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 28, 2026

NEW ISSUE **NOT RATED**

THE SERIES 2026 BONDS ARE INITIALLY OFFERED ONLY TO "ACCREDITED INVESTORS" (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933) AND "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933). SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS."

In the opinion of Bond Counsel, interest on the Series 2026 Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS." See "TAX MATTERS – Tax Exemption" for a discussion of Bond Counsel's opinion.

The Series 2026 Bonds will not be designated as "qualified tax-exempt obligations" for financial institutions.

$7,100,000*
CITY OF CELINA, TEXAS,
(a municipal corporation of the State of Texas located in Collin and Denton Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MOSAIC PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2B PROJECT)

Sale Date: May 12, 2026
Interest to Accrue from the Closing Date (defined below) **Due: September 1, as shown on the inside cover**

The City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Mosaic Public Improvement District Improvement Area #2B Project) (the "Series 2026 Bonds"), are being issued by the City of Celina, Texas (the "City"). The Series 2026 Bonds will be issued in fully registered form, without coupons, in authorized denominations of $100,000 of principal amount and any integral multiple of $1,000 in excess thereof; provided, however, that if the total principal amount of any outstanding Series 2026 Bond is less than $100,000 then the authorized denomination of such outstanding Series 2026 Bond shall be the amount of such outstanding Series 2026 Bond. The Series 2026 Bonds will bear interest at the rates set forth on the inside cover, calculated on the basis of a 360-day year of twelve 30-day months, payable on each March 1 and September 1, commencing September 1, 2026, until maturity or earlier redemption. The Series 2026 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 Series 2026 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 Series 2026 Bonds will be paid from the sources described herein by U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), to DTC as the registered owner thereof. See "BOOK-ENTRY ONLY SYSTEM."

The Series 2026 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"), an Indenture of Trust entered into between the City and the Trustee (the "2024 Indenture"), and a Supplemental Indenture of Trust expected to be entered into between the City and the Trustee (the "2026 Supplemental Indenture," and, together with the 2024 Indenture, the "Indenture"). The 2026 Supplemental Indenture supplements the 2024 Indenture, which was entered into in connection with the issuance by the City of its Special Assessment Revenue Bonds, Series 2024 (Mosaic Public Improvement District Improvement Area #2 Project) (the "Series 2024 Bonds"). ***Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.***

Proceeds of the Series 2026 Bonds will be used for the purposes of (i) paying a portion of the Actual Costs of the Improvement Area #2 Projects, (ii) funding a reserve fund for payment of principal of and interest on the Bonds Similarly Secured, (iii) paying a portion of the costs incidental to the organization and administration of the District, and (iv) paying costs of issuance of the Series 2026 Bonds. See "THE IMPROVEMENT AREA #2 PROJECTS" and "APPENDIX B – Form of Indenture."

The Series 2026 Bonds are an additional series of Bonds Similarly Secured and are being issued on parity with the Series 2024 Bonds. The Bonds Similarly Secured, including the Series 2024 Bonds and the Series 2026 Bonds, when issued and delivered, will constitute valid and binding special and limited obligations of the City payable solely from a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of Assessments levied against Assessed Property in Improvement Area #2 of the District in accordance with the Service and Assessment Plan, all to the extent and upon the conditions described in the Indenture. **The Bonds Similarly Secured are not payable from funds raised or to be raised from taxation.** See "SECURITY FOR THE BONDS SIMILARLY SECURED."

The Series 2026 Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described under the subcaption "DESCRIPTION OF THE SERIES 2026 BONDS – Redemption Provisions."

The Series 2026 Bonds involve a significant degree of risk, are speculative in nature, and are not suitable for all investors. See "BONDHOLDERS' RISKS." The Underwriter is limiting this offering to Qualified Institutional Buyers and Accredited Investors. The limitation of the initial offering to Qualified Institutional Buyers and Accredited Investors does not denote restrictions on transfers in any secondary market for the Series 2026 Bonds. Prospective purchasers should carefully evaluate the risks and merits of an investment in the Series 2026 Bonds, should consult with their legal and financial advisors before considering a purchase of the Series 2026 Bonds, and should be willing to bear the risks of loss of their investment in the Series 2026 Bonds. The Series 2026 Bonds are not credit enhanced or rated and no application has been made for a rating on the Series 2026 Bonds.

THE BONDS SIMILARLY SECURED, INCLUDING THE SERIES 2026 BONDS, ARE SPECIAL AND LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE. SEE "SECURITY FOR THE BONDS SIMILARLY SECURED."

This cover page contains certain information for quick reference only. It is not a summary of the Series 2026 Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Series 2026 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 Series 2026 Bonds by the Attorney General of Texas and the receipt of the opinion of Norton Rose Fulbright US LLP, Bond Counsel, as to the validity of the Series 2026 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 Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, and for the Landowner by its special counsels, Shupe Ventura, PLLC, and FBT Gibbons LLP. It is expected that the Series 2026 Bonds will be delivered in book-entry form through the facilities of DTC on or about June 12, 2026 (the "Closing Date").

fmsbonds, Inc.
Municipal Bond Specialists

** Preliminary, subject to change.*

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

CUSIP Prefix: 15114C [(a)]

$7,100,000*
CITY OF CELINA, TEXAS,
(a municipal corporation of the State of Texas located in Collin and Denton Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MOSAIC PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2B 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)]

(a) CUSIP numbers are included solely for the convenience of owners of the Series 2026 Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of The American Bankers Association by FactSet Research Systems Inc. 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, the Developer, the Landowner, or the Underwriter takes any responsibility for the accuracy of such numbers.

(b) The Series 2026 Bonds maturing on or after September 1, 20__, are subject to redemption before their respective scheduled maturity dates, in whole or in part, at the option of the City, on any date on or after September 1, 20__, at the redemption prices set forth herein under "DESCRIPTION OF THE SERIES 2026 BONDS – Redemption Provisions."

(c) The Series 2026 Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under "DESCRIPTION OF THE SERIES 2026 BONDS – Redemption Provisions."

