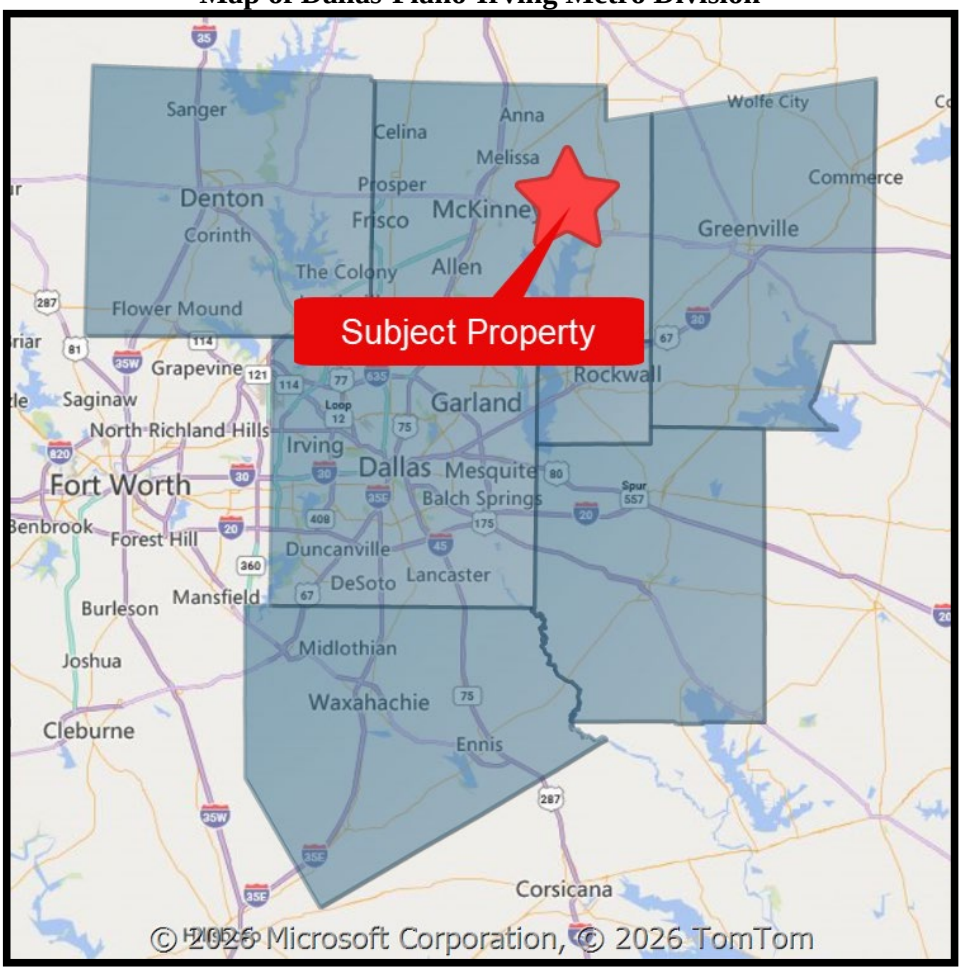
Notes: Permit value is builder estimated construction cost of the residential structure, not including land acquisition cost.
Source: Survey of New Construction of U.S. Census Bureau

DALLAS – PLANO - IRVING METRO DIVISION QUARTERLY HOUSING REPORT (EXCERPTS)
Texas A&M University – Texas Real Estate Research Center
(Third Quarter, 2025)

Executive Summary

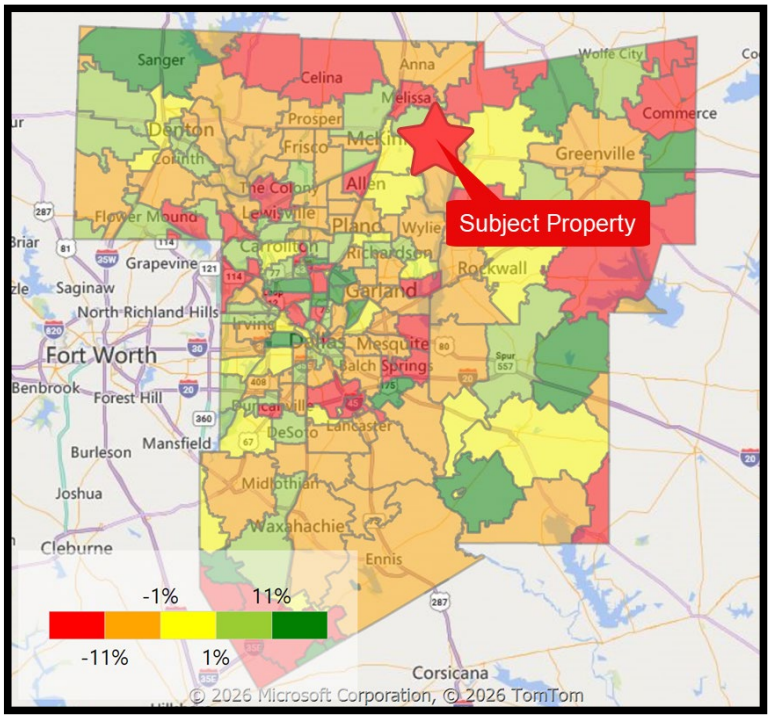
- *Metro area sales volume increased 3.5% to 16,722 transactions. Median price decreased 2.4% year-over-year to $410,000.*
- *2025 Q3 months inventory for all residential properties rose 17.4% year-over-year to 4.8 months.*
- *Metro area residential property listings increased 23.1% year over-year to 24,985 active listings.*

Map of Dallas-Plano-Irving Metro Division



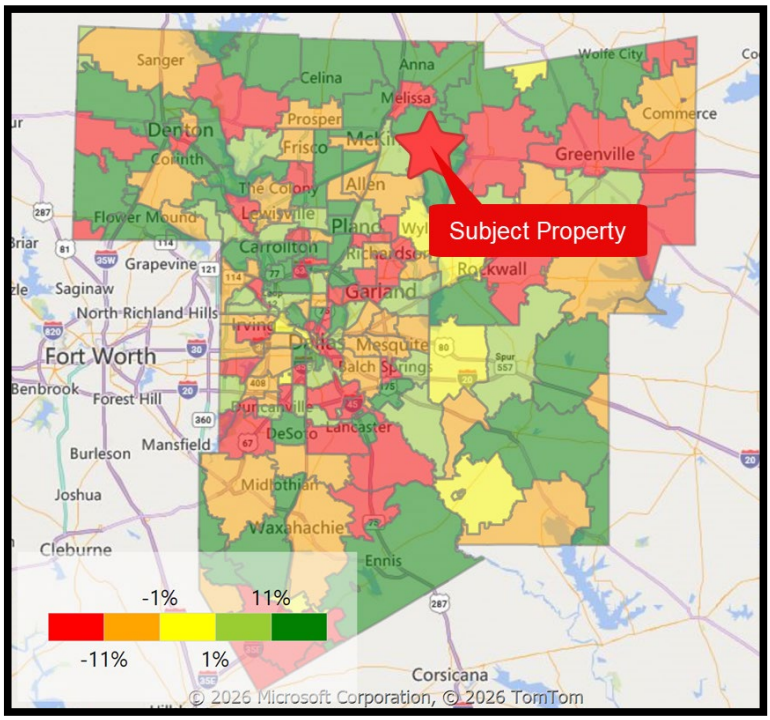
Median Price Change (YoY)

According to TREC, median sale price change year-over-year (YoY) near Whitewing Trails PID decreased between 1% to 11%.



Sales Volume Change (YoY)

According to TREC, sales volume change year-over-year (YoY) in the subject's area near Whitewing Trails PID increased more than 11%.



The following chart shows the housing metrics for Collin County:

Collin County

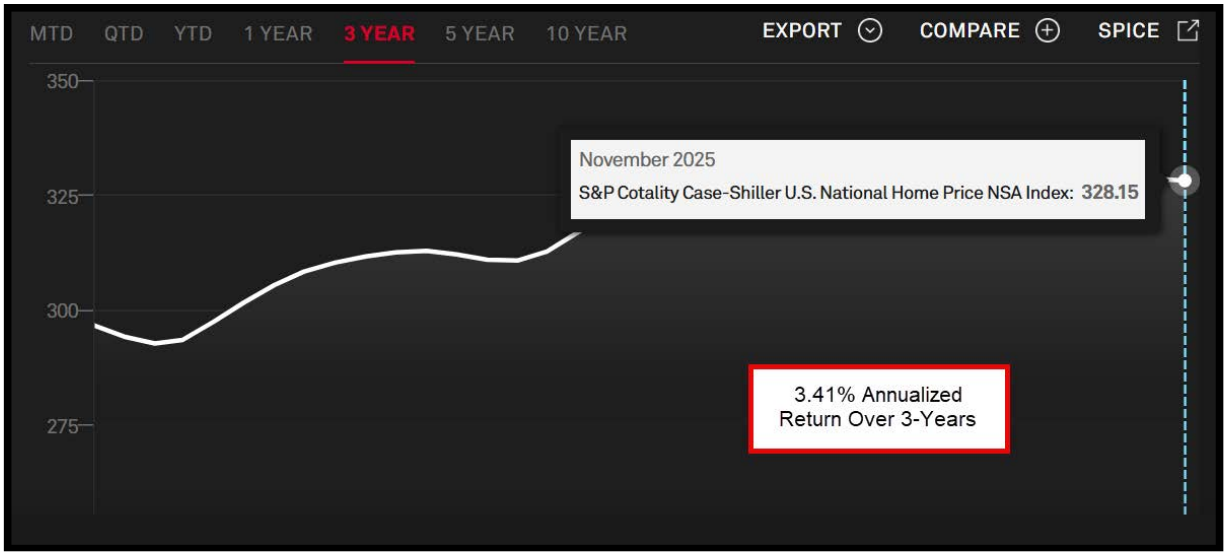
Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	0	-100%	0%	-	-	-	-	5	10.0	-	-
$70k < $100k	1	100%	0%	***	***	***	***	0	0.0	***	***
$100k < $150k	13	86%	0%	$132,000	-6%	$164.06	-3%	16	6.0	834	1980
$150k < $200k	29	7%	1%	$173,500	-8%	$165.13	-4%	30	2.3	1,092	1985
$200k < $250k	164	165%	4%	$232,855	0%	$167.37	-12%	150	3.5	1,387	2025
$250k < $300k	350	56%	7%	$280,473	0%	$172.60	-9%	409	4.4	1,605	2024
$300k < $400k	1,127	19%	24%	$349,990	-1%	$180.24	-7%	1,513	4.5	1,925	2024
$400k < $500k	922	3%	20%	$440,399	-1%	$200.98	-2%	1,299	4.5	2,209	2013
$500k < $750k	1,374	1%	29%	$590,000	-2%	$208.41	-4%	1,883	4.3	2,861	2011
$750k < $1M	431	6%	9%	$840,000	0%	$229.23	-1%	618	4.9	3,736	2014
$1M+	265	-15%	6%	$1,250,000	0%	$294.27	1%	566	6.2	4,422	2013

*** Not displayed when fewer than five sales

S&P CORELOGIC CASE-SHILLER INDEX

November 2025

Data reported from the Standard & Poor Dow Jones Indices (1-year and 3-year graphs shown below) at the end of November 2025 showed that home prices nationally were up 1.36% YoY while the Dallas Metropolitan area decreased by 1.42%.



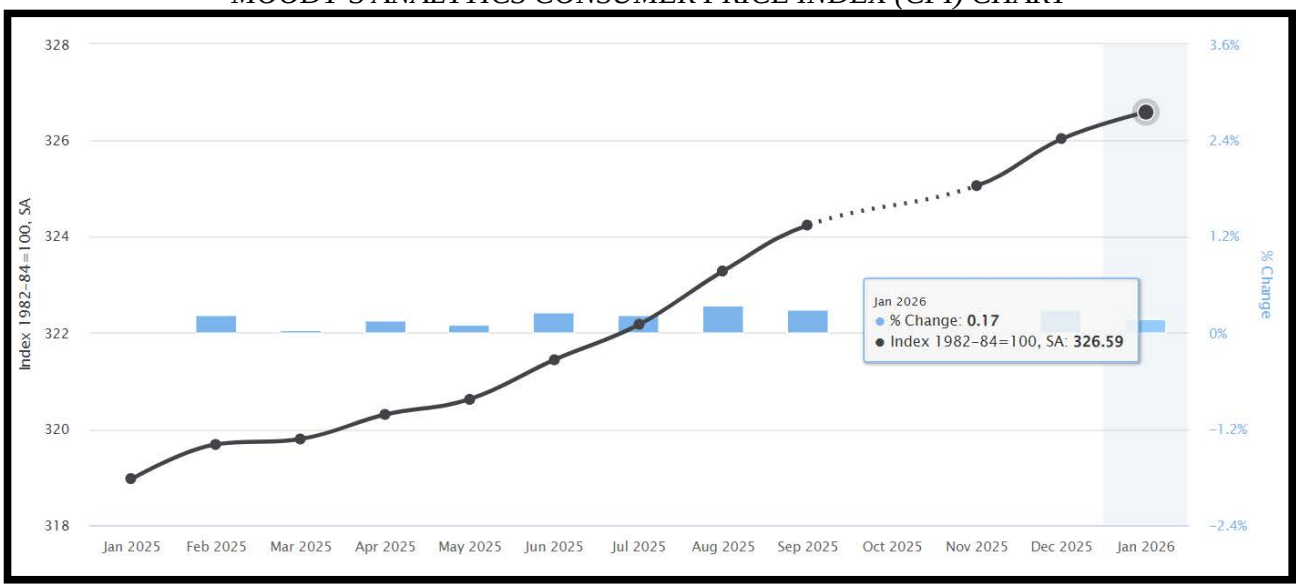
Metropolitan Area	November 2025 Level	November/October Change (%)	October/September Change (%)	1-Year Change (%)
Dallas	290.98	-0.48%	-0.70%	-1.42%
Composite-10	357.47	0.08%	-0.22%	1.99%
Composite-20	337.27	-0.03%	-0.29%	1.39%
U.S. National	328.15	-0.11%	-0.14%	1.36%

Sources: S&P Dow Jones Indices and Cotality

Data through November 2025

CONSUMER PRICE INDEX (CPI)

MOODY'S ANALYTICS CONSUMER PRICE INDEX (CPI) CHART



Inflation came in as expected in January. The 0.2% increase in the consumer price index in January marked a modest deceleration from December's 0.3% pace and lowered the year-ago rate from 2.7% to 2.4%. Energy prices fell 1.5% and monthly food inflation cooled from December's 0.7% jump to 0.2% in January. Excluding food and energy, core CPI rose 0.3% in January. The increase is a slight pickup from December's 0.2% pace. The 12-month rate fell from 2.6% to 2.5%. January's inflation data, paired with a strong job payroll report, support the Federal Open Market Committee members who think the easing cycle should remain on hold in the coming months.

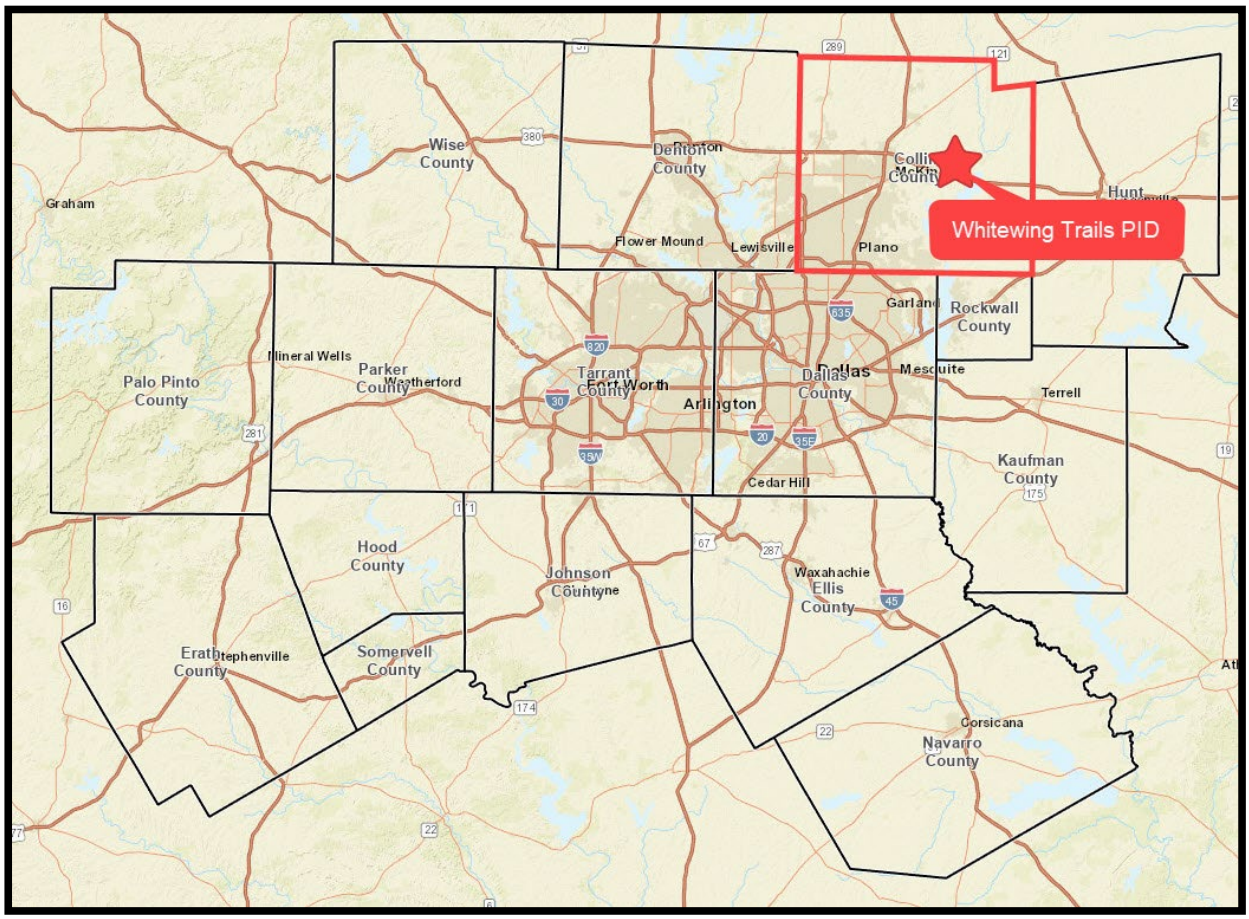
REGIONAL ANALYSIS

The subject is located in Collin County within the Dallas-Plano-Irving Metropolitan Statistical Area (MSA), often combined from 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), as of January 1, 2025, the regional population grew by 234,125 last year. Collin County added almost 76,000 new residents, while Dallas County grew by more than 45,000 new residents, followed by Tarrant County (35,746) and Denton County (31,635). The region now has a population of 8,718,500, a growth of more than 886,000 since the 2020 Census. Fort Worth added 32,191 new residents, followed by Dallas (29,510), Celina (15,980), McKinney (11,310), and Princeton (9,838). DFW is home to many business and professional services from major financial institutions to international law firms. It is also home to one of the top ranked container ports in the US and an extensive infrastructure network that serves multiple hotbeds for e commerce fulfillment.

The region is anchored by two major passenger airports: Dallas-Fort Worth International Airport (DFW), which is the second busiest airport in the world in terms of aircraft movements and the largest hub for American Airlines, and Dallas Love Field Airport (DAL), which is a city-owned airport and the largest hub for Southwest Airlines – the largest carrier in the nation in terms of passengers carried.

MAP OF DALLAS-FORT WORTH METROPLEX

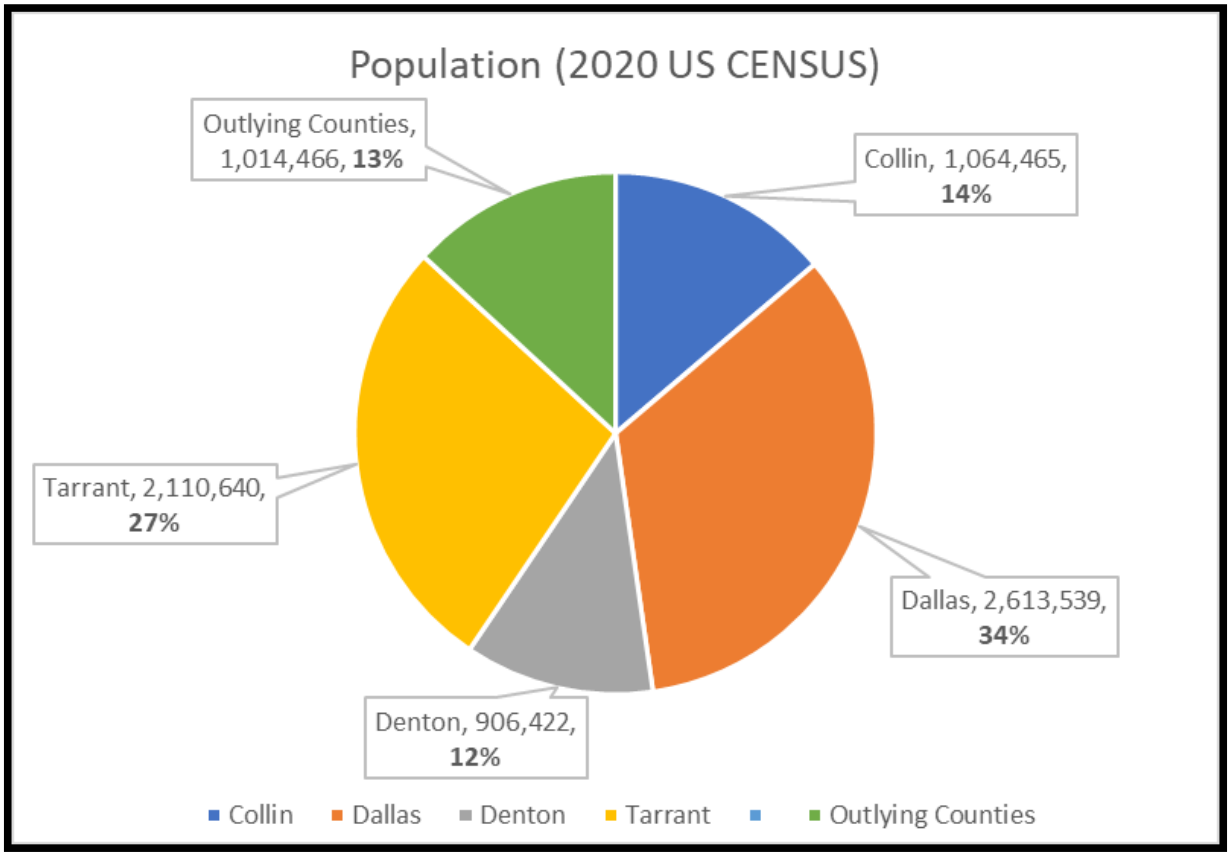
Red Lines Showing Collin County Boundary



When compared to the national economy, the DFW Metroplex is expected to experience expansion arising from growth in a variety of sectors including construction, transportation, manufacturing, finance, healthcare, business services, science and technology, education, and real estate. The expansion is fueled by the region's strategic location in the center of the country and is located at the nexus of major roadways such as Interstates 35, 30, 20, and 45. It is predicted by most analysts that economic activity in the area will exceed the state and national growth averages across most indicators. The region is set for long-term development due in part to its transportation infrastructure, low cost-of-living, business friendly regulatory environment, mild weather, young population, and large work force.

A chart of the four counties in the Metroplex, with the highest populations is shown below. Dallas County is the most populated county in the region with 2,613,539 residents, followed closely by Tarrant County with 2,110,640, Collin County with 1,064,465, and Denton County with 906,422. Other outlying counties such as Ellis, Johnson, Parker, Kaufman, Rockwall, Wise etc. add up to another 1,014,476 residents. The subject property is in the central area of Collin County.

PIE CHART OF POPULATION PERCENTAGES IN DFW METROPLEX



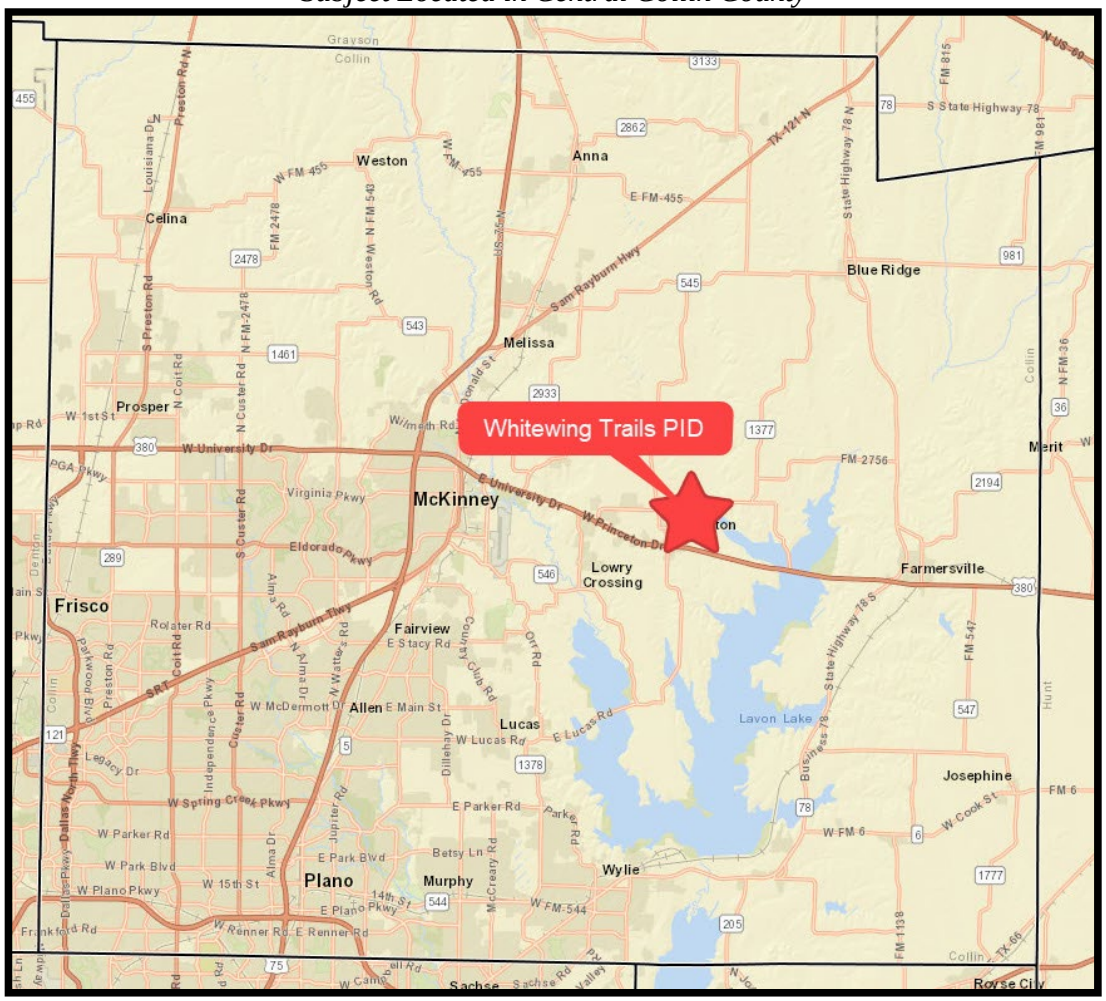
COLLIN COUNTY OVERVIEW

Collin County is one of the fastest-growing counties in Texas, with an estimated 2024 population of 1,254,658, reflecting a 17.7% increase since 2020. The county maintains a relatively young demographic profile, with a median age of approximately 37.3 years and a large working-age population supported by strong educational attainment levels. Median household income remains among the highest in the state at $117,588 as of 2023, and the county's unemployment rate has remained low, reported at 3.3% in 2024.

Collin County's economic base is diverse, supported by major employment sectors such as technology, professional services, healthcare, and corporate operations. The county's 2023 median property value of $447,600 reflects sustained demand and continued in-migration, with cities such as Plano, Frisco, McKinney, and Allen serving as key residential and commercial hubs. Population density has reached approximately 1,491 people per square mile, and ongoing development along corridors such as SH-121 and US-380 continues to drive commercial and residential expansion. These factors collectively position Collin County as a stable and economically resilient market within the broader Dallas–Fort Worth region.

MAP OF COLLIN COUNTY

Subject Located in Central Collin County



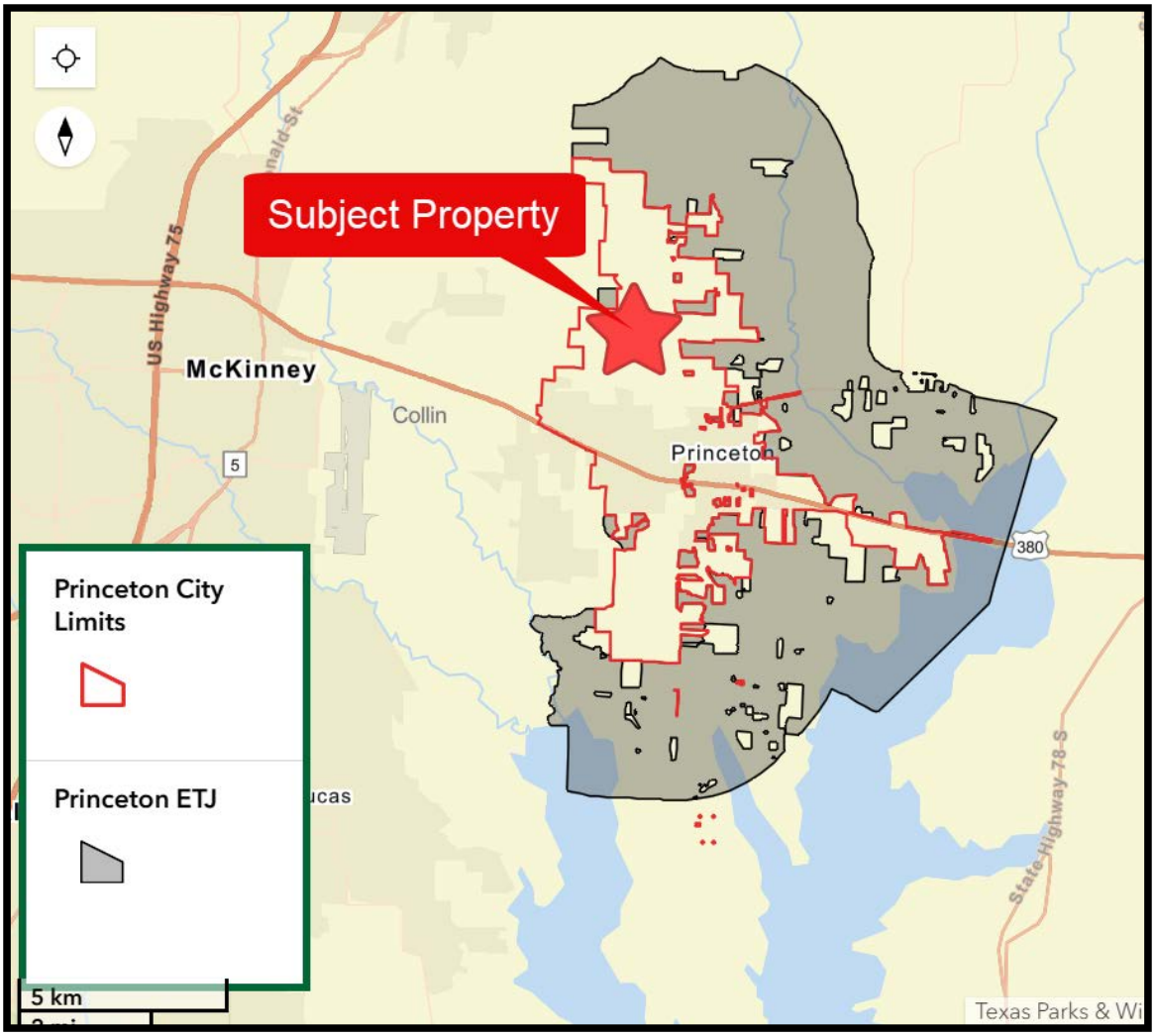
CITY OF PRINCETON OVERVIEW

Princeton, located in central Collin County along U.S. Highway 380, is one of the fastest-growing cities in the United States. Recent U.S. Census Bureau estimates place the 2024 population at approximately 37,019, reflecting a 30.6% year-over-year increase from 2023, and a 116.9% increase since 2020, making it the fastest-growing city in the nation during that period. The community maintains a relatively young demographic profile, with a median age of roughly 32.9 years, and a large share of residents under age 18.

Princeton's economic base is influenced by its proximity to major employment centers in the Dallas–Fort Worth region, particularly McKinney and the broader SH-121 technology and corporate corridor. The city's rapid population growth has accelerated residential development, supported by a 2023 median household income of approximately $96,766 and a median property value of about $310,700, both reflecting year-over-year increases. Employment growth has remained strong, with the city's workforce expanding by 18.2% between 2022 and 2023, and ongoing construction activity continues to reshape the local housing inventory and commercial landscape.

MAP OF THE CITY OF PRINCETON

Subject Located in Northwest Princeton

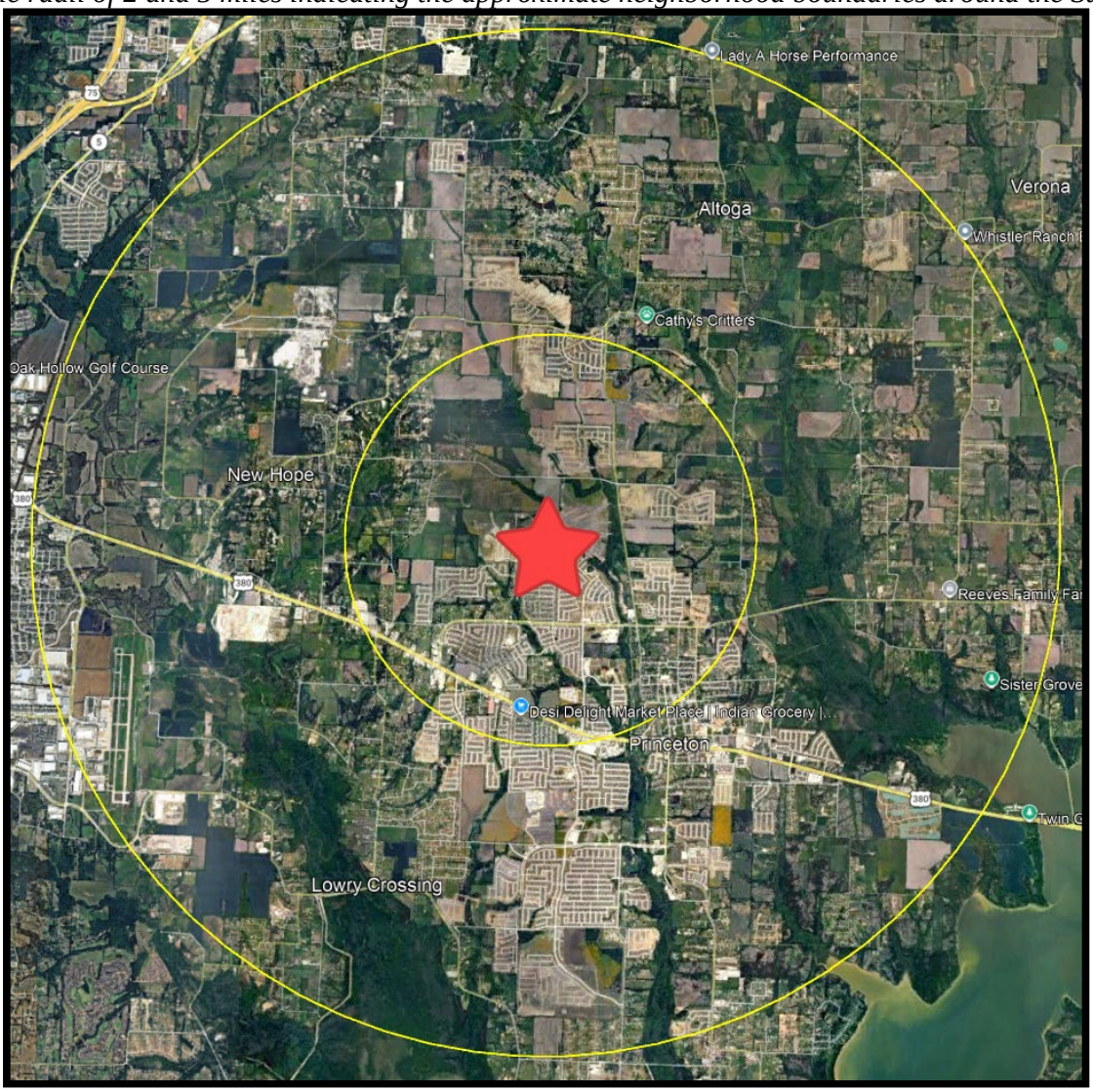


NEIGHBORHOOD ANALYSIS

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. Whitewing Trails PID is located within the City of Princeton, Collin County, Texas and is within the Princeton ISD.

NEIGHBORHOOD MAP

Geographic radii of 2 and 5 miles indicating the approximate neighborhood boundaries around the Subject

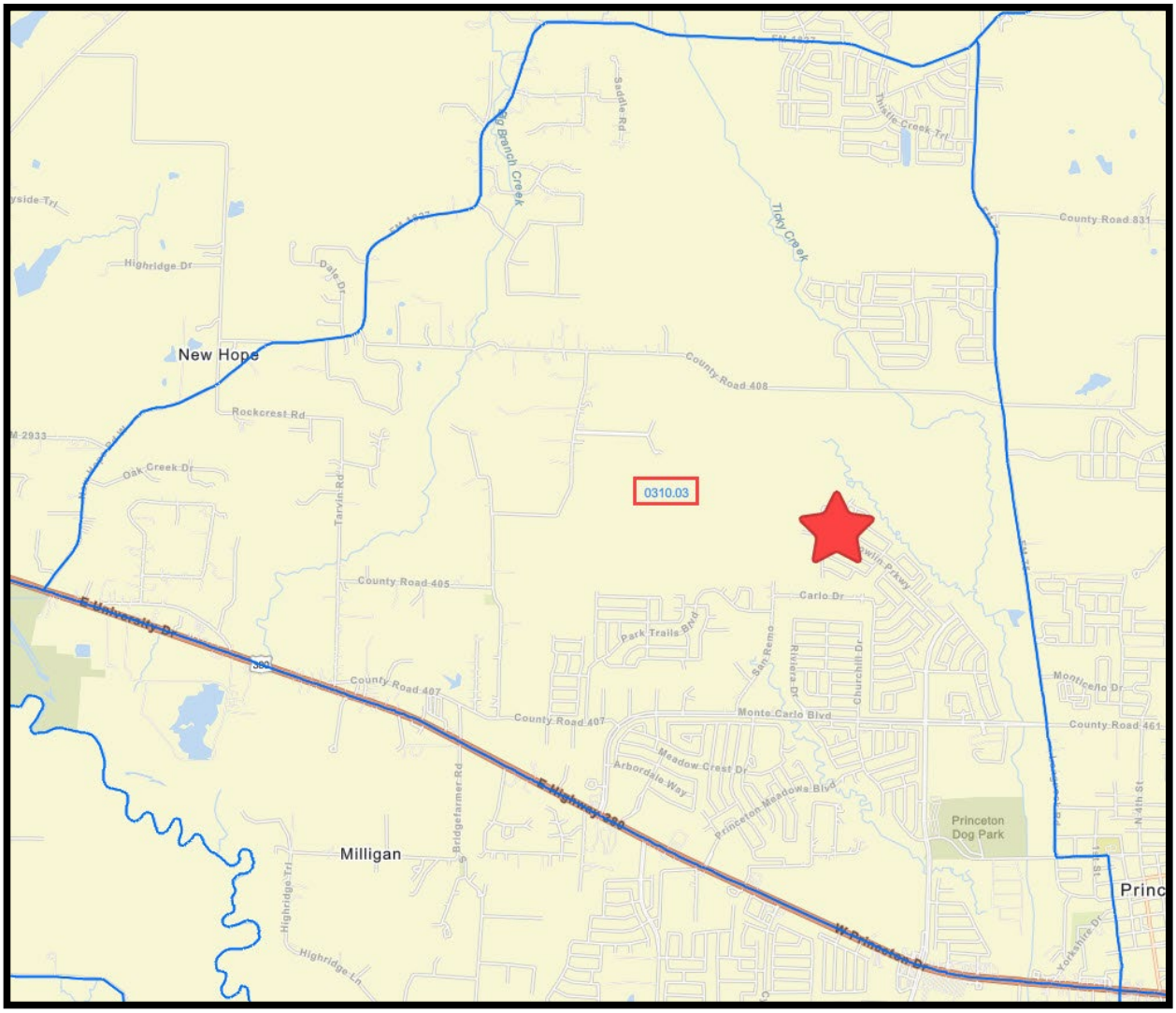


	2 Miles	5 Miles
North	New Hope Road East	East Melissa Road
East	County Road 463	Farm-to-Market 2756
South	State Highway 380	County Road 392
West	County Road 337	North McDonald Street

NEIGHBORHOOD DEMOGRAPHICS

The subject is located in census tract 0310.03 with the census report shown on the following page. The census tract report for 0310.03 indicates 12,022 people reside in the tract and income levels are in the middle tier with estimated median family incomes of $113,605. Within census tract 0310.03, approximately 82% of housing units are owner-occupied with 14% being renter-occupied and 4% being vacant. These housing and demographic statistics indicate middle class residents who tend to live in 10–20-year-old single-family homes.

Census Tract 0310.03 Map



Tract 0310.03 Census Report

FFIEC

2025 FFIEC Geocode Census Report

Address: Selected Tract
MSA: 19124 - DALLAS-PLANO-IRVING, TX
State: 48 -
County: 085 - COLLIN COUNTY
Tract Code: 0310.03

Summary Census Demographic Information

Tract Income Level	Middle
Underserved or Distressed Tract	No
2025 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$117,300
2025 Estimated Tract Median Family Income	$113,605
2020 Tract Median Family Income	$85,536
Tract Median Family Income %	96.85
Tract Population	12022
Owner-Occupied Units	2218
1- to 4- Family Units	2703

Census Income Information

Tract Income Level	Middle
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$88,315
2025 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$117,300
% below Poverty Line	8.59
Tract Median Family Income %	96.85
2020 Tract Median Family Income	$85,536
2025 Estimated Tract Median Family Income	$113,605
2020 Tract Median Household Income	$83,381

Census Population Information

Tract Population	12022
Number of Families	2171
Number of Households	2601

Census Housing Information

Total Housing Units	2703
1- to 4- Family Units	2703
Median House Age (Years)	12
Owner-Occupied Units	2218
Renter Occupied Units	383
Owner Occupied 1- to 4- Family Units	2218
Inside Principal City?	NO
Vacant Units	102

DEMOGRAPHIC SUMMARY

Analytics from CoStar of the area are provided below. Within a 10-mile radius of the subject there are 231,996 people which represents a 5.40% annual increase in population since 2020 and highlights significant growth that has occurred in this portion of the DFW Metroplex. The population growth is expected to continue in the coming years and grow another 4.6% annually in the next four years. Median household incomes in the 10-mile radius are over $93,318.