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

* *Preliminary, subject to change.*

CITY OF CELINA, TEXAS
CITY COUNCIL

Name	Position	Term Expires (May)
Ryan Tubbs	Mayor	2026 [1]
Eddie Cawlfield	Mayor Pro Tem, Place 2	2027
Brandon Grumbles	Deputy Mayor Pro Tem, Place 6	2028
Philip Ferguson	Councilmember, Place 1	2028
Andy Hopkins	Councilmember, Place 3	2027
Wendie Wigginton	Councilmember, Place 4	2026 [1]
Mindy Koehne	Councilmember, Place 5	2026 [1]

[1] The regular election will be held on May 2, 2026. Ryan Tubbs is running for reelection as Mayor. Neither Wendie Wigginton nor Mindy Koehne are running for reelection.

CITY MANAGER
Robert Ranc

ASSISTANT CITY MANAGER
Karla Stovall

ASSISTANT CITY MANAGER
Kimberly Brawner

FINANCE DIRECTOR
Robin Bromiley

CITY SECRETARY
Ashley Owens

BOND COUNSEL
Norton Rose Fulbright US LLP
Dallas, Texas

MUNICIPAL ADVISOR
Hilltop Securities Inc.
Dallas, Texas

ADMINISTRATOR
MuniCap, Inc.
Irving, Texas

UNDERWRITER'S COUNSEL
Orrick, Herrington & Sutcliffe LLP
Austin, Texas

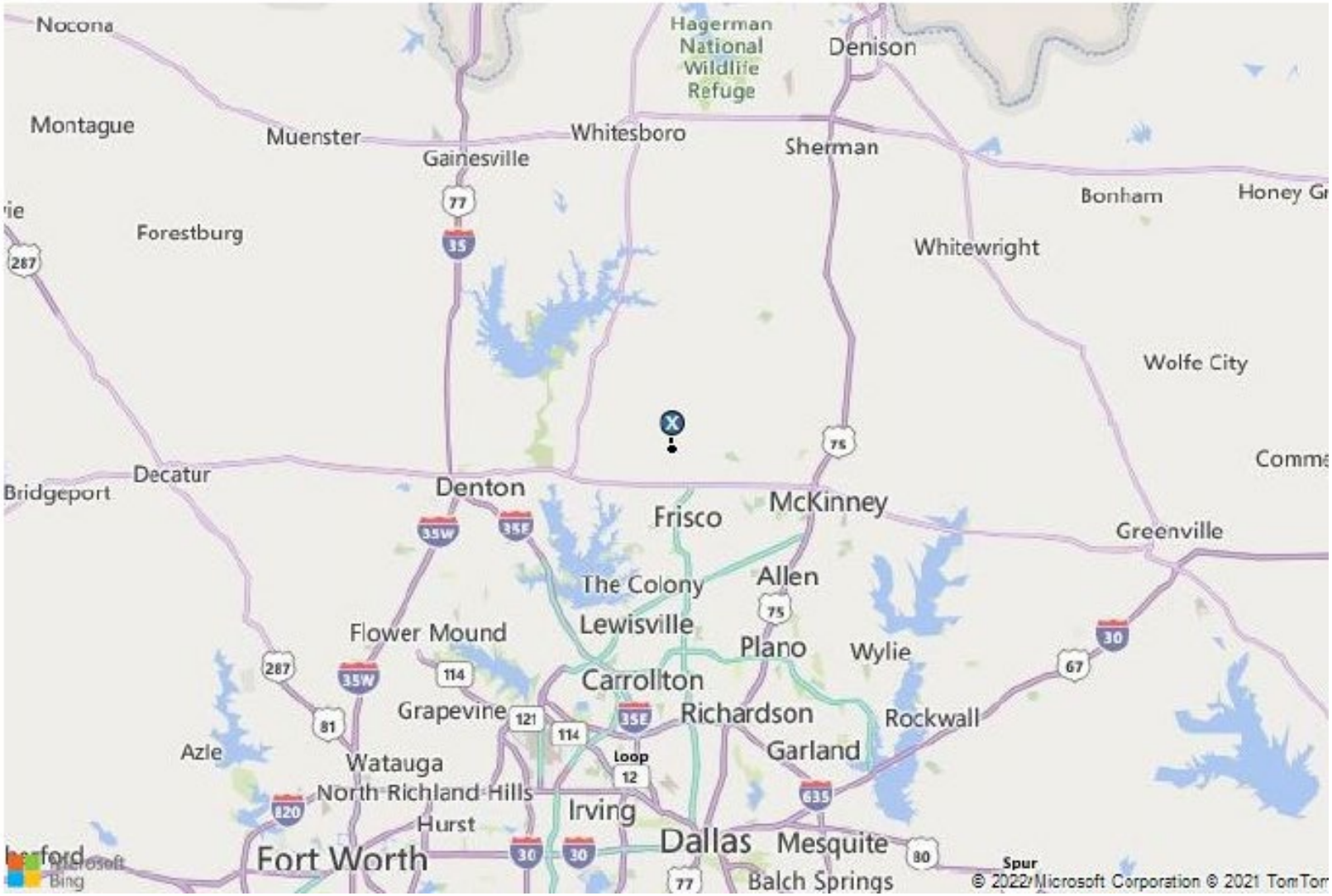
For additional information regarding the City, please contact:

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City of Celina, Texas
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Celina, Texas 75009
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rranc@celina-tx.gov

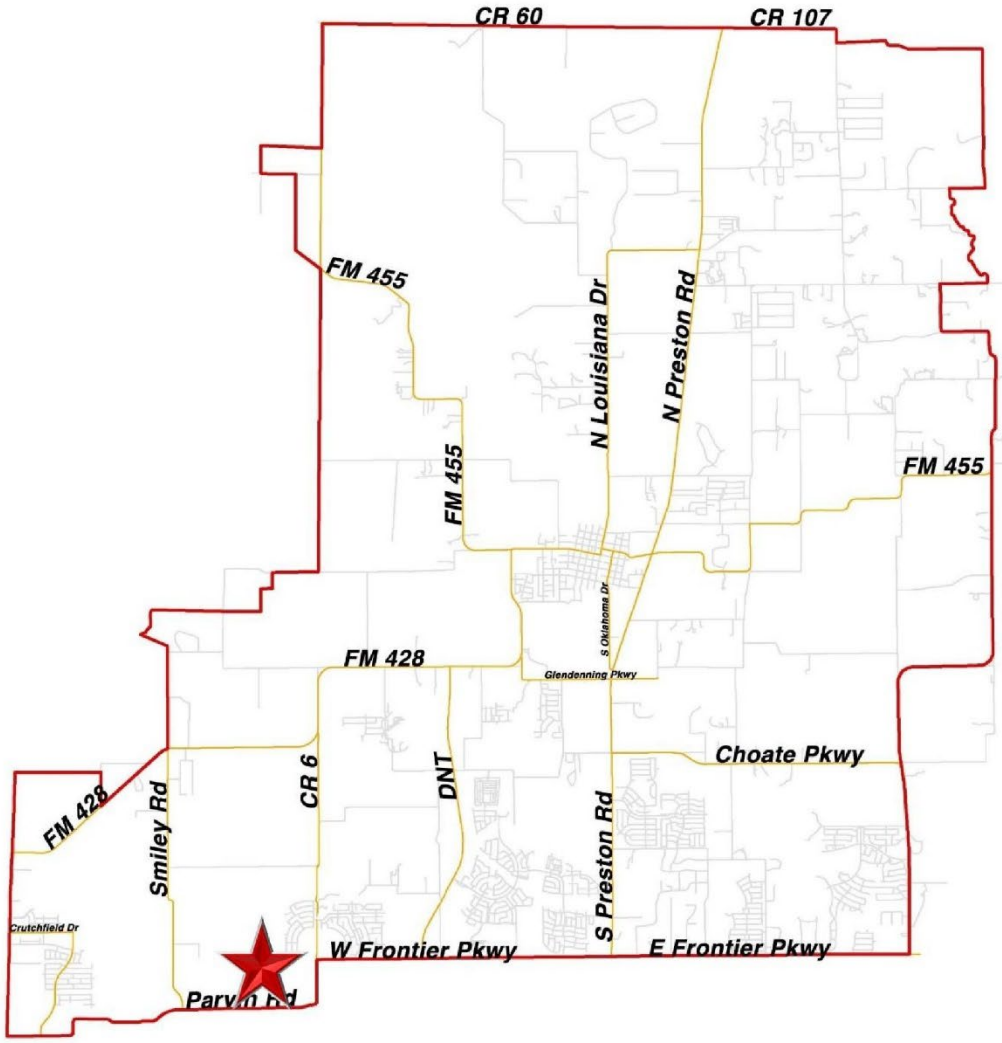
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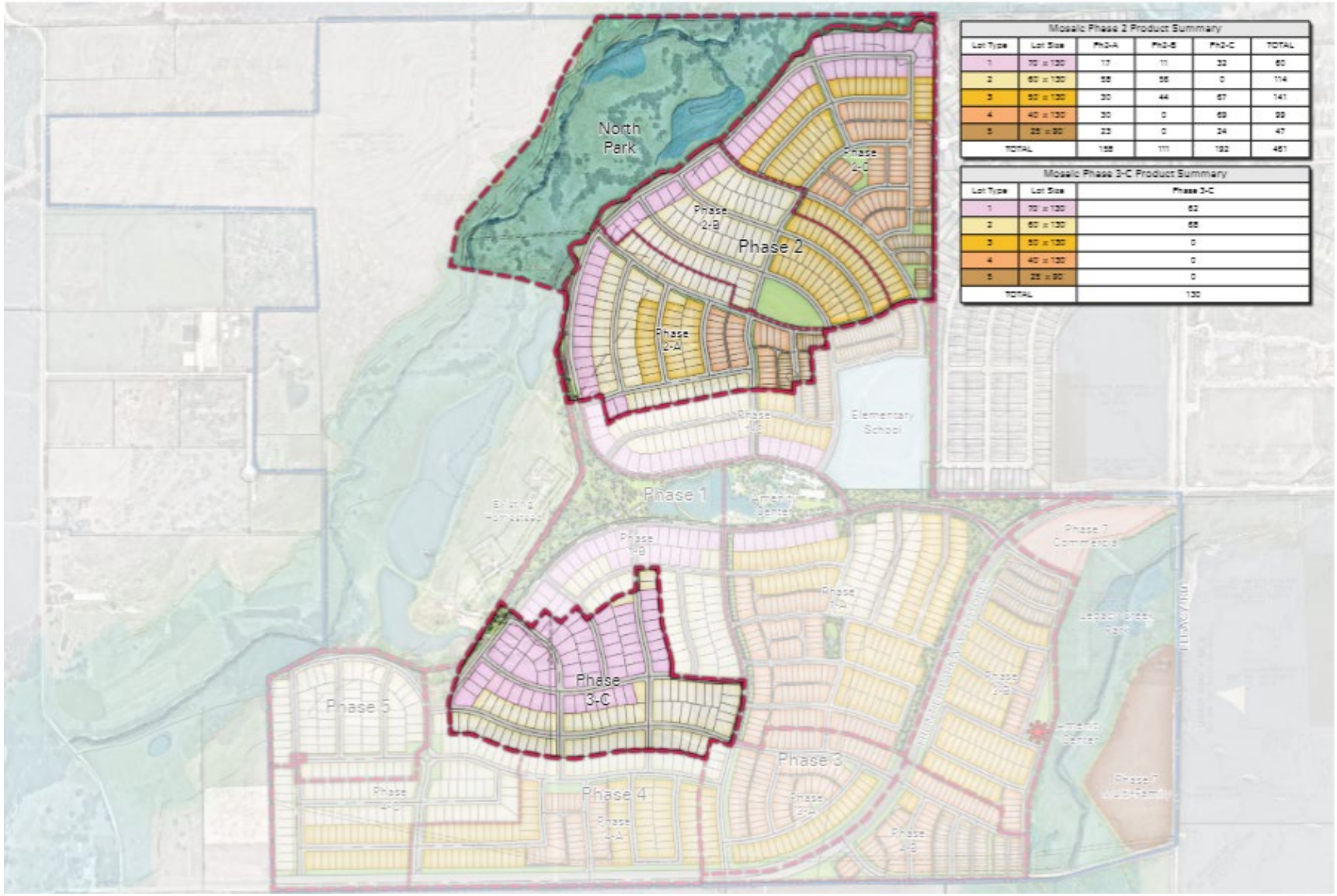
REGIONAL LOCATION MAP OF THE DISTRICT