Population

	2 miles	5 miles	10 miles
2020 Population	15,955	27,335	191,045
2024 Population	20,234	34,960	231,996
2029 Population Projection	25,039	43,303	285,440
Annual Growth 2020-2024	6.7%	7.0%	5.4%
Annual Growth 2024-2029	4.8%	4.8%	4.6%
Median Age	33.1	35.1	38
Bachelor's Degree or Higher	24%	23%	39%
U.S. Armed Forces	0	0	42

Income

	2 miles	5 miles	10 miles
Avg Household Income	$95,387	$98,172	$120,714
Median Household Income	$88,106	$85,008	$93,318
< $25,000	701	1,228	7,940
$25,000 - 50,000	690	1,622	11,273
$50,000 - 75,000	1,079	1,996	12,121
$75,000 - 100,000	1,258	1,841	10,510
$100,000 - 125,000	1,134	1,787	8,193
$125,000 - 150,000	632	1,016	6,481
$150,000 - 200,000	512	971	9,545
$200,000+	253	705	12,007

EMPLOYMENT DATA

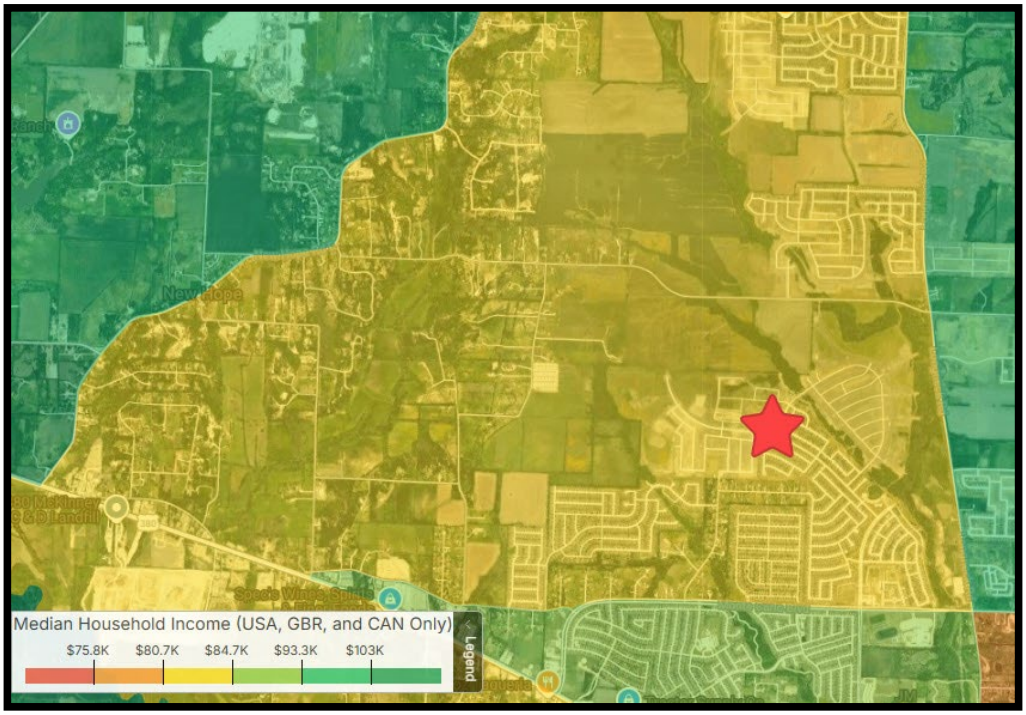
A table of the 2, 5, and 10-mile radius employment figures are shown below. The numbers highlight the area's economy with most employees in the area surrounding the subject in service-producing industries.

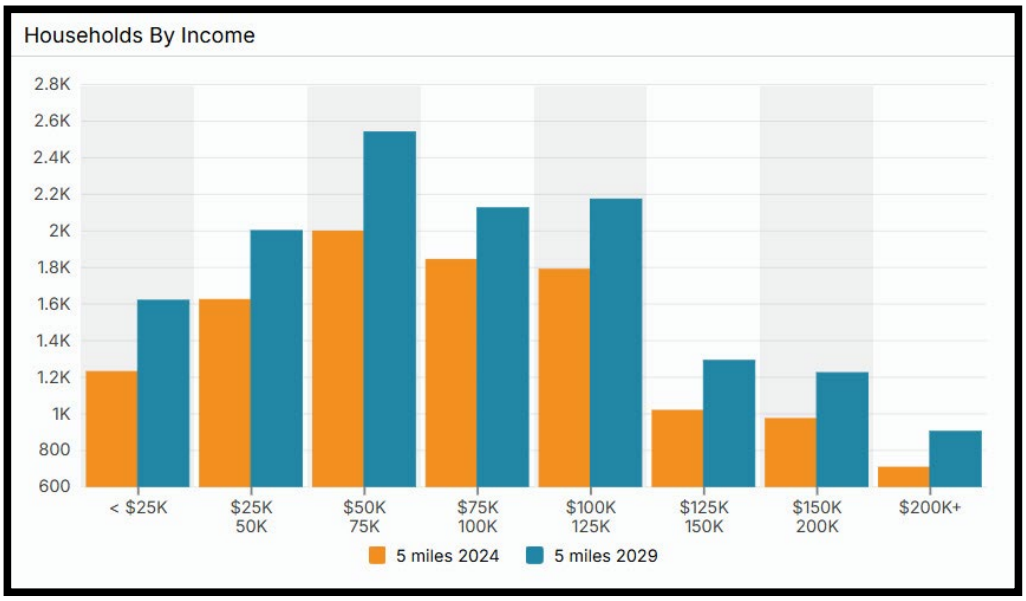
Daytime Employment

Radius	2 miles		5 miles		10 miles	
	Employees	Businesses	Employees	Businesses	Employees	Businesses
Service-Producing Industri...	**1,982**	**290**	**3,535**	**540**	**53,359**	**6,893**
Trade Transportation & Uti...	325	56	673	115	12,881	1,133
Information	24	6	91	12	1,092	116
Financial Activities	100	27	189	55	3,796	846
Professional & Business S...	126	26	402	76	5,014	986
Education & Health Services	441	66	593	85	13,625	1,986
Leisure & Hospitality	590	48	857	75	8,952	680
Other Services	265	53	530	106	4,458	951
Public Administration	111	8	200	16	3,541	195
Goods-Producing Industries	**108**	**26**	**591**	**107**	**7,607**	**801**
Natural Resources & Mining	0	0	11	5	103	32
Construction	67	19	354	77	3,448	564
Manufacturing	41	7	226	25	4,056	205
Total	**2,090**	**316**	**4,126**	**647**	**60,966**	**7,694**

CoStar Analytics – Map of Median Household Income

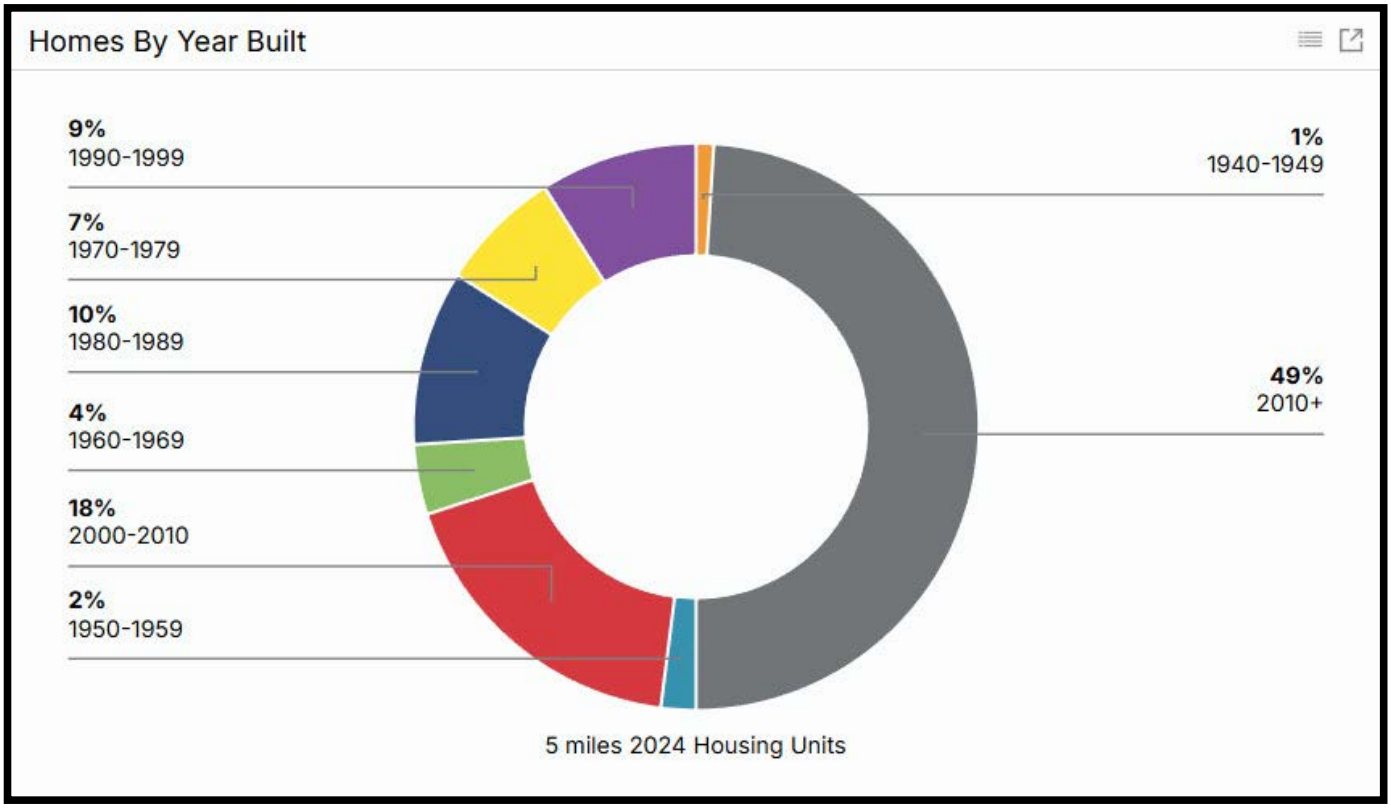
As indicated by the map below, median incomes in the vicinity of the subject property are between $80.7K and $84.7K. Median incomes in the DFW metroplex tend to be higher in suburban areas outside the population centers in Dallas and Fort Worth. This is especially true in areas northeast of Dallas where affluent communities have concentrated for the past few decades.





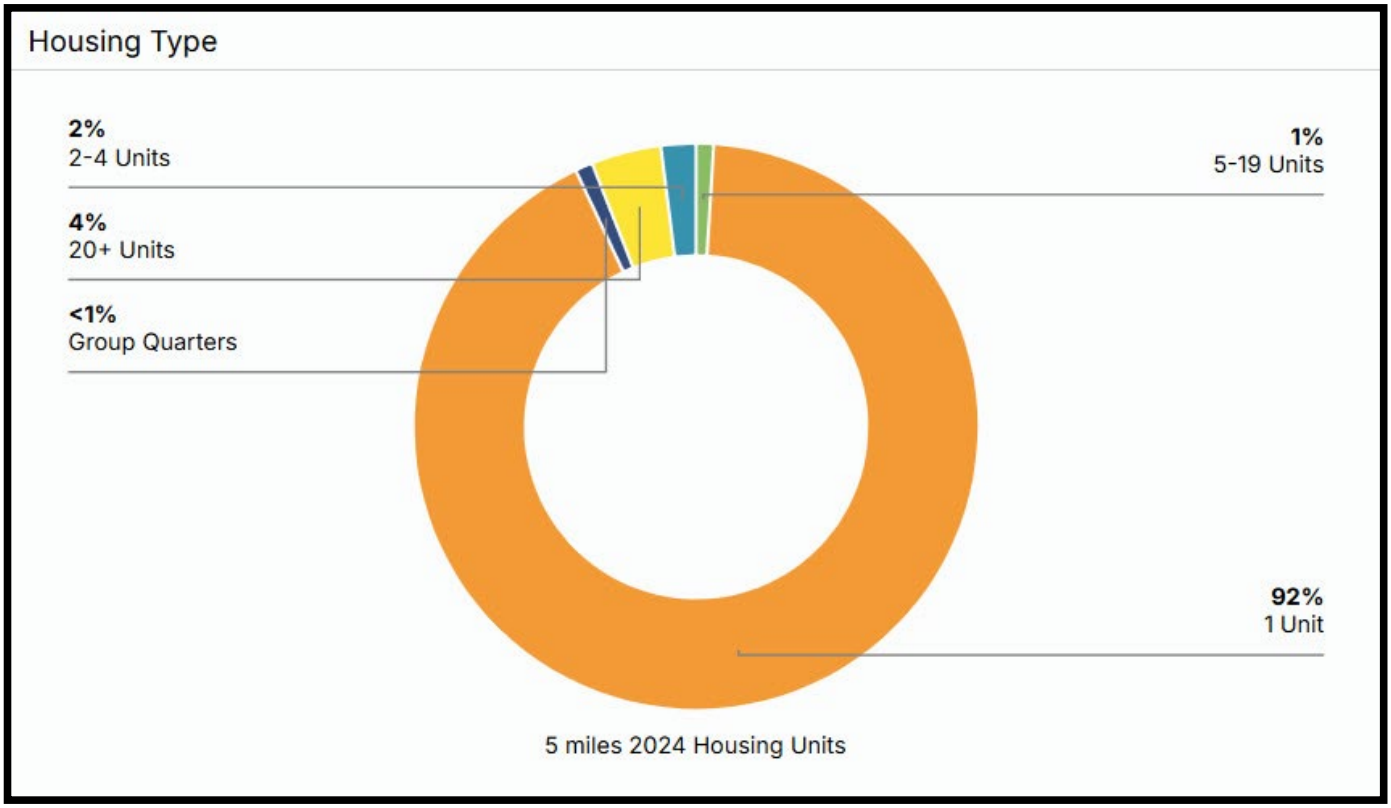
CoStar Analytics – Housing Statistics

Most housing in the area (67%) are homes that were built after 2000. This is consistent with the growth stage of the surrounding area which has experienced numerous residential subdivision developments in recent years.



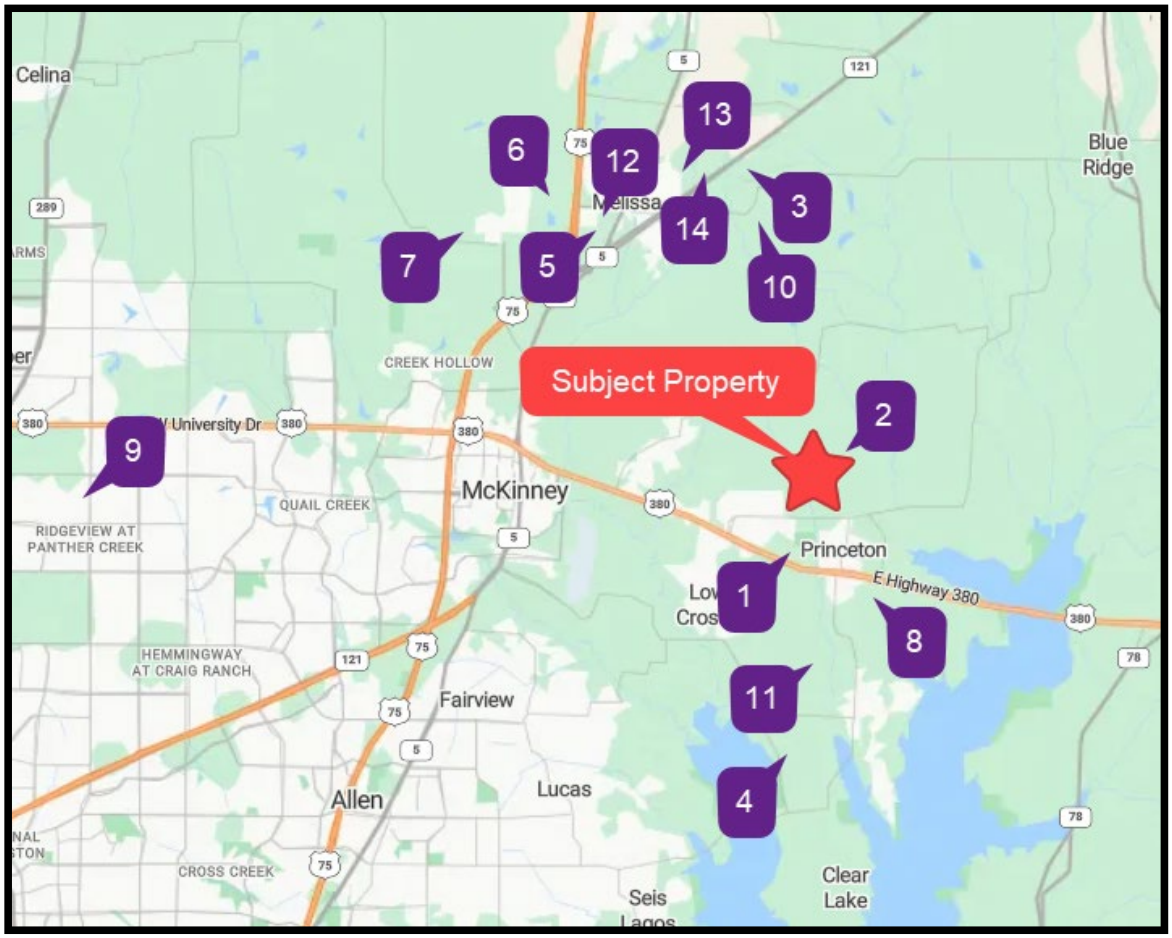
CoStar Analytics – Housing Statistics

In addition, the vast majority (92%) 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	Forest Park	*8*	Princeton Estates
2	Sicily Addition	*9*	Pecan Hill
3	Milrany Ranch	*10*	Brookfield
4	Frontier Pointe	*11*	Morning Ridge
5	Willow Grove	*12*	Legacy Ranch
6	Stoneridge	*13*	Liberty
7	Shaded Tree	*14*	The Dawn

ABSORPTION ANALYSIS

RESIDENTIAL ANALYSIS

The subject property is Whitewing Trails PID IA #3A, 3B, and 3C, which consists of approximately 213.618 acres in Collin County being developed into detached single-family lots for residential use. The property is owned by MM Princeton 854, LLC; DR Horton - Texas, LTD; GRBK Edgewood, LLC; Pulte Homes of Texas, LP.

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 area around Princeton. The neighborhood is best described as the northwest quadrant of Monte Carlo Boulevard and Longneck Road. The neighborhood is a mix of single-family developments, agricultural land, and commercial uses.

Since the recession in 2008, the residential real estate market in this area of North Texas has continuously improved and the City of Princeton has experienced this consistent population growth. Low interest rates persisted nationally in 2021, and the markets rose significantly, but from 2022-2025 and into the beginning of 2026 we have seen higher interest rates as the Fed seeks to combat inflation. Still, with large numbers of in-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 Princeton is expected to remain strong. Those end-user homebuyers in Whitewing Trails PID are expected to be middle -income earners as the average home price for finished single-family homes in the community are expected to start in the 425,000s for the 50-FF lots and $500,000s 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 to a stabilized position as of the first quester of 2026 according to the Texas Real Estate Research Center. Developable residential land in DFW with good access to Fort Worth and Dallas is in high demand with developments moving ever further away from the Dallas CBD and highly developed areas northeast of Dallas where vacant land is scarce after decades of growth. The subject property –Whitewing Trails PID– is removed from the large Central Business Districts in the Metroplex but relatively near areas of Collin County where many young families have migrated when searching for safe neighborhoods, good schools, relatively affordable new homes, and desirable residential amenities.

Based on the preceding, the proposed absorption of single-family home lots in the subject's neighborhood will be analyzed using historical absorption data provided by Zonda as well as information obtained from area market participants and developers. It is important to note that our absorption data is based on historical trends and current available data. Since the first residential lots were scheduled to be completed September 1, 2025, for Phase IA #3A, February 1, 2026 for IA #3B, and expected to be completed May 1, 2026 for IA #3C, 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.

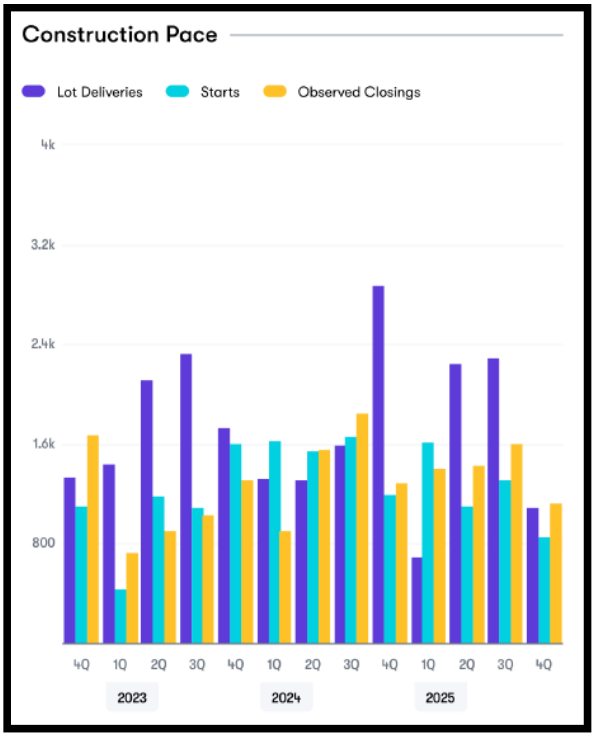
We determined a 10-mile radius around the subject property is suitable for our absorption analysis as the competitive supply of lots is within this area. Further, we examined residential communities with lot widths between 45'-65'.

The Construction Pace data reflects a significant slowdown in development activity through 2025, marked by steep declines in lot deliveries, starts, and closings. Quarterly VDL deliveries fell sharply from 2,880 in 4Q2024 to just 1,092 in 4Q2025, a 62.08% year-over-year decrease, indicating a substantial pullback in new lot production as builders moderated development pipelines. Annual VDL deliveries also contracted, declining from 7,117 to 6,341, a 10.90% reduction. Housing starts followed a similar downward trend, dropping from 1,202 in 4Q2024 to 860 in 4Q2025—a 28% annual decline—while annual starts fell 19%, signaling sustained caution among builders. Observed closings softened as well, decreasing from 1,292 in 4Q2024 to 1,135 in 4Q2025, a 12% decline, with annual closings down 1%. Overall, the construction pace indicates a cooling development environment, with builders reducing new lot creation and construction activity while relying more heavily on existing inventory to meet demand.

Construction & Supply

	4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025	4Q 2025 VS 4Q 2024
Pace						
Quarterly VDL Deliveries	2,880	697	2,252	2,300	1,092	-62.08%
Annual VDL Deliveries	7,117	6,485	7,423	8,129	6,341	-10.90%
Quarterly Starts	1,202	1,625	1,105	1,320	860	-28.00%
Annual Starts	6,053	6,041	5,598	5,252	4,910	-19.00%
Quarterly Observed Closings	1,292	1,416	1,437	1,609	1,135	-12.00%
Annual Observed Closings	5,626	6,130	5,999	5,754	5,597	-1.00%

Zonda. **Historical Homebuilding Activity (Subdivision)** Feb. 19, 2026 1 / 3
Custom Shape

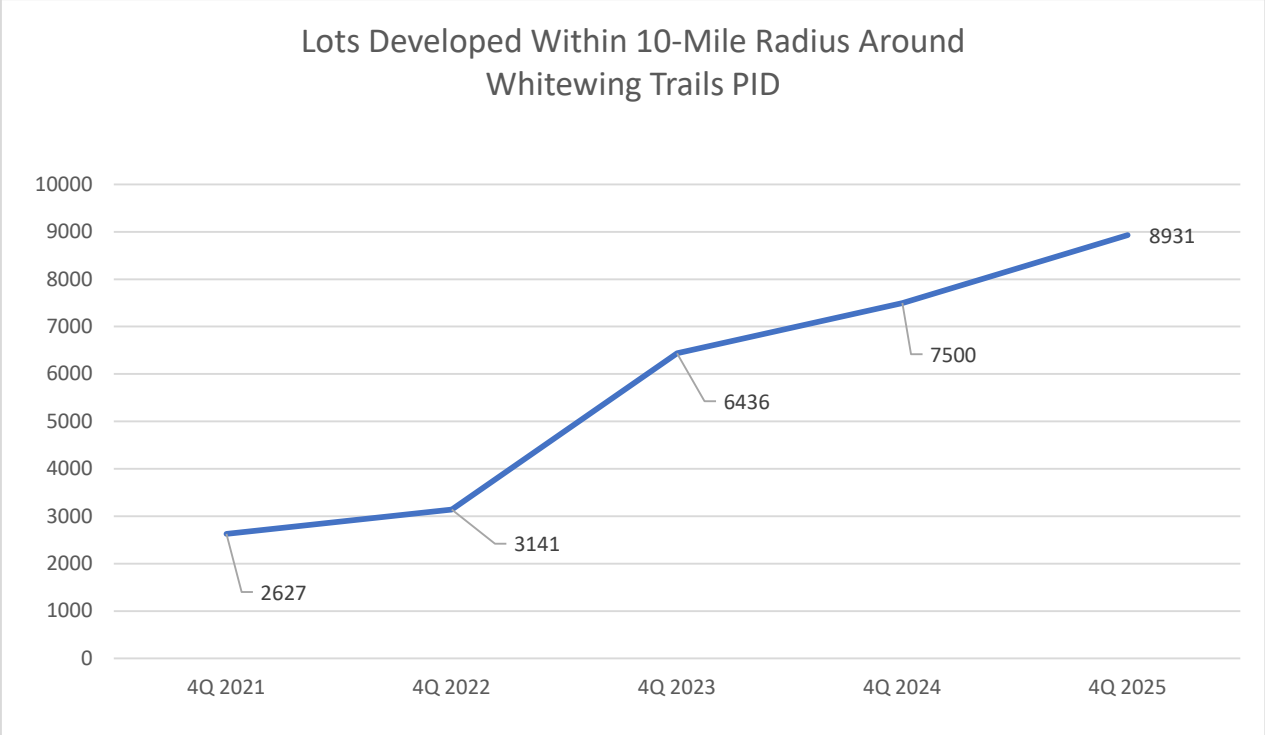


DEFINED SUBMARKET AREA

According to Zonda, the selected area absorbed the following number of 45'-65' lots year-over-year from 4Q 2021 to 4Q 2025:

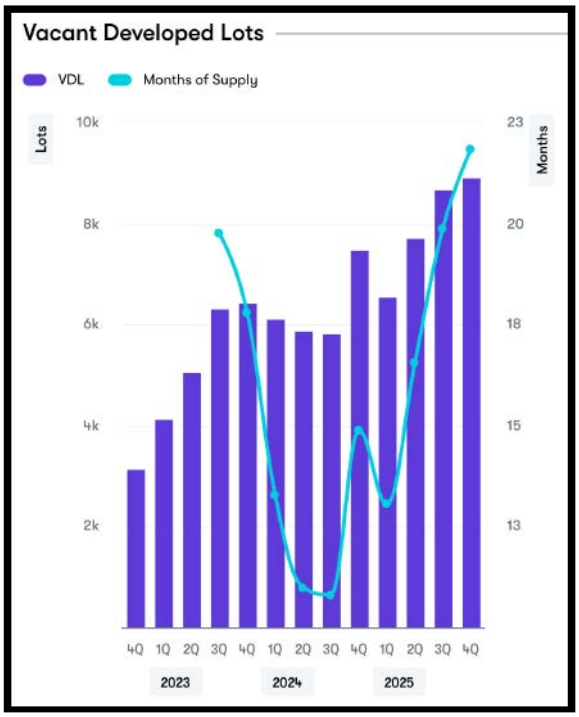
- 4Q 2021 – 2627 lots absorbed
- 4Q 2022 – 3141 lots absorbed
- 4Q 2023 – 6436 lots absorbed
- 4Q 2024 – 7500 lots absorbed
- 4Q 2025 – 8931 lots absorbed

From 2021-2025, the *annual average* of lots absorbed was 5727 (28635 ÷ 5). Utilizing the more recent 24-month absorption of lots (4Q2023 to 4Q2025), the annual average of lots absorbed increases to 7622 (22867 ÷ 3) lots in the area.



COMPETITIVE SUPPLY (LOT INVENTORY)

The Vacant Developed Lots (VDL) data shows a notable expansion in finished lot inventory through 2025, accompanied by a sharp rise in months of supply that signals slowing absorption. Total VDL counts increased from 7,500 in 4Q2024 to 8,931 in 4Q2025, a 19.08% year-over-year gain, indicating that more completed lots remained available even as future lot pipelines contracted . Months of supply rose even more significantly—from 14.87 to 21.83 over the same period, a 46.81% increase—reflecting a meaningful slowdown in lot absorption relative to inventory growth. This widening gap suggests that builders are carrying larger volumes of finished lots for longer durations, consistent with the broader cooling in construction activity shown elsewhere in the report. For appraisal purposes, the VDL trend points to a market with rising lot availability, elevated supply pressure, and slower turnover heading into 2026.



Thus, the total lot supply is considered to be **above** 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 the continued upward trend of population in Collin, additional lot product in the submarket is feasible at the current time*.

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 – 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 4Q2025.

50' *Lots*

We included data for lots that were each 45'-55' lots within a 10-mile radius. Since data on 50' lots is relatively plentiful, we selected eleven comparable absorption schedules at nearby communities we concluded are similar to the subject and considered some of these communities are smaller and some larger than Whitewing Trails PID.

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Forest Park	45'	1	63	12	0.2	**5.3**
Sicily Addition	48'	327	21	12	186.9	**1.8**
Milrany Ranch	50'	66	14	12	56.6	**1.2**
Frontier Pointe	50'	164	190	12	10.4	**15.8**
Willow Grove	50'	42	22	12	22.9	**1.8**
Stoneridge	50'	0	21	12	0.0	**1.8**
Shaded Tree	50'	8	105	12	0.9	**8.8**
Princeton Estates	50'-55'	48	70	12	8.2	**5.8**
Pecan Hill	50'	63	1	12	756.0	**0.1**
Brookfield	50'	114	51	12	26.8	**4.3**
Morning Ridge	55'	124	45	12	33.1	**3.8**
AVERAGE		***87.0***	***54.8***	***12.0***	***100.2***	***4.6***

Our analysis indicates Starts/Month is between 0.1 and 15.8 with an average of 4.6 starts/month and a median of 3.8 starts/month. We similarly weighed and considered **the subject property's 50' lots would likely absorb 5 lots/month, or approximately 15 lots per quarter.**

60' *Lots*

Again, for the 60' lots, we included data for lots within an 10-mile radius and included 55'-65' lots in our analysis. Data on 60' lots is somewhat limited, so we selected four comparable absorption schedules at nearby communities which are shown as follows:

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Morning Ridge	55'	124	45	12	33.1	**3.8**
Legacy Ranch	55'-65'	0	4	12	0.0	**0.3**
Liberty	60'-65'	48	20	12	28.8	**1.7**
The Dawn	65'	5	10	12	6.0	**0.8**
AVERAGE		***44.3***	***19.8***	***12.0***	***17.0***	***1.6***

Our analysis indicates Starts/Month is between 0.3 and 3.8 with an average of 1.6 starts/month with a median of 1.3 starts/month. We placed the greatest emphasis on the Morning Ridge development, as it is the most proximate and directly comparable project to the subject property in Princeton. The appraisers concluded **the subject property's 60' lots would likely absorb 3 lots/month, or approximately 9 lots per quarter.**

Absorption Summary Projection: 50' and 60' Lots

Based on the preceding, we estimate that lots in the subject property's development will sell 15 lots/quarter for 50' lots and 9 lots/quarter for 60' lots with absorption having begun September 2025 for IA #3A, April 2026 for IA #3B, and June 2026 for IA #3C. An Absorption Summary Projection for each Improvement Area within Whitewing Trails PID is shown below:

Projected Quarterly Absorption Summary - Whitewing Trails PID (IA #3A)										
Lot Type	*Sept-2025*	*Oct-2025*	*Jan-2026*	*Apr-2026*	*Jul-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	*Jul-2027*	*Oct-2027*
50-FF	5	15	15	15	15	15	15	15	15	15
Total	**5**	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**15**

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Projected Quarterly Absorption Summary - Whitewing Trails PID (IA #3A)										
Lot Type	*Jan-2028*	*Apr-2028*	*Jul-2028*	*Oct-2028*	*Jan-2029*	*Apr-2029*	*Jul-2029*	*Oct-2029*	*Jan-2030*	**TOTAL**
50-FF	15	15	15	15	15	15	15	15	4	**264**
Total	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**4**	**264**

The total absorption period for the 50' lots in IA #3A is expected to be 53 months (264 lots ÷ 5 lots/month), and lots are expected to sell out in January 2030.

Projected Quarterly Absorption Summary - Whitewing Trails PID (IA #3B)								
Lot Type	*Feb-2026*	*Apr-2026*	*Jul-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	*Jul-2027*	*Oct-2027*
50-FF	10	15	15	15	15	15	15	15
60-FF	6	9	9	9	9	9	9	9
Total	**16**	**24**	**24**	**24**	**24**	**24**	**24**	**24**

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Projected Quarterly Absorption Summary - Whitewing Trails PID (IA #3B)								
Lot Type	*Jan-2028*	*Apr-2028*	*Jul-2028*	*Oct-2028*	*Jan-2029*	*Apr-2029*	*Jul-2029*	**TOTAL**
50-FF	15	15	15	15	15	15	-	**205**
60-FF	9	9	9	9	9	9	3	**126**
Total	**24**	**24**	**24**	**24**	**24**	**24**	**3**	**331**

The total absorption period for the 50' lots in IA #3B is expected to be 41 months (205 lots ÷ 5 lots/month), and lots are expected to be sold out in June 2029. The total absorption period for the 60' lots in IA #3B is expected to be 42 months (126 lots ÷ 3 lots/month), and lots are expected to be sold out in July 2029.

Projected Quarterly Absorption Summary - Whitewing Trails PID (IA #3C)							
Lot Type	*Jun-2026*	*Jul-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	*Jul-2027*	*Oct-2027*
50-FF	5	15	15	15	15	15	15
Total	**5**	**15**	**15**	**15**	**15**	**15**	**15**

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Projected Quarterly Absorption Summary - Whitewing Trails PID (IA #3C)							
Lot Type	*Jan-2028*	*Apr-2028*	*Jul-2028*	*Oct-2028*	*Jan-2029*	*Apr-2029*	**TOTAL**
50-FF	15	15	15	15	15	5	**175**
Total	**15**	**15**	**15**	**15**	**15**	**5**	**175**

The total absorption period for the 50' lots in IA #3C is expected to be 35 months (175 lots ÷ 5 lots/month), and lots are expected to sell out in April 2029.

SUBJECT PROPERTY ANALYSIS

The entire development of Whitewing Trails PID represents a total of approximately 213.618 acres (9,305,200-SF) and is currently being developed into the areas as follows:

- Whitewing Trails PID IA #3A will consist of 264 50-FF improved residential lots
- Whitewing Trails PID IA #3B will consist of 205 50-FF improved residential lots and 126 60-FF improved residential lots.
- Whitewing Trails PID IA #3C will consist of 175 50-FF improved residential lots

Whitewing Trails PID IA #3A is owned by is owned by MM Princeton 854, LLC and Pulte Homes Texas LP (with respect to certain lots owned by each); Whitewing Trails PID IA #3B is owned by DR Horton - Texas, LTD; Whitewing Trails PID IA #3C is owned by GRBK Edgewood, LLC. Whitewing Trails PID is located in the northwest portion of the City of Princeton. This location is in the central portion of Collin County. The area surrounding the subject property is primarily single-family developments, agricultural land, and commercial uses

Access to the subject property is considered average as it is located along Monte Carlo Boulevard. Generally, the main retail and commercial options near the subject site are found to the south along State Highway 380, which has been rapidly developing with a number of master-planned communities in the past decade.

The subject property has a mandatory homeowner's association (HOA) over residential portions of the subject property in order to maintain any potential open spaces, common areas, detention areas, and other related improvements or appurtenances that are not dedicated or maintained by the City of Princeton.

Based on research and discussion with the development team, the price point of homes in the subject's community will be starting in the $350,000s for the 50-FF lots and $500,000s for the 60-FF lots, which should be a desirable price point for young families and first- and second-time homebuyers looking for a quiet community with the small-town charm of Princeton but with the amenities of a planned residential community.

The charts on the following pages shows a breakdown of the costs associated with Whitewing Trails PID provided by Barraza Consulting Group, LLC, the Professional Engineers.

ESTIMATED OPINION OF PROBABLE COST (IA #3A & IA #3B)

COMMUNITY NAME: Whitewing Trails
PHASES: 3A + 3B + 4A
CITY OR TOWN: City of Princeton

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

GROSS ACREAGE:	67.5
NET ACREAGE:	57.7
TOTAL LOTS:	**595**
TOTAL DENSITY:	10.31
LANDPLAN:	
CREATED BY:	NM/ML
REVIEWED BY:	MC
CREATED:	02/27/25
REVISED:	08/05/25

Direct Phase Costs		TOTALS	Phase 3A	Phase 3B	Phase 4A
	Lot Count	**595**	**100**	**164**	**331**
1	Site Preparation	$ 20,049	$ 7,594	$ 12,454	
2	Water System	$ 3,472,220	$ 566,896	$ 779,411	$ 2,125,913
3	Sanitary Sewer System	$ 3,623,930	$ 604,986	$ 1,018,295	$ 2,000,649
4	Drainage System	$ 5,604,547	$ 640,764	$ 1,109,938	$ 3,853,845
5	Street Improvements	$ 6,005,651	$ 972,227	$ 1,489,719	$ 3,543,705
7	Soft Cost	$ 372,655	$ 141,157	$ 231,498	
8	Screening/Retaining Walls	$ 47,486	$ 17,987	$ 29,499	
9	Contingency 0%	$ -	$ -	$ -	$ -
10	District Formation Costs	$ 630,000	$ 150,000	$ 180,000	$ 300,000
	Total	$ 19,776,538	$ 3,101,612	$ 4,850,814	$ 11,824,112
	Cost per Lot	$ 33,238	$ 31,016	$ 29,578	$ 35,722

Private Costs		TOTALS	Phase 3A	Phase 3B	Phase 4A
	Lot Count	**595**	**100**	**164**	**331**
1	Site Preparation/Lot Grading	$ 3,267,537	$ 800,878	$ 863,152	$ 1,603,506
6	Screening/Retaining Walls	$ 771,322	$ 73,290	$ 339,760	$ 358,272
7	Soft Cost	$ 3,023,176	$ 718,760	$ 739,499	$ 1,564,917
9	Contingency 0%	$ -	$ -	$ -	$ -
	Total	$ 7,062,035	$ 1,592,928	$ 1,942,411	$ 3,526,695
	Cost per Lot	$ 11,869	$ 15,929	$ 11,844	$ 10,655
TOTALS		***$ 26,838,573***	***$ 4,694,540***	***$ 6,793,226***	***$ 15,350,807***
per lot		***$ 45,107***	***$ 46,945***	***$ 41,422***	***$ 46,377***
40' Lots		0	0	0	0
50' Lots		469	100	164	205
60' Lots		126	0	0	126
Total Lots		***595***	***100***	***164***	***331***

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY.
BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES TAKE-OFFS BEFORE FINANCIAL OBLIGATIONS ARE MADE.

NOTES
[1] Development cost does not include: City/District/County Fees, Bonds, & Permits Rock Excavation, or Unit Price Inflation.

ESTIMATED OPINION OF PROBABLE COST (IA #3C)

COMMUNITY NAME: Whitewing Trails
PHASES: 3E
CITY OR TOWN: City of Princeton

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

GROSS ACREAGE:	67.5
NET ACREAGE:	57.7
TOTAL LOTS:	**175**
TOTAL DENSITY:	3.03
LANDPLAN:	
CREATED BY:	NM/ML
REVIEWED BY:	MC
CREATED:	12/11/25
REVISED:	

Direct Phase Costs			**TOTALS**		**Phase 3E**
	Lot Count		**175**		**175**
2 Water System		$	861,690	$	861,690
3 Sanitary Sewer System		$	829,123	$	829,123
4 Drainage System		$	1,092,913	$	1,092,913
5 Street Improvements		$	1,821,627	$	1,821,627
7 Soft Cost		$	-	$	-
9 Contingency	0%	$	-	$	-
10 District Formation Costs		$	250,000	$	250,000
	Total	$	4,855,354	$	4,855,354
	Cost per Lot	$	27,745	$	27,745

Private Costs			**TOTALS**		**Phase 3E**
	Lot Count		**175**		**175**
1 Site Preparation/Lot Grading		$	912,250	$	912,250
6 Screening/Retaining Walls		$	718,506	$	718,506
7 Soft Cost		$	718,745	$	718,745
9 Contingency	0%	$	-	$	-
	Total	$	2,349,501	$	2,349,501
	Cost per Lot	$	13,426	$	13,426
TOTALS		***$***	***7,204,855***	***$***	***7,204,855***
per lot		***$***	***41,171***	***$***	***41,171***

40' Lots	0	0
50' Lots	175	175
60' Lots	0	0
Total Lots	***175***	***175***

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY. BARRAZA CONSULTING GROUP, LLC. SHOULD PREPARE THE PROJECT DESIGN AND QUANTITIES TAKE-OFFS BEFORE FINANCIAL OBLIGATIONS ARE MADE.

NOTES
[1] Development cost does not include: City/District/County Fees, Bonds, & Permits, Rock Excavation, or Unit Price Inflation.