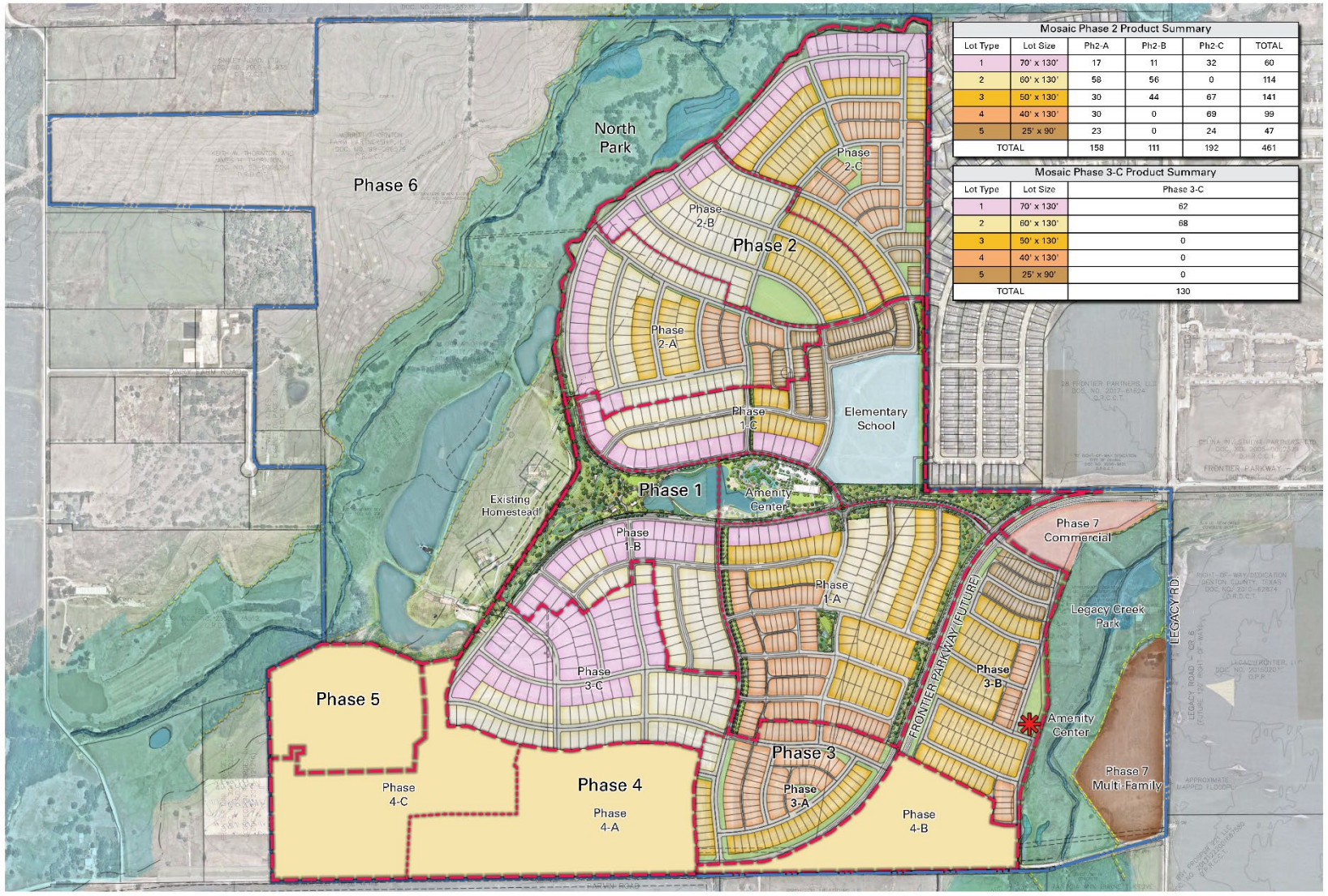
AREA LOCATION MAP OF THE DISTRICT



MAP SHOWING BOUNDARIES OF IMPROVEMENT AREA #2 (PHASES #2 AND #3C) OF THE DISTRICT



CONCEPT PLAN FOR PHASES #1-5 OF THE DISTRICT



Mosaic Phase 2 Product Summary					
Lot Type	Lot Size	Ph2-A	Ph2-B	Ph2-C	TOTAL
1	70' x 130'	17	11	32	60
2	60' x 130'	58	56	0	114
3	50' x 130'	30	44	67	141
4	40' x 130'	30	0	69	99
5	25' x 90'	23	0	24	47
TOTAL		158	111	192	461

Mosaic Phase 3-C Product Summary		
Lot Type	Lot Size	Phase 3-C
1	70' x 130'	62
2	60' x 130'	68
3	50' x 130'	0
4	40' x 130'	0
5	25' x 90'	0
TOTAL		130

MOSAIC

PID Exhibit

Celina, Texas 09/20/24

TELLUS GROUP

TBG

USE OF LIMITED OFFERING MEMORANDUM

FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM (THE "RULE" OR "RULE 15C2-12"), THIS DOCUMENT CONSTITUTES AN "OFFICIAL STATEMENT" OF THE CITY WITH RESPECT TO THE SERIES 2026 BONDS THAT HAS BEEN "DEEMED FINAL" BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE SERIES 2026 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION, OR SALE.

THE INITIAL PURCHASERS ARE ADVISED THAT THE SERIES 2026 BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933"), AND "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS." EACH PROSPECTIVE INITIAL PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2026 BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE SERIES 2026 BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE SERIES 2026 BONDS ARE SET FORTH UNDER "BONDHOLDERS' RISKS." EACH INITIAL PURCHASER, BY ACCEPTING THE SERIES 2026 BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS."

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

NONE OF THE CITY, THE LANDOWNER, THE DEVELOPER, OR 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 SERIES 2026 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 SERIES 2026 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 SERIES 2026 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NONE OF THE CITY, THE LANDOWNER, OR THE DEVELOPER PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF THEIR EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE – THE CITY" AND "– THE DEVELOPER AND THE LANDOWNER," RESPECTIVELY."

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

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SERIES 2026 BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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

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PRELIMINARY LIMITED OFFERING MEMORANDUM

$7,100,000[*]
CITY OF CELINA, TEXAS,
(a municipal corporation of the State of Texas located in Collin and Denton Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MOSAIC PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2B 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 Celina, Texas (the "City"), of its $7,100,000[*] aggregate principal amount of Special Assessment Revenue Bonds, Series 2026 (Mosaic Public Improvement District Improvement Area #2B Project) (the "Series 2026 Bonds").