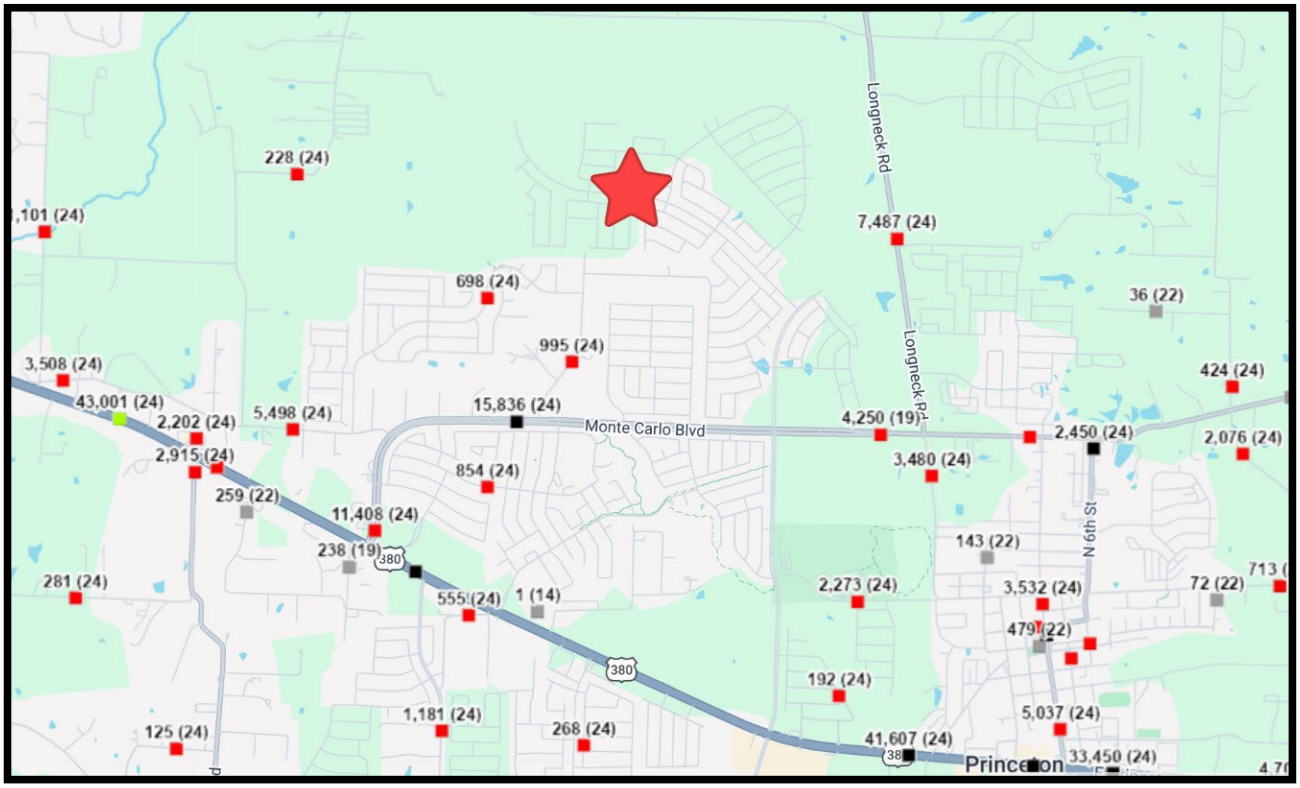
The preceding general descriptions of the subject's characteristics are based on review of available maps and data sources, as well as our physical on-site observations. Please refer to copies of the maps, photographs, and renderings for a visual perspective of the subject's physical characteristics.

ACCESSIBILITY, FRONTAGE, AND STREETS

The subject property is primarily accessed by Monte Carlo Boulevard which is an east/west bound, primary throughfare within the City of Princeton and transverses along the southern line of the subject property and connects the property to State Highway 380.

A map below from TXDOT shows traffic counts near the subject property. Monte Carlo Boulevard, which is an east/west road that borders the subject property reports over 15,800 average daily vehicles. State Highway 380, which is an east/west major highway south of the subject property reports just over 43,000 daily vehicles.

TXDOT Traffic Web Viewer



Traffic

Collection Street	Cross Street	Traffic Volume	Count Year
Monte Carlo Blvd	Old Hwy 24 E	7,861	2025
Longneck Rd	Co Rd 464 N	2,308	2025
Longneck Road	Co Rd 461 N	2,034	2025
Longneck Rd	Co Rd 461 N	2,040	2024
Co Rd 461	N 4th St E	1,729	2025
N 4th St	Co Rd 461 N	1,516	2025
W College Ave	Prairie Creek Dr E	10	2025
N 1st St	E Gantt St S	189	2025
North 6th Street	Co Rd 461 N	1,231	2025
N 6th St	Co Rd 461 N	1,521	2024

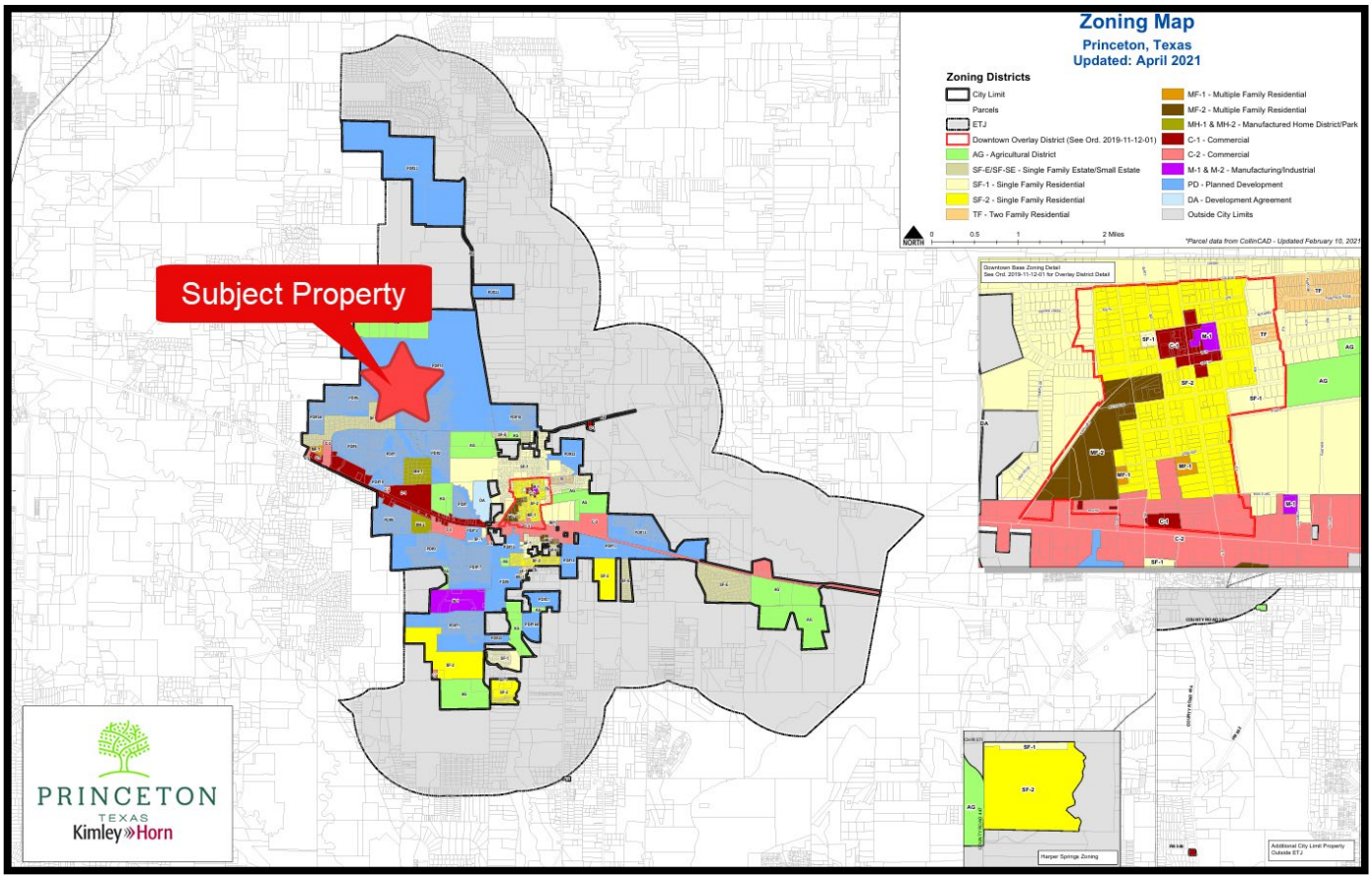
ZONING AND RESTRICTIONS

Development of the subject property will be governed by a Development Agreement between the Developer and the City of Princeton. 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.

The subject property is zoned Planned Development - 10 (PD-10) by the City of Princeton which was adopted July 28, 2009, via Ordinance No. 2009-07-28, as amended. The Planned Development zoning in the City of Princeton is intended to provide for combining and mixing of uses to permit flexibility in the use and design of land and buildings; however, our subject property (Whitewing Trails PID) only encompasses single-family use. The subject must adhere to the City of Princeton's ordinance for PD-10 zoning.

The proposed lot construction appears to be a conforming land use. The City of Princeton Zoning Map is shown below.

CITY OF PRINCETON ZONING MAP



TOPOGRAPHY – IA #3A

The topography of the subject property is described as gently sloping and was cleared as of the date of inspection. As of the inspection date, February 9, 2026, these topographic maps showing the contours are slightly out-of-date as the site has been improved for single-family lots with streets, storm sewer, and utilities. Topographic information is provided by the North Central Texas Council of Governments and Texas A&M Forest Service.

TOPOGRAPHIC MAP

Contours At 2'; Bold at 10'

TOPOGRAPHY – IA #3B

The topography of the subject property is described as gently sloping and was cleared as of the date of inspection. As of the inspection date, February 9, 2026, these topographic maps showing the contours are slightly out-of-date as the site is in the process of being improved for single-family lots with streets, storm sewer, and utilities. Topographic information is provided by the North Central Texas Council of Governments and Texas A&M Forest Service.

TOPOGRAPHIC MAP

Contours At 2'; Bold at 10'

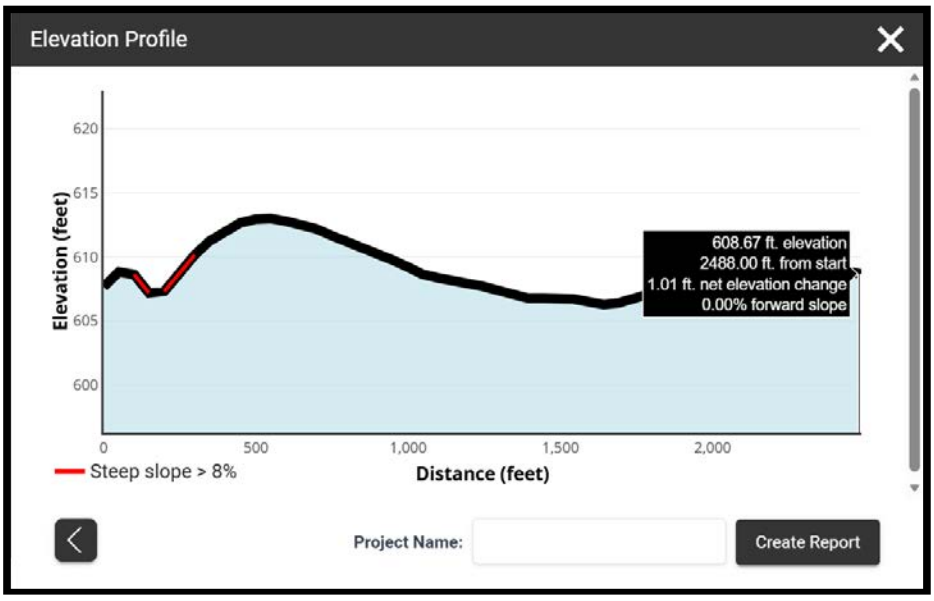
TOPOGRAPHY – IA #3C

The topography of the subject property is described as gently sloping and was cleared as of the date of inspection. As of the inspection date, February 9, 2026, these topographic maps showing the contours are slightly out-of-date as the site is in the process of being improved for single-family lots with streets, storm sewer, and utilities. Topographic information is provided by the North Central Texas Council of Governments and Texas A&M Forest Service.

TOPOGRAPHIC MAP

Contours At 2'; Bold at 10'

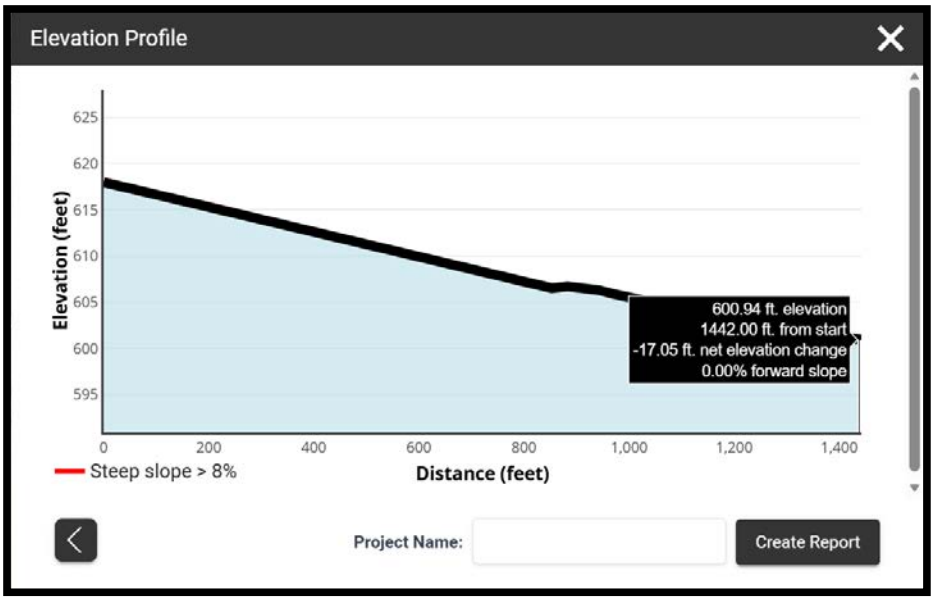
TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY IA #3A



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 1.01 feet of variation over approximately 2,488 feet of run*

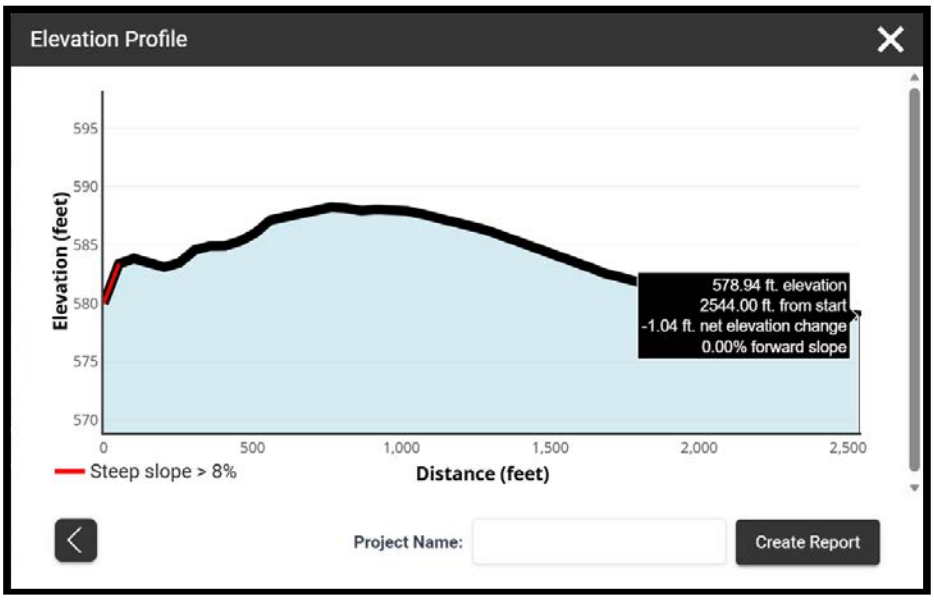
TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY IA #3A



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 17.05 feet of variation over approximately 1,442 feet of run*

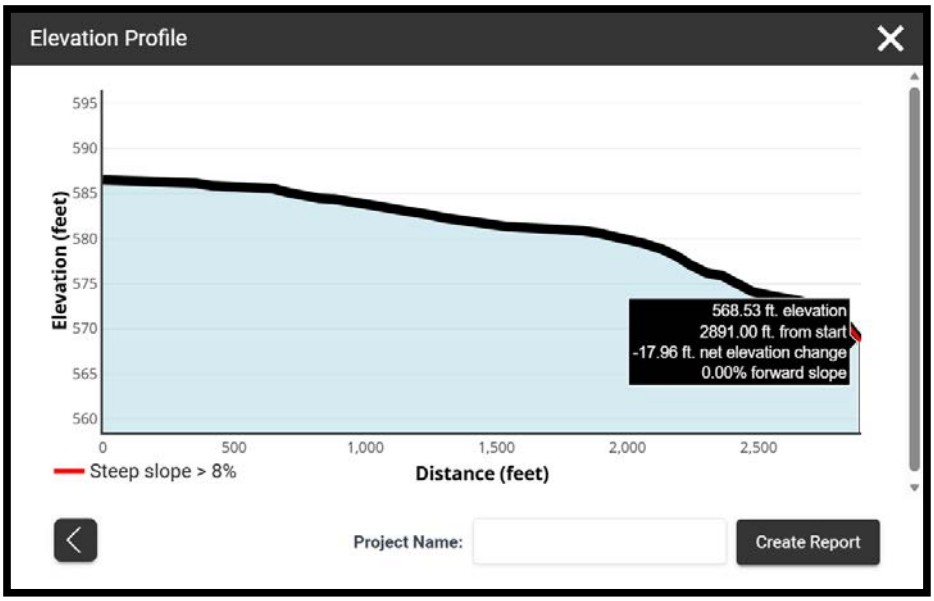
TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY IA #3B



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 1.04 feet of variation over approximately 2,544 feet of run*

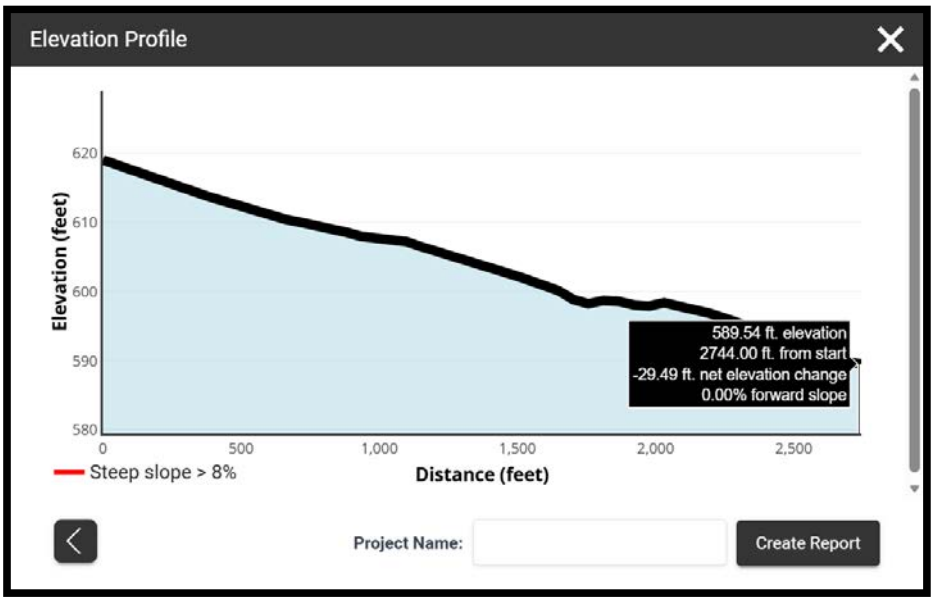
TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY IA #3B



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 17.96 feet of variation over approximately 2,891 feet of run*

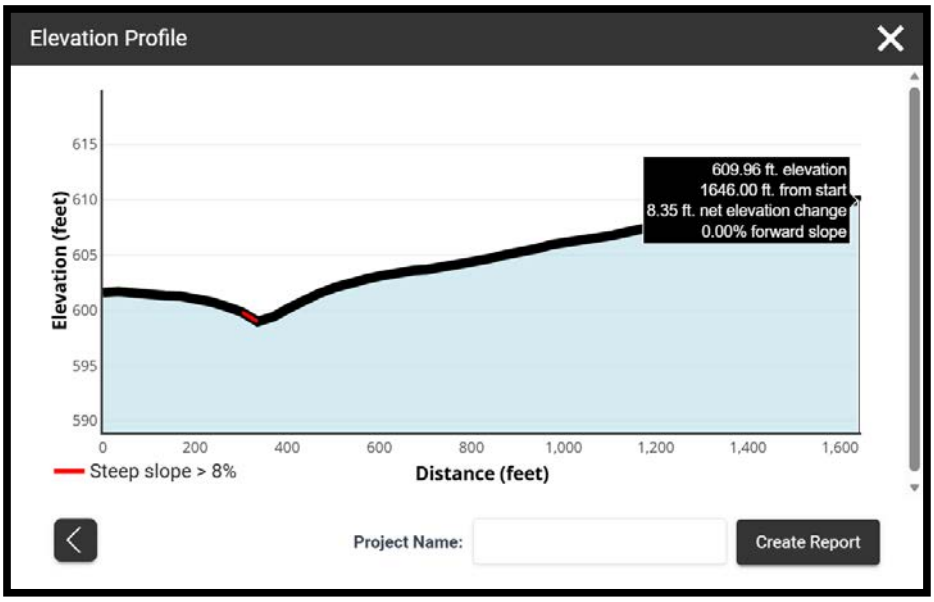
TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY IA #3C

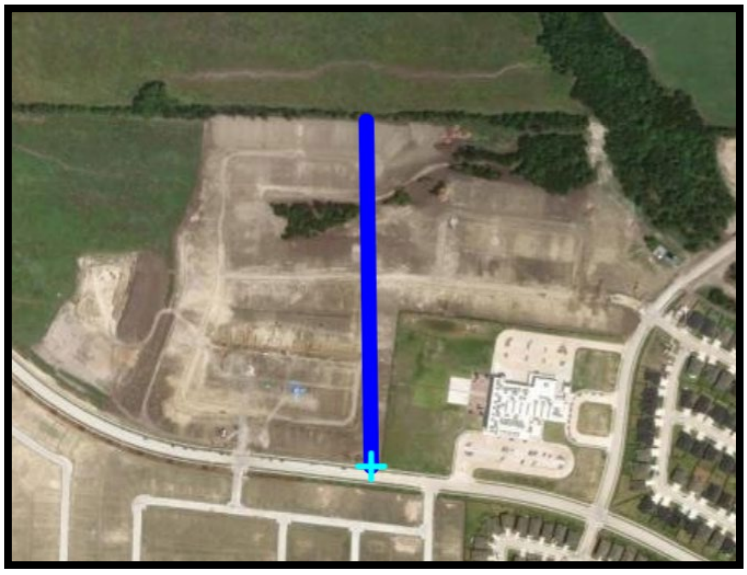


General Slope of the Property Moving from West to East

- *Note that measurements <u>are in feet</u>*
- *Elevation profile is represented along illustrated axis*
- *Property slopes west to east with approximately 29.49 feet of variation over approximately 2,744 feet of run*

TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY IA #3C





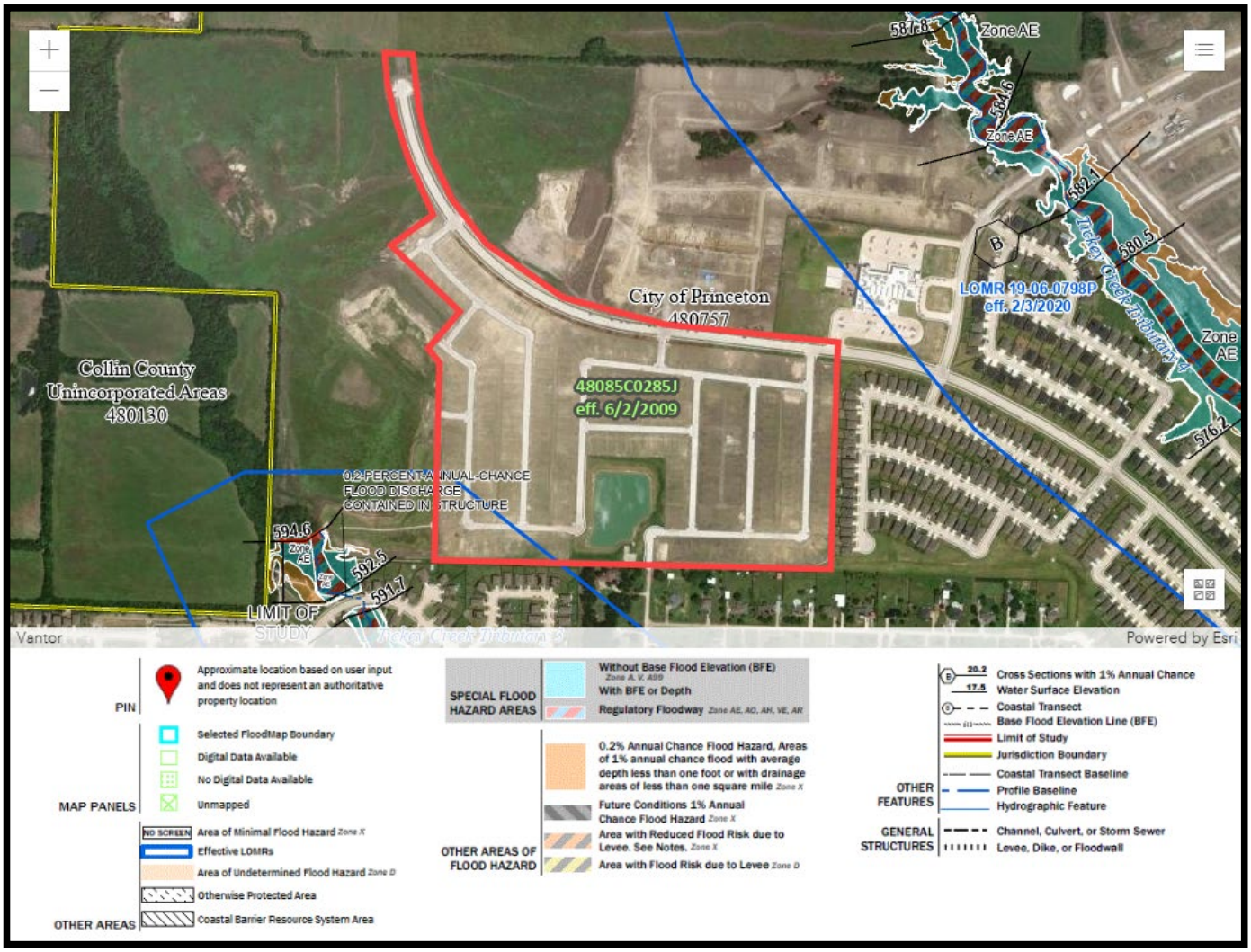
General Slope of the Property Moving from South to North

- *Note that measurements <u>are in feet</u>*
- *Elevation profile is represented along illustrated axis*
- *Property slopes south to north with approximately 8.35 feet of variation over approximately 1,646 feet of run*

FEMA FLOOD ZONE - IA #3A

Whitewing Trails PID IA #3A is Unshaded Zone X (outside the floodplain) according to Map 48085C0285J, effective June 2, 2009. Per the provided Concept Plan, it appears that the improvements within the subject property 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.

FLOODPLAIN MAP

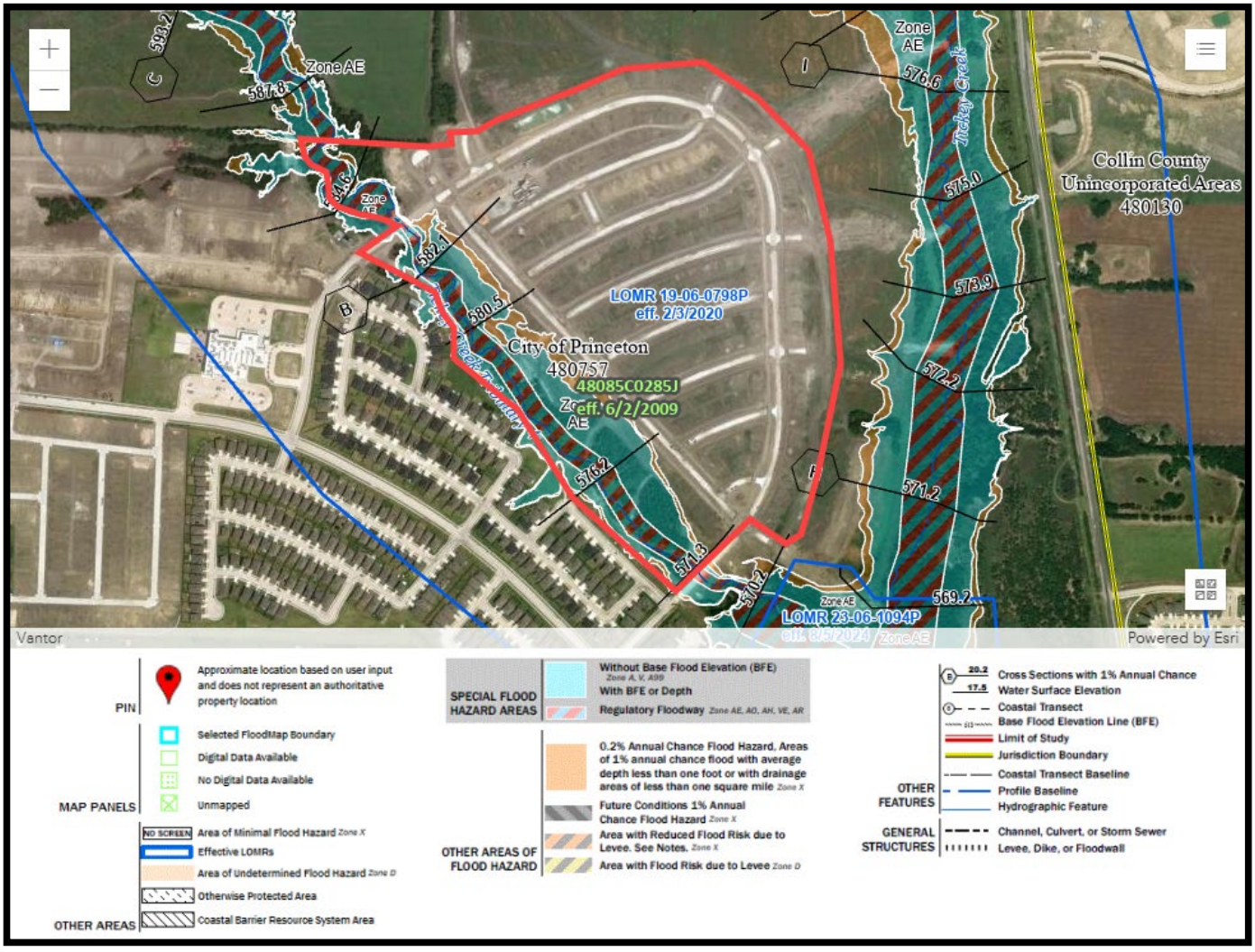


FEMA FLOOD ZONE - IA #3B

Whitewing Trails PID IA #3B is within Unshaded Zone X and Shaded Zone A according to Map 48085C0285J, effective June 2, 2009. Per the provided Concept Plan, it appears that the improvements within IA #3B 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.

Note: Following discussions with the client, 36 lots within IA #3B 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 Whitewing Trails PID development will obtain the LOMR and reclaim the 36 lots in IA #3B.

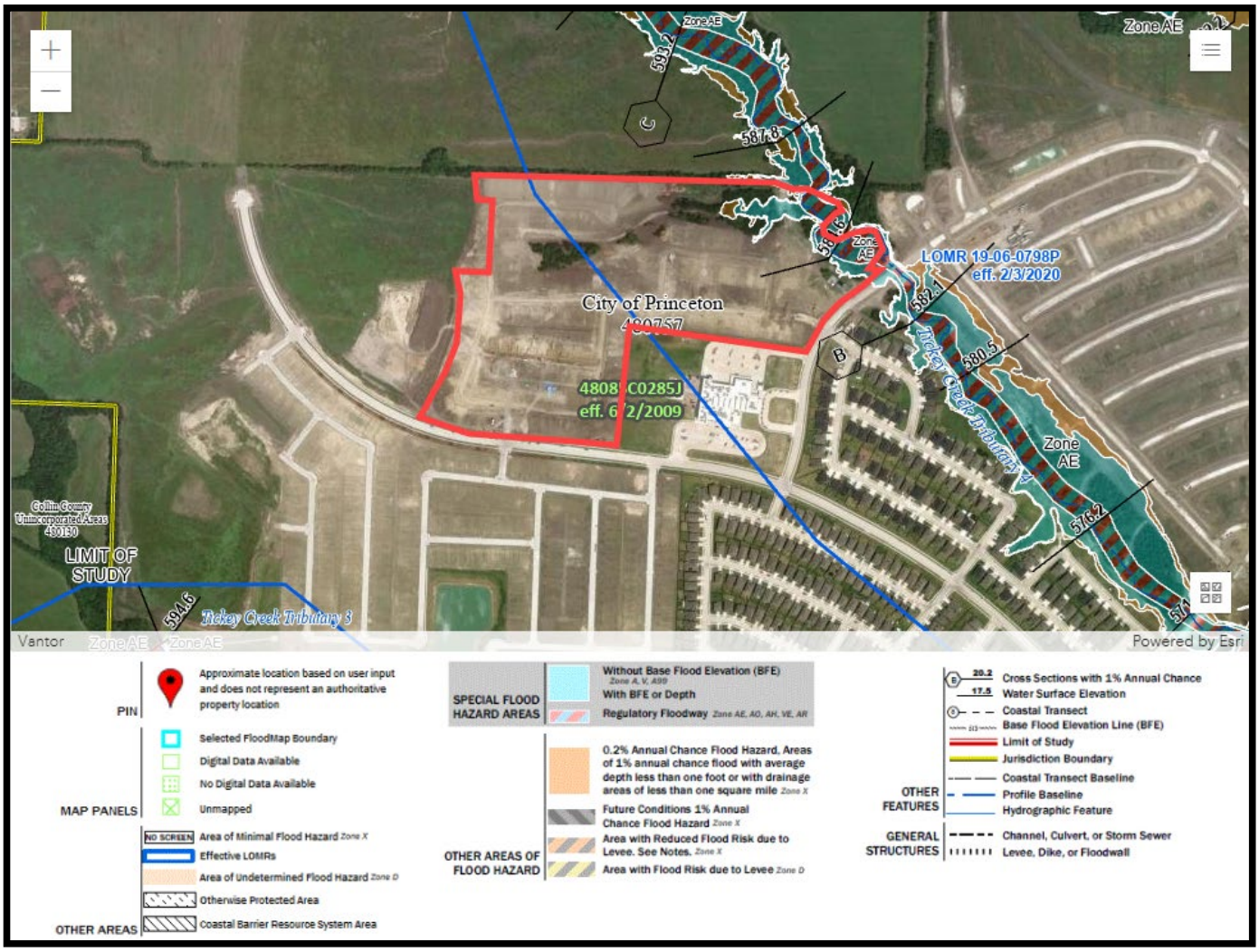
FLOODPLAIN MAP



FEMA FLOOD ZONE - IA #3C

Whitewing Trails PID IA #3C is within Unshaded Zone X and Shaded Zone A according to Map 48085C0285J, effective June 2, 2009. Per the provided Concept Plan, it appears that the improvements within IA #3C 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



UTILITIES

Electricity to the property is maintained by Oncor and natural gas is maintained by Atmos. Water and sanitary sewer services are provided by the City of Princeton which provides water and sewer to other residential communities within the city limits. The subject property is served by the Princeton Police Department and the Princeton Fire Department for fire and emergency medical services. Telephone, fiber-optic, and internet are available through AT&T, Spectrum, T-Mobile, Optimum, and Nextlink.

SOIL AND SUB-SOIL CONDITIONS

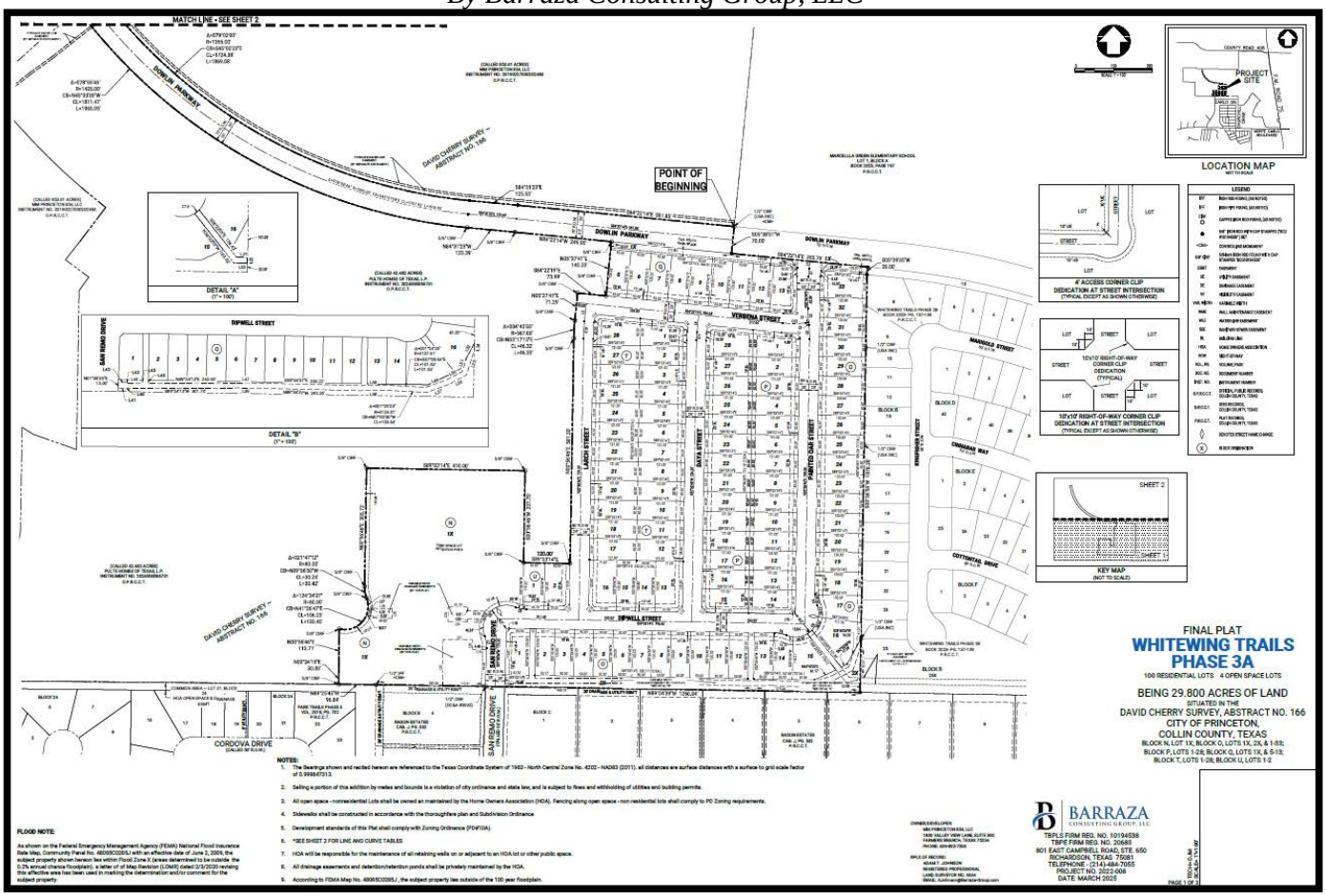
No soil engineer's report was available to the appraisers and no recent soil tests are known to have been performed. We have assumed a stable soil condition that would ensure the structural integrity of any improvement to be constructed. As of the report date the developer has excavation and earthwork underway. 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

Based on the plat maps provided by Barraza Consulting Group, LLC, Professional Surveyors, our physical site visit, and review of available maps of the surrounding area, there is a drainage easement in the northern area of IA #3C. Other than the drainage easement in IA #3C, it is reasonable to suspect that there are typical setbacks and easements that exist on the property which have been approved by the City of Princeton. The appraisers assume the property is free from any other detrimental easements or encroachments and specifically reserves the right to alter the conclusion of this analysis should a survey be provided that indicates detrimental easements or encroachments.