INITIAL PURCHASERS ARE ADVISED THAT THE SERIES 2026 BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED INITIALLY TO AND ARE BEING SOLD ONLY TO "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933") AND "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. THE LIMITATION OF THE INITIAL OFFERING TO QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE SERIES 2026 BONDS. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND/OR INTEREST ON THE SERIES 2026 BONDS. THE SERIES 2026 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" AND "BONDHOLDERS' RISKS."

The Series 2026 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") authorizing the issuance of the Series 2026 Bonds (the "Series 2026 Bond Ordinance"), an Indenture of Trust (the "2024 Indenture") entered into between the City and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), and a Supplemental Indenture of Trust expected to be entered into between the City and the Trustee (the "2026 Supplemental Indenture," and, together with the 2024 Indenture, the "Indenture"). The 2026 Supplemental Indenture supplements the 2024 Indenture, which was entered into in connection with the issuance by the City of its Special Assessment Revenue Bonds, Series 2024 (Mosaic Public Improvement District Improvement Area #2 Project) (the "Series 2024 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."**

The Series 2026 Bonds are an additional series of the Bonds Similarly Secured to be issued on parity with the Series 2024 Bonds pursuant to the Indenture. The Bonds Similarly Secured, including the Series 2024 Bonds and the Series 2026 Bonds, are or will be secured by a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of revenue from the Assessments levied on Assessed Property in Improvement Area #2 of the District pursuant to the Assessment Ordinance adopted by the City Council on November 12, 2024, all to the extent and upon the conditions described in the Indenture. Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Series 2026 Bonds. See "SECURITY FOR THE BONDS SIMILARLY SECURED," "ASSESSMENT PROCEDURES," and "APPENDIX B – Form of Indenture."

Set forth herein are brief descriptions of the City, the District, the Administrator, the Landowner, the Developer, the Assessment Ordinance, the Series 2026 Bond Ordinance, the Service and Assessment Plan, the Development Agreement, and the PID Reimbursement Agreement, together with summaries of terms of the Series 2026 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 Series 2026 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto

[*] *Preliminary, subject to change.*

contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Series 2026 Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboy Way, Suite 300-25, Frisco, Texas 75034, Phone: (214) 302-2246. The form of Indenture appears in APPENDIX B and the form of Service and Assessment Plan appears in APPENDIX C. The information provided under this caption "INTRODUCTION" is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

Overview

The District is located approximately one mile west of Dallas Parkway, 2.5 miles north of U.S. 380, adjacent to and west of Legacy Drive, and adjacent to and north of Parvin Road within the corporate limits of the City, as shown in the maps on pages ii - v.

In July 2021, Tellus Texas I, LLC (the "Landowner") purchased approximately 434.015 acres (the "Landowner Property") located within the extraterritorial jurisdiction of the City from the Merritt/Thornton Farm Partnership, L.P. (the "Seller"), consisting of 303.647 acres subject to a Seller's lien and 130.368 unencumbered acres available for the first phase ("Phase #1") of the Development (defined below). In January 2022, the Phase #1 boundary was adjusted to contain 129.467 acres based upon final engineering document linework. In January 2024, the Seller released its lien on an additional 108.439 acres consisting of construction Phase #2. On October 9, 2024, the Seller released an additional 38.522 acres from its lien, consisting of construction Phase #3C. Construction Phases #2 and #3C constitute "Improvement Area #2." See the map on page v.

In September 2021, the Landowner, together with the Merritt/Thornton Management Company, L.L.C., James H. Merritt, III, W. Keith Thornton, Margaret M. Thornton, and Susanna Parker (collectively, the "Merritt/Thornton Petitioners"), submitted a petition to the City requesting the creation of the District. In November 2021, the City created the District consisting of approximately 684.752 acres. The Landowner Property makes up Phases #1-5 of the District, as shown on page v. The remaining 250.737 acres in the District is owned by the Seller (the "Seller Property") and makes up Phases #6-7 of the District, as shown on page v. The City annexed all of the property in the District, consisting of the Landowner Property and the Seller Property, in June 2022.

Pursuant to the purchase agreement with the Seller, the Landowner has a right of first refusal on approximately 107.890 acres in the Northwestern corner of the District, shown as "Phase 6" on page v. See "THE DEVELOPER AND THE LANDOWNER – History and Financing of the District."

Also pursuant to the purchase agreement with the Seller, on November 18, 2022, the Landowner made a payment in the amount of $1,076,443.75 to the Seller for the release of the Seller's lien on approximately 12.778 acres in Phase #2. The Landowner then sold 13.308 gross acres, inclusive of such 12.778 acres (the "School Site"), to Prosper Independent School District ("Prosper ISD") for $2,018,413.00, less a contribution in escrow by the Landowner to the City in the amount of $795,851.00 to pay for temporary paving improvements for Parvin Road to be constructed by the City. Prosper ISD constructed an elementary school, which opened in August 2025, on the School Site. The School Site is designated as "Elementary School" on the map on page v.

Tellus-Celina, LLC (the "Developer"), is the Manager of the Landowner. The Landowner enters into development contracts and the Developer, as Manager of the Landowner, manages the development of the Landowner Property. The Developer is developing the Landowner Property as a master-planned community (the "Development") in Phases #1-5, expected to include a total of 1,670 single-family residential units, consisting of 1,460 single-family lots and 210 townhomes; however, the final unit count at full buildout is subject to change based on final engineering for each phase of development.

The Developer expects the Seller to develop the Seller Property in accordance with the Development Agreement, including developing the Southeast corner of the District (designated as Phase #7 on page v), to include approximately 350 multi-family housing units and approximately seven acres of commercial development to consist of approximately 30 commercial equivalent units, such as garden offices, medical offices, or strip retail space. The Seller's current plans for development of the Seller Property may change in the future, which may require amendment

of the Development Agreement by the Seller and the City. Neither the Landowner nor the Developer has control over the development of the Seller Property.

The Development will also include two private amenity centers, two large public parks, and approximately five pocket parks linked by a network of trails. The main amenity center, located in Phase #1, is complete and features a lazy river and pool complex with a clubhouse situated adjacent to an approximately five-acre lake.