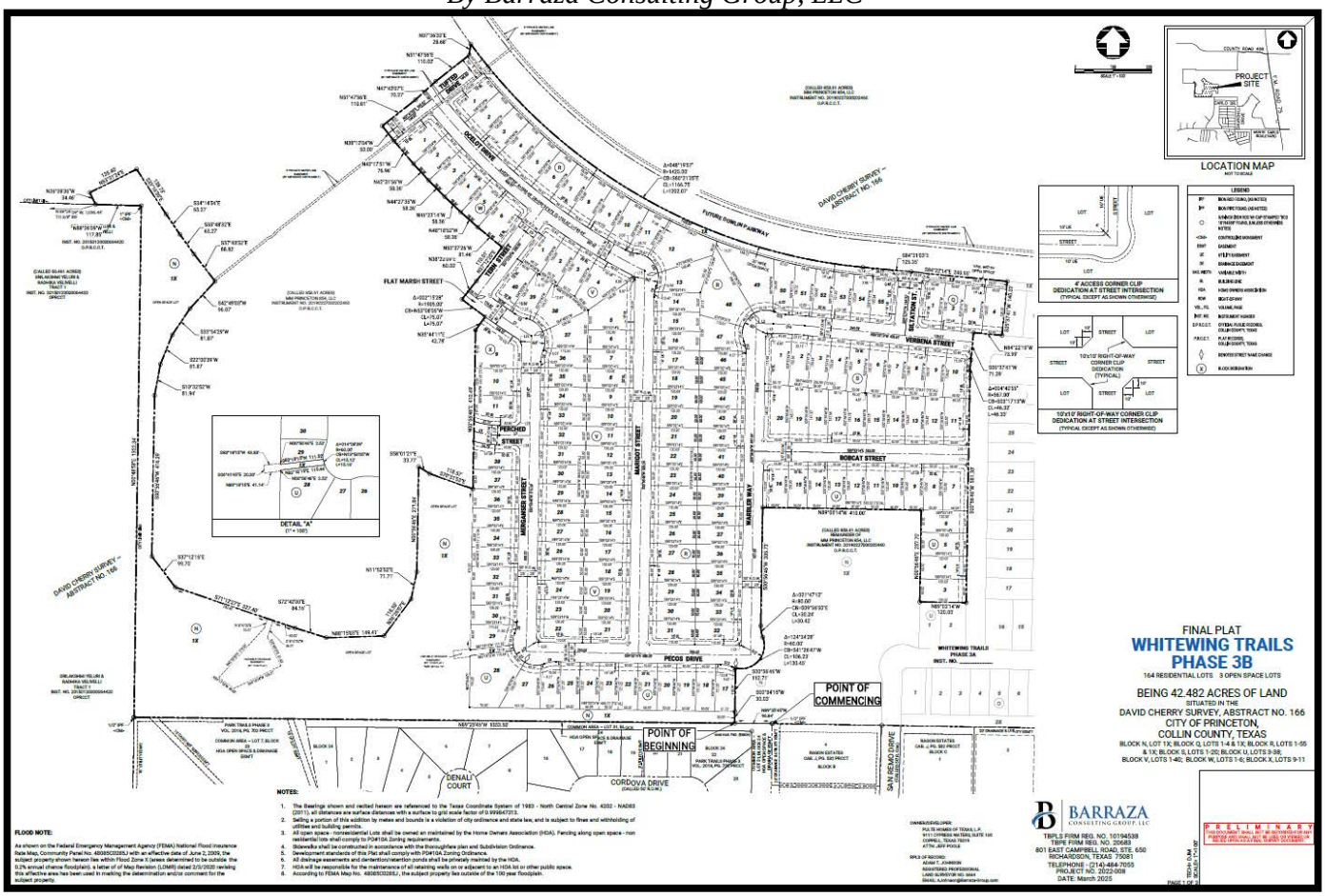
Plat Map of IA #3A

By Barraza Consulting Group, LLC



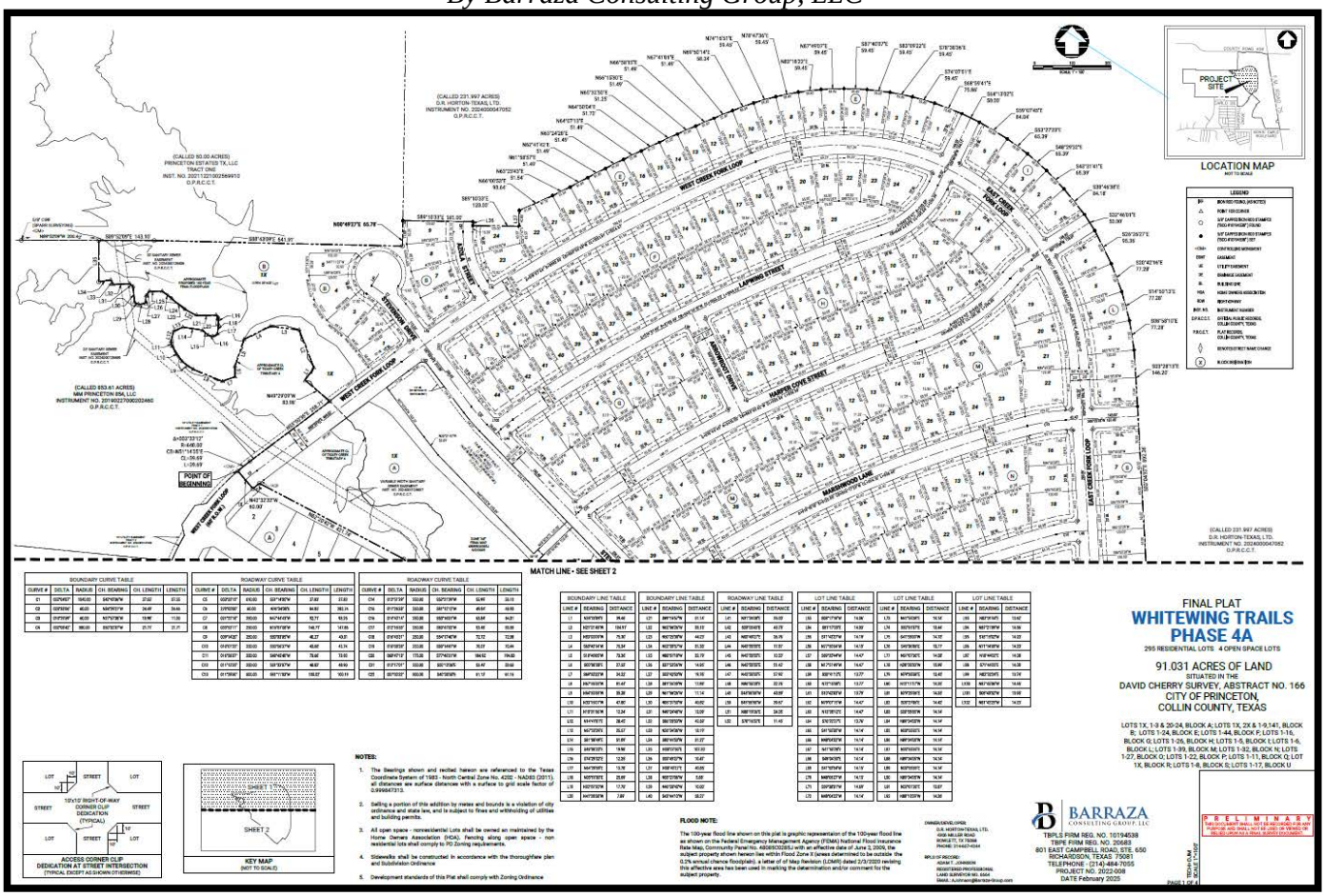
Plat Map of IA #3A

By Barraza Consulting Group, LLC



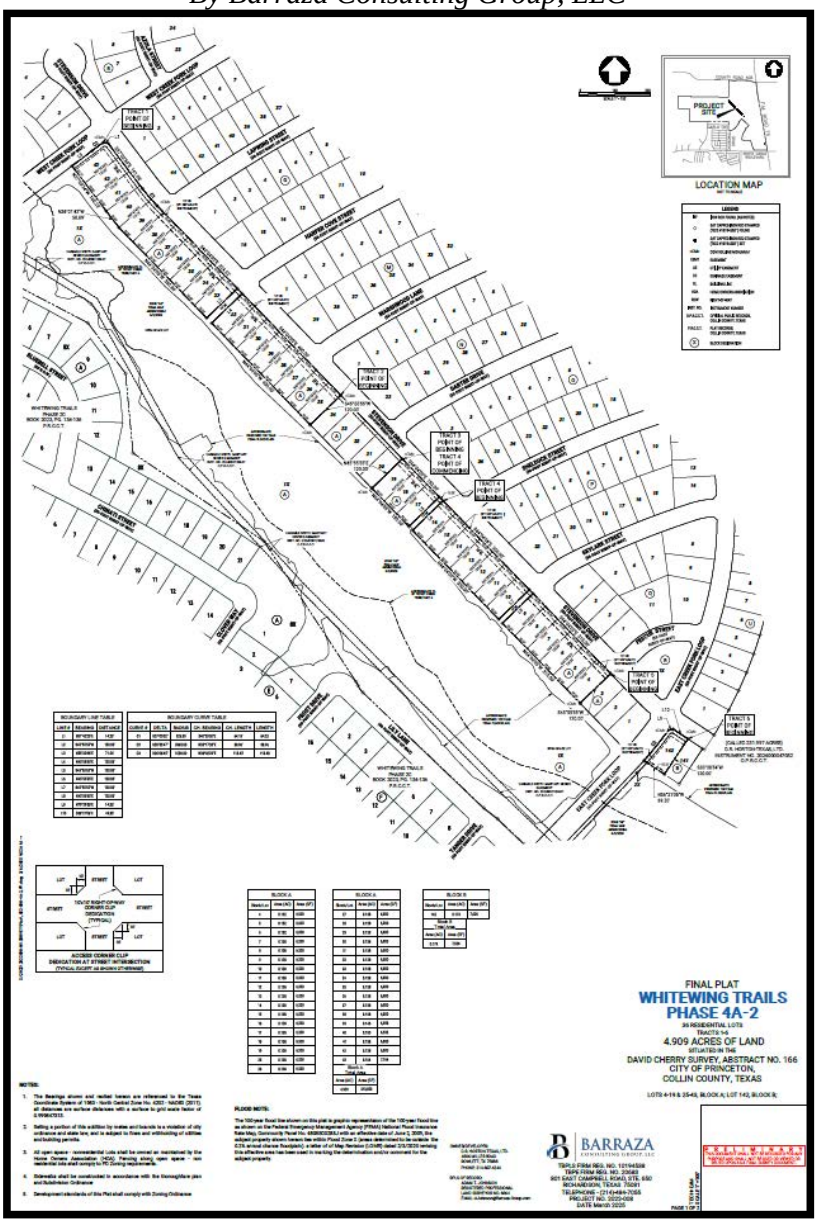
Plat Map of IA #3B

By Barraza Consulting Group, LLC



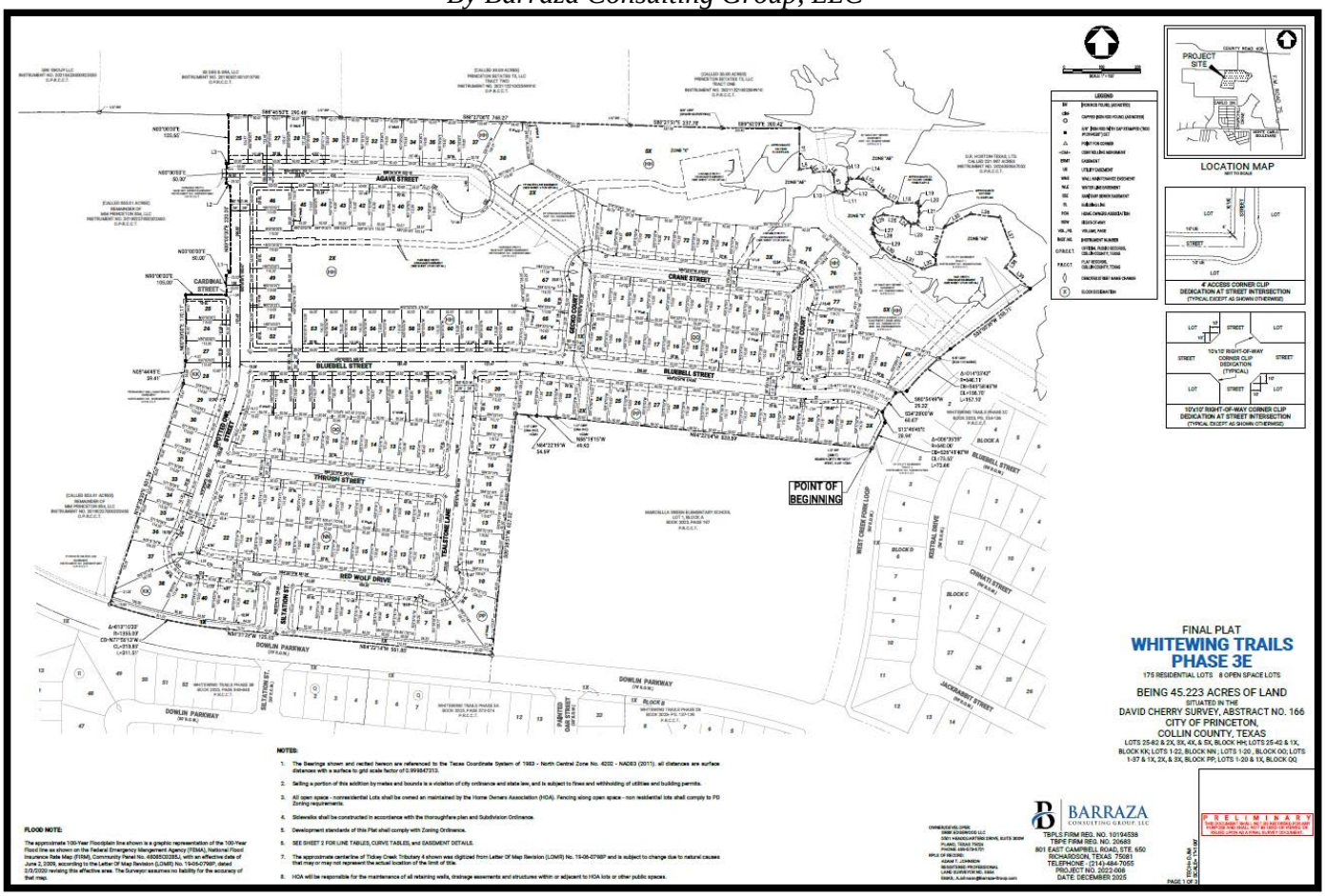
Plat Map of IA #3B

By Barraza Consulting Group, LLC

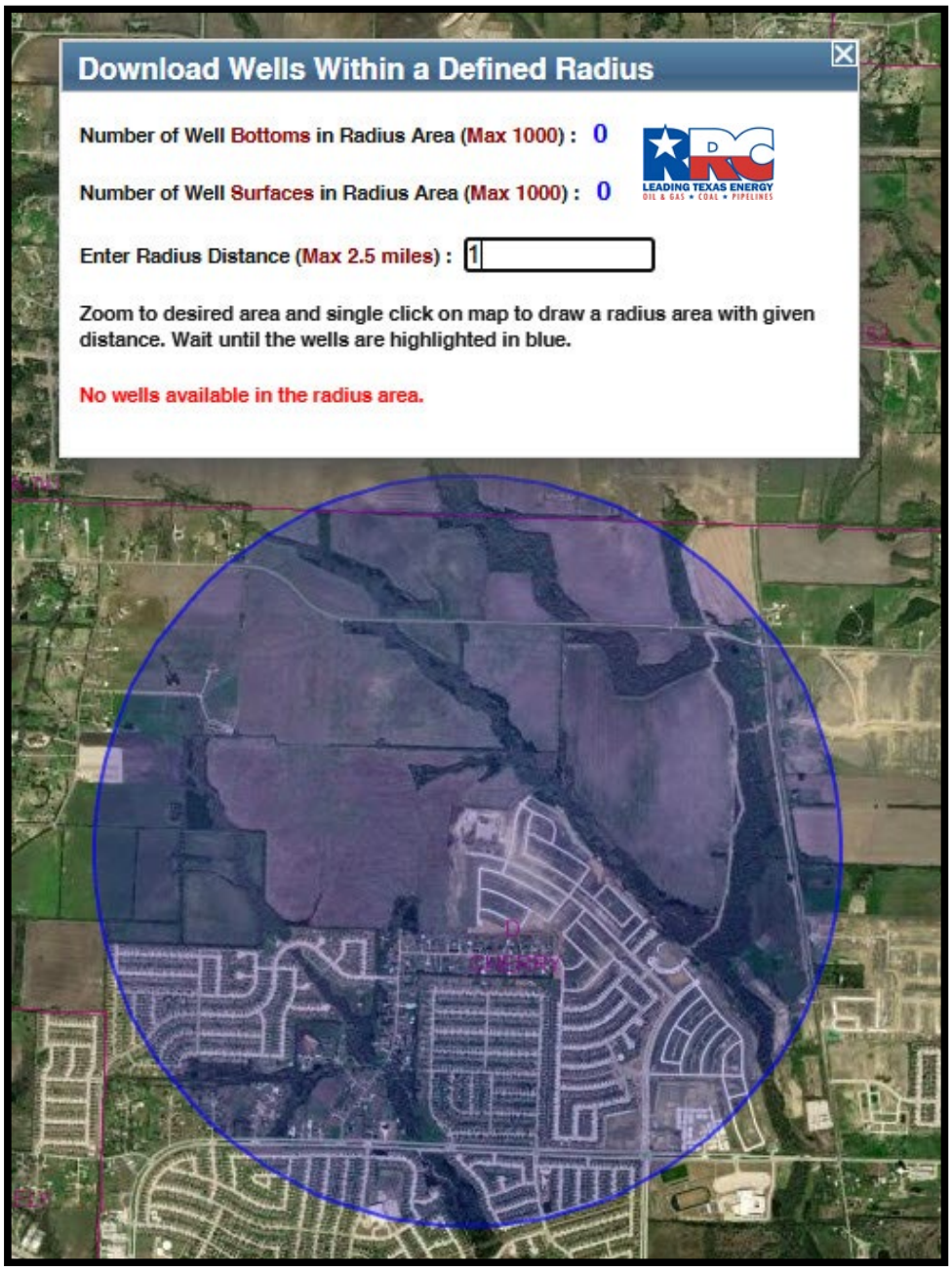


Plat Map of IA #3C

By Barraza Consulting Group, LLC



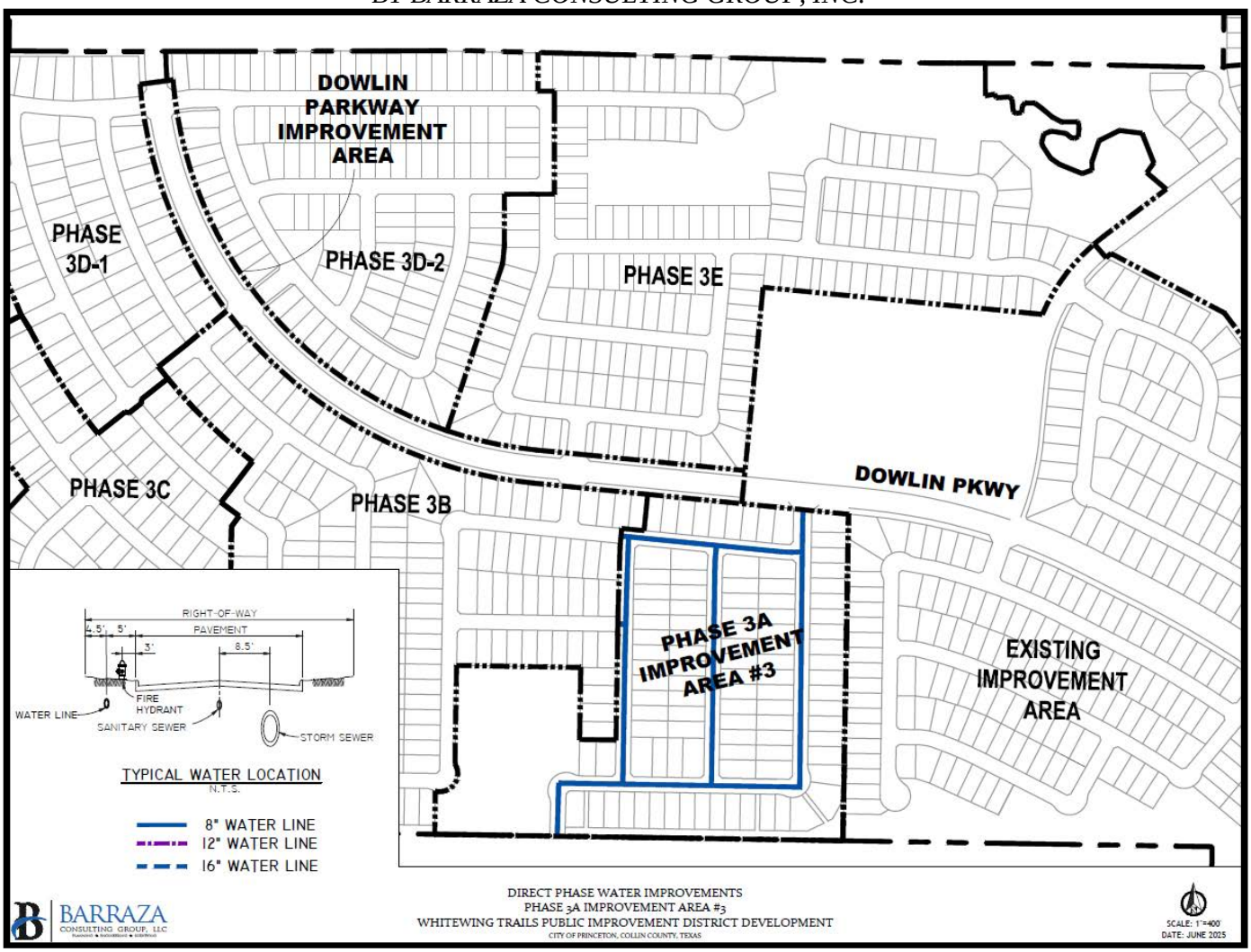
OIL AND GAS WELLS
Texas Railroad Commission



There are 0 well bottom sites and 0 well surface sites within 1 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 DFW is minimally active in mineral extraction.

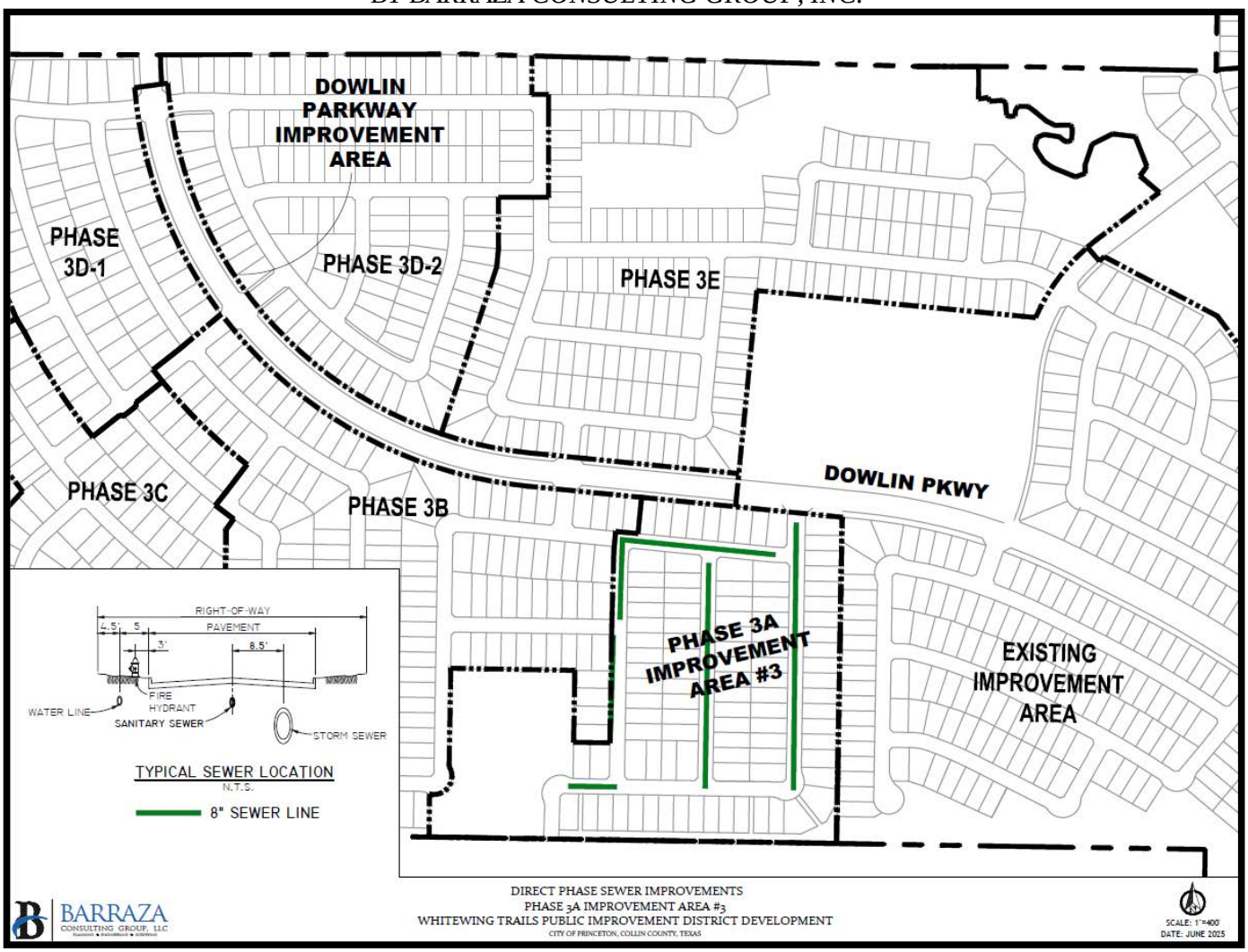
WHITEWING TRAILS PID DIRECT PHASE WATER IMPROVEMENTS IA #3A

BY BARRAZA CONSULTING GROUP, INC.



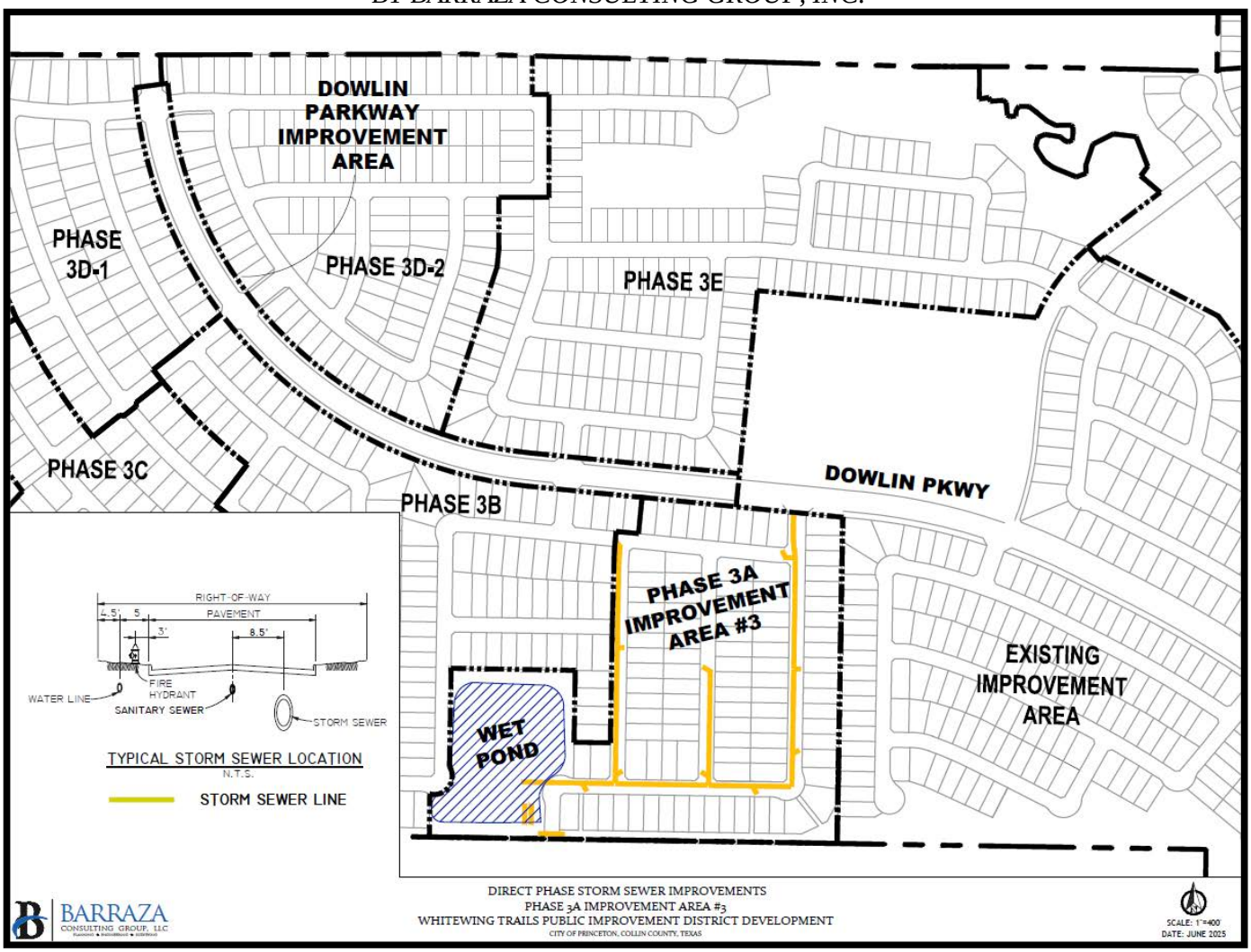
WHITEWING TRAILS PID DIRECT PHASE SEWER IMPROVEMENTS IA #3A

BY BARRAZA CONSULTING GROUP, INC.



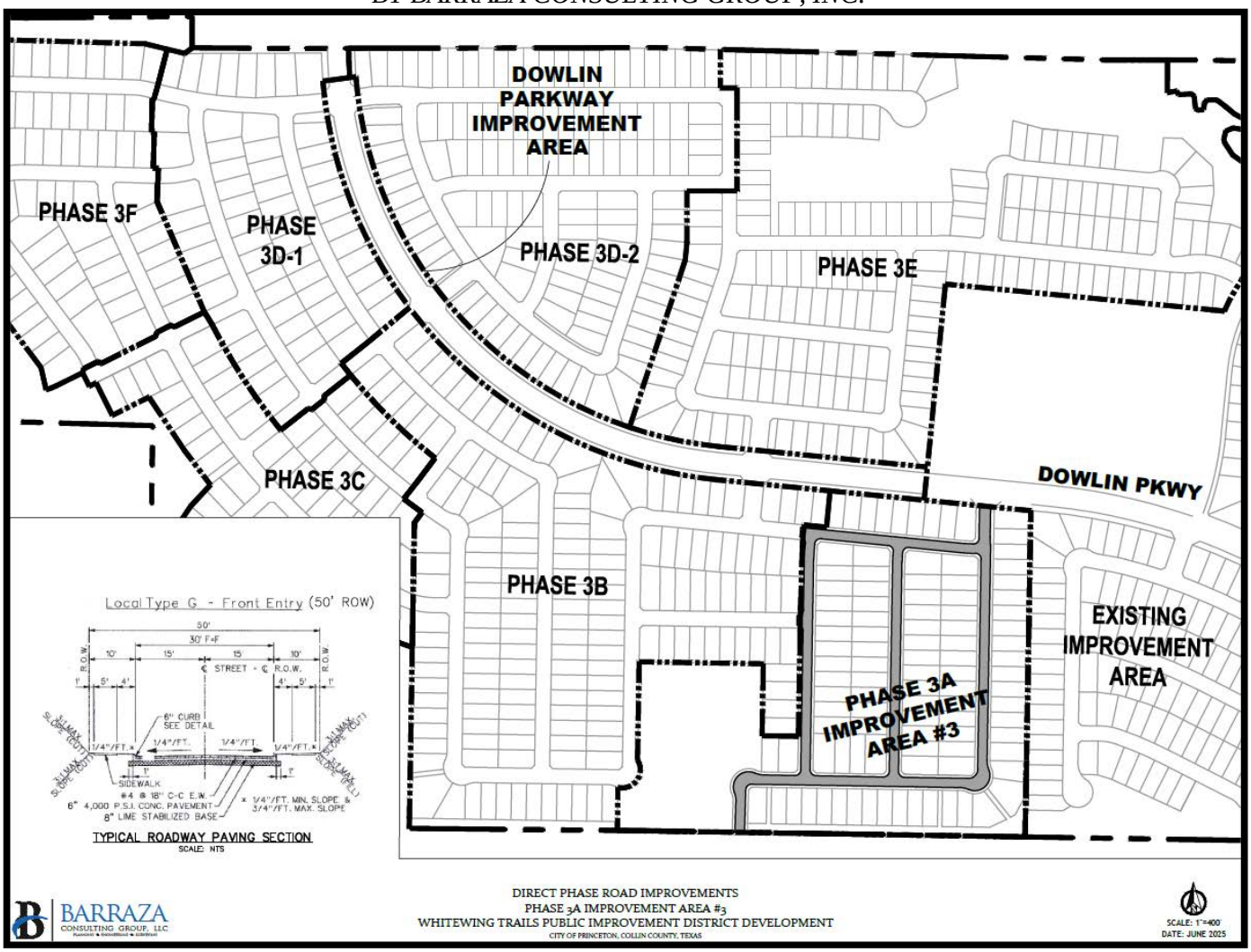
WHITEWING TRAILS PID DIRECT PHASE STORM SEWER IMPROVEMENTS IA #3A

BY BARRAZA CONSULTING GROUP, INC.



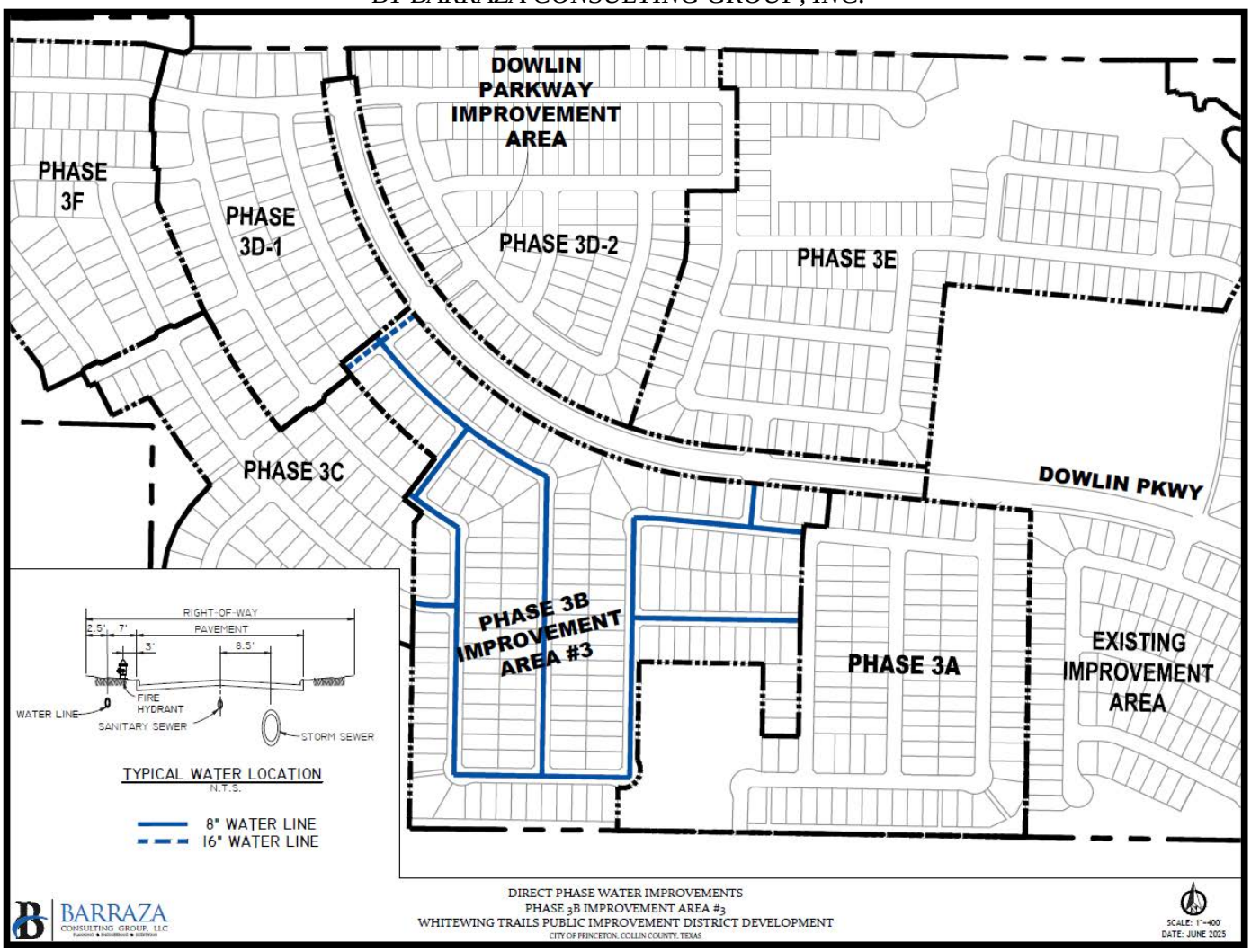
WHITEWING TRAILS PID DIRECT PHASE ROAD IMPROVEMENTS IA #3A

BY BARRAZA CONSULTING GROUP, INC.



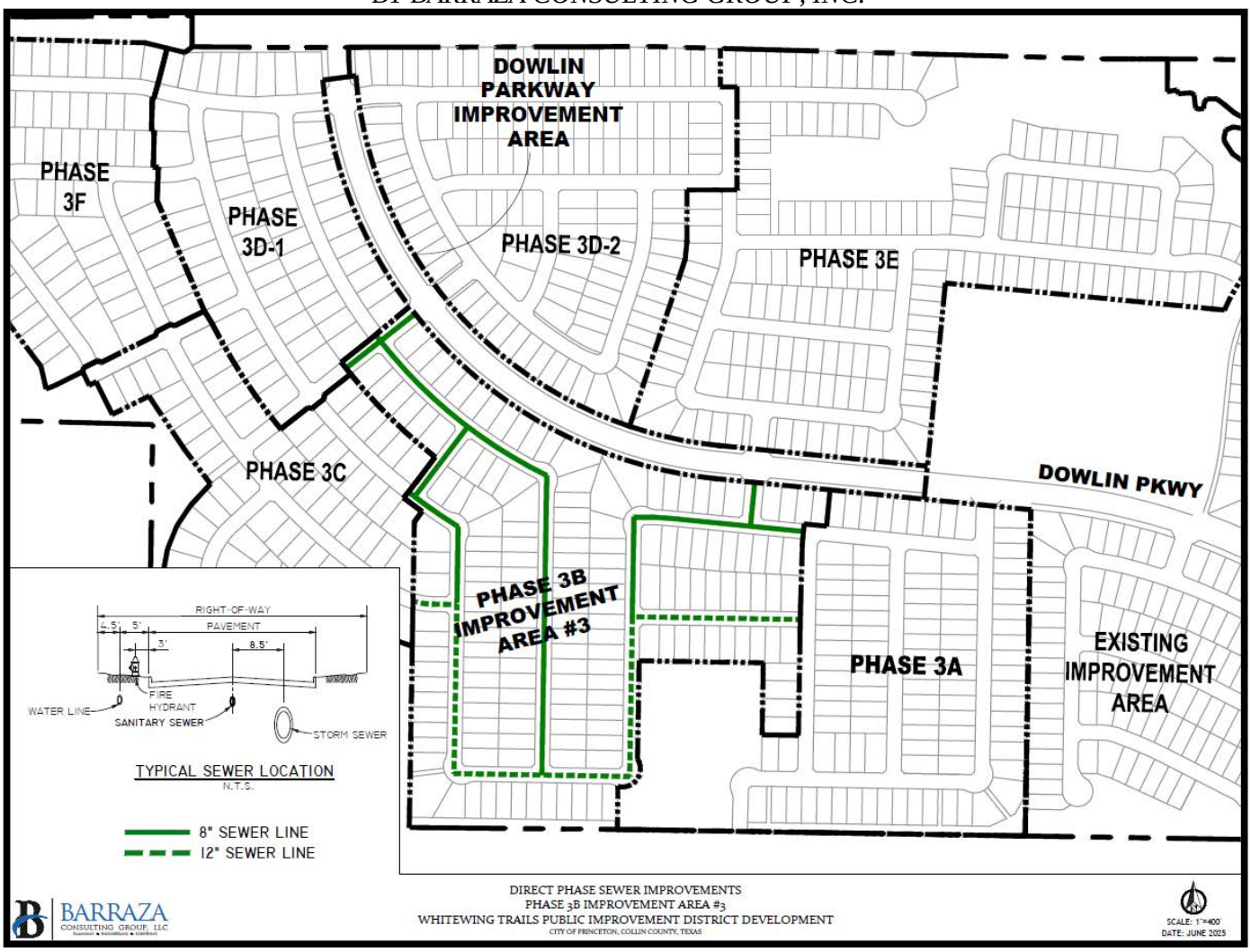
WHITEWING TRAILS PID DIRECT PHASE WATER IMPROVEMENTS IA #3A

BY BARRAZA CONSULTING GROUP, INC.



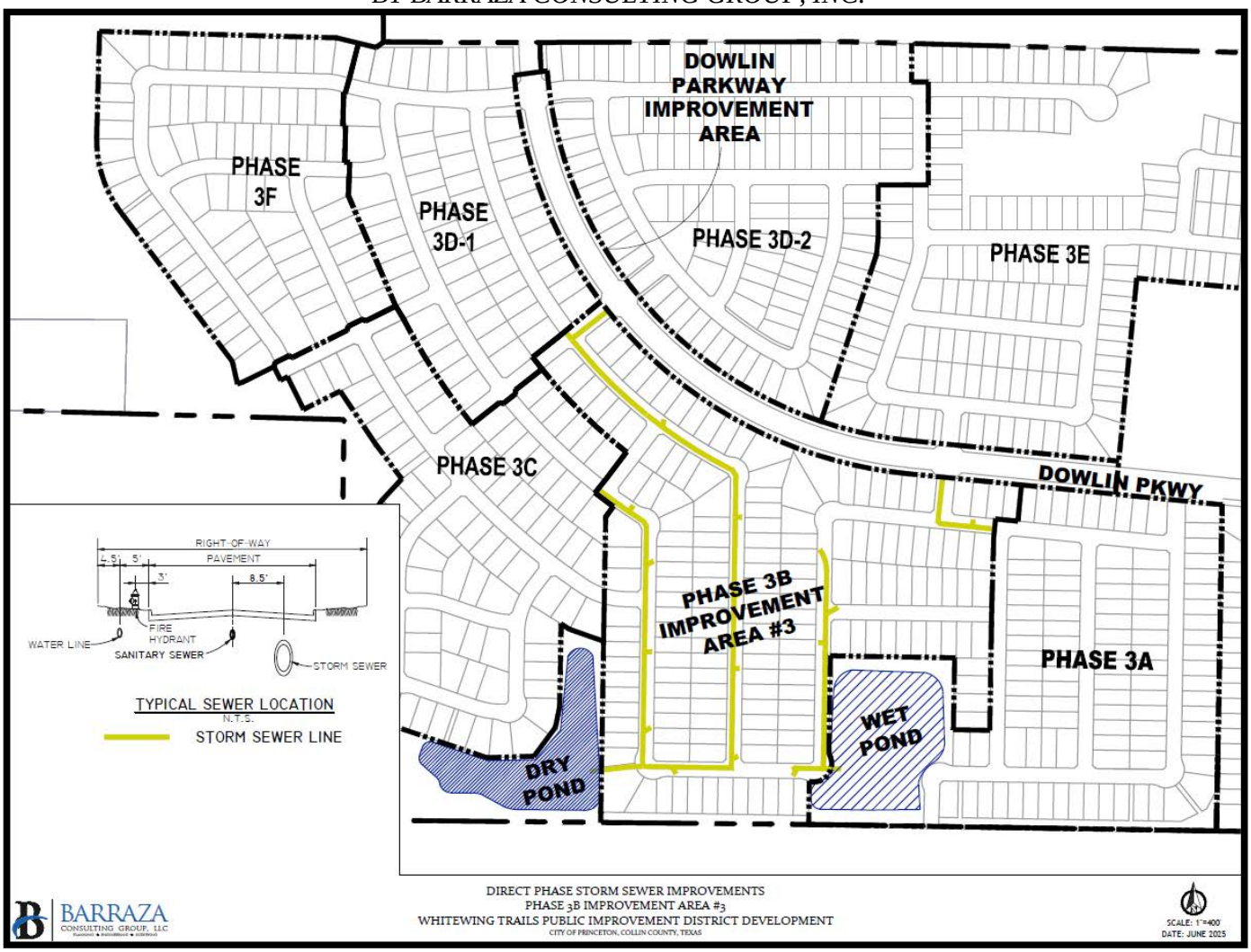
WHITEWING TRAILS PID DIRECT PHASE SEWER IMPROVEMENTS IA #3A

BY BARRAZA CONSULTING GROUP, INC.



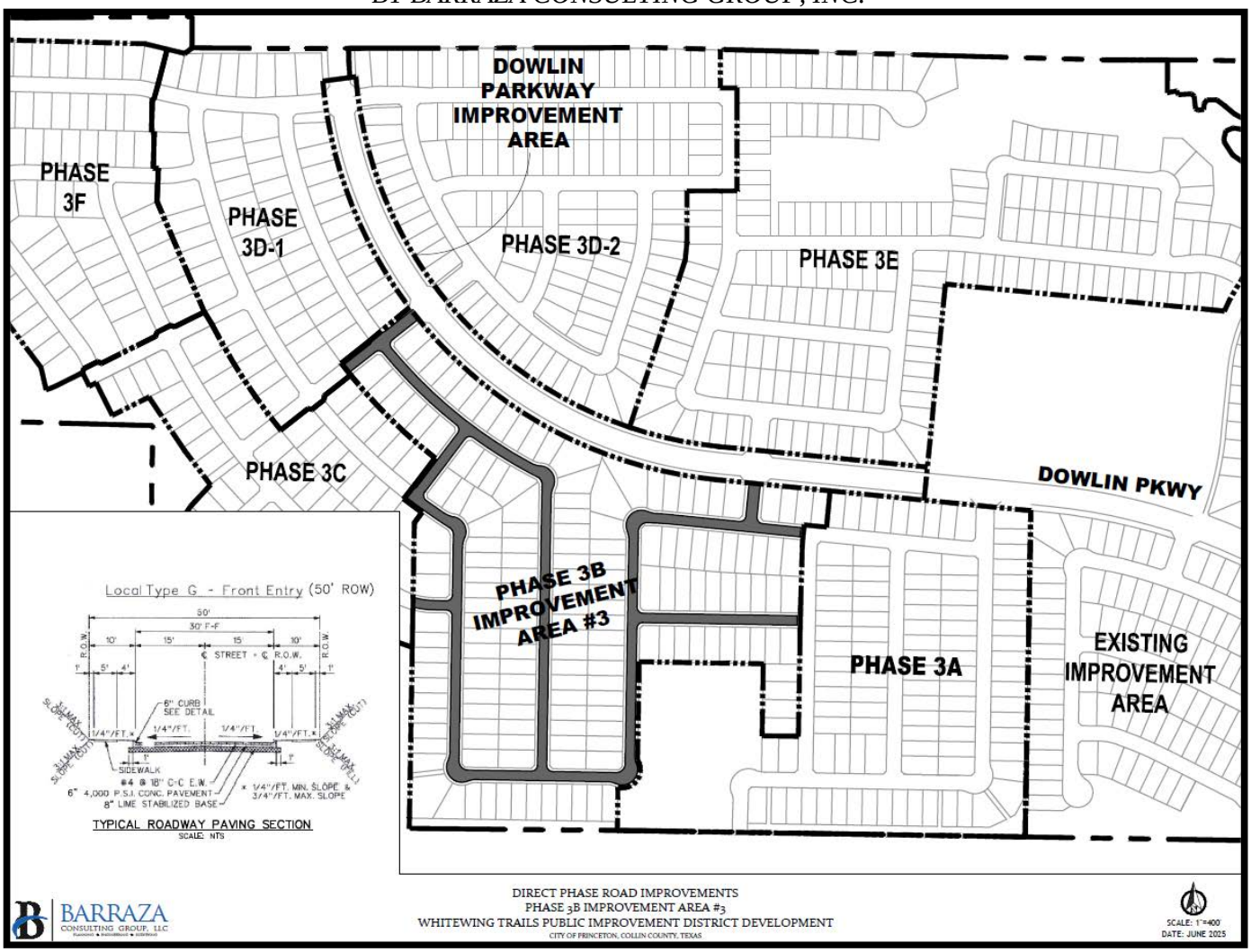
WHITEWING TRAILS PID DIRECT PHASE STORM SEWER IMPROVEMENTS IA #3A

BY BARRAZA CONSULTING GROUP, INC.



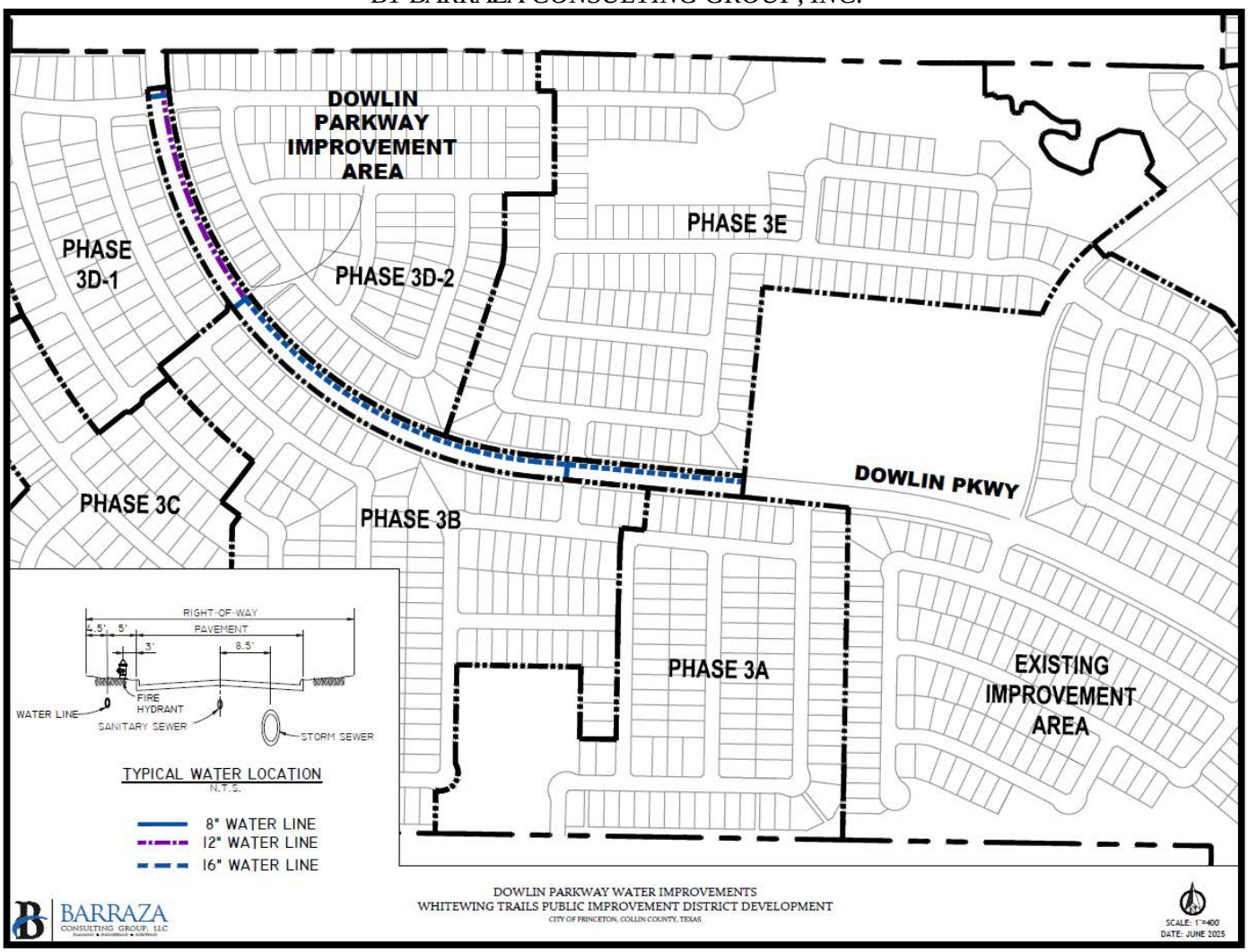
WHITEWING TRAILS PID DIRECT PHASE ROAD IMPROVEMENTS IA #3A

BY BARRAZA CONSULTING GROUP, INC.



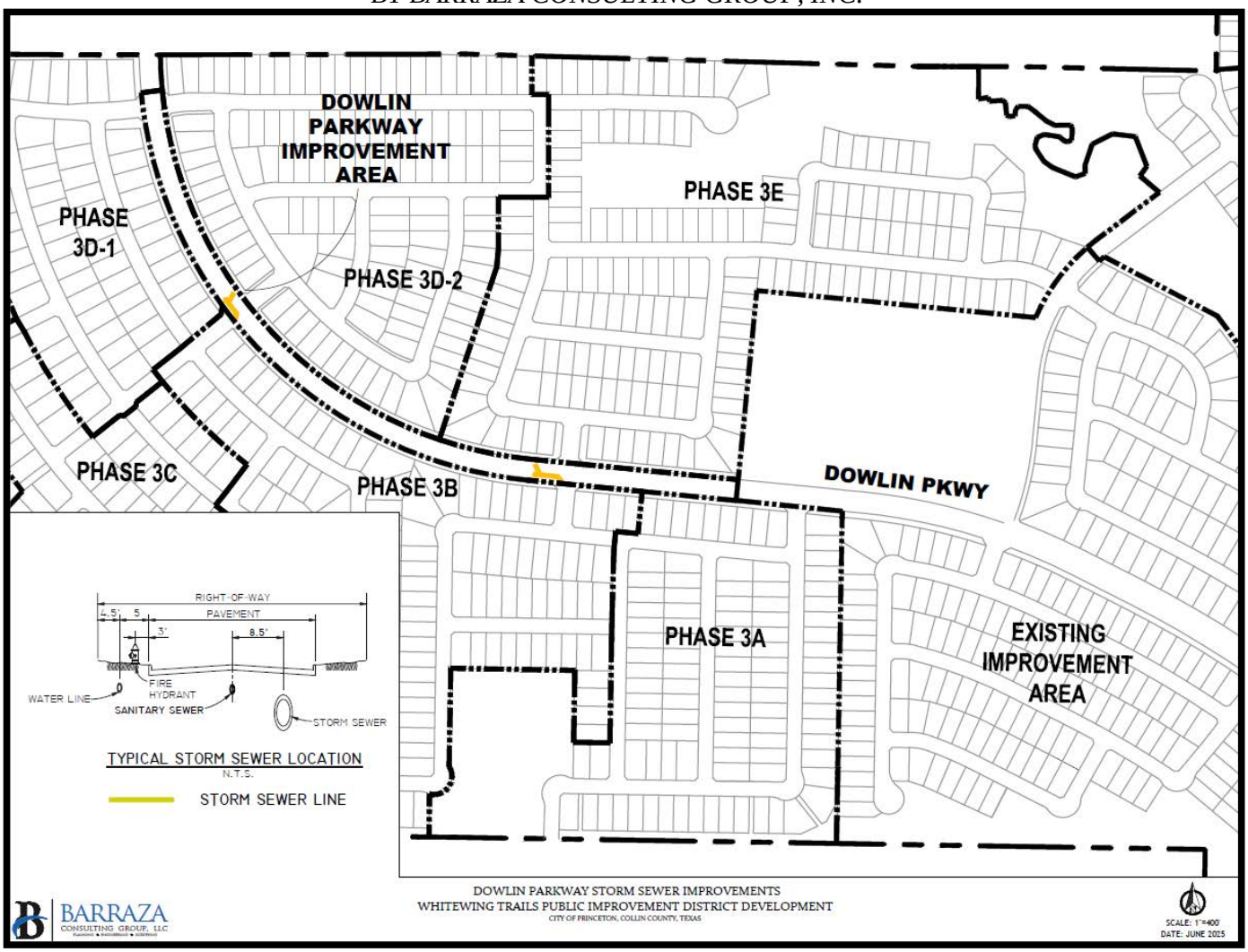
WHITEWING TRAILS PID DOWLIN PARKWAY WATER IMPROVEMENTS

BY BARRAZA CONSULTING GROUP, INC.



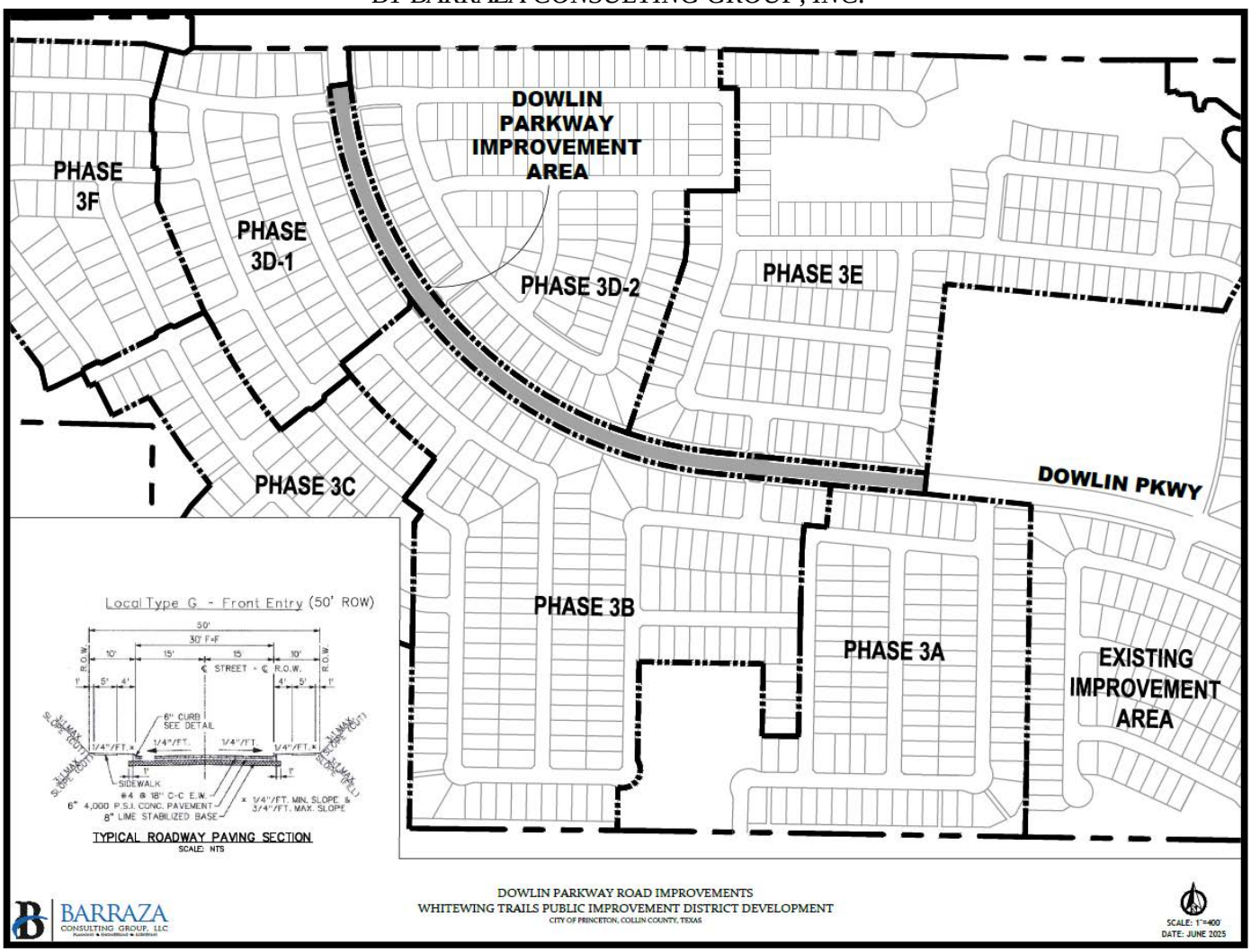
WHITEWING TRAILS PID DOWLIN PARKWAY WATER IMPROVEMENTS

BY BARRAZA CONSULTING GROUP, INC.



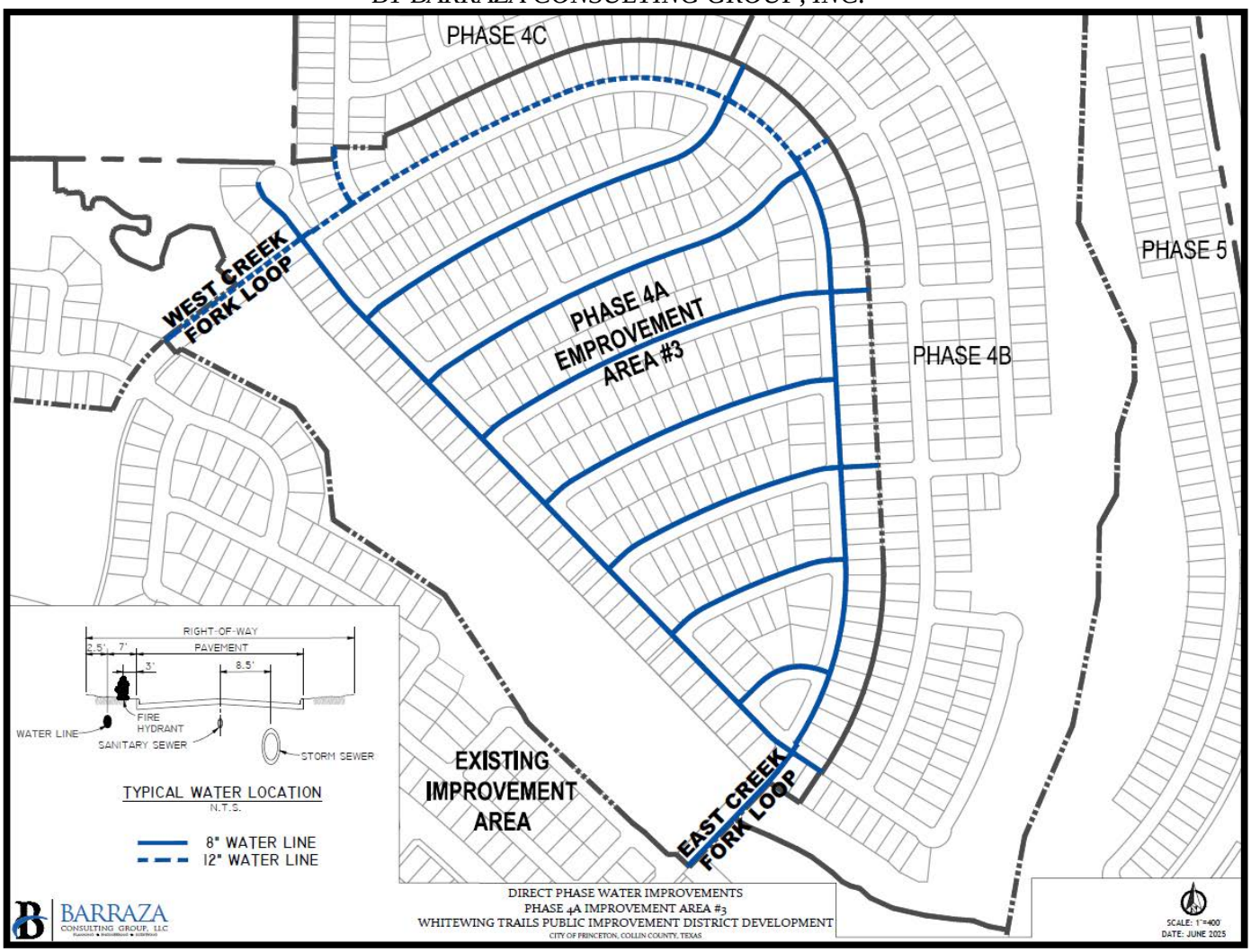
WHITEWING TRAILS PID DOWLIN PARKWAY ROAD IMPROVEMENTS

BY BARRAZA CONSULTING GROUP, INC.



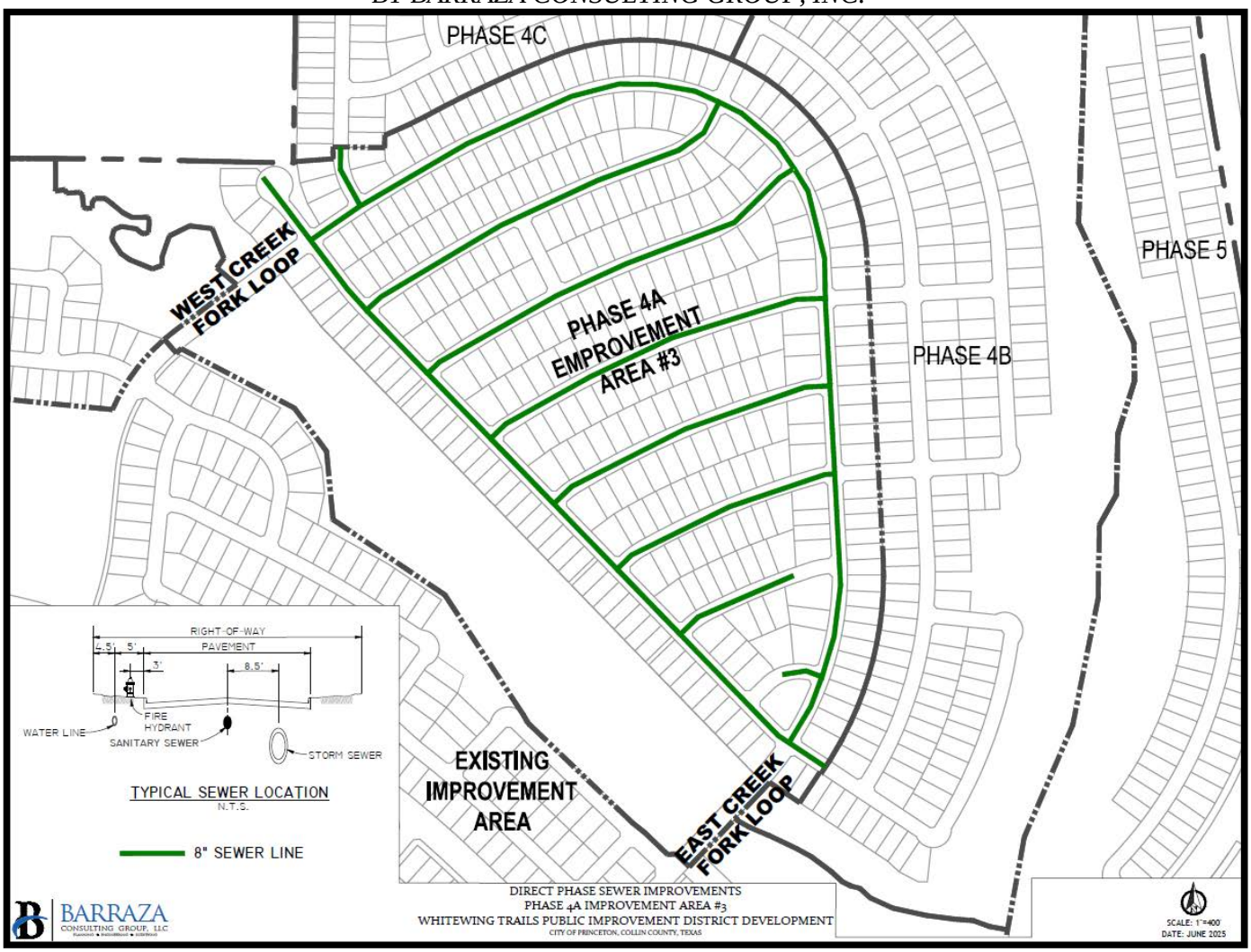
WHITEWING TRAILS PID DIRECT PHASE WATER IMPROVEMENTS IA #3B

BY BARRAZA CONSULTING GROUP, INC.



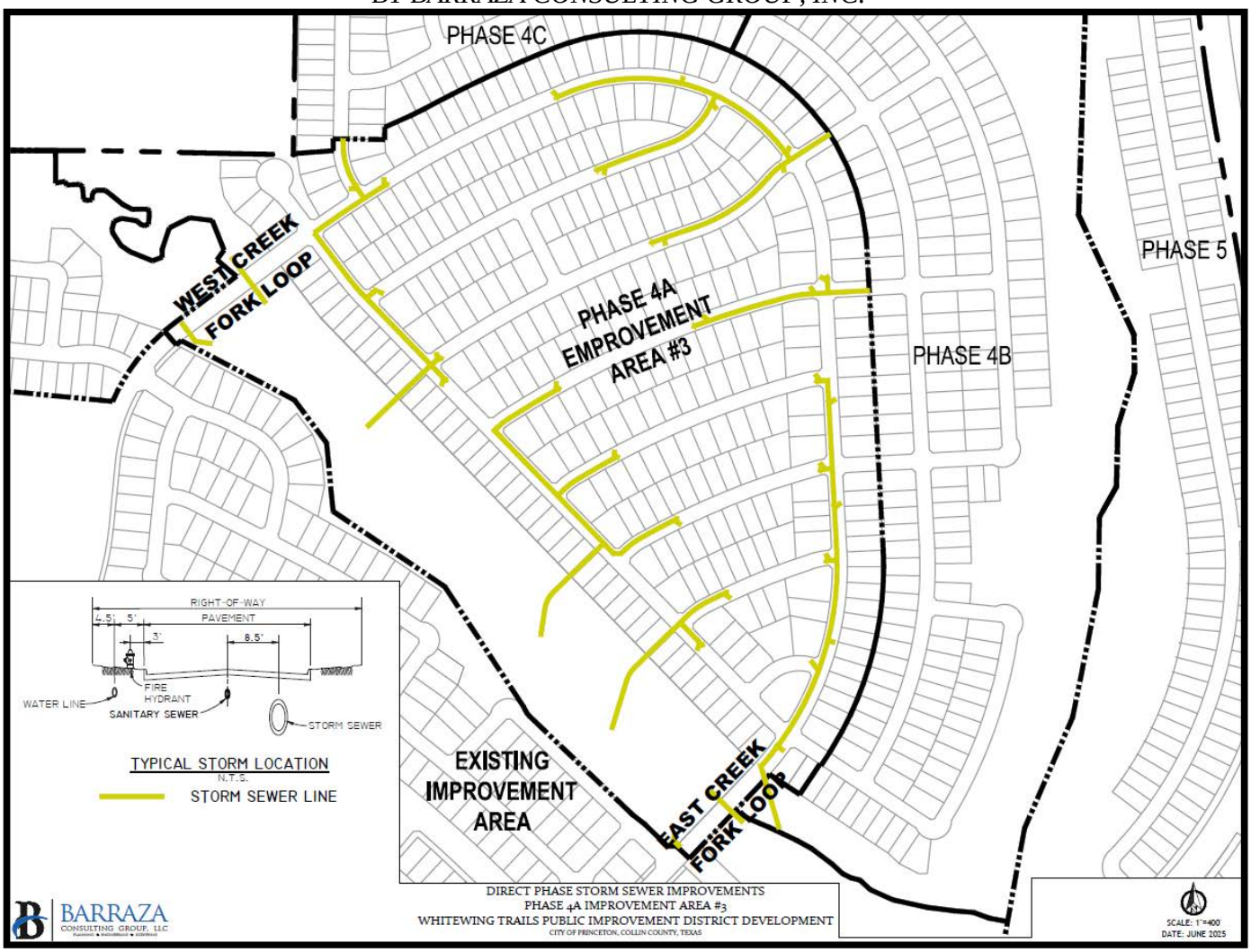
WHITEWING TRAILS PID DIRECT PHASE SEWER IMPROVEMENTS IA #3B

BY BARRAZA CONSULTING GROUP, INC.



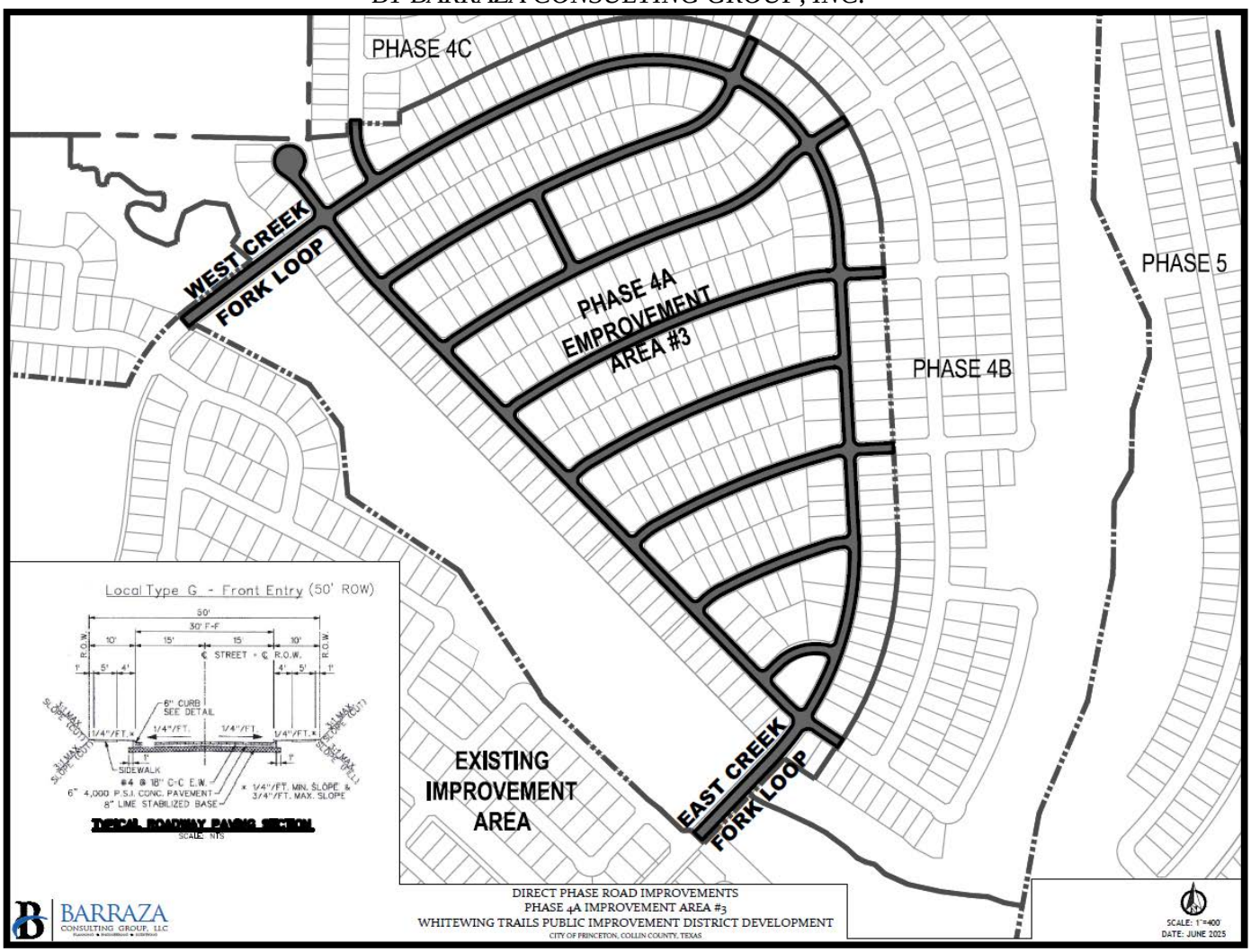
WHITEWING TRAILS PID DIRECT PHASE STORM SEWER IMPROVEMENTS IA #3B

BY BARRAZA CONSULTING GROUP, INC.



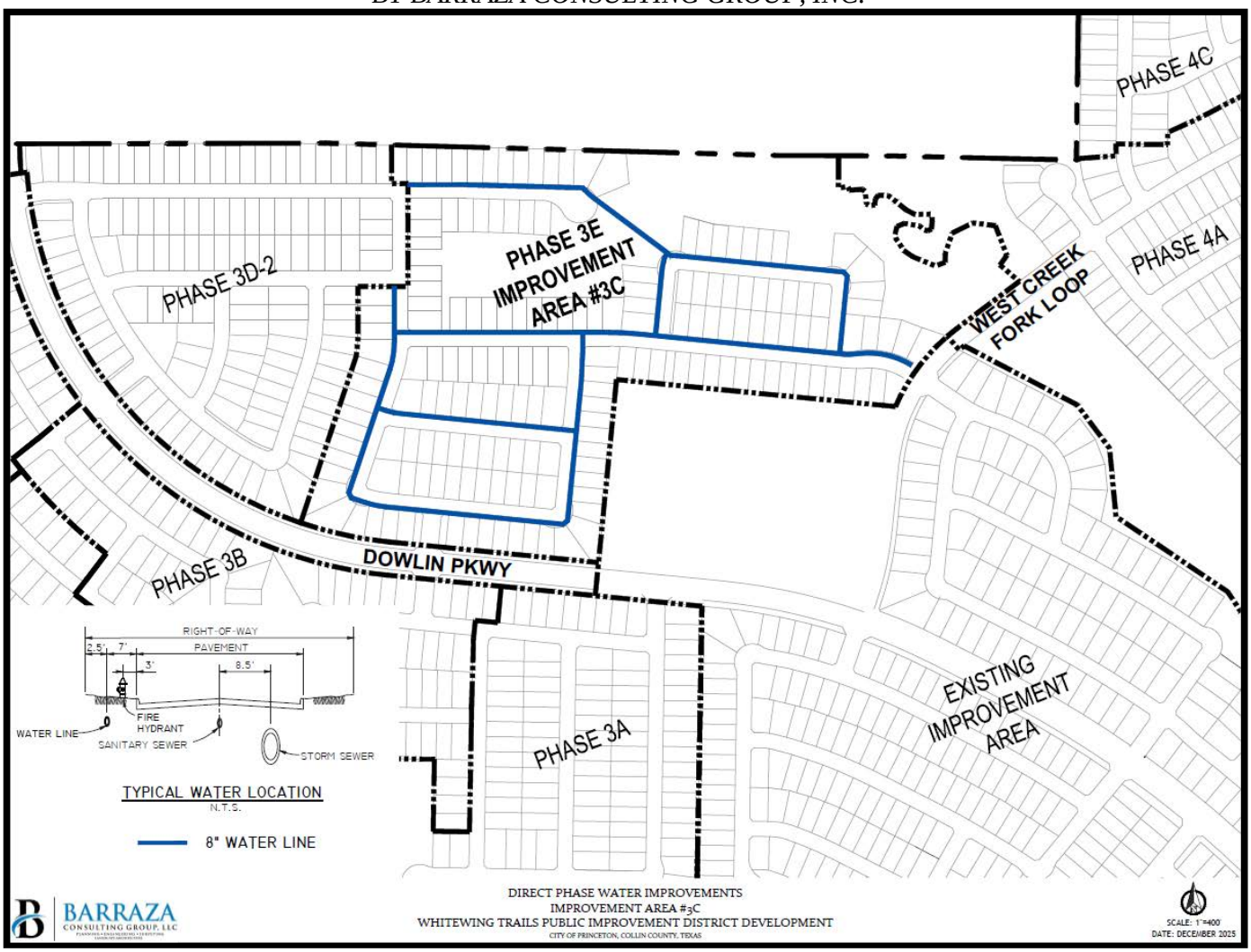
WHITEWING TRAILS PID DIRECT PHASE ROAD IMPROVEMENTS IA #3B

BY BARRAZA CONSULTING GROUP, INC.



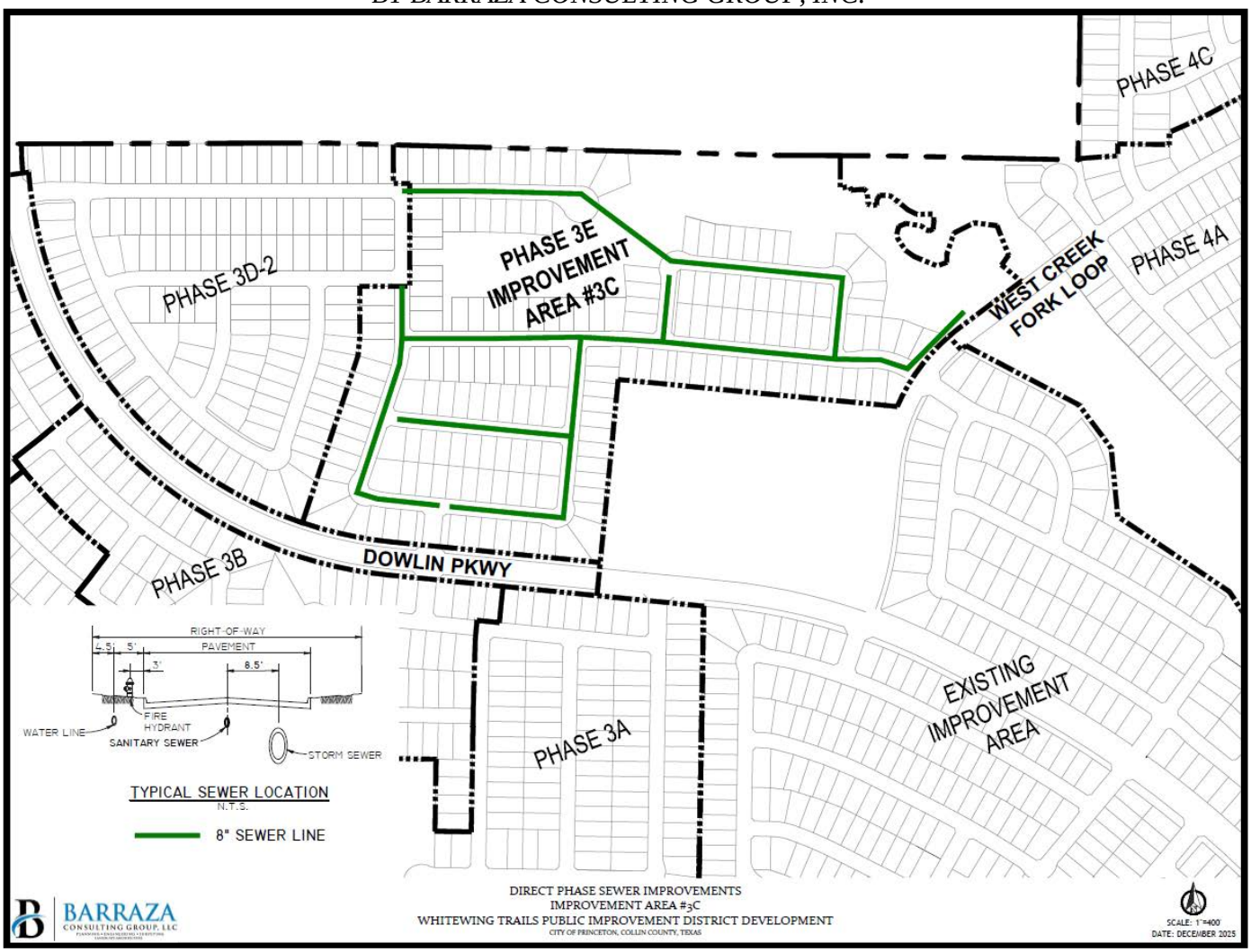
WHITEWING TRAILS PID DIRECT PHASE WATER IMPROVEMENTS IA #3C

BY BARRAZA CONSULTING GROUP, INC.



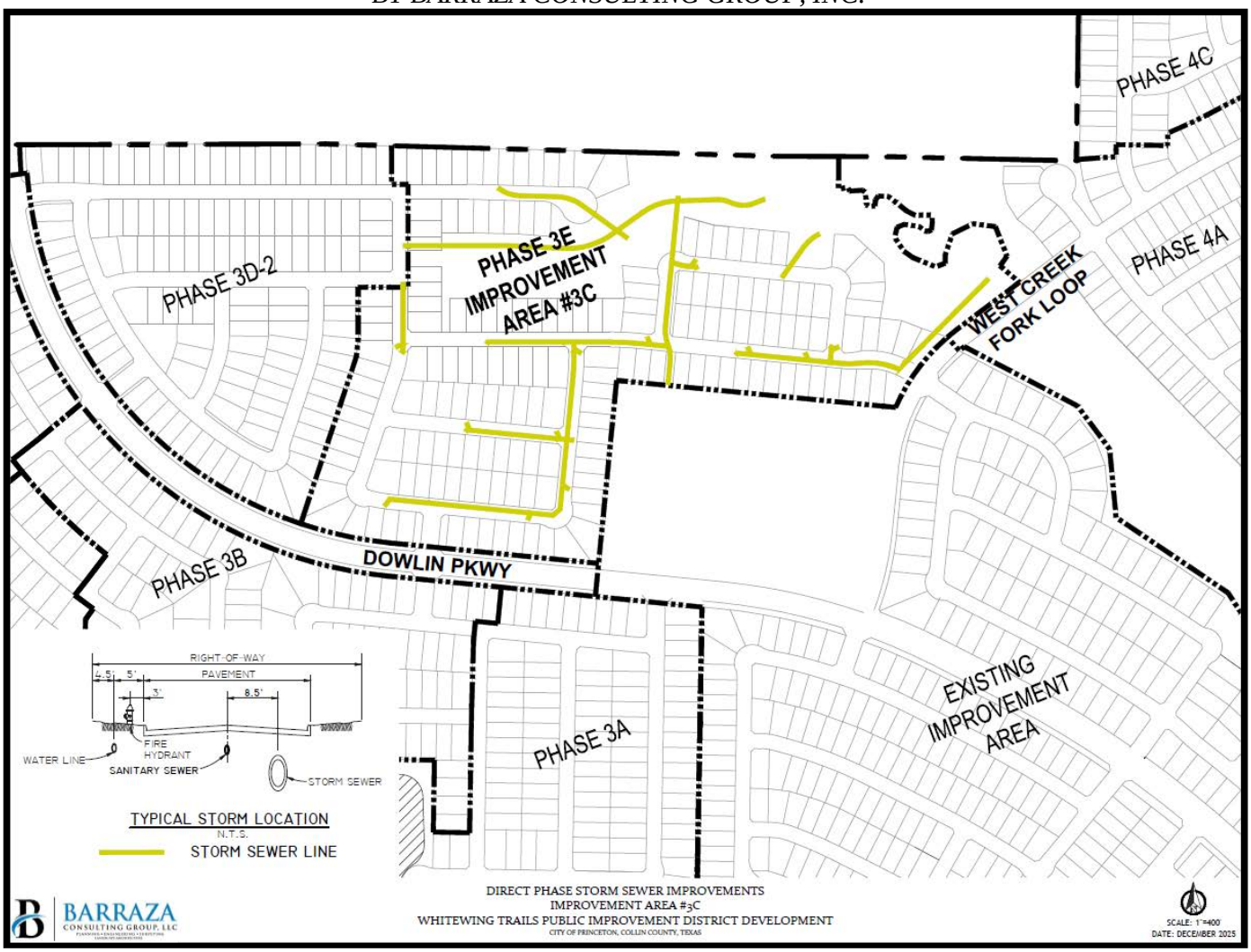
WHITEWING TRAILS PID DIRECT PHASE SEWER IMPROVEMENTS IA #3C

BY BARRAZA CONSULTING GROUP, INC.