The second amenity center is expected to be located in construction Phase #3B and may have a swimming pool, if single-family construction homes are built in its general area, as currently contemplated. See the map on page v for the existing and proposed locations of the amenity centers. The Development is located within Prosper ISD. See "THE DEVELOPMENT – Amenities and Private Improvements" and "– Education."

The information regarding the projected buildout of the District is for Phases #1-5 owned by the Landowner and Phase #7 based on information from the Seller. Information regarding Phase #6 is not included herein. The Seller has not provided any current development plan for such phase; however, if such phase is developed with single-family residential lots, then pursuant to the Development Agreement, a third (3rd) amenity center would be required to be constructed to serve such phase. See "THE DEVELOPMENT – Amenities and Private Improvements."

Development Plan

The Developer began the development with the construction of (i) improvements that specifically benefit property within Phase #1, as shown in the concept plan on page v (the "Phase #1 Improvements"), and (ii) initial improvements that benefit property throughout Phases #1-5 (the "Initial Major Improvements"). The Phase #1 Improvements and the Initial Major Improvements were completed in the third quarter of 2023 and accepted by the City in the fourth quarter of 2023.

The Developer followed such construction with construction of (i) the improvements that specifically benefit property within "Improvement Area #2" (the "Improvement Area #2 Improvements"), and (ii) additional improvements that benefit property throughout Phases #1-5 (the "Additional Major Improvements" and, together with the Initial Major Improvements, the "Major Improvements"). The Improvement Area #2 Improvements and the Major Improvements allocable to Improvement Area #2 together constitute the "Improvement Area #2 Projects." See "THE DEVELOPMENT – Development Plan."

The Developer began construction of the Improvement Area #2 Improvements for construction Phases #2A, #2B, and #2C in June 2023 and completed the road, water, sanitary sewer, and storm drainage portions of such improvements in the fourth quarter of 2024. The Developer began construction of the Improvement Area #2 Improvements for construction Phase #3C in September 2024 and completed the road, water, sanitary sewer, and storm drainage portions of such improvements in the fourth quarter of 2025. The Developer expects to complete all open space and landscaping portions of the Improvement Area #2 Improvements in the fourth quarter of 2026. Construction of the Additional Major Improvements began in June 2023. The Additional Major Improvements constructed with the development of Improvement Area #2 are expected to be complete in the fourth quarter of 2026. The Developer expects to complete the balance of the Additional Major Improvements with the development of Future Improvement Areas (defined below) in 2028. Full development of Phases #1-5 is expected to be completed in 2028. See "APPENDIX C – Form of Service and Assessment Plan."

The Developer expects the Seller to develop Phase #7 (in the Southeast corner of the District, depicted on page v) to include approximately 350 multi-family housing units and approximately seven acres of commercial development to consist of approximately 30 commercial equivalent units, possibly as garden offices, medical offices, or strip retail space. The Seller's current plans for development of the Seller Property may change in the future. Neither the Landowner nor the Developer has control over the development of the Seller Property.

The Actual Cost of the Improvement Area #2 Projects is $40,096,224. A portion of the costs of the Improvement Area #2 Projects in the approximate amount of $31,047,023 has been or will be paid with proceeds of the Series 2024 Bonds. Additional costs of the Improvement Area #2 Projects in the approximate amount of $5,906,650* are expected to be paid with proceeds of the Series 2026 Bonds. The balance of such costs in the

* *Preliminary, subject to change.*

approximate amount of $3,142,551* have been or will be paid by the Landowner, using proceeds of the Development Loan (defined herein), and will not be reimbursed by the City.

The costs of all Major Improvements are expected to total approximately $15,196,650, consisting of actual costs of the Initial Major Improvements in the amount of $6,214,904 and the budgeted costs of the Additional Major Improvements in the amount of $8,981,746. In addition to the portion of such costs allocable to Improvement Area #2 to be paid from proceeds of the Bonds Similarly Secured, the Landowner expects to be a paid for a portion of such costs allocable to Future Improvement Areas (defined below) from the proceeds of Future Improvement Area Bonds (defined below). See "THE DEVELOPER AND THE LANDOWNER – History and Financing of the District."

The Landowner expects to request that the City issue one or more series of bonds to finance (i) the costs of the public improvements solely benefitting the property in each of Phases #3A, 3B, 4, and 5 (the "Future Improvement Areas"), and (ii) the costs of the Major Improvements allocable to each Future Improvement Area (collectively, the "Future Improvement Area Bonds"). The estimated costs of such improvements will be determined as development progresses, and the Service and Assessment Plan will be updated to identify the Authorized Improvements to be constructed and financed by each series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the phases that benefit from the Authorized Improvements. See "THE DEVELOPMENT – Development Plan."

No Future Improvement Area Bonds are offered pursuant to this Limited Offering Memorandum.

Lot Purchase and Sale Agreements; Home Construction

All 591 lots in Improvement Area #2 are under contract with homebuilders. Home construction in Improvement Area #2 began in February 2025. Homebuilders in Improvement Area #2 include American Legend Homes, LLC, Bloomfield Homes, L.P., Drees Custom Homes, L.P., Highland Homes-Dallas, LLC, Homebound Technologies, Inc., Perry Homes, LLC, and Tradition Homes, LLC (collectively, the "Homebuilders"). The Homebuilders have deposited a combined total of $19,085,132 in earnest money with the Landowner. As of March 31, 2026, 536 lots had been closed with Homebuilders. See "THE DEVELOPMENT – Status of Home Construction and Sales in Improvement Area #2."

Status of Home Construction and Sales in Improvement Area #2

Following is a table reflecting the status of home construction and sales within Improvement Area #2 as of March 31, 2026:

Lot Size	Number of Single-Family Lots	Number of Lots Completed	Builder-Contracted Lots	Number of Homes Under Construction	Number of Homes Completed	Number of Homes with Residents	Expected Final Sale Date to Residents
Phase #2							
70'	60	60	60	19	16	14	3Q 2029
60'	114	114	114	79	12	7	3Q 2029
50'	141	141	141	26	20	40	3Q 2029
40'	99	99	99	7	5	16	3Q 2029
25'	47	47	47	–	10	–	3Q 2029
	461	**461**	**461**	**131**	**63**	**77**	
Phase #3C							
70'	62	62	62	2	2	–	3Q 2029
60'	68	68	68	–	–	–	3Q 2029
	130	**130**	**130**	**2**	**2**		
	591	**591**	**591**	**133**	**65**	**77**	

Source: The Developer, based on the information provided by the Homebuilders for the first quarter of 2026.