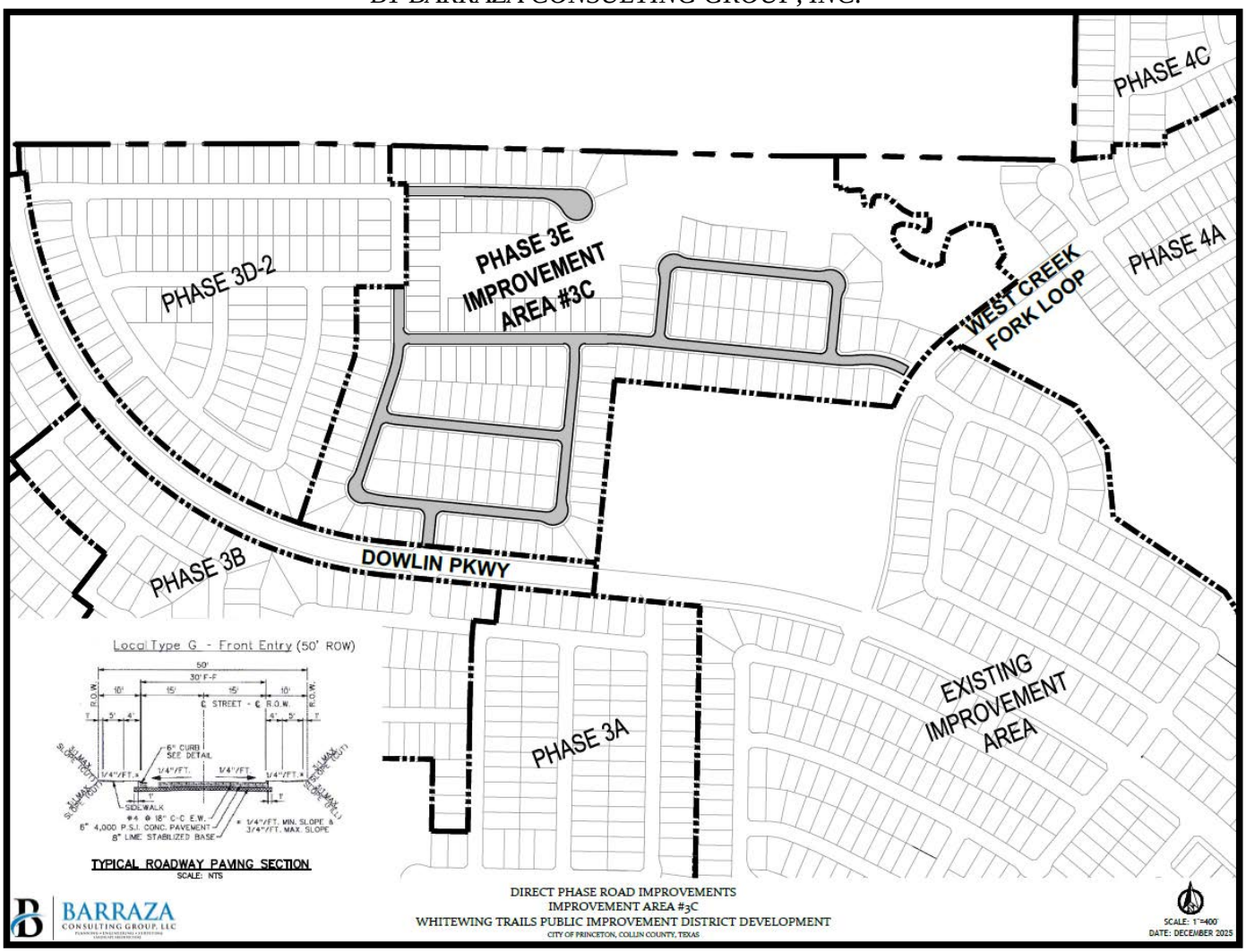
WHITEWING TRAILS PID DIRECT PHASE STORM SEWER IMPROVEMENTS IA #3C

BY BARRAZA CONSULTING GROUP, INC.



WHITEWING TRAILS PID DIRECT PHASE ROAD IMPROVEMENTS IA #3C

BY BARRAZA CONSULTING GROUP, INC.



PROPERTY PHOTOGRAPHS

IA #3A

IA #3A

IA #3A

IA #3A

IA #3B

IA #3B

PROPERTY PHOTOGRAPHS

IA #3B

IA #3B

IA #3C

IA #3C

IA #3C

IA #3C

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 Retrospective and 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 is within the City of Princeton and zoned PD-10 which is residential PD that *at the subject property* allows for detached single-family residential use.

No private deed restrictions were uncovered during a normal investigation, which would further limit the potential uses of the subject site. No other legal restrictions or covenants were found to be imposed on the subject property at the time of the appraisal which would further restrict development.

The proposed detached single-family residential use is legally permissible.

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 suburban and development of the surrounding area has accelerated considerably over the past decade as development northeast of Dallas 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 Collin County like those surrounding the subject property are being developed with middle

class housing stock. Based on review of homes on the market, we would expect home prices in the $400,000s-$500,000s would be in demand in Whitewing Trails PID.

Based on our analysis of the market, it is reasonable to expect a rise in demand for vacant developed lots (VDLs) in 2026 as homebuilders sell more homes when mortgage rates remain steady as they have did in 2025; along with this, the area still maintains high migration and despite what appears to be an oversupply regarding supply for VDLs, we expect demand to grow 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 and the continual development of neighborhoods in Princeton and Collin County has created increased demand for homes in the area. Coupled with increasing movement into DFW, and northeastward 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 homebuilders of the subject property are a nationally recognized homebuilder, an additional most probably buyer would be the end-user seeking affordable housing in a quasi-rural area such as Princeton.

VALUATION – IMPROVED RESIDENTIAL LOTS

Three approaches to value are typically considered when developing a market value opinion for real property. These are the Cost Approach, the Sales Comparison Approach, and the Income (Subdivision Development) Approach. Use of the approaches in this assignment is summarized as follows:

Approach	***Applicability to Subject***	***Use in Assignment***
Cost Approach	*Not Appropriate 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 50-FF Lots and the 60-FF Lots*	*Partially Utilized*

Residential Subdivision (770 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 will be developed in multiple phases, *the Cost Approach is not appropriate and thus was not utilized.*

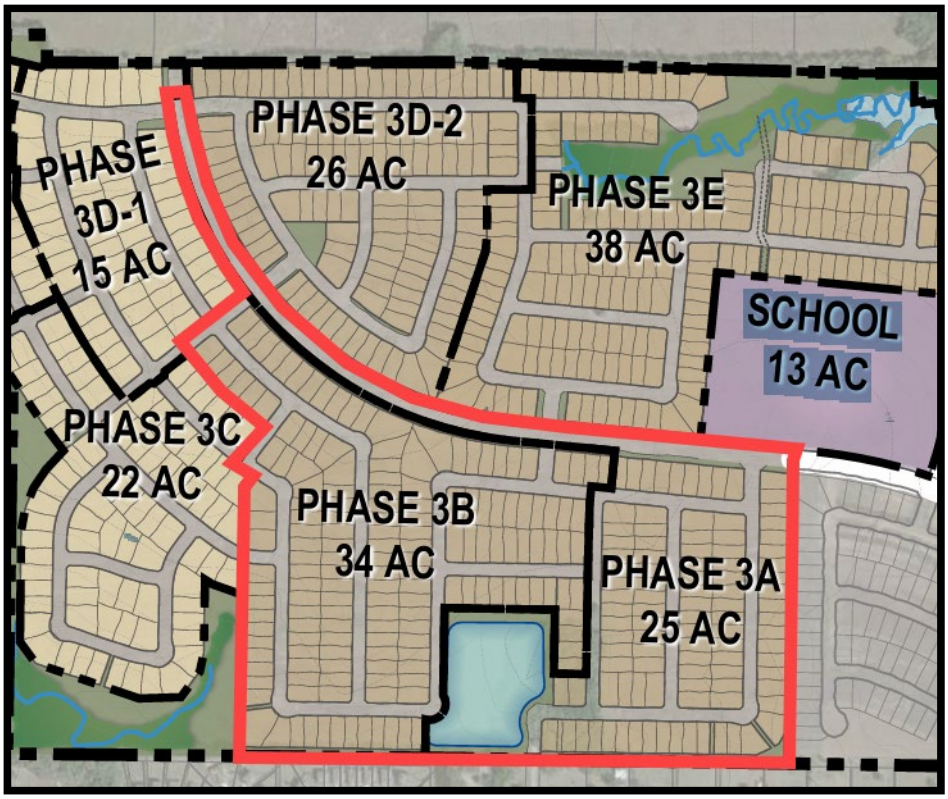
Income (Subdivision Development) Approach

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since the problems to be solved in this assignment is to determine the bulk sale value of all 264 improved lots in IA #3A, as of the Retrospective Effective Date of September 1, 2025, 331 improved lots in IA #3B, as of the Retrospective Effective Date of February 1, 2026, and 175 improved lots in IA #3C, as of the Prospective Effective Date of May 1, 2026, *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 (IA #3A)



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:

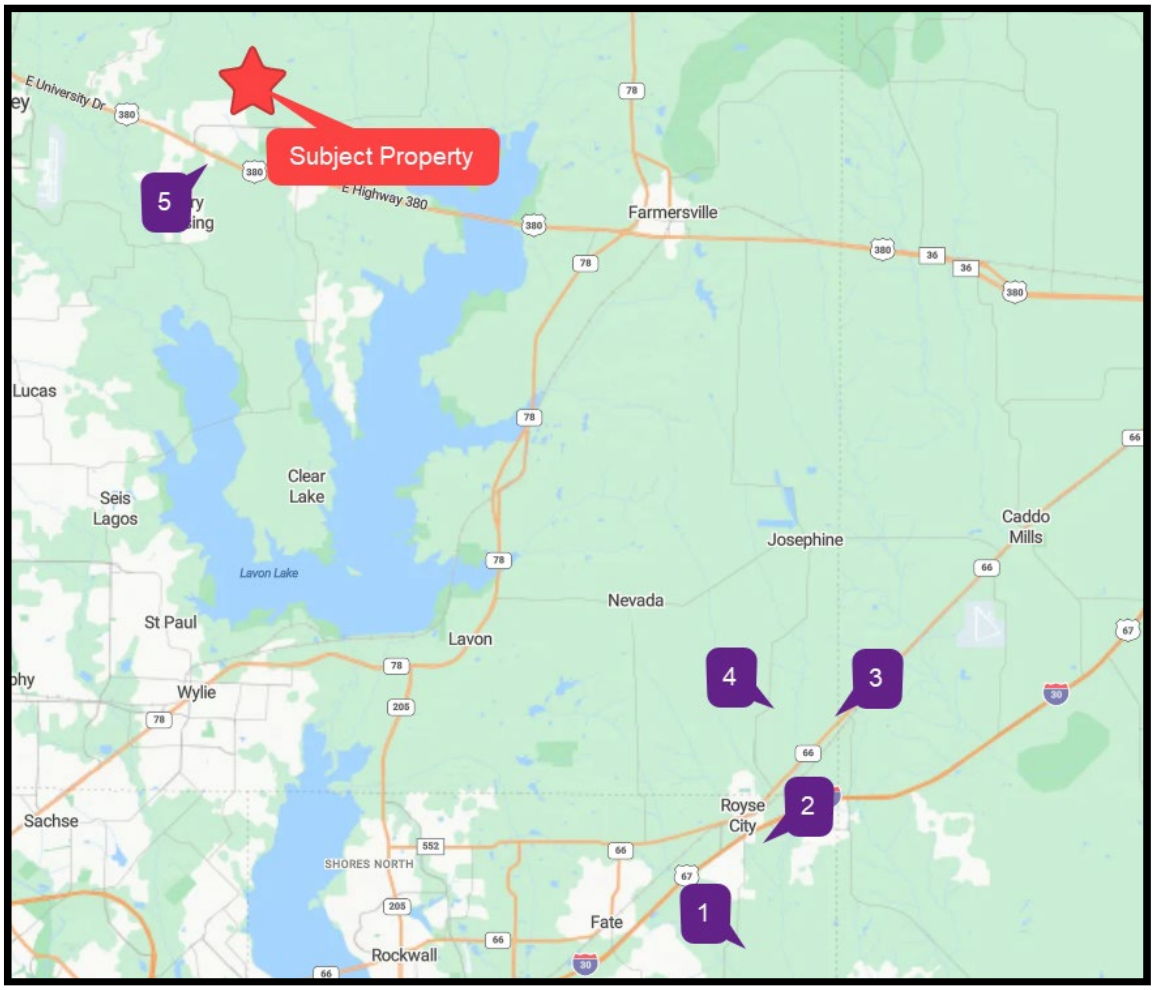
- Determined the value of the lots through aspects of the Sales Comparison Approach based on the concept plan provided by the developers
- Calculated the absorption period (earlier in the report) for the finished lots after construction is complete
- Analyzed the effect of appreciation, taxes, and sales 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 50-FF lots within Whitewing Trails PID IA #3A.

MAP OF COMPARABLE LOT SALES –50' LOTS



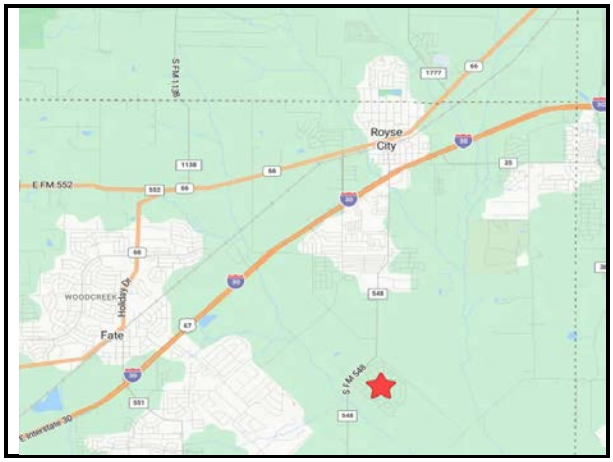
Subject: Whitewing Trails PID IA #3A, Princeton, TX 75407

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**	**City**	**ISD**	**Contract Date**	**Sale Date**	**Base Lot Price**	**Front Feet (FF)**	***$/FF***
1	Waterscape	Royse City	Royse City	May - 2024	In-Contract	$80,000	50	*$ 1,600*
2	Liberty Crossing	Royse City	Royse City	Nov-2024	Closed	$81,000	50	*$ 1,620*
3	Creekside	Royse City	Royse City	Mar-2025	Closed	$83,750	50	*$ 1,675*
4	Clearview Ranch	Royse City	Royse City	Sept-2024	In-Contract	$81,000	50	*$ 1,620*
5	Simpson Crossing	Lowry Crossing	McKinney	Aug - 2024	Closed	$83,250	50	*$ 1,665*
Subject	**Whitewing Trails PID, IA #3A**	**Princeton**	**Princeton**	-	-	-	**50**	-

SALE COMPARABLE 1 – 50' LOTS

Comparable 1 Aerial



Comparable 1 Map

50-FF Sale Comparable 1				
Property Information				
Subdivision Name	Waterscape			
Property Class	Residential Lot			
Address	Southwest side of Crenshaw Road, southeast of FM-548, Royse City			
County	Rockwall			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	May - 2024			
Seller	HC Royse 548, LLC			
Buyer	HMH Lifestyle, LP			
Sale Price	$80,000			
Price per SF Land	$13.33			
Price per Front Foot	**$1,600**			

SALE COMPARABLE 2 – 50' LOTS

Comparable 2 Aerial

Comparable 2 Map

50-FF Sale Comparable 2				
Property Information				
Subdivision Name	Liberty Crossing			
Property Class	Residential Lot			
Address	Southwest corner of E. Old Greenville Road and Cemetery Road, Royse City			
County	Rockwall			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	November - 2024			
Seller	Liberty Crossing Land, LLC			
Buyer	DR Horton Texas, LTD			
Sale Price	$81,000			
Price per SF Land	$13.50			
Price per Front Foot	**$1,620**			

SALE COMPARABLE 3 – 50' LOTS

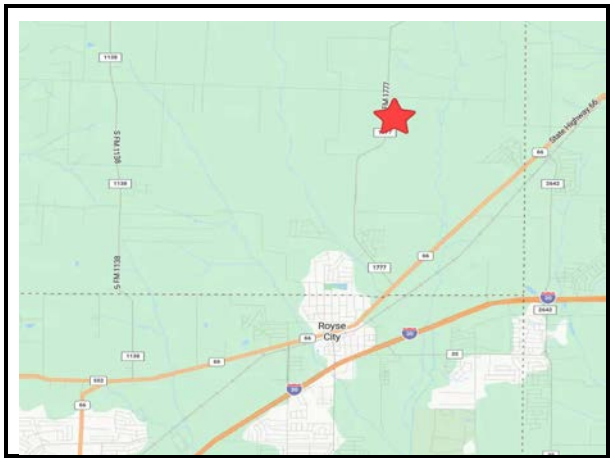
Comparable 3 Aerial

Comparable 3 Map

50-FF Sale Comparable 3				
Property Information				
Subdivision Name	Creekside			
Property Class	Residential Lot			
Address	Northwest of SH-66 at River Bend Road, Royse City			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	5,500	SF	0.13	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	March - 2025			
Seller	HDP WRH TX Lots, LLC			
Buyer	William Ryan Homes Texas, Inc.			
Sale Price	$83,750			
Price per SF Land	$15.23			
Price per Front Foot	**$1,675**			

SALE COMPARABLE 4 – 50' LOTS

Comparable 4 Aerial

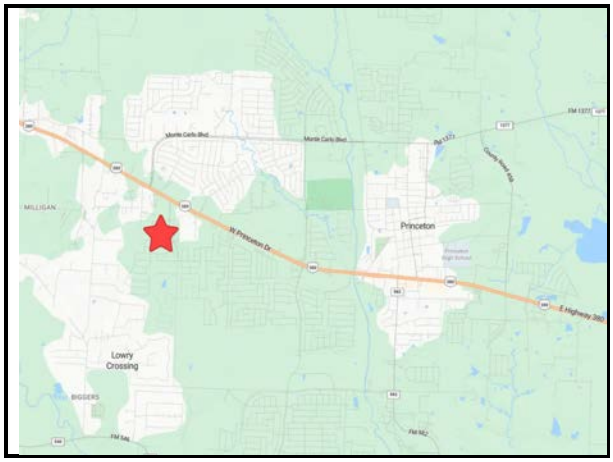


Comparable 4 Map

50-FF Sale Comparable 4				
Property Information				
Subdivision Name	Clearview Ranch			
Property Class	Residential Lot			
Address	East side of FM-1777 and south of CR-677, Royse City			
County	Collin			
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	September - 2024			
Seller	Clearview Ranch Land, LLC			
Buyer	DRHI, Inc.			
Sale Price	$81,000			
Price per SF Land	$11.25			
Price per Front Foot	**$1,620**			

SALE COMPARABLE 5 – 50’ LOTS

Comparable 5 Aerial



Comparable 5 Map

50-FF Sale Comparable 5				
Property Information				
Subdivision Name	Simpson Crossing			
Property Class	Residential Lot			
Address	West side of Simpson Road and south of US-380, Lowry Crossing			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	5,500	SF	0.13	Acres
Zoning Code	Development Agreement			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	August - 2024			
Seller	Meritage Homes of Texas, LLC			
Buyer	Brightland Homes, LTD			
Sale Price	$83,250			
Price per SF Land	$15.14			
Price per Front Foot	**$1,665**			

SALES ADJUSTMENT COMPARISON GRID –50' LOTS

Subdivision	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Whitewing Trails PID, IA #3A	Waterscape	Liberty Crossing	Creekside	Clearview Ranch	Simpson Crossing
	Princeton	Royse City	Royse City	Royse City	Royse City	Lowry Crossing
Transactional Adjustments						
Sales Price/FF		$1,600	$1,620	$1,675	$1,620	$1,665
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		$1,600	$1,620	$1,675	$1,620	$1,665
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		$1,600	$1,620	$1,675	$1,620	$1,665
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		$1,600	$1,620	$1,675	$1,620	$1,665
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		$1,600	$1,620	$1,675	$1,620	$1,665
Time/Market Conditions		+4%	+3%	+2%	+3%	+3%
ADJUSTED Price/FF:		$1,664	$1,669	$1,709	$1,669	$1,715
Physical Adjustments						
Location/Access	Northwest Quadrant of Monte Carlo Boulevard and Longneck Road, Princeton	+2%	+2%	+2%	+2%	0%
Amenities	Amenity Center, Pool, Cabana, Sport Courts, Playground, Elementary School, Trails, and Greenspace	0%	0%	+2%	+2%	+2%
Size	50-FF	0%	0%	0%	0%	0%
Utilities	All Available	0%	0%	0%	0%	0%
Zoning	PD-10	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		+2%	+2%	+4%	+4%	+2%
ADJUSTED Price/FF:		$1,697	$1,702	$1,777	$1,735	$1,749
SUMMARY OF COMPARABLE VALUES						
Value Range/FF			$1,697	to	$1,777	
Average Value/FF Weighted			$1,732			
Median Value/FF			$1,735			
Size			50-FF			
Unit Value Indication			$1730/FF			
Overall Value Indication			$86,500			
Rounded			$86,500			

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 $1,600 per front foot to $1,675 per front foot 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 decrease by the Federal Reserve that has lowered mortgage rates by 16 basis points to 6.56% as of September 2025. Prices increased from 2020-2025 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 ample demand of 50-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically along the State Highway 380 Corridor which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +3% year-over year (YoY) increase throughout 2022, 2023, 2024, and into the third 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 +2% and +4% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is in a quickly developing area of North Texas in the City of Princeton. Development in the subject's area has been moderately increasing and consistent throughout the decades. The subject is located at the northwest quadrant of Monte Carlo Boulevard and Longneck Road. The area around the subject is a mix of agricultural land and single-family developments. Also, in the area there are agricultural and commercial uses along State Highway 380.

Southeast of the subject property, about 4 miles, is Princeton High School which is the only high school in Princeton ISD. Princeton ISD is a desirable district with a "B" 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: Inferior; Located in Royse City, which has similar access to commercial uses, and it is located in Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 2: Inferior; Located in Royse City, which has similar access to commercial uses, and it is located in Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 3: Inferior; Located in Royse City, which has similar access to commercial uses, and it is located in Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 4: Inferior; Located in Royse City, which has similar access to commercial uses, and it is located in Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 5: Similar; Located in Lowry Crossing, which has similar access to commercial uses, and feeds into McKinney ISD which has a "B" rating and considered to be a similar ISD; Adjusted 0%

Amenities

The subject property's amenities will consist of an amenity center, pool, cabana, sport courts, playground, elementary school, trails, and greenspace. According to the site visit, earthwork on the site is underway. The subject's amenities are standard for a master planned community the size of Whitewing Trails PID IA #3A development being built-out with 264 homes. We have made the following adjustments for Amenities:

- Sale 1: Similar; Waterscape Subdivision, which has similar amenities such as an a amenity center, pool, sports courts, pavilion, dog park, pond, trails, and greenspace; Adjusted 0%
- Sale 2: Similar; Liberty Crossing Subdivision, which has similar amenities such as an pool, sports courts, trails, and greenspace; Adjusted 0%
- Sale 3: Inferior; Creekside Subdivision, which has inferior amenities such as a pool, playground, trails, and greenspace. Though this comparable has some similar amenities, it does not have an amenity center, sports courts, or elementary school; Adjusted +2%
- Sale 4: Inferior; Clearview Ranch Subdivision, which has inferior amenities such as an amenity center, pool, parks, dog park, trails, and greenspace. Though this comparable has some similar amenities, it does not have an amenity center, sports courts, or elementary school; Adjusted +2%
- Sale 5: Inferior; Simpson Crossing Subdivision, which has inferior amenities such as a pool, playground, trails, and greenspace. Though this comparable has some similar amenities, it does not have an amenity center, sports courts, or elementary school; adjusted +2%

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-FF lots that can accommodate the same building pad, so no adjustment is made for Size.

Utilities
The subject property's improved lots will each have access to electric, water, sewer, natural gas, and high-speed Internet. Sales 1-5 will also have access to the same utilities as the subject. Therefore, no adjustment is made for Utilities to those comparable sales.

Zoning
The subject property is in a planned development and comparable sales 1-4 are in Planned Developments with residential subdivision zoning for similar sized residential lots; thus, no adjustment is made for Zoning. Comparable sale 5 is subject to a Development Agreement, which allows a similar use as the subject, therefore no adjustment is made for Zoning to Sale 5.

Conclusion for 50' Lots (IA #3A) – The 50' Lot Sales have an adjusted range of $1,697/FF to $1,777/FF with an average of $1,732/FF and a median of $1,735/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 50' lots is $1730/FF, or $86,500/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
50' Detached Lots	264	September 1, 2025	$86,500

Cumulative Retail Lot Value – IA #3A

We believe a current lot market value of $86,500 for 50' improved Lots with a Retrospective Effective Date of September 1, 2025 within IA #3A is accurate and well-supported. Not only do our compiled recent comparable lot sales indicate that price, but numerous conversations with market participants – land developers and homebuilders – regarding current prices of lots within the subject's market indicate that our concluded value per front foot is supported by the current retail price for 50-FF lots similar to the subject property. Market participants noted that prices for lots rose significantly in late 2020 and throughout 2024 which followed a spike in the residential housing market in DFW that contributed to a scarcity of vacant developed lots for homebuilders.

Additionally, per the purchase and sale contracts with Beazer Homes Texas, LP, there will also be a $1,500 per lot Amenity Fee, $500 per lot Marketing Fee, and $1,800 per Lot Public Development Fee for the 100 homes being built by Beazer Homes Texas, LP, which the builder is required to pay the developer at the time of lot closing.

As of the Retrospective Effective Date of September 1, 2025, the market value of the 50-FF lots for Whitewing Trails PID IA #3A is shown below:

WHITEWING TRAILS PID IA #3A					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Retrospective Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
264	50 FF	$86,500	September 1, 2025	$1730/FF	$22,836,000
264					***$22,836,000***
Amenity Fee Reimbursement*				$1,500/per lot	$26,400
Marketing Fee Reimbursement*				$500/per lot	$26,400
Public Development Fee Reimbursement*				$1,800/per lot	$180,000
Total Retail Lot Value					**$23,068,800**

Next, we will develop an opinion of value for the residential lots in IA #3A using the Discount Cash Flow analysis.

DISCOUNT CASH FLOW ANALYSIS

Having completed the retail lot value conclusions using aspects of the Sales Comparison Approach, we will develop an opinion of the market value of the property to a single purchaser, as of the substantial completion date. This value will include a provision for compensating the developer, i.e., profit for risk and expenditure of time. This value contemplates that the developer of the subject property would sell the subject to another developer who would in turn sell the developed lots on a retail basis. This value represents the concept of market value to a single purchaser as of the 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.

Absorption

As discussed in detail in the "Absorption Analysis" section of the report, our quarterly absorption projections are summarized as follows for the subject property:

ABSORPTION SCHEDULE FOR WHITEWING TRAILS PID IA #3A

Projected Quarterly Absorption Summary - Whitewing Trails PID (IA #3A)										
Lot Type	*Sept-2025*	*Oct-2025*	*Jan-2026*	*Apr-2026*	*Jul-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	*Jul-2027*	*Oct-2027*
50-FF	5	15	15	15	15	15	15	15	15	15
Total	**5**	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**15**

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Projected Quarterly Absorption Summary - Whitewing Trails PID (IA #3A)										
Lot Type	*Jan-2028*	*Apr-2028*	*Jul-2028*	*Oct-2028*	*Jan-2029*	*Apr-2029*	*Jul-2029*	*Oct-2029*	*Jan-2030*	**TOTAL**
50-FF	15	15	15	15	15	15	15	15	4	**264**
Total	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**4**	**264**

Note: Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the Effective Date is September 1, 2025 our analysis starts on the 3rd quarter of 2025.

Value Increases During Sellout 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 **0.02548700 per $100 assessed – 2.548700%** for the purpose of our analysis – with taxes due to the City of Princeton, Collin County, Collin College and Princeton ISD.

Based upon our experience as property tax consultants and information gathered from builders/developers, we do not believe the vacant lots will be assessed for their full market value once Substantial Completion is achieved. We believe the builder will have their lots assessed at approximately 70% of the market value, i.e., if a lot has a retail value of $100,000 then the assessed value will be $70,000. We believe this 30% discount is justified as taxing districts do not typically have access to cost data and assessments typically lag the market. In addition, many taxing districts allow for a 20% builder's inventory reduction.

Cost of Sales has been estimated at 1.5% of gross sales proceeds for various closing costs, surveys, commissions, and title policies.

Marketing expenses are not included as there is a shortage of vacant developed lots on the market and we would expect these lots to be absorbed by volume builders.

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 city-approved Planned Development which will have 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

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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 IRR that is similar to the minimum actual rate provided by the Realty Rates "Developer Survey" for Texas of 16.13% for 100-500 units; and 15.49% 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 - WHITEWING TRAILS PID – IA #3A

The following assumptions are made in our analysis which are supported by other research and analysis found earlier in this report:

- Retrospective Substantial Complete September 1, 2025
- Retail lot values: $86,500 for 50-FF lots
- 6% Appreciation/Year (1.5%/Quarter)
- 50-FF Lots sell at 15/Quarter
- Discount Rate 16% (4.00%/Quarter)
- Tax Expense on Inventory is 2.548700%/Year 0.637175%/Quarter, but is discounted 30%
- Sales and Marketing Expense (1.5% of Revenue)

As Substantial Completion on the improved lots in Whitewing Trails PID IA #3A is expected to be completed as of the retrospective substantial completion date of September 1, 2025, we believe lot prices will continue to appreciate closer to their historical average which is closer to 6% per year. Thus, we have concluded that current retail improved lot values will be similar when absorption begins. Therefore, as of the Retrospective Substantial Completion Date **(September 1, 2025) the retail lot value for 264 50-FF lots is $22,836,000**.

Per the purchase and sale contracts with Beazer Homes Texas, LP, there will also be a $1,500 per lot Amenity Fee, $500 per lot Marketing Fee, and $1,800 per Lot Public Development Fee for the 100 homes being built by Beazer Homes Texas, LP, which the builder is required to pay the developer at the time of lot closing. The total value of the Amenity Fee is $26,400 (100 x $1,500). The total value of the Marketing Fee is $26,400 (100 x $500). The total value of the Public Development Fee* is $180,000 (100 x $1,800).

After adding this reimbursements, the total cumulative value is **$23,068,800** as shown in the following table:

WHITEWING TRAILS PID IA #3A					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Retrospective Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
264	50 FF	$86,500	September 1, 2025	$1730/FF	$22,836,000
264					***$22,836,000***
Amenity Fee Reimbursement*				$1,500/per lot	$26,400
Marketing Fee Reimbursement*				$500/per lot	$26,400
Public Development Fee Reimbursement*				$1,800/per lot	$180,000
Total Retail Lot Value					**$23,068,800**

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 was September 1, 2025, we will analyze on a quarterly basis starting September 2025.

DISCOUNT CASH FLOW DATA – WHITEWING TRAILS PID IA #3A LOTS (QUARTERLY)

	Sept. 2025			Oct. 2025			Jan. 2026		
	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	264	$ 86,500	5	259	$ 87,798	15	244	$ 89,114	15
Revenue		**$ 432,500**			**$ 1,316,963**			**$ 1,336,717**	
Reimbursments									
Amenity Fee		*$ 7,500*			*$ 22,500*			*$ 22,500*	
Marketning Fee		*$ 2,500*			*$ 7,500*			*$ 7,500*	
Public Development Fee		*$ 9,000*			*$ 27,000*			*$ 27,000*	
Tax Expense		*$ (33,951)*			*$ (101,424)*			*$ (96,983)*	
Sales Expense		*$ (6,488)*			*$ (19,754)*			*$ (20,051)*	
Net Income		**$ 411,061**			**$ 1,252,785**			**$ 1,276,683**	
Factor		**0.993835**			**0.969552**			**0.934236**	
Income Net Present Value (NPV)		**$ 408,527**			**$ 1,214,640**			**$ 1,192,724**	

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	Apr. 2026			Jul. 2026			Oct. 2026		
	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	229	$ 90,451	15	214	$ 91,808	15	199	$ 93,185	15
Revenue		**$ 1,356,768**			**$ 1,377,119**			**$ 1,397,776**	
Reimbursments									
Amenity Fee		*$ 22,500*			*$ 22,500*			*$ 22,500*	
Marketning Fee		*$ 7,500*			*$ 7,500*			*$ 7,500*	
Public Development Fee		*$ 27,000*			*$ 27,000*			*$ 27,000*	
Tax Expense		*$ (92,386)*			*$ (87,630)*			*$ (82,710)*	
Sales Expense		*$ (20,352)*			*$ (20,657)*			*$ (20,967)*	
Net Income		**$ 1,301,030**			**$ 1,325,833**			**$ 1,351,100**	
Factor		**0.900207**			**0.867417**			**0.835821**	
Income Net Present Value (NPV)		**$ 1,171,196**			**$ 1,150,049**			**$ 1,129,277**	

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	Jan. 2027			Apr. 2027			Jul. 2027		
	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	184	$ 94,583	15	169	$ 96,002	15	154	$ 97,442	15
Revenue		**$ 1,418,743**			**$ 1,440,024**			**$ 1,461,624**	
Reimbursments									
Amenity Fee		*$ 22,500*			*$ 7,500*			-	
Marketning Fee		*$ 7,500*			*$ 2,500*			-	
Public Development Fee		*$ 27,000*			*$ 9,000*			-	
Tax Expense		*$ (77,622)*			*$ (72,364)*			*$ (66,930)*	
Sales Expense		*$ (21,281)*			*$ (21,600)*			*$ (21,924)*	
Net Income		**$ 1,376,839**			**$ 1,365,060**			**$ 1,372,770**	
Factor		**0.805376**			**0.776040**			**0.747773**	
Income Net Present Value (NPV)		**$ 1,108,873**			**$ 1,059,341**			**$ 1,026,520**	

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	Oct. 2027			Jan. 2028			Apr. 2028		
	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	139	$ 98,903	15	124	$ 100,387	15	109	$ 101,893	15
Revenue		**$ 1,483,548**			**$ 1,505,802**			**$ 1,528,389**	
Reimbursments									
Amenity Fee		-			-			-	
Marketning Fee		-			-			-	
Public Development Fee		-			-			-	
Tax Expense		*$ (61,317)*			*$ (55,521)*			*$ (49,537)*	
Sales Expense		*$ (22,253)*			*$ (22,587)*			*$ (22,926)*	
Net Income		**$ 1,399,978**			**$ 1,427,694**			**$ 1,455,926**	
Factor		**0.720535**			**0.694290**			**0.669000**	
Income Net Present Value (NPV)		**$ 1,008,734**			**$ 991,233**			**$ 974,015**	

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	Jul. 2028			Oct. 2028			Jan. 2029		
	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	94	$ 103,421	15	79	$ 104,972	15	64	$ 106,547	15
Revenue		**$ 1,551,315**			**$ 1,574,584**			**$ 1,598,203**	
Reimbursments									
Amenity Fee		-			-			-	
Marketning Fee		-			-			-	
Public Development Fee		-			-			-	
Tax Expense		*$ (43,360)*			*$ (36,988)*			*$ (30,414)*	
Sales Expense		*$ (23,270)*			*$ (23,619)*			*$ (23,973)*	
Net Income		**$ 1,484,684**			**$ 1,513,978**			**$ 1,543,816**	
Factor		**0.644632**			**0.621151**			**0.598526**	
Income Net Present Value (NPV)		**$ 957,075**			**$ 940,409**			**$ 924,013**	

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	Apr. 2029			Jul. 2029		
	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	49	$ 108,145	15	34	$ 109,767	15
Revenue		**$ 1,622,176**			**$ 1,646,509**	
Reimbursments						
Amenity Fee		-			-	
Marketning Fee		-			-	
Public Development Fee		-			-	
Tax Expense		*$ (23,635)*			*$ (16,646)*	
Sales Expense		*$ (24,333)*			*$ (24,698)*	
Net Income		**$ 1,574,208**			**$ 1,605,165**	
Factor		**0.576724**			**0.555717**	
Income Net Present Value (NPV)		**$ 907,884**			**$ 892,018**	

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	Oct. 2029			Jan. 2030		
	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	19	$ 111,414	15	4	$ 113,085	4
Revenue		**$ 1,671,206**			**$ 452,340**	
Reimbursments						
Amenity Fee		-			-	
Marketning Fee		-			-	
Public Development Fee		-			-	
Tax Expense		*$ (9,442)*			*$ (673)*	
Sales Expense		*$ (25,068)*			*$ (6,785)*	
Net Income		**$ 1,636,697**			**$ 444,882**	
Factor		**0.535475**			**0.522392**	
Income Net Present Value (NPV)		**$ 876,410**			**$ 232,403**	

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Total Net Revenue Over ~19 Quarters	***$25,120,189***
Net Present Value (As-Is) at 16% Discount Rate	***$18,165,343***
Rounded	**$18,165,000**

Note: Quarterly discount and appreciation calculations are averaged to the middle of the period.

DISCOUNT CASH FLOW DATA – WHITEWING TRAILS PID IA #3A LOTS (ANNUAL)

	2025			2026			2027		
Lot Type	Starting Units	Lot Price	Sales	Starting Units	Lot Price	Sales	Starting Units	Lot Price	Sales
50-FF Lot	264	$ 87,192	20	244	$ 91,116	60	184	$ 96,583	60
Revenue		**$ 1,743,840**			**$ 5,466,938**			**$ 5,794,955**	
Reimbursement									
Amenity Fee		*$ 30,000*			*$ 90,000*			*$ 30,000*	
Marketning Fee		*$ 10,000*			*$ 30,000*			*$ 10,000*	
Public Development Fee		*$ 36,000*			*$ 108,000*			*$ 36,000*	
Tax Expense		*$ (136,891)*			*$ (396,643)*			*$ (317,054)*	
Sales Expense		*$ (26,158)*			*$ (82,004)*			*$ (86,924)*	
Net Income		**$ 1,656,791**			**$ 5,216,292**			**$ 5,466,976**	
Factor		**0.975567**			**0.883660**			**0.761776**	
Income Net Present Value (NPV)		**$ 1,616,310**			**$ 4,609,426**			**$ 4,164,609**	

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	2028			2029			2030		
Lot Type	Starting Units	Lot Price	Sales	Starting Units	Lot Price	Sales	Starting Units	Lot Price	Sales
50-FF Lot	124	$ 102,378	60	64	$ 108,520	60	4	$ 113,078	4
Revenue		**$ 6,142,652**			**$ 6,511,211**			**$ 452,312**	
Reimbursement									
Amenity Fee		-			-			-	
Marketning Fee		-			-			-	
Public Development Fee		-			-			-	
Tax Expense		*$ (226,487)*			*$ (123,910)*			*$ (672)*	
Sales Expense		*$ (92,140)*			*$ (97,668)*			*$ (6,785)*	
Net Income		**$ 5,824,025**			**$ 6,289,633**			**$ 444,855**	
Factor		**0.656703**			**0.566123**			**0.522392**	
Income Net Present Value (NPV)		**$ 3,824,655**			**$ 3,560,708**			**$ 232,389**	

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Total Net Revenue Over ~6 Year	***$24,898,572***
Net Present Value (As-Is) at 16% Discount Rate	***$18,008,097***
Rounded	**$18,009,000**

Note: Annual discount and appreciation calculations are averaged to the middle of the period

DCF Conclusion (264 Improved 50' Lots) – IA #3A

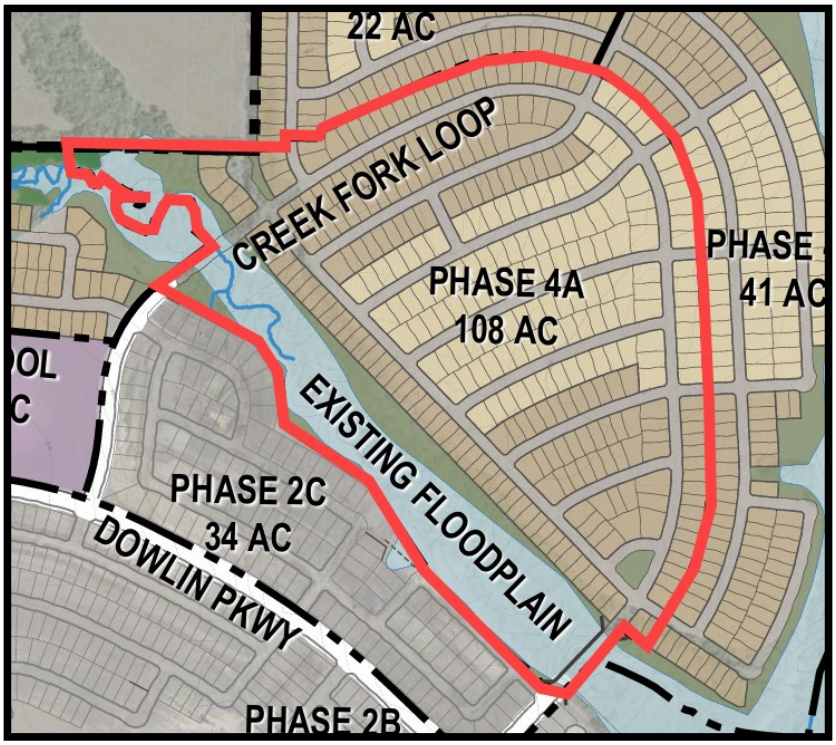
Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for the 264 improved lots in Whitewing Trails PID IA #3A in a bulk sale transaction would be between $18,008,097 and $18,165,343, which is approximately $157,247 (0.87%) different. Both annual and quarterly 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 Whitewing Trails PID IA #3A "Upon Completion" with a Retrospective Effective Date of September 1, 2025, for 264 improved lots is $18,165,000 ($68,800/Lot Rounded)**

INCOME (SUBDIVISION DEVELOPMENT) APPROACH CONCLUSION – IA #3A

Using the Discount Cash Flow Analysis to determine the net present value as of the retrospective substantial completion date (September 1, 2025), we have determined the following value for Whitewing Trails PID IA #3A as shown in the table below:

INCOME APPROACH VALUE INDICATION	
Fee Simple Interest, Complete September 1, 2025	
Whitewing Trails PID (IA #3A) ***264 Improved Lots on 72.282 Acres***	***$18,165,000 ($68,800/Lot Rounded)***

INCOME (SUBDIVISION DEVELOPMENT) APPROACH - IMPROVED RESIDENTIAL LOTS (IA #3B)



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:

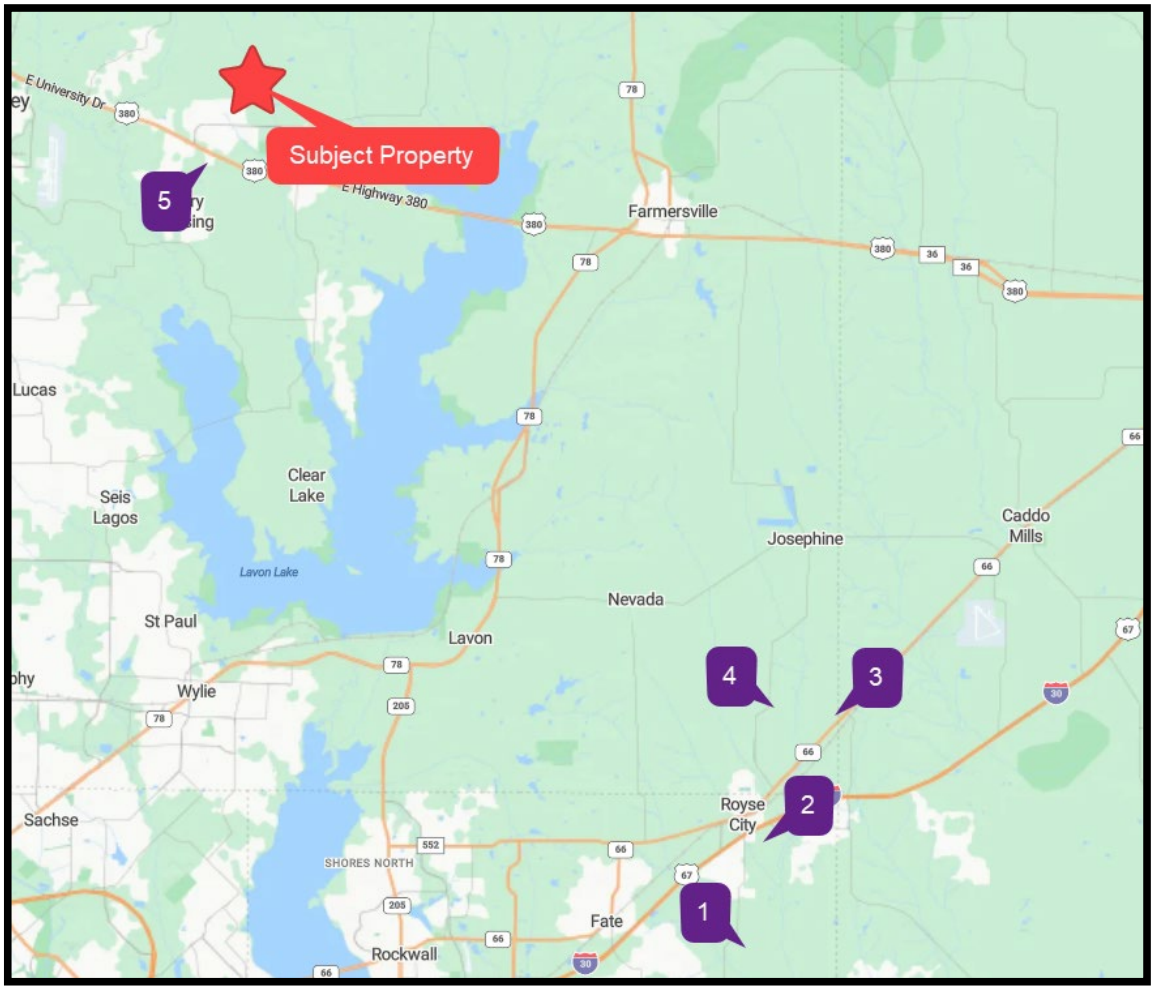
- Determined the value of the lots through aspects of the Sales Comparison Approach based on the concept plan provided by the developers
- Calculated the absorption period (earlier in the report) for the finished lots after construction is complete
- Analyzed the effect of appreciation, taxes, and sales 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 50-FF and 60-FF lots within Whitewing Trails PID IA #3B, beginning with the 50-FF lots.

MAP OF COMPARABLE LOT SALES –50' LOTS



Subject: Whitewing Trails PID IA #3B, Princeton, TX 75407

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	City	ISD	Contract Date	Sale Date	Base Lot Price	Front Feet (FF)	*$/FF*
1	Waterscape	Royse City	Royse City	May - 2024	In-Contract	$80,000	50	*$ 1,600*
2	Liberty Crossing	Royse City	Royse City	Nov-2024	Closed	$81,000	50	*$ 1,620*
3	Creekside	Royse City	Royse City	Mar-2025	Closed	$83,750	50	*$ 1,675*
4	Clearview Ranch	Royse City	Royse City	Sept-2024	In-Contract	$81,000	50	*$ 1,620*
5	Simpson Crossing	Lowry Crossing	McKinney	Aug - 2024	Closed	$83,250	50	*$ 1,665*
Subject	**Whitewing Trails PID, IA #3B**	**Princeton**	**Princeton**	-	-	-	**50**	-

SALE COMPARABLE 1 – 50’ LOTS

Comparable 1 Aerial

Comparable 1 Map

50-FF Sale Comparable 1				
Property Information				
Subdivision Name	Waterscape			
Property Class	Residential Lot			
Address	Southwest side of Crenshaw Road, southeast of FM-548, Royse City			
County	Rockwall			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	May - 2024			
Seller	HC Royse 548, LLC			
Buyer	HMH Lifestyle, LP			
Sale Price	$80,000			
Price per SF Land	$13.33			
Price per Front Foot	**$1,600**			

SALE COMPARABLE 2 – 50' LOTS

Comparable 2 Aerial

Comparable 2 Map

50-FF Sale Comparable 2				
Property Information				
Subdivision Name	Liberty Crossing			
Property Class	Residential Lot			
Address	Southwest corner of E. Old Greenville Road and Cemetery Road, Royse City			
County	Rockwall			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	November - 2024			
Seller	Liberty Crossing Land, LLC			
Buyer	DR Horton Texas, LTD			
Sale Price	$81,000			
Price per SF Land	$13.50			
Price per Front Foot	**$1,620**			

SALE COMPARABLE 3 – 50' LOTS

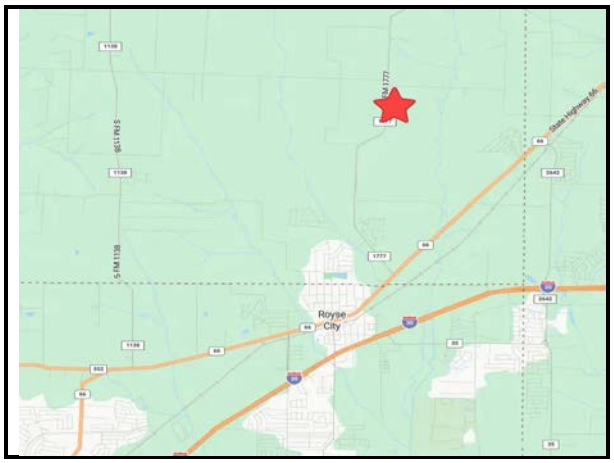
Comparable 3 Aerial

Comparable 3 Map

50-FF Sale Comparable 3				
Property Information				
Subdivision Name	Creekside			
Property Class	Residential Lot			
Address	Northwest of SH-66 at River Bend Road, Royse City			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	5,500	SF	0.13	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	March - 2025			
Seller	HDP WRH TX Lots, LLC			
Buyer	William Ryan Homes Texas, Inc.			
Sale Price	$83,750			
Price per SF Land	$15.23			
Price per Front Foot	**$1,675**			

SALE COMPARABLE 4 – 50’ LOTS

Comparable 4 Aerial

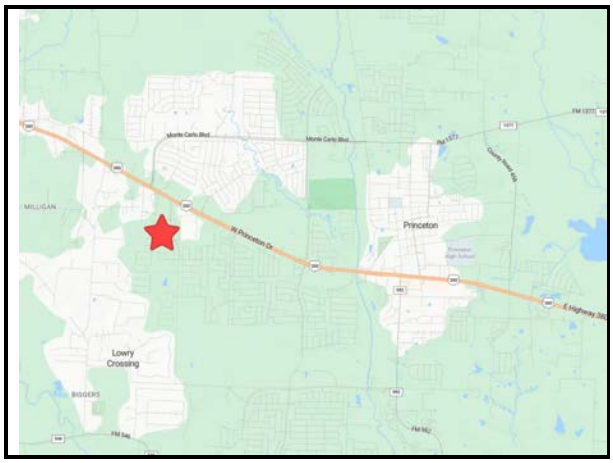


Comparable 4 Map

50-FF Sale Comparable 4				
Property Information				
Subdivision Name	Clearview Ranch			
Property Class	Residential Lot			
Address	East side of FM-1777 and south of CR-677, Royse City			
County	Collin			
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	September - 2024			
Seller	Clearview Ranch Land, LLC			
Buyer	DRHI, Inc.			
Sale Price	$81,000			
Price per SF Land	$11.25			
Price per Front Foot	**$1,620**			

SALE COMPARABLE 5 – 50' LOTS

Comparable 5 Aerial



Comparable 5 Map

50-FF Sale Comparable 5				
Property Information				
Subdivision Name	Simpson Crossing			
Property Class	Residential Lot			
Address	West side of Simpson Road and south of US-380, Lowry Crossing			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,050	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	August - 2024			
Seller	Meritage Homes of Texas, LLC			
Buyer	Brightland Homes, LTD			
Sale Price	$83,250			
Price per SF Land	$13.76			
Price per Front Foot	**$1,665**			

SALES ADJUSTMENT COMPARISON GRID –50' LOTS

Subdivision	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Whitewing Trails PID, IA #3B	Waterscape	Liberty Crossing	Creekside	Clearview Ranch	Simpson Crossing
	Princeton	Royse City	Royse City	Royse City	Royse City	Lowry Crossing
Transactional Adjustments						
Sales Price/FF		$1,600	$1,620	$1,675	$1,620	$1,665
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		$1,600	$1,620	$1,675	$1,620	$1,665
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		$1,600	$1,620	$1,675	$1,620	$1,665
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		$1,600	$1,620	$1,675	$1,620	$1,665
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		$1,600	$1,620	$1,675	$1,620	$1,665
Time/Market Conditions		+5%	+4%	+3%	+4%	+5%
ADJUSTED Price/FF:		$1,680	$1,685	$1,725	$1,685	$1,748
Physical Adjustments						
Location/Access	Northwest Quadrant of Monte Carlo Boulevard and Longneck Road, Princeton	+2%	+2%	+2%	+2%	0%
Amenities	Amenity Center, Pool, Cabana, Sport Courts, Playground, Elementary School, Trails, and Greenspace	0%	0%	+2%	+2%	+2%
Size	50-FF	0%	0%	0%	0%	0%
Utilities	All Available	0%	0%	0%	0%	0%
Zoning	PD-10	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		+2%	+2%	+4%	+4%	+2%
ADJUSTED Price/FF:		$1,714	$1,718	$1,794	$1,752	$1,783
SUMMARY OF COMPARABLE VALUES						
Value Range/FF			$1,714	to	$1,794	
Average Value/FF Weighted			$1,752			
Median Value/FF			$1,752			
Size			50-FF			
Unit Value Indication			$1750/FF			
Overall Value Indication			$87,500			
Rounded			$87,500			

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 $1,600 per front foot to $1,675 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 decrease by the Federal Reserve that has lowered mortgage rates by 7 basis points to 6.15% as of December 2025. Price increased from 2020-2025 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 ample demand of 50-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically along the State Highway 380 Corridor which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +3% year-over year (YoY) increase throughout 2023, 2024, 2025, and into the first quarter of 2026 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 +3% and +5% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is in a quickly developing area of North Texas in the City of Princeton. Development in the subject's area has been moderately increasing and consistent throughout the decades. The subject is located at the northwest quadrant of Monte Carlo Boulevard and Longneck Road. The area around the subject is a mix of agricultural land and single-family developments. Also, in the area there are agricultural and commercial uses along State Highway 380.

Southeast of the subject property, about 4 miles, is Princeton High School which is the only high school in Princeton ISD. Princeton ISD is a desirable district with a "B" 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: Inferior; Located in Royse City, which has similar access to commercial uses, and it is located in Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 2: Inferior; Located in Royse City, which has similar access to commercial uses, and it is located in Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 3: Inferior; Located in Royse City, which has similar access to commercial uses, and it is located in Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 4: Inferior; Located in Royse City, which has similar access to commercial uses, and it is located in Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 5: Similar; Located in Lowry Crossing, which has similar access to commercial uses, and feeds into McKinney ISD which has a "B" rating and considered to be a similar ISD; Adjusted 0%

Amenities

The subject property's amenities will consist of an amenity center, pool, cabana, sport courts, playground, elementary school, trails, and greenspace. According to the site visit, earthwork on the site is underway. The subject's amenities are standard for a master planned community the size of Whitewing Trails PID IA #3B development being built-out with 331 homes. We have made the following adjustments for Amenities:

- Sale 1: Similar; Waterscape Subdivision, which has similar amenities such as an amenity center, pool, sports courts, pavilion, dog park, pond, trails, and greenspace. Though this comparable has some similar amenities, it does not have a elementary school; Adjusted 0%
- Sale 2: Similar; Liberty Crossing Subdivision, which has similar amenities such as an amenity center, pool, sports courts, pavilion, dog park, pond, trails, and greenspace; Adjusted 0%
- Sale 3: Inferior; Creekside Subdivision, which has inferior amenities such as a pool, sports courts, trails, and greenspace. Though this comparable has some similar amenities, it does not have an amenity center, sports courts, or elementary school; Adjusted +2%
- Sale 4: Inferior; Clearview Ranch Subdivision, which has inferior amenities such as a pool, playground, trails, and greenspace. Though this comparable has some similar amenities, it does not have an amenity center, sports courts, or elementary school; Adjusted +2%
- Sale 5: Inferior; Simpson Crossing Subdivision, which has inferior amenities such as a pool, playground, trails, and greenspace. Though this comparable has some similar amenities, it does not have an amenity center, sports courts, or elementary school; Adjusted +2%

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-FF lots that can accommodate the same building pad, so no adjustment is made for Size.

Utilities
The subject property's improved lots will each have access to electric, water, sewer, natural gas, and high-speed Internet. Sales 1-5 will also have access to the same utilities as the subject. Therefore, no adjustment is made for Utilities to those comparable sales.

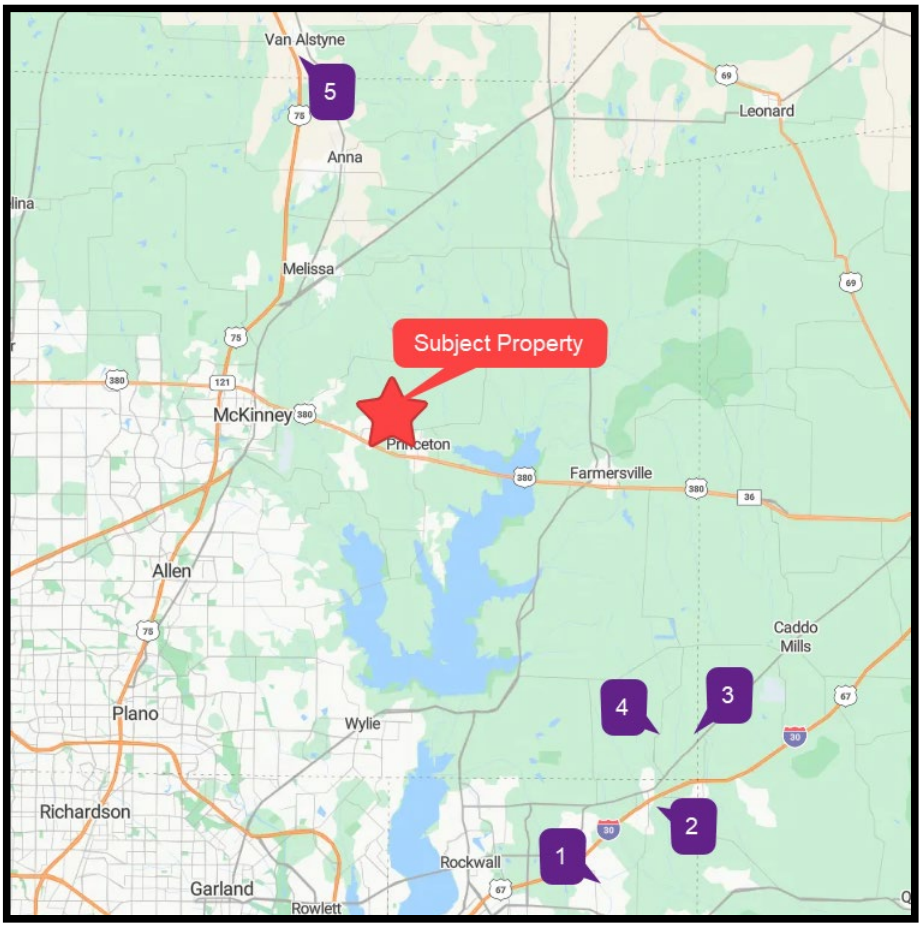
Zoning
The subject property is in a planned development and comparable Sales 1-4 are in Planned Developments with residential subdivision zoning for similar sized residential lots; thus, no adjustment is made for Zoning. Comparable sale 5 is subject to a Development Agreement, which allows a similar use as the subject, therefore no adjustment is made for Zoning to Sale 5.

Conclusion for 50' Lots – The 50' Lot Sales have an adjusted range of $1,714/FF to $1,794/FF with an average of $1,752/FF and a median of $1,752/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 50' lots is $1750/FF, or $87,500/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
50' Detached Lots	205	February 1, 2026	$87,500

Next, we will analyze the retail market value of the 60' improved lots within the Whitewing Trails PID in IA #3B.

MAP OF COMPARABLE LOT SALES –60' LOTS



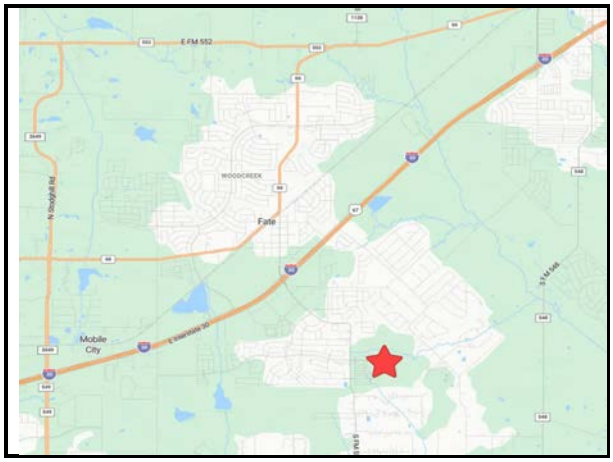
Subject: Whitewing Trails PID IA #3B, Princeton, TX 75407

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**	**City**	**ISD**	**Contract Date**	**Sale Date**	**Base Lot Price**	**Front Feet (FF)**	***$/FF***
1	Edgewater	Fate	Rockwall	Aug-2024	Closed	$91,945	60	*$ 1,532*
2	Liberty Crossing	Royse City	Royse City	Nov-2024	Closed	$93,600	60	*$ 1,560*
3	Creekside	Royse City	Royse City	Jun-2024	Closed	$96,000	60	*$ 1,600*
4	Clearview Ranch	Royse City	Royse City	Sept-2024	In-Contract	$93,600	60	*$ 1,560*
5	Tinsley Meadows	Van Alstyne	Van Alstyne	Jul-2023	Closed	$107,100	65	*$ 1,648*
Subject	**Whitewing Trails PID, IA #3B**	**Princeton**	**Princeton**	-	-	-	**60**	-

SALE COMPARABLE 1 – 60' LOTS

Comparable 1 Aerial



Comparable 1 Map

60-FF Sale Comparable 1				
Property Information				
Subdivision Name	Edgewater			
Property Class	Residential Lot			
Address	East side of FM-551 at Gettysburg Boulevard, Fate			
County	Rockwall			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,200	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	August-2024			
Seller	New Sheridan Dev Co Phase 1, LLC			
Buyer	UnionMain Homes, LLC			
Sale Price	$91,945			
Price per SF Land	$12.77			
Price per Front Foot	**$1,532**			

SALE COMPARABLE 2 – 60' LOTS

Comparable 2 Aerial

Comparable 2 Map

60-FF Sale Comparable 2				
Property Information				
Subdivision Name	Liberty Crossing			
Property Class	Residential Lot			
Address	Southwest corner of E. Old Greenville Road and Cemetery Road, Royse City			
County	Rockwall			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,600	SF	0.15	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	November - 2024			
Seller	Liberty Crossing Land, LLC			
Buyer	DR Horton Texas, LTD			
Sale Price	$93,600			
Price per SF Land	$14.18			
Price per Front Foot	**$1,560**			

SALE COMPARABLE 3 – 60' LOTS

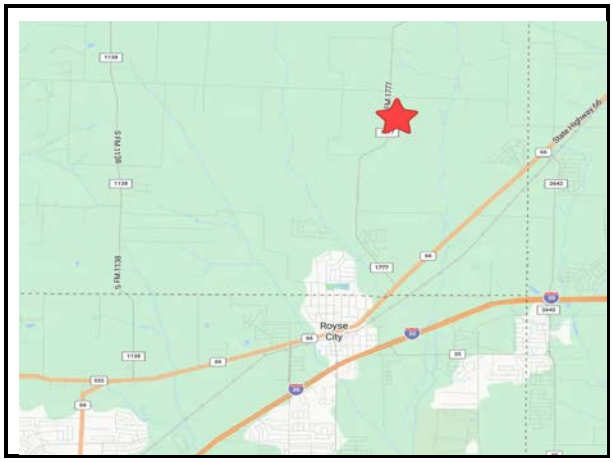
Comparable 3 Aerial

Comparable 3 Map

60-FF Sale Comparable 3				
Property Information				
Subdivision Name	Creekside			
Property Class	Residential Lot			
Address	Northwest of SH-66 at River Bend Road, Royse City			
County	Collin			
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	June - 2024			
Seller	HDP WRH TX Lots, LLC			
Buyer	William Ryan Homes Texas, Inc.			
Sale Price	$96,000			
Price per SF Land	$13.33			
Price per Front Foot	**$1,600**			

SALE COMPARABLE 4 – 60’ LOTS

Comparable 4 Aerial

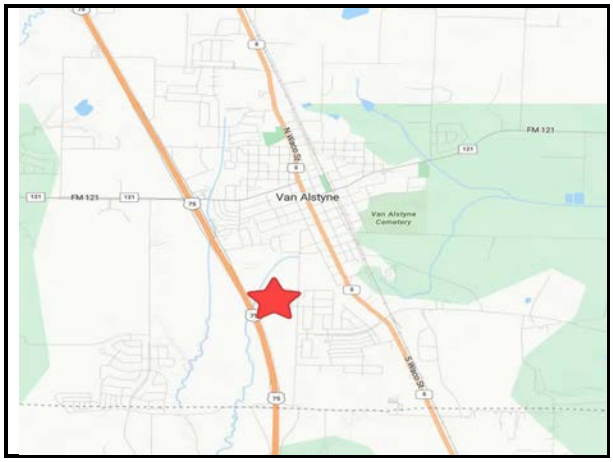


Comparable 4 Map

60-FF Sale Comparable 4				
Property Information				
Subdivision Name	Clearview Ranch			
Property Class	Residential Lot			
Address	East side of FM-1777 and south of CR-677, Royse City			
County	Collin			
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	September - 2024			
Seller	Clearview Ranch Land, LLC			
Buyer	DRHI, Inc.			
Sale Price	$93,600			
Price per SF Land	$13.00			
Price per Front Foot	**$1,560**			

SALE COMPARABLE 5 – 60' LOTS

Comparable 5 Aerial



Comparable 5 Map

60-FF Sale Comparable 5				
Property Information				
Subdivision Name	Tinsley Meadows			
Property Class	Residential Lot			
Address	South side of Metallic Tree Lane and West of Kelly Lane, Van Alstyne			
County	Grayson			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,475	SF	0.17	Acres
Zoning Code	Single-Family 65			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	July-2023			
Seller	Tinsley Meadows, LLC			
Buyer	Cambridge Homes, LLC			
Sale Price	$107,100			
Price per SF Land	$14.33			
Price per Front Foot	**$1,648**			

SALES ADJUSTMENT COMPARISON GRID –60' LOTS

Subdivision	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Whitewing Trails PID, IA #3B	Edgewater	Liberty Crossing	Creekside	Clearview Ranch	Tinsley Meadows
	Princeton	Fate	Royse City	Royse City	Royse City	Van Alstyne
Transactional Adjustments						
Sales Price/FF		$1,532	$1,560	$1,600	$1,560	$1,648
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		$1,532	$1,560	$1,600	$1,560	$1,648
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		$1,532	$1,560	$1,600	$1,560	$1,648
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		$1,532	$1,560	$1,600	$1,560	$1,648
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		$1,532	$1,560	$1,600	$1,560	$1,648
Time/Market Conditions		+5%	+4%	+5%	+4%	+8%
ADJUSTED Price/FF:		$1,609	$1,622	$1,680	$1,622	$1,780
Physical Adjustments						
Location/Access	Northwest Quadrant of Monte Carlo Boulevard and Longneck Road, Princeton	0%	+2%	+2%	+2%	0%
Amenities	Amenity Center, Pool, Cabana, Sport Courts, Playground, Elementary School, Trails, and Greenspace	+2%	0%	+2%	+2%	+4%
Size	60-FF	0%	0%	0%	0%	+2%
Utilities	All Available	0%	0%	0%	0%	0%
Zoning	PD-10	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		+2%	+2%	+4%	+4%	+6%
ADJUSTED Price/FF:		$1,641	$1,655	$1,747	$1,687	$1,886
SUMMARY OF COMPARABLE VALUES						
Value Range/FF			$1,641	to	$1,886	
Average Value/FF Weighted			$1,723			
Median Value/FF			$1,687			
Size			60-FF			
Unit Value Indication			$1720/FF			
Overall Value Indication			$103,200			
Rounded			$103,200			

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 $1,532 per front foot to $1,648 per front foot with Sales 1-4 being 60-FF lot types and Sale 5 being 65-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 2020-2025 but now appears to be cooling following another interest rate decrease by the Federal Reserve that has lowered mortgage rates by 7 basis points to 6.15% as of December 2025. Price increased from 2020-2025 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 ample demand of 60-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically along the State Highway 380 Corridor which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +3% year-over year (YoY) increase throughout 2023, 2024, 2025, and into the first quarter of 2026 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 +4% and +8% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is in a quickly developing area of North Texas in the City of Princeton. Development in the subject's area has been moderately increasing and consistent throughout the decades. The subject is located at the northwest quadrant of Monte Carlo Boulevard and Longneck Road. The area around the subject is a mix of agricultural land and single-family developments. Also, in the area there are agricultural and commercial uses along State Highway 380.

Southeast of the subject property, about 4 miles, is Princeton High School which is the only high school in Princeton ISD. Princeton ISD is a desirable district with a "B" 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: Similar; Located in Fate, which has similar access to commercial uses, and it is located in Rockwall ISD which has a "B" rating and considered to be a similar ISD; Adjusted 0%
- Sale 2: Inferior; Located in Royse City, which has similar access to commercial uses, and it is located in Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 3: Inferior; Located in Royse City, which has similar access to commercial uses, and it is located in Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 4: Inferior; Located in Royse City, which has similar access to commercial uses, and it is located in Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 5: Similar; Located in the Van Alstyne, which has similar access to commercial uses and it is located in Van Alstyne ISD which has a "B" rating and considered to be a similar ISD; Adjusted 0%

Amenities

The subject property's amenities will consist of an amenity center, pool, cabana, sport courts, playground, elementary school, trails, and greenspace. According to the site visit, earthwork on the site is underway. The subject's amenities are standard for a master planned community the size of Whitewing Trails PID IA #3B development being built-out with 331 homes. We have made the following adjustments for Amenities:

- Sale 1: Inferior; Edgewater Subdivision, which has inferior amenities such as an amenity center, pool, parks, playground, trails, and greenspace. Though this comparable has some similar amenities, it does not have sports courts or an elementary school; Adjusted +2%
- Sale 2: Similar; Liberty Crossing Subdivision, which has similar amenities such as a pool, sports courts, trails, and greenspace; Adjusted 0%
- Sale 3: Inferior; Creekside Subdivision, which has inferior amenities such as a pool, playground, trails, and greenspace. Though this comparable has some similar amenities, it does not have an amenity center, sports courts, or elementary school; Adjusted +2%
- Sale 4: Inferior; Clearview Ranch Subdivision, which has inferior amenities such as an amenity center, pool, parks, dog park, trails, and greenspace. Though this comparable has some similar amenities, it does not have an amenity center, sports courts, or elementary school; Adjusted +2%
- Sale 5: Inferior; Tinsley Meadows Subdivision, which has inferior amenities such as a pond, park, trails, and greenspace. Though this comparable has some similar amenities, it does not have an amenity center, sports courts, park, playground, or elementary school; adjusted +4%

Size

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). Sale 1-4 are a 60-FF lots that can accommodate the same building pad, so no adjustment is made for Size. Sale 5 is a 65-FF lots that can accommodate a larger building pad, thus an adjustment of +2% is made for Size.

Utilities
The subject property's improved lots will each have access to electric, water, sewer, natural gas, and high-speed Internet. Sales 1-5 will also have access to the same utilities as the subject. Therefore, no adjustment is made for Utilities to those comparable sales.

Zoning
The subject property is in a planned development and comparable sales 1-4 are in Planned Developments with residential subdivision zoning for similar sized residential lots; thus, no adjustment is made for Zoning. Comparable Sale 5 is zoned Single-Family 65, which allows a similar use as the subject, therefore no adjustment is made for Zoning to Sale 5.

Conclusion for 60' Lots – The 60' Lot Sales have an adjusted range of $1,641/FF to $1,886/FF with an average of $1,723/FF and a median of $1,687/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 60' lots is $1720/FF, or $103,200/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
60' Detached Lots	126	February 1, 2026	$103,200

Cumulative Retail Lot Value – IA #3B

We believe a current lot market value of $87,500 for 50' improved Lots, and $103,200 for 60' improved Lots in IA #3B with a Retrospective Effective Date of February 1, 2026 is accurate and well-supported. Not only do our compiled recent comparable lot sales indicate that price, 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 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 the first quarter of 2026 which followed a spike in the residential housing market in DFW that contributed to a scarcity of vacant developed lots for homebuilders.

As of the Retrospective Effective Date of February 1, 2026, the market value the 50-FF and 60-FF lot prices for Whitewing Trails PID IA #3B are shown below:

WHITEWING TRAILS PID IA #3B					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
205	50 FF	$87,500	February 1, 2026	$1750/FF	$17,937,500
126	60 FF	$103,200	February 1, 2026	$1720/FF	$13,003,200
331					***$30,940,700***

Next, we will develop an opinion of value for the residential lots for IA #3B using the Discount Cash Flow analysis.

DISCOUNT CASH FLOW ANALYSIS

Having completed the retail lot value conclusions using aspects of the Sales Comparison Approach, we will develop an opinion of the market value of the property to a single purchaser, as of the substantial completion date. This value will include a provision for compensating the developer, i.e., profit for risk and expenditure of time. This value contemplates that the developer of the subject property would sell the subject to another developer who would in turn sell the developed lots on a retail basis. This value represents the concept of market value to a single purchaser as of the 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.

Absorption
As discussed in detail in the "Absorption Analysis" section of the report, our quarterly absorption projections are summarized as follows for the subject property:

ABSORPTION SCHEDULE FOR WHITEWING TRAILS PID IA #3B

Projected Quarterly Absorption Summary - Whitewing Trails PID (IA #3B)								
Lot Type	*Feb-2026*	*Apr-2026*	*Jul-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	*Jul-2027*	*Oct-2027*
50-FF	10	15	15	15	15	15	15	15
60-FF	6	9	9	9	9	9	9	9
Total	**16**	**24**	**24**	**24**	**24**	**24**	**24**	**24**

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Projected Quarterly Absorption Summary - Whitewing Trails PID (IA #3B)								
Lot Type	*Jan-2028*	*Apr-2028*	*Jul-2028*	*Oct-2028*	*Jan-2029*	*Apr-2029*	*Jul-2029*	**TOTAL**
50-FF	15	15	15	15	15	15	-	**205**
60-FF	9	9	9	9	9	9	3	**126**
Total	**24**	**24**	**24**	**24**	**24**	**24**	**3**	**331**

Note: Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the Retrospective Effective Date is February 1, 2026, our analysis starts on the 1st quarter of 2026.

Value Increases During Sellout 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 (6.75% as of February 2026), plus 1% (annually) up to 7.75%. 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 **0.02548700 per $100 assessed – 2.548700%** for the purpose of our analysis – with taxes due to the City of Princeton, Collin County, Collin College, and Princeton ISD.

Based upon our experience as property tax consultants and information gathered from builders/developers, we do not believe the vacant lots will be assessed for their full market value once Substantial Completion is achieved. We believe the builder will have their lots assessed at approximately 70% of the market value, i.e., if a lot has a retail value of $100,000 then the assessed value will be $70,000. We believe this 30% discount is justified as taxing districts do not typically have access to cost data and assessments typically lag the market. In addition, many taxing districts allow for a 20% builder's inventory reduction.

Cost of Sales has been estimated at 1.5% of gross sales proceeds for various closing costs, surveys, commissions, and title policies.

Marketing expenses are not included as there is a shortage of vacant developed lots on the market and we would expect these lots to be absorbed by volume builders.

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 city-approved Planned Development which will have 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 - 1st Quarter 2026*
Texas - Subdivisions & PUDs

	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	15.41%	33.80%	22.83%	14.80%	32.45%	21.92%
-100 Units	15.41%	29.14%	21.83%	14.80%	27.97%	20.96%
100-500 Units	15.80%	32.05%	22.97%	15.16%	30.77%	22.05%
500+ Units	16.18%	33.51%	23.36%	15.53%	32.17%	22.42%
Mixed Use	16.57%	33.80%	23.17%	15.90%	32.45%	22.24%
Manufactured Housing	15.90%	36.95%	24.51%	15.26%	35.47%	23.53%
-100 Units	15.90%	32.13%	23.54%	15.26%	30.85%	22.59%
100-500 Units	16.30%	35.35%	24.79%	15.65%	33.93%	23.80%
500+ Units	16.69%	36.95%	25.21%	16.03%	35.47%	24.21%
Business Parks	15.84%	35.32%	23.75%	15.21%	33.91%	22.80%
-100 Acres	15.84%	30.72%	22.81%	15.21%	29.49%	21.90%
100-500 Acres	16.24%	33.79%	24.01%	15.59%	32.44%	23.05%
500+ Acres	16.63%	35.32%	24.42%	15.97%	33.91%	23.44%
Industrial Parks	15.93%	29.77%	21.28%	15.30%	28.58%	20.43%
-100 Acres	15.93%	25.88%	20.49%	15.30%	24.85%	19.67%
100-500 Acres	16.33%	28.47%	21.51%	15.68%	27.33%	20.65%
500+ Acres	16.73%	29.77%	21.85%	16.06%	28.58%	20.98%

*4th Quarter 2025 Data

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As shown, the minimum actual rates in Texas range from 15.41% for less than 100 units; 15.80% for 100 to 500 units; and 16.18% for 500+ units with minimum pro-forma rates ranging from 14.80% to 15.16%.

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 IRR that is similar to the minimum actual rate provided by the Realty Rates "Developer Survey" for Texas of 15.80% for between 100-500 units; and 15.16% 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 - WHITEWING TRAILS PID, IA #3B

The following assumptions are made in our analysis which are supported by other research and analysis found earlier in this report:

- Retrospective Substantial Complete February 1, 2026
- Retail lot values: $87,500 for 50-FF lots
- Retail lot values: $103,200 for 60-FF lots
- 6% Appreciation/Year (1.5%/Quarter)
- 50-FF Lots sell at 15/Quarter
- 60-FF Lots sell at 9/Quarter
- Discount Rate 16% (4.00%/Quarter)
- Tax Expense on Inventory is 2.548700%/Year, 0.637175%/Quarter, but is discounted 30%
- Sales and Marketing Expense (1.5% of Revenue)

At Substantial Completion (February 1, 2026) on the improved lots in Whitewing Trails PID IA #3B, 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 absorption begins. Therefore, as of the retrospective Substantial Completion Date **(February 1, 2026) the retail lot value for 205 50-FF lots is $17,937,500, and the retail lot value for 126 60-FF lots is $13,003,200 with a cumulative value of $30,940,700** as seen in the following table:

WHITEWING TRAILS PID IA #3B					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
205	50 FF	$87,500	February 1, 2026	$1750/FF	$17,937,500
126	60 FF	$103,200	February 1, 2026	$1720/FF	$13,003,200
331					***$30,940,700***

Discount cash flow analysis was completed on a quarterly and annual basis as a check for reasonableness. The annual DCF is a more rudimentary calculation, and we consider the quarterly analysis to be more accurate. When applying the DCF on a quarterly basis, the discount rate is divided by 4 and a discount rate of 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 February 1, 2026, we will analyze on a quarterly basis starting February 2026.

DISCOUNT CASH FLOW DATA – WHITEWING TRAILS PID IA #3B LOTS (QUARTERLY)

	Feb. 2026			Apr. 2026			Jul. 2026		
Lot Type	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	205	$ 87,500	10	195	$ 88,813	15	180	$ 90,145	15
60-FF Lot	126	$ 103,200	6	120	$ 104,748	9	111	$ 106,319	9
Revenue		**$ 1,494,200**			**$ 2,274,920**			**$ 2,309,043**	
Tax Expense		*$ (92,002)*			*$ (133,308)*			*$ (125,009)*	
Sales Expense		*$ (22,413)*			*$ (34,124)*			*$ (34,636)*	
Net Income		**$ 1,379,785**			**$ 2,107,488**			**$ 2,149,399**	
Factor		**0.987708**			**0.957634**			**0.922753**	
Income Net Present Value (NPV)		**$ 1,362,825**			**$ 2,018,203**			**$ 1,983,363**	

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	Oct. 2026			Jan. 2027			Apr. 2027		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	165	$ 91,497	15	150	$ 92,869	15	135	$ 94,262	15
60-FF Lot	102	$ 107,914	9	93	$ 109,533	9	84	$ 111,176	9
Revenue		**$ 2,343,679**			**$ 2,378,834**			**$ 2,414,517**	
Tax Expense		*$ (116,431)*			*$ (107,567)*			*$ (98,411)*	
Sales Expense		*$ (35,155)*			*$ (35,683)*			*$ (36,218)*	
Net Income		**$ 2,192,093**			**$ 2,235,585**			**$ 2,279,888**	
Factor		**0.889141**			**0.856754**			**0.825547**	
Income Net Present Value (NPV)		**$ 1,949,080**			**$ 1,915,347**			**$ 1,882,154**	

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	Jul. 2027			Oct. 2027			Jan. 2028		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	120	$ 95,676	15	105	$ 97,111	15	90	$ 98,568	15
60-FF Lot	75	$ 112,843	9	66	$ 114,536	9	57	$ 116,254	9
Revenue		**$ 2,450,734**			**$ 2,487,495**			**$ 2,524,808**	
Tax Expense		*$ (88,957)*			*$ (79,196)*			*$ (69,123)*	
Sales Expense		*$ (36,761)*			*$ (37,312)*			*$ (37,872)*	
Net Income		**$ 2,325,017**			**$ 2,370,987**			**$ 2,417,813**	
Factor		**0.795476**			**0.766501**			**0.738581**	
Income Net Present Value (NPV)		**$ 1,849,496**			**$ 1,817,364**			**$ 1,785,751**	

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	Apr. 2028			Jul. 2028			Oct. 2028		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	75	$ 100,047	15	60	$ 101,547	15	45	$ 103,071	15
60-FF Lot	48	$ 117,998	9	39	$ 119,768	9	30	$ 121,564	9
Revenue		**$ 2,562,680**			**$ 2,601,120**			**$ 2,640,137**	
Tax Expense		*$ (58,730)*			*$ (48,009)*			*$ (36,953)*	
Sales Expense		*$ (38,440)*			*$ (39,017)*			*$ (39,602)*	
Net Income		**$ 2,465,510**			**$ 2,514,094**			**$ 2,563,581**	
Factor		**0.711678**			**0.685755**			**0.660777**	
Income Net Present Value (NPV)		**$ 1,754,650**			**$ 1,724,054**			**$ 1,693,955**	

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	Jan. 2029			Apr. 2029			Jul. 2029		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	30	$ 104,617	15	15	$ 106,186	15	0	$ 107,779	0
60-FF Lot	21	$ 123,388	9	12	$ 125,239	9	3	$ 127,117	3
Revenue		**$2,679,739**			**$2,719,935**			**$ 381,352**	
Tax Expense		*$ (25,555)*			*$ (13,807)*			*$ (567)*	
Sales Expense		*$ (40,196)*			*$ (40,799)*			*$ (5,720)*	
Net Income		**$2,613,987**			**$2,665,329**			**$ 375,064**	
Factor		**0.636708**			**0.613516**			**0.598526**	
Income Net Present Value (NPV)		**$1,664,347**			**$1,635,221**			**$ 224,486**	

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Total Net Revenue Over ~15 Quarters	***$32,655,620***
Net Present Value (As-Is) at 16% Discount Rate	***$25,260,296***
Rounded	**$25,261,000**

Note: Quarterly discount and appreciation calculations are averaged to the middle of the period.