See "THE DEVELOPMENT – Status of Home Construction and Sales in Improvement Area #2."

The Series 2026 Bonds and Improvement Area #2 Reimbursement Agreement Obligation

Proceeds of the Series 2026 Bonds will be used primarily to (i) pay a portion of the Actual Costs of the Improvement Area #2 Projects, (ii) fund a reserve fund for payment of principal of and interest on the Bonds Similarly Secured, (iii) paying a portion of the costs incidental to the organization and administration of the District, and (iv) paying costs of issuance of the Series 2026 Bonds.

In connection with the issuance of the Series 2024 Bonds, the City and the Landowner entered into the PID Reimbursement Agreement pursuant to which the City agreed, among other things, to reimburse the Landowner for costs of the Improvement Area #2 Projects not paid with proceeds of the Series 2024 Bonds in an amount not to exceed $7,100,000 (the "Improvement Area #2 Reimbursement Agreement Obligation"). All amounts due to the Landowner for the costs of the Improvement Area #2 Projects, including the Improvement Area #2 Reimbursement Agreement Obligation, pursuant to the PID Reimbursement Agreement will be paid to the Landowner solely from net proceeds of the Series 2024 Bonds and the Series 2026 Bonds.

The Bonds Similarly Secured shall never constitute an indebtedness or general obligation of the City, the State of Texas (the "State"), or any other political subdivision of the State within the meaning of any Constitutional provision or statutory limitation whatsoever, but the Bonds Similarly Secured are special and limited obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State, or any other political subdivision of the State is pledged to the payment of the Bonds Similarly Secured. The District has no taxing power.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser is advised that the Series 2026 Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to "accredited investors" as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933 and "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933. Each initial purchaser of the Series 2026 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 Series 2026 Bonds and to execute any instruments and documents required to be executed by the Investor in connection with the purchase of the Series 2026 Bonds.

2. The Investor is an "accredited investor" under Rule 501 of Regulation D of the Securities Act of 1933 or a "qualified institutional buyer" under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including the 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 Series 2026 Bonds.

3. The Series 2026 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 Series 2026 Bonds, and the Investor intends to hold the Series 2026 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 Series 2026 Bonds. However, the Investor may sell the Series 2026 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 Series 2026 Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Series 2026 Bonds (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Improvement Area #2

Projects, the Series 2026 Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Series 2026 Bonds (collectively, the "Investor Information"). The Investor has received a copy of this Limited Offering Memorandum relating to the Series 2026 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 Series 2026 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 Series 2026 Bonds except for gross negligence, fraud, or willful misconduct. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

6. The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid by the City 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 Series 2026 Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the State or any political subdivision or taxing district thereof; that the Series 2026 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 City, State or any political subdivision thereof for the payment of principal of and interest on the Series 2026 Bonds; and that the liability of the City and the State with respect to the Series 2026 Bonds is subject to further limitations as set forth in the Series 2026 Bonds and the Indenture.

7. The Investor has made its own inquiry and analysis with respect to the Series 2026 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 Series 2026 Bonds.

8. The Investor acknowledges that the sale of the Series 2026 Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

DESCRIPTION OF THE SERIES 2026 BONDS

General

The Series 2026 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 Series 2026 Bonds will accrue from the Closing Date for the Series 2026 Bonds and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Series 2026 Bonds will be payable on each March 1 and September 1, commencing September 1, 2026 (each an "Interest Payment Date"), until maturity or prior redemption. U.S. Bank Trust Company, National Association, is the initial Trustee, Paying Agent, and Registrar for the Series 2026 Bonds.

The Series 2026 Bonds will be issued in fully registered form, without coupons, in Authorized Denominations of $100,000 of principal and any integral multiple of $1,000 in excess thereof; provided, however, that if the total principal amount of any Outstanding Series 2026 Bond is less than $100,000 then the Authorized Denomination of such Outstanding Series 2026 Bond shall be the amount of such Outstanding Series 2026 Bond. Upon initial issuance, the ownership of the Series 2026 Bonds will be registered in the name of Cede & Co., as nominee for DTC, and purchases of beneficial interests in the Series 2026 Bonds will be made in book-entry only form. See "BOOK-ENTRY ONLY SYSTEM."

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem Series 2026 Bonds maturing on or after September 1, 20__, before their respective scheduled maturity date, in whole or in part, on any date on or after September 1, 20__, at the price of par, plus accrued and unpaid interest to the date of redemption (the "Redemption Price").

Extraordinary Optional Redemption. The City reserves the right and option to redeem the Series 2026 Bonds before their respective scheduled maturity dates, in whole or in part and in an amount and on a date specified in a City

Certificate, at the Redemption Price of such Series 2026 Bonds, or portions thereof, to be redeemed from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund made pursuant to the terms of the Indenture), or other transfers to the Redemption Fund under the terms of the Indenture, or as a result of unexpended amounts transferred from the Project Fund pursuant to the terms of the Indenture. The City will provide the Trustee a City Certificate directing the Series 2026 Bonds to be redeemed pursuant to the Indenture. See "ASSESSMENT PROCEDURES – Prepayment of Assessments" for a description of Prepayments.

Mandatory Sinking Fund Redemption. The Series 2026 Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund, on the dates and in the respective Sinking Fund Installments as set forth in the following schedules:

$_____ Series 2026 Bonds Maturing September 1, 20__

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

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

† Stated Maturity

At least forty-five (45) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select a principal amount of Series 2026 Bonds (in accordance with the Indenture) of such maturity equal to the Sinking Fund Installment amount of such Series 2026 Bonds to be redeemed, shall call such Series 2026 Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption.

The principal amount of Series 2026 Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Series 2026 Bonds of such maturity which, at least forty-five (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 Series 2026 Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Series 2026 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 Series 2026 Bonds which, at least forty-five (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.

Partial Redemption. For Series 2026 Bonds redeemed pursuant to mandatory sinking fund redemption, the Trustee may select the Series 2026 Bonds to be redeemed in any method that results in a random selection.

For Series 2026 Bonds redeemed pursuant to optional redemption, the Trustee will rely on the directions provided in a City Certificate.