DISCOUNT CASH FLOW DATA – WHITEWING TRAILS PID IA #3B LOTS (ANNUAL)

	2026			2027		
Type	Starting Units	Lot Price	Sales	Starting Units	Lot Price	Sales
50-FF Lot	205	$ 89,513	55	150	$ 93,541	60
60-FF Lot	126	$ 105,574	33	93	$ 110,324	36
Revenue		**$ 8,407,116**			**$ 9,584,113**	
Tax Expense		*$ (517,647)*			*$ (433,378)*	
Sales Expense		*$ (126,107)*			*$ (143,762)*	
Net Income		**$ 7,763,362**			**$ 9,006,973**	
Factor		**0.934236**			**0.810372**	
Income Net Present Value (NPV)		**$ 7,252,815**			**$ 7,299,000**	

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	2028			2029		
Type	Starting Units	Lot Price	Sales	Starting Units	Lot Price	Sales
50-FF Lot	90	$ 99,153	60	30	$ 105,102	30
60-FF Lot	57	$ 116,944	36	21	$ 123,961	21
Revenue		**$ 10,159,159**			**$ 5,756,236**	
Tax Expense		*$ (278,132)*			*$ (59,906)*	
Sales Expense		*$ (152,387)*			*$ (86,344)*	
Net Income		**$ 9,728,640**			**$ 5,609,986**	
Factor		**0.698597**			**0.621151**	
Income Net Present Value (NPV)		**$ 6,796,396**			**$ 3,484,649**	

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Total Net Revenue Over ~4 Year	***$32,108,961***
Net Present Value (As-Is) at 16% Discount Rate	***$24,832,860***
Rounded	**$24,832,000**

Note: Annual discount and appreciation calculations are averaged to the middle of the period

DCF Conclusion (331 Improved 50' and 60' Lots)

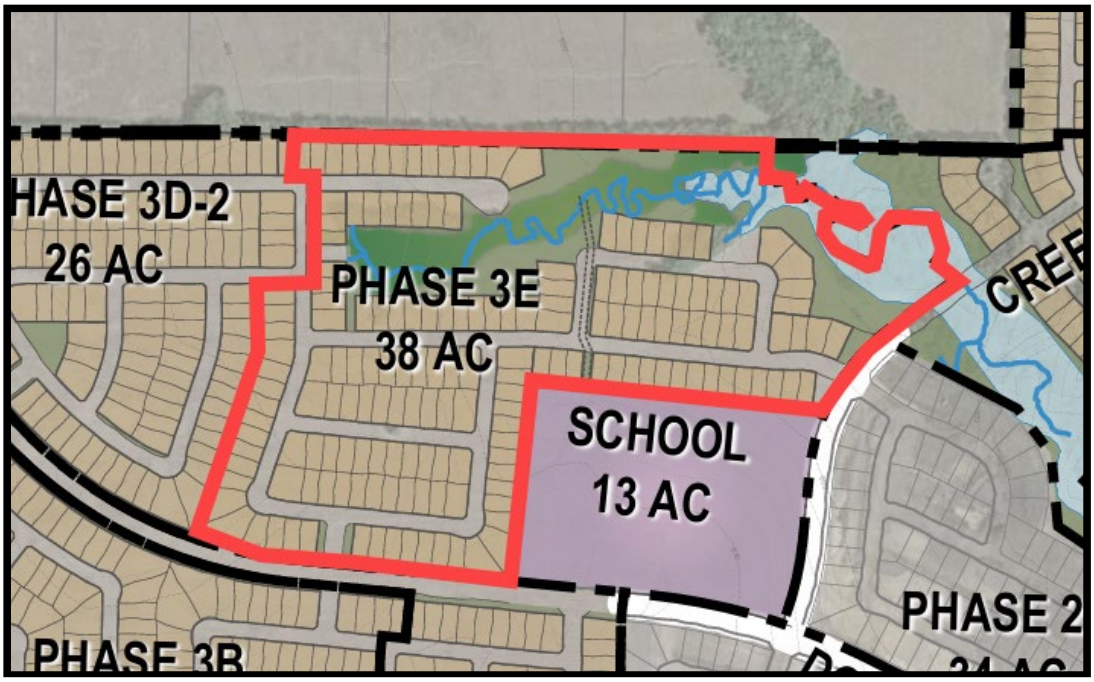
Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for the 331 improved lots in Whitewing Trails PID IA #3B in a bulk sale transaction would be between $25,260,296 and $24,832,860, which is approximately $427,436 (1.72%) different. Both annual and quarterly 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 Whitewing Trails PID Phase IA #3B "Upon Completion" with a Retrospective Effective Date of February 1, 2026, for 331 improved lots is $25,261,000 ($76,300/Lot Rounded)**

INCOME (SUBDIVISION DEVELOPMENT) APPROACH CONCLUSION – IA #3B

Using the Discount Cash Flow Analysis to determine the net present value as of the expected substantial completion date (February 1, 2026), we have determined the following value for Whitewing Trails PID IA #3B as shown in the table below:

INCOME APPROACH VALUE INDICATION	
Fee Simple Interest, Complete Feburary 1, 2026	
Whitewing Trails PID (IA #3B) ***331 Improved Lots on 96.113 Acres***	***$25,261,000 ($76,300/Lot Rounded)***

INCOME (SUBDIVISION DEVELOPMENT) APPROACH - IMPROVED RESIDENTIAL LOTS (IA #3C)



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:

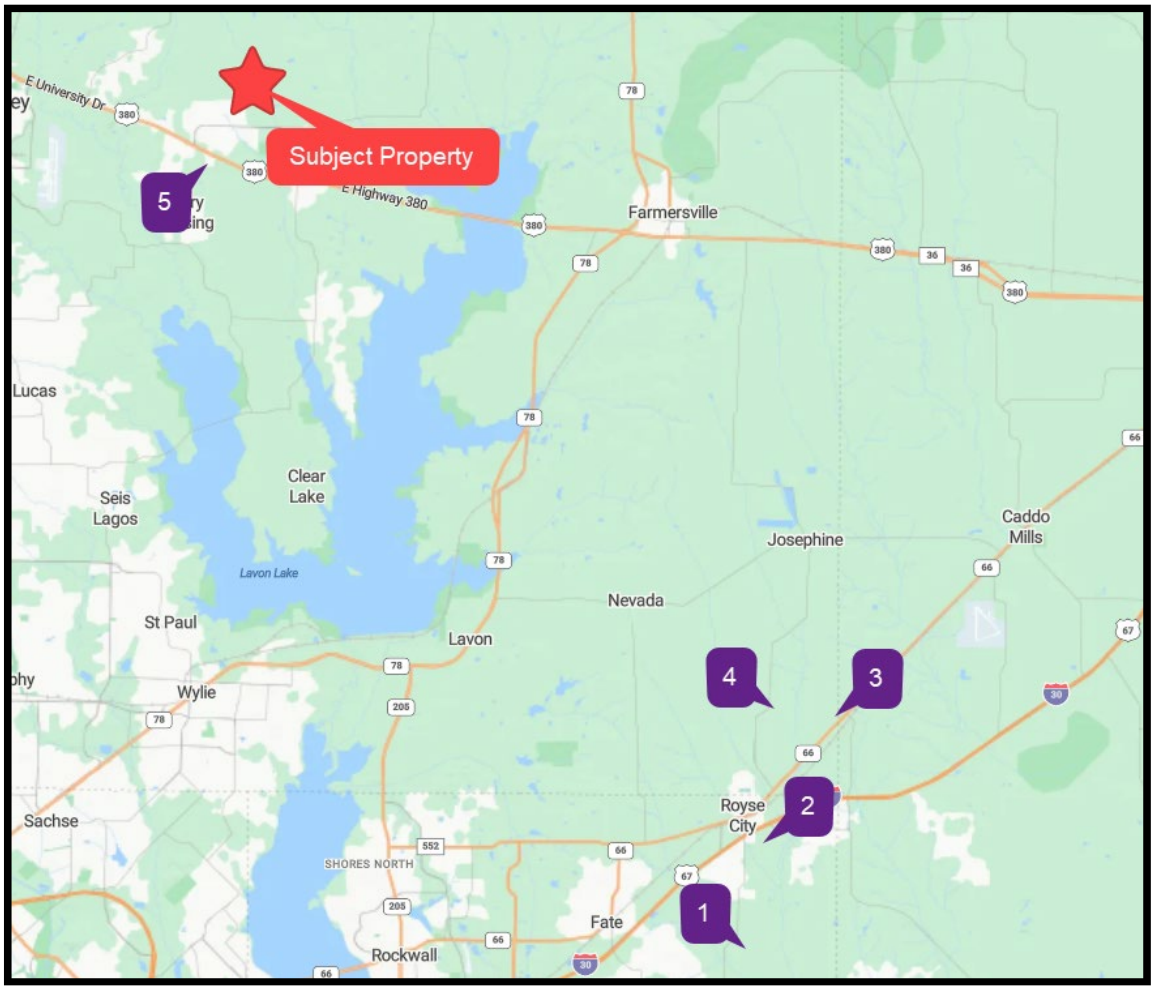
- Determined the value of the lots through aspects of the Sales Comparison Approach based on the concept plan provided by the developers
- Calculated the absorption period (earlier in the report) for the finished lots after construction is complete
- Analyzed the effect of appreciation, taxes, and sales 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 50-FF lots within Whitewing Trails PID IA #3C.

MAP OF COMPARABLE LOT SALES –50' LOTS



Subject: Whitewing Trails PID IA #3C, Princeton, TX 75407

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**	**City**	**ISD**	**Contract Date**	**Sale Date**	**Base Lot Price**	**Front Feet (FF)**	***$/FF***
1	Waterscape	Royse City	Royse City	May - 2024	In-Contract	$80,000	50	*$ 1,600*
2	Liberty Crossing	Royse City	Royse City	Nov-2024	Closed	$81,000	50	*$ 1,620*
3	Creekside	Royse City	Royse City	Mar-2025	Closed	$83,750	50	*$ 1,675*
4	Clearview Ranch	Royse City	Royse City	Sept-2024	In-Contract	$81,000	50	*$ 1,620*
5	Simpson Crossing	Lowry Crossing	McKinney	Aug - 2024	Closed	$83,250	50	*$ 1,665*
Subject	**Whitewing Trails PID; IA #3C**	**Princeton**	**Princeton**	-	-	-	**50**	-

SALE COMPARABLE 1 – 50' LOTS

Comparable 1 Aerial

Comparable 1 Map

50-FF Sale Comparable 1				
Property Information				
Subdivision Name	Waterscape			
Property Class	Residential Lot			
Address	Southwest side of Crenshaw Road, southeast of FM-548, Royse City			
County	Rockwall			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	May - 2024			
Seller	HC Royse 548, LLC			
Buyer	HMH Lifestyle, LP			
Sale Price	$80,000			
Price per SF Land	$13.33			
Price per Front Foot	**$1,600**			

SALE COMPARABLE 2 – 50' LOTS

Comparable 2 Aerial

Comparable 2 Map

50-FF Sale Comparable 2				
Property Information				
Subdivision Name	Liberty Crossing			
Property Class	Residential Lot			
Address	Southwest corner of E. Old Greenville Road and Cemetery Road, Royse City			
County	Rockwall			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	November - 2024			
Seller	Liberty Crossing Land, LLC			
Buyer	DR Horton Texas, LTD			
Sale Price	$81,000			
Price per SF Land	$13.50			
Price per Front Foot	**$1,620**			

SALE COMPARABLE 3 – 50' LOTS

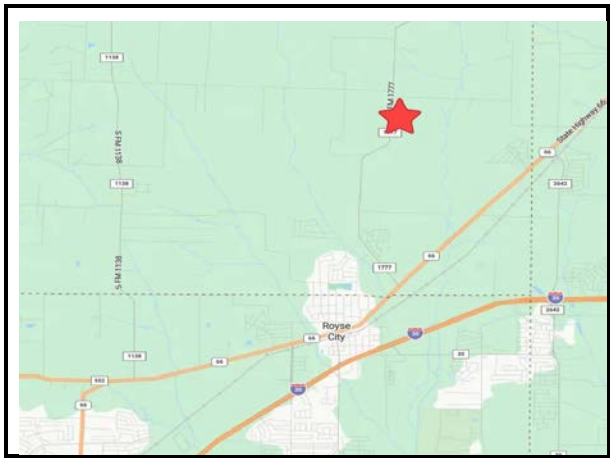
Comparable 3 Aerial

Comparable 3 Map

50-FF Sale Comparable 3				
Property Information				
Subdivision Name	Creekside			
Property Class	Residential Lot			
Address	Northwest of SH-66 at River Bend Road, Royse City			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,050	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	March - 2025			
Seller	HDP WRH TX Lots, LLC			
Buyer	William Ryan Homes Texas, Inc.			
Sale Price	$83,750			
Price per SF Land	$13.84			
Price per Front Foot	**$1,675**			

SALE COMPARABLE 4 – 50’ LOTS

Comparable 4 Aerial

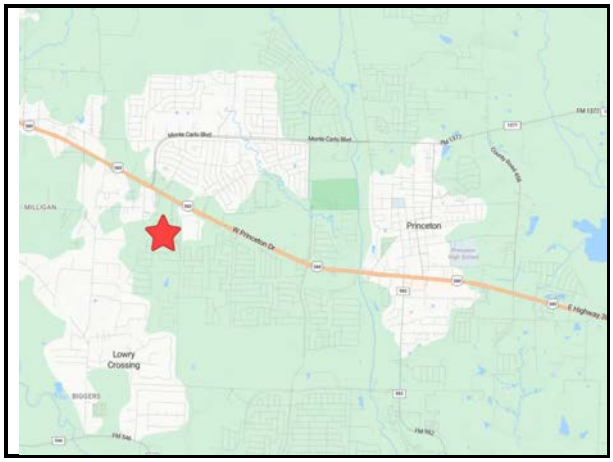


Comparable 4 Map

50-FF Sale Comparable 4				
Property Information				
Subdivision Name	Clearview Ranch			
Property Class	Residential Lot			
Address	East side of FM-1777 and south of CR-677, Royse City			
County	Collin			
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	September - 2024			
Seller	Clearview Ranch Land, LLC			
Buyer	DRHI, Inc.			
Sale Price	$81,000			
Price per SF Land	$11.25			
Price per Front Foot	**$1,620**			

SALE COMPARABLE 5 – 50’ LOTS

Comparable 5 Aerial



Comparable 5 Map

50-FF Sale Comparable 5				
Property Information				
Subdivision Name	Simpson Crossing			
Property Class	Residential Lot			
Address	West side of Simpson Road and south of US-380, Lowry Crossing			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,200	SF	0.17	Acres
Zoning Code	Development Agreement			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	August - 2024			
Seller	Meritage Homes of Texas, LLC			
Buyer	Brightland Homes, LTD			
Sale Price	$83,250			
Price per SF Land	$11.56			
Price per Front Foot	**$1,665**			

SALES ADJUSTMENT COMPARISON GRID –50' LOTS

Subdivision	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Whitewing Trails PID; IA #3C	Waterscape	Liberty Crossing	Creekside	Clearview Ranch	Simpson Crossing
	Princeton	Royse City	Royse City	Royse City	Royse City	Lowry Crossing
Transactional Adjustments						
Sales Price/FF		$1,600	$1,620	$1,675	$1,620	$1,665
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		$1,600	$1,620	$1,675	$1,620	$1,665
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		$1,600	$1,620	$1,675	$1,620	$1,665
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		$1,600	$1,620	$1,675	$1,620	$1,665
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		$1,600	$1,620	$1,675	$1,620	$1,665
Time/Market Conditions		+6%	+5%	+4%	+5%	+5%
ADJUSTED Price/FF:		$1,696	$1,701	$1,742	$1,701	$1,748
Physical Adjustments						
Location/Access	Northwest Quadrant of Monte Carlo Boulevard and Longneck Road, Princeton	+2%	+2%	+2%	+2%	0%
Amenities	Amenity Center, Pool, Cabana, Sport Courts, Playground, Elementary School, Trails, and Greenspace	0%	0%	+2%	+2%	+2%
Size	50-FF	0%	0%	0%	0%	0%
Utilities	All Available	0%	0%	0%	0%	0%
Zoning	PD-10	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		+2%	+2%	+4%	+4%	+2%
ADJUSTED Price/FF:		$1,730	$1,735	$1,812	$1,769	$1,783
SUMMARY OF COMPARABLE VALUES						
Value Range/FF			$1,730	to	$1,812	
Average Value/FF Weighted			$1,766			
Median Value/FF			$1,769			
Size			50-FF			
Unit Value Indication			$1770/FF			
Overall Value Indication			$88,500			
Rounded			$88,500			

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 $1,600 per front foot to $1,675 per front foot 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 decrease by the Federal Reserve that has lowered mortgage rates by 7 basis points to 6.15% as of December 2025. Price increased from 2020-2025 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 ample demand of 50-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically along the State Highway 380 Corridor which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +3% year-over year (YoY) increase throughout 2023, 2024, 2025, and into the first quarter of 2026 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 +4% and +6% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is in a quickly developing area of North Texas in the City of Princeton. Development in the subject's area has been moderately increasing and consistent throughout the decades. The subject is located at the northwest quadrant of Monte Carlo Boulevard and Longneck Road. The area around the subject is a mix of agricultural land and single-family developments. Also, in the area there are agricultural and commercial uses along State Highway 380.

Southeast of the subject property, about 4 miles, is Princeton High School which is the only high school in Princeton ISD. Princeton ISD is a desirable district with a "B" 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: Inferior; Located in Royse City, which has similar access to commercial uses, and it is located in Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 2: Inferior; Located in Royse City, which has similar access to commercial uses, and it is located in Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 3: Inferior; Located in Royse City, which has similar access to commercial uses, and it is located in Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 4: Inferior; Located in Royse City, which has similar access to commercial uses, and it is located in Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 5: Similar; Located in Lowry Crossing, which has similar access to commercial uses, and feeds into McKinney ISD which has a "B" rating and considered to be a similar ISD; Adjusted 0%

Amenities

The subject property's amenities will consist of an amenity center, pool, cabana, sport courts, playground, elementary school, trails, and greenspace. According to the site visit, earthwork on the site is underway. The subject's amenities are standard for a master planned community the size of Whitewing Trails PID IA #3C development being built-out with 175 homes. We have made the following adjustments for Amenities:

- Sale 1: Similar; Waterscape Subdivision, which has similar amenities such as an amenity center, pool, sports courts, pavilion, dog park, pond, trails, and greenspace; Adjusted 0%
- Sale 2: Similar; Liberty Crossing Subdivision, which has similar amenities such as a pool, sports courts, trails, and greenspace. Though this comparable has some similar amenities, it does not have an amenity center, park, or elementary school; Adjusted 0%
- Sale 3: Inferior; Creekside Subdivision, which has inferior amenities such as a pool, playground, trails, and greenspace. Though this comparable has some similar amenities, it does not have an amenity center, sports courts, or elementary school; Adjusted +2%
- Sale 4: Inferior; Clearview Ranch Subdivision, which has inferior amenities such as an amenity center, pool, parks, dog park, trails, and greenspace. Though this comparable has some similar amenities, it does not have sports courts, or elementary school; Adjusted +2%
- Sale 5: Inferior; Simpson Crossing Subdivision, which has inferior amenities such as a pool, playground, trails, and greenspace. Though this comparable has some similar amenities, it does not have an amenity center, sports courts, or elementary school; adjusted +2%

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-FF lots that can accommodate the same building pad, so no adjustment is made for Size.

Utilities
The subject property's improved lots will each have access to electric, water, sewer, natural gas, and high-speed Internet. Sales 1-5 will also have access to the same utilities as the subject. Therefore, no adjustment is made for Utilities to those comparable sales.

Zoning
The subject property is in a planned development and comparable sales 1-4 are in Planned Developments with residential subdivision zoning for similar sized residential lots; thus, no adjustment is made for Zoning. Comparable Sale 5 is subject to a Development Agreement, which allows a similar use as the subject, therefore no adjustment is made for Zoning to Sale 5.

Conclusion for 50' Lots – The 50' Lot Sales have an adjusted range of $1,730/FF to $1,812/FF with an average of $1,766/FF and a median of $1,769/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 50' lots is $1770/FF, or $88,500/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
50' Detached Lots	175	May 1, 2026	$88,500

Cumulative Retail Lot Value – IA #3C

We believe a current lot market value of $88,500 for 50' improved Lots with an Effective Date of May 1, 2026 within IA #3C is accurate and well-supported. Not only do our compiled recent comparable lot sales indicate that price, but numerous conversations with market participants – land developers and homebuilders – regarding current prices of lots within the subject's market indicate that our concluded value per front foot is supported by the current retail price for 50-FF lots similar to the subject property. Market participants noted that prices for lots rose significantly in late 2020 and throughout the first quarter of 2026 which followed a spike in the residential housing market in DFW that contributed to a scarcity of vacant developed lots for homebuilders.

As of the Effective Date of May 1, 2026, the market value of the 50-FF lots for Whitewing Trails PID IA #3C is shown below:

WHITEWING TRAILS PID IA #3C					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
175	50 FF	$88,500	May 1, 2026	$1770/FF	$15,487,500
175					***$15,487,500***

Next, we will develop an opinion of value for the residential lots in IA #3C using the Discount Cash Flow analysis.

DISCOUNT CASH FLOW ANALYSIS

Having completed the retail lot value conclusions using aspects of the Sales Comparison Approach, we will develop an opinion of the market value of the property to a single purchaser, as of the substantial completion date. This value will include a provision for compensating the developer, i.e., profit for risk and expenditure of time. This value contemplates that the developer of the subject property would sell the subject to another developer who would in turn sell the developed lots on a retail basis. This value represents the concept of market value to a single purchaser as of the 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.

Absorption

As discussed in detail in the "Absorption Analysis" section of the report, our quarterly absorption projections are summarized as follows for the subject property:

ABSORPTION SCHEDULE FOR WHITEWING TRAILS PID IA #3C

Projected Quarterly Absorption Summary - Whitewing Trails PID (IA #3C)							
Lot Type	*Jun-2026*	*Jul-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	*Jul-2027*	*Oct-2027*
50-FF	5	15	15	15	15	15	15
Total	**5**	**15**	**15**	**15**	**15**	**15**	**15**

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Projected Quarterly Absorption Summary - Whitewing Trails PID (IA #3C)							
Lot Type	*Jan-2028*	*Apr-2028*	*Jul-2028*	*Oct-2028*	*Jan-2029*	*Apr-2029*	**TOTAL**
50-FF	15	15	15	15	15	5	**175**
Total	**15**	**15**	**15**	**15**	**15**	**5**	**175**

Note: Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the Effective Date is May 1, 2026 our analysis starts on the 2nd quarter of 2026.

Value Increases During Sellout 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 (6.75% as of February 2026), plus 1% (annually) up to 7.75%. 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 **0.02548700 per $100 assessed – 2.548700%** for the purpose of our analysis – with taxes due to the City of Princeton, Collin County, Collin College, and Princeton ISD.

Based upon our experience as property tax consultants and information gathered from builders/developers, we do not believe the vacant lots will be assessed for their full market value once Substantial Completion is achieved. We believe the builder will have their lots assessed at approximately 70% of the market value, i.e., if a lot has a retail value of $100,000 then the assessed value will be $70,000. We believe this 30% discount is justified as taxing districts do not typically have access to cost data and assessments typically lag the market. In addition, many taxing districts allow for a 20% builder's inventory reduction.

Cost of Sales has been estimated at 1.5% of gross sales proceeds for various closing costs, surveys, commissions, and title policies.

Marketing expenses are not included as there is a shortage of vacant developed lots on the market and we would expect these lots to be absorbed by volume builders.

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 city-approved Planned Development which will have 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 - 1st Quarter 2026*
Texas - Subdivisions & PUDs

	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	15.41%	33.80%	22.83%	14.80%	32.45%	21.92%
-100 Units	15.41%	29.14%	21.83%	14.80%	27.97%	20.96%
100-500 Units	15.80%	32.05%	22.97%	15.16%	30.77%	22.05%
500+ Units	16.18%	33.51%	23.36%	15.53%	32.17%	22.42%
Mixed Use	16.57%	33.80%	23.17%	15.90%	32.45%	22.24%
Manufactured Housing	15.90%	36.95%	24.51%	15.26%	35.47%	23.53%
-100 Units	15.90%	32.13%	23.54%	15.26%	30.85%	22.59%
100-500 Units	16.30%	35.35%	24.79%	15.65%	33.93%	23.80%
500+ Units	16.69%	36.95%	25.21%	16.03%	35.47%	24.21%
Business Parks	15.84%	35.32%	23.75%	15.21%	33.91%	22.80%
-100 Acres	15.84%	30.72%	22.81%	15.21%	29.49%	21.90%
100-500 Acres	16.24%	33.79%	24.01%	15.59%	32.44%	23.05%
500+ Acres	16.63%	35.32%	24.42%	15.97%	33.91%	23.44%
Industrial Parks	15.93%	29.77%	21.28%	15.30%	28.58%	20.43%
-100 Acres	15.93%	25.88%	20.49%	15.30%	24.85%	19.67%
100-500 Acres	16.33%	28.47%	21.51%	15.68%	27.33%	20.65%
500+ Acres	16.73%	29.77%	21.85%	16.06%	28.58%	20.98%

*4th Quarter 2025 Data

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As shown, the minimum actual rates in Texas range from 15.41% for less than 100 units; 15.80% for 100 to 500 units; and 16.18% for 500+ units with minimum pro-forma rates ranging from 14.80% to 15.16%.

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 IRR that is similar to the minimum actual rate provided by the Realty Rates "Developer Survey" for Texas of 15.80% for between 100-500 units; and 15.16% 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 - WHITEWING TRAILS PID – IA #3C

The following assumptions are made in our analysis which are supported by other research and analysis found earlier in this report:

- Substantial Complete May 1, 2026
- Retail lot values: $88,500 for 50-FF lots
- 6% Appreciation/Year (1.5%/Quarter)
- 50-FF Lots sell at 15/Quarter
- Discount Rate 16% (4.00%/Quarter)
- Tax Expense on Inventory is 2.548700%/Year, 0.637175%/Quarter, but is discounted 30%
- Sales and Marketing Expense (1.5% of Revenue)

As Substantial Completion on the improved lots in Whitewing Trails PID IA #3C is expected to be completed as of May 1, 2026, 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 absorption begins. Therefore, as of the expected Substantial Completion Date **(May 1, 2026) the retail lot value for 175 50-FF lots is $15,487,500** as seen in the following table:

WHITEWING TRAILS PID IA #3C					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
175	50 FF	$88,500	May 1, 2026	$1770/FF	$15,487,500
175					***$15,487,500***

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 May 1, 2026, we will analyze on a quarterly basis starting June 2026.

DISCOUNT CASH FLOW DATA – WHITEWING TRAILS PID IA #3C LOTS (QUARTERLY)

	Jun. 2026			Jul. 2026			Oct. 2026		
Lot Type	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	175	$ 88,500	5	170	$ 89,828	15	155	$ 91,175	15
Revenue		**$ 442,500**			**$ 1,347,413**			**$ 1,367,624**	
Tax Expense		*$ (23,026)*			*$ (68,111)*			*$ (63,032)*	
Sales Expense		*$ (6,638)*			*$ (20,211)*			*$ (20,514)*	
Net Income		**$ 412,837**			**$ 1,259,091**			**$ 1,284,077**	
Factor		**0.993835**			**0.969552**			**0.934236**	
Income Net Present Value (NPV)		**$ 410,291**			**$ 1,220,754**			**$ 1,199,631**	

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	Jan. 2027			Apr. 2027			Jul. 2027		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	140	$ 92,543	15	125	$ 93,931	15	110	$ 95,340	15
Revenue		**$ 1,388,138**			**$ 1,408,960**			**$ 1,430,095**	
Tax Expense		*$ (57,786)*			*$ (52,369)*			*$ (46,776)*	
Sales Expense		*$ (20,822)*			*$ (21,134)*			*$ (21,451)*	
Net Income		**$ 1,309,529**			**$ 1,335,457**			**$ 1,361,867**	
Factor		**0.900207**			**0.867417**			**0.835821**	
Income Net Present Value (NPV)		**$ 1,178,847**			**$ 1,158,397**			**$ 1,138,277**	

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	Oct. 2027			Jan. 2028			Apr. 2028		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	95	$ 96,770	15	80	$ 98,221	15	65	$ 99,695	15
Revenue		**$ 1,451,546**			**$ 1,473,319**			**$ 1,495,419**	
Tax Expense		*$ (41,003)*			*$ (35,047)*			*$ (28,903)*	
Sales Expense		*$ (21,773)*			*$ (22,100)*			*$ (22,431)*	
Net Income		**$ 1,388,769**			**$ 1,416,172**			**$ 1,444,085**	
Factor		**0.805376**			**0.776040**			**0.747773**	
Income Net Present Value (NPV)		**$ 1,118,482**			**$ 1,099,007**			**$ 1,079,848**	

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	Jul. 2028			Oct. 2028		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	50	$ 101,190	15	35	$ 102,708	15
Revenue		**$ 1,517,850**			**$ 1,540,618**	
Tax Expense		*$ (22,567)*			*$ (16,034)*	
Sales Expense		*$ (22,768)*			*$ (23,109)*	
Net Income		**$ 1,472,516**			**$ 1,501,475**	
Factor		**0.720535**			**0.694290**	
Income Net Present Value (NPV)		**$ 1,061,000**			**$ 1,042,459**	

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	Jan. 2029			Apr. 2029		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	20	$ 104,248	15	5	$ 105,812	5
Revenue		**$ 1,563,727**			**$ 529,061**	
Tax Expense		*$ (9,299)*			*$ (787)*	
Sales Expense		*$ (23,456)*			*$ (7,936)*	
Net Income		**$ 1,530,972**			**$ 520,339**	
Factor		**0.669000**			**0.652654**	
Income Net Present Value (NPV)		**$ 1,024,221**			**$ 339,601**	

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Total Net Revenue Over ~13 Quarters	***$16,237,185***
Net Present Value (As-Is) at 16% Discount Rate	***$13,070,815***
Rounded	**$13,070,000**

Note: Quarterly discount and appreciation calculations are averaged to the middle of the period.

DISCOUNT CASH FLOW DATA – WHITEWING TRAILS PID IA #3C LOTS (ANNUAL)

	2026			2027		
Lot Type	Starting Units	Lot Price	Sales	Starting Units	Lot Price	Sales
50-FF Lot	175	$ 89,828	35	140	$ 94,642	60
Revenue		**$ 3,143,963**			**$ 5,678,535**	
Tax Expense		*$ (163,599)*			*$ (236,390)*	
Sales Expense		*$ (47,159)*			*$ (85,178)*	
Net Income		**$ 2,933,204**			**$ 5,356,967**	
Factor		**0.957634**			**0.851472**	
Income Net Present Value (NPV)		**$ 2,808,937**			**$ 4,561,309**	

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	2028			2029		
Lot Type	Starting Units	Lot Price	Sales	Starting Units	Lot Price	Sales
50-FF Lot	80	$ 100,321	60	20	$ 105,036	20
Revenue		**$ 6,019,247**			**$ 2,100,717**	
Tax Expense		*$ (143,185)*			*$ (12,493)*	
Sales Expense		*$ (90,289)*			*$ (31,511)*	
Net Income		**$ 5,785,774**			**$ 2,056,714**	
Factor		**0.734028**			**0.664876**	
Income Net Present Value (NPV)		**$ 4,246,919**			**$ 1,367,459**	

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Total Net Revenue Over ~4 Year	***$16,132,658***
Net Present Value (As-Is) at 16% Discount Rate	***$12,984,624***
Rounded	**$12,985,000**

Note: Annual discount and appreciation calculations are averaged to the middle of the period

DCF Conclusion (175 Improved 50' Lots) – IA #3C

Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for the 175 improved lots in Whitewing Trails PID IA #3C in a bulk sale transaction would be between $12,984,624 and $13,070,815, which is approximately $85,000 (0.65%) 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 Whitewing Trails PID IA #3C "Upon Completion" with a Prospective Effective Date of May 1, 2026, for 175 improved lots is $13,070,000 ($74,600/Lot Rounded)**

INCOME (SUBDIVISION DEVELOPMENT) APPROACH CONCLUSION – IA #3C

Using the Discount Cash Flow Analysis to determine the net present value as of the expected substantial completion date (May 1, 2026), we have determined the following value for Whitewing Trails PID IA #3C as shown in the table below:

INCOME APPROACH VALUE INDICATION	
Fee Simple Interest, Complete June 1, 2026	
Whitewing Trails PID (IA #3C) ***175 Improved Lots on 45.223 Acres***	***$13,070,000 ($74,600/Lot Rounded)***

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 Whitewing Trails PID will be constructed in multiple phases over many years, the Cost Approach is not appropriate and thus was not utilized to value the improved lots in the Whitewing Trails PID.

Income (Subdivision Development) Approach
For the improved residential lots, the Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases the bulk of the lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

Since the problems to be solved is to determine the bulk sale value of 264 improved residential lots in Whitewing Trails PID IA #3A, the bulk sale value of 331 improved residential lots in Whitewing Trails PID IA #3B, and the bulk sale value of 175 improved residential lots in Whitewing Trails PID IA #3C, as of the substantial completion dates, the Income Approach is appropriate and was developed.

Through Discounted Cash Flow Analysis, we determined the market value of the 264 improved lots "Upon Completion" in Whitewing Trails PID IA #3A as of the Retrospective date of September 1, 2025, is $18,165,000 ($68,800/Lot Rounded), determined the market value of the 331 improved lots "Upon Completion" in Whitewing Trails PID IA #3B as of the Retrospective date of February 1, 2026, is $25,261,000 ($76,300/Lot Rounded), and determined the market value of the 175 improved lots "Upon Completion" in Whitewing Trails PID IA #3C as of the Prospective date of May 1, 2026, is $13,070,000 ($74,600/Lot Rounded).

Sales Comparison Approach

For the improved lots, and the paper lots, the Sales Comparison Approach was not fully developed because finding highly similar and recent sales of improved groups of lots or subdivisions is not available in the market. Aspects of the Sales Comparison Approach were utilized in concluding the retail lot market values for use in the Income Approach for the improved lots, and for the land value to develop the Cost Approach.

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. The property type warranted one approach to be developed, the Income Approach, so our final value conclusion for the subject property is shown below:

WHITEWING TRAILS PID IA #3A					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Retrospective Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
264	50 FF	$86,500	September 1, 2025	$1730/FF	$22,836,000
264					***$22,836,000***
Amenity Fee Reimbursement*				$1,500/per lot	$26,400
Marketing Fee Reimbursement*				$500/per lot	$26,400
Public Development Fee Reimbursement*				$1,800/per lot	$180,000
Total Retail Lot Value					**$23,068,800**

Note: The Amenity Fee, Marketing Fee, and Public Development Fee Reimbursement is only for 100 of the 264 total lots.

WHITEWING TRAILS PID IA #3B					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
205	50 FF	$87,500	February 1, 2026	$1750/FF	$17,937,500
126	60 FF	$103,200	February 1, 2026	$1720/FF	$13,003,200
331					***$30,940,700***

WHITEWING TRAILS PID IA #3C					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
175	50 FF	$88,500	May 1, 2026	$1770/FF	$15,487,500
175					***$15,487,500***

After considering discount cash flows, our final value conclusion "Upon Completion" is shown below:

INCOME APPROACH VALUE INDICATION	
Fee Simple Interest, Complete September 1, 2025	
Whitewing Trails PID (IA #3A) ***264 Improved Lots on 72.282 Acres***	***$18,165,000 ($68,800/Lot Rounded)***
Fee Simple Interest, Complete Feburary 1, 2026	
Whitewing Trails PID (IA #3B) ***331 Improved Lots on 96.113 Acres***	***$25,261,000 ($76,300/Lot Rounded)***
Fee Simple Interest, Complete June 1, 2026	
Whitewing Trails PID (IA #3C) ***175 Improved Lots on 45.223 Acres***	***$13,070,000 ($74,600/Lot Rounded)***

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, which is presumed to precede the effective date of the appraisal) would have been at least 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.

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

February 3, 2026

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 "Whitewing Trails Public Improvement District" located in the City of Princeton, Collin County, Texas

Dear Mr. Davenport:

Upon your acceptance of this contract engagement, Peyco Southwest Realty, Inc. ("Peyco"), will prepare an appraisal of the Subject Property:

Purpose of the Assignment The purpose of the appraisal is to provide an opinion of the "As-Complete" and "As-If Improved" market value of the fee simple interest in the Subject Property outlined herein. We will assume that the City of Princeton 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 Whitewing Trails 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 #3A (IA#3A) with approximately 264 improved residential lots to be sold in bulk in the Whitewing Trails PID. We will report the estimated retail value of the lots during the sellout period consisting of:**
  - **264 lots of 50-FF sizes**

- **Improvement Area #3B (IA#3B) with approximately 331 improved residential lots to be sold in bulk in the Whitewing Trails PID. We will report the estimated retail value of the lots during the sellout period consisting of:**
  - **205 lots of 50-FF sizes, and**
  - **126 lots of 60-FF sizes**

- **Improvement Area #3C (IA#3C) with approximately 175 improved residential lots to be sold in bulk in the Whitewing Trails PID. We will report the estimated retail value of the lots during the sellout period consisting of:**
  - **175 lots of 50-FF sizes**

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, this appraisal may not be accepted by a federally regulated financial institution.

The appraisal will be communicated in an Appraisal Report-Standard Format Report. All work will be performed under the direct supervision of the undersigned, together with other staff members. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions, a copy of which is attached as Attachment 1.

The total fee for this assignment will be $16,000 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 $16,000 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 _____DAY OF _____, 2026.

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:

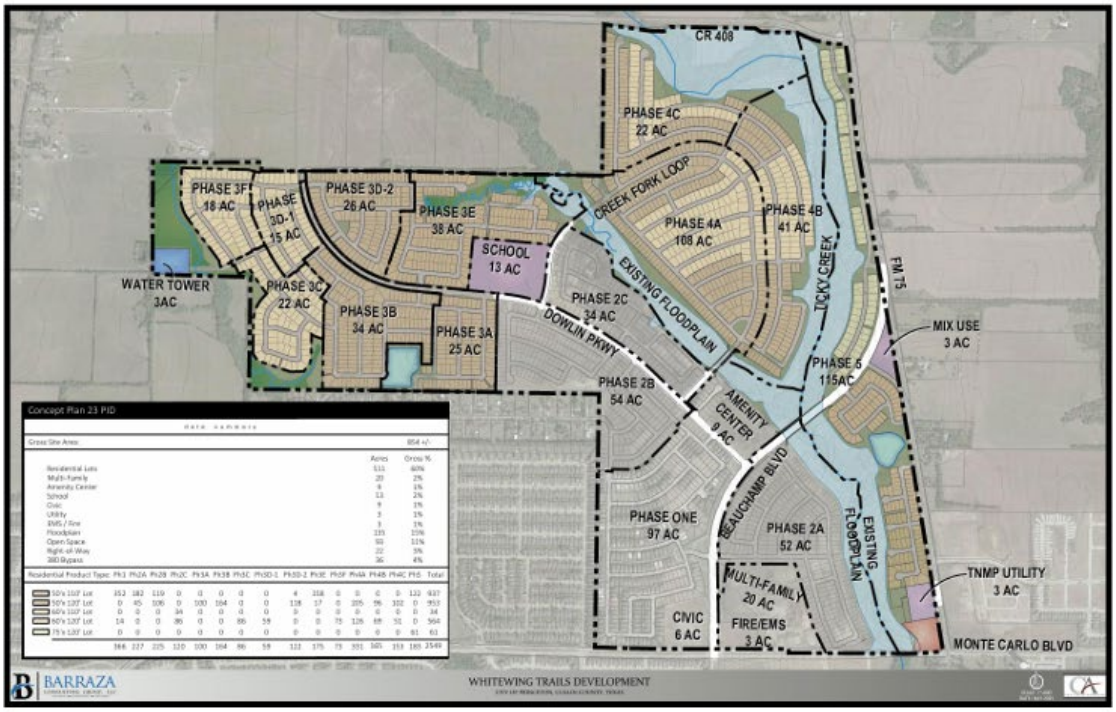
1. An appraisal is inherently subjective and represents our opinion as to the value of the Subject Property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in 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 Exhibit



ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the following assumptions and limiting conditions:

1) The value assumes of responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise described herein. No responsibility is assumed by the appraiser for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.

2) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser assumes no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches, and other exhibits that have been furnished and have been used in this report are not guaranteed.

3) The value rendered herein is based on preliminary analyses of the subject and market area. The market value is expressed in terms of the current purchasing power of the dollar.

4) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.

5) Appraisers assume no responsibility for any hidden agreements known as "side reports", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.

6) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other valuation and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser, and in any event, only in its entirety.

7) The appraiser, by reason of this report, is not required to give testimony in court with reference to the property unless notice and proper arrangements have been previously made, therefore.

8) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.

9) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for engineering, which might be required to discover such factors.

10) Any construction and physical condition of the improvements described herein are based on the building construction plans and specifications and construction budgets if provided. No liability is assumed by the appraiser for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No responsibility is assumed for engineering, which might be required to discover such factors. We urge the user of this report to retain an expert in this field as this is any considered “to-be-built” improvements.

11) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser site visit. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the value is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.

12) We have made no survey of the property and assume no responsibility in connected with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

13) We accept no responsibility for issues requiring expertise in other fields. Such factors include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic items such as soils and seismic stability; civil, mechanical, electrical, structural, and other engineering and environmental matters. Such issues may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.

14) The projections of income, expenses, terminal values, or future sales prices are not predictions of the future; rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.

15) The client or user of this report agrees to notify the appraiser of any error, omission or inaccurate data contained in the report within 15 days of receipt and return the report and all copies thereof to the appraiser for correction prior to any use.

16) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, and specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.

17) We have assumed no extreme fluctuations in the economic cycles will occur over the dates analyzed herein.

18) The appraisal report and value conclusions assume the satisfactory development proceeds in a workmanlike manner.

19) The conclusions in this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, existing trends, interviews with parties knowledgeable and experienced in the market, data obtained from public records, and research conducted by third parties. Such data is not always completely reliable. The appraisers are not responsible for these and other future occurrences that could not have reasonably been foreseen on the Effective Date of this assignment. In addition, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we hold the opinion that our finding is reasonable based on current market conditions, we do not represent that these estimates will be achieved, as they are forecasts and subject to risk and uncertainty. Additionally, we assume competent and effective management and market for the duration of the projected holding period of this property.

20) Prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to risk and uncertainty. Many events could occur that may substantially alter the outcome of our estimates such as changes in the economy, interest rates, capitalization rates, the behavior of consumers, investors, and lenders, and changes in title or conveyances of easements and deed restrictions. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.

21) This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan. However, it is based on a hypothetical assumption that access to the south tract is achievable in accordance with all applicable regulations, and any building is to be constructed according to the approved plans and specifications provided by a licensed general contractor.

22) The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since we have no direct evidence relating to the issue of compliance, we did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.

23) In addition to the preceding assumptions and limiting conditions, this appraisal is subject to the following extraordinary assumptions and/or hypothetical conditions:

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **Extraordinary Assumptions** that may affect the assignment results. An Extraordinary Assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Effective Dates 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 dates utilized in this report are currently incomplete for IA #3C of the Whitewing Trails PID 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 provided by Barraza Consulting Group, LLC, the Professional Engineers, as of March 1, 2025, for 770 improved residential lots in Whitewing Trails PID.
- All information relative to the property located within Whitewing Trails PID including land areas, lot totals, lot sizes, and other pertinent data that was provided by MM Princeton 854, LLC; DR Horton - Texas, LTD; GRBK Edgewood, LLC; Pulte Homes of Texas, LP, (the "Developers"), Barraza Consulting Group, LLC (Professional Engineers and Surveyor), the City of Princeton, Collin County, and the Collin Central Appraisal District is assumed to be correct.
- The subject is proposed residential lots construction with an expected retrospective completion date of September 1, 2025 for IA #3A, a retrospective completion date of February 1, 2026 for IA #3B, and an expected prospective completion date of May 1, 2026 for IA #3C of Whitewing Trails PID; therefore, this report contains a retrospective and prospective opinion's 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.
- Following discussions with the client, 36 lots within IA #3B 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 Whitewing Trails PID development will obtain the LOMR and reclaim the 36 lots in IA #3B.

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-CG 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-B 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 – 300 hours of qualifying education for the Certified General Appraiser license
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 Residential Appraiser No. TX-1361274-CG
Texas Appraiser Licensing and Certification Board – State Certified Residential Appraiser No. TX-1361274-CR
Texas Real Estate Commission – Real Estate Broker License, No. 0468343-B

EXPERIENCE:

- 7 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
- 24 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
- 24 Years' experience as a Property Tax Consultant
    - Valued properties, prepared cases, and appeared before Appraisal Review Boards to dispute the tax valuations of residential, commercial, and business personal property throughout the nation. Major clientele base included national accounts such as: Sonic restaurants, Church's Chicken restaurants, and Chuck-E-Cheese restaurants
- 9 Years' experience as a Real Estate Arbitrator on the *Texas Comptroller* registry
    - Act as an Arbitrator for real estate cases involving property tax disputes on residential, commercial, and business personal property taxes throughout Texas
    - Made binding valuation determinations for the disputed properties
- 16 Years' experience as a Real Estate Instructor at the *University of Texas in Arlington*
    - Adjunct instructor, teaching real estate classes to students pursuing a Real Estate Agent license in Texas
- 6 Years' experience as a Real Estate Arbitrator Instructor at the *University of Texas in Arlington*
    - Adjunct instructor, teaching continuing education classes to existing Arbitrators on the Texas Comptroller's registry
    - Trained and mentored many Arbitrators
- 3 Year's expectancy as a Real Estate Acquisition and Valuation Analyst for multiple firms
    - *KeyGlee* – Provided valuation of residential real estate for wholesaling to real estate investors
    - *Hyperion Homes* – Provided valuation of residential real estate for rent-to-own clients

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

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
- Associate Member, Appraisal Institute – since 2023

PROFESIONAL AFFILIATIONS:

Texas Appraiser Licensing and Certification Board – Appraisal Trainee No. TX-1343865-T

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

APPENDIX H

PHOTOGRAPHS OF COMPLETED DEVELOPMENT WITHIN IMPROVEMENT AREAS #3A-3C OF THE DISTRICT

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Phase 3A- completed lots, streets, screening wall

Phase 3B- homes being constructed

Phase 3E- Greenbrick

Phase 3B

Phase 3B

Phase 3B

Phase 3E- Greenbrick; 4A can also be seen top center of the photo

Phase 3E- Greenbrick

PRINCETON
TEXAS

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fibre.
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