If less than all of the Series 2026 Bonds are called for extraordinary optional redemption pursuant to the Indenture, the Series 2026 Bonds or portion of a Series 2026 Bond to be redeemed shall be selected in the following manner:

(i) with respect to a Substantial Amount Redemption, the principal amount called for redemption shall be allocated on a pro rata basis among all Outstanding Series 2026 Bonds; and

(ii) with respect to a Minor Amount Redemption, the Outstanding Series 2026 Bonds shall be redeemed in inverse order of maturity.

The following defined terms apply to partial extraordinary optional redemptions:

"Substantial Amount Redemption" means a redemption of Series 2026 Bonds pursuant to extraordinary optional redemption of a principal amount of Series 2026 Bonds that is greater than or equal to ten percent (10%) of the Outstanding principal amount of Series 2026 Bonds.

"Minor Amount Redemption" means a redemption of Series 2026 Bonds pursuant to extraordinary optional redemption of a principal amount of Series 2026 Bonds that is less than ten percent (10%) of the Outstanding principal amount of Series 2026 Bonds.

If less than all of the Series 2026 Bonds are to be redeemed, the Series 2026 Bonds shall be redeemed in minimum principal amounts of $1,000 or any integral multiple thereof. Each Series 2026 Bond shall be treated as representing the number of Series 2026 Bonds that is obtained by dividing the principal amount of such Series 2026 Bond by $1,000. No redemption shall result in a Series 2026 Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the Outstanding Series 2026 Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Series 2026 Bond in the principal amount equal to the unredeemed portion, but not less than $1,000, may be issued.

Upon surrender of any Series 2026 Bond for redemption in part, the Trustee, in accordance with the Indenture, will authenticate and deliver an exchange Series 2026 Bond or Series 2026 Bonds in an aggregate principal amount equal to the unredeemed portion of the Series 2026 Bond so surrendered, such exchange being without charge.

Notice of Redemption to Owners. The Trustee shall give notice of any redemption of Series 2026 Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Series 2026 Bond (or part thereof) to be redeemed, at the address shown on the Register. Any such notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

The notice shall state the redemption date, the Redemption Price, the place at which the Series 2026 Bonds are to be surrendered for payment, and, if less than all the Outstanding Series 2026 Bonds are to be redeemed, and subject to the terms of the Indenture, an identification of the Series 2026 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 Series 2026 Bond shall become due and payable. Notice of redemption having been given as provided in the Indenture, the Series 2026 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 Series 2026 Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Series 2026 Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Series 2026 Bonds are presented and surrendered for payment on such date.

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 Series 2026 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

With respect to any optional redemption of the Series 2026 Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Series 2026 Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Series 2026 Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Series 2026 Bonds have not been redeemed.

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Series 2026 Bonds is to be transferred and how the principal of, premium, if any, and interest on the Series 2026 Bonds are to be paid to and credited by DTC, while the Series 2026 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 Series 2026 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 Series 2026 Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Series 2026 Bonds. The Series 2026 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 Series 2026 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026 Bond ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction.

Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 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 Series 2026 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 Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2026 Bond documents. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 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 Series 2026 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 Series 2026 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 Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest, and all other payments on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent/Registrar, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest, and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2026 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, Series 2026 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, Series 2026 Bond certificates will be printed and delivered. Thereafter, Series 2026 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 SERIES 2026 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 SERIES 2026 BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

Use of Certain Terms in Other Sections of this Limited Offering Memorandum

In reading this Limited Offering Memorandum it should be understood that while the Series 2026 Bonds are in the Book-Entry-Only System, references in other sections of this Limited Offering Memorandum to registered owners should be read to include the person for which the Participant acquires an interest in the Series 2026 Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System and (ii) except as described above, notices that are to be given to registered owners under the Indenture will be given only to DTC.

SECURITY FOR THE BONDS SIMILARLY SECURED

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

General

THE BONDS SIMILARLY SECURED, INCLUDING THE SERIES 2024 BONDS AND THE SERIES 2026 BONDS, ARE SPECIAL AND LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM A FIRST LIEN ON, SECURITY INTEREST IN, AND PLEDGE OF THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE.

The principal of, premium, if any, and interest on the Bonds Similarly Secured, including the Series 2024 Bonds and the Series 2026 Bonds, are secured by a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of certain revenue from the Assessments levied against the Assessed Property, all to the extent and upon the conditions described in the Indenture. In accordance with the PID Act and in connection with the issuance of the Series 2026 Bonds, the City expects to adopt an updated Service and Assessment Plan on May 12, 2026, which will update the Service and Assessment Plan adopted in connection with the issuance of the Series 2024 Bonds, and which describes the special benefit received by the property within Improvement Area #2 of the District, provides the basis and justification for the determination of the special benefit on such property, establishes the methodology for the levy of Assessments, provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds Similarly Secured, and will update the Improvement Area #2 Assessment Roll to reflect the actual interest rate on the Series 2026 Bonds, as well as the Additional Interest collected

pursuant to Section 372.018(a) of the PID Act. APPENDIX C will be updated in the final Limited Offering Memorandum to include such update to the Service and Assessment Plan. See "APPENDIX C – Form of Service and Assessment Plan."

The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See "APPENDIX C – Form of Service and Assessment Plan."

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance, and other provisions of law to finance the Improvement Area #2 Projects by levying the Assessments upon properties in Improvement Area #2 of the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments levied in Improvement Area #2, see "ASSESSMENT PROCEDURES" and "APPENDIX C – Form of Service and Assessment Plan."

The Bonds Similarly Secured, including the Series 2024 Bonds and the Series 2026 Bonds, are secured by a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of Assessment Revenue, all to the extent and upon the conditions described herein and in the Indenture. Pursuant to the Indenture:

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

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

"Administrative Expenses" mean the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the District, including, but not limited to, the costs of: (i) creating and organizing the District, 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, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the District, (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 Similarly Secured, (v) paying and redeeming the Bonds Similarly Secured, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds Similarly Secured, (viii) the Trustee fees and expenses relating to the Bonds Similarly Secured, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Improvement Area #2 Projects. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds Similarly Secured. Assessments collected for Administrative Expenses and not expended for actual Administrative Expenses in one year shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

"Annual Installment" means, with respect to each Assessed Parcel, each annual payment of the Assessments (including both principal of and interest on the Assessments) as shown on the Improvement Area #2 Assessment Roll attached to the Service and Assessment Plan as Appendix H, and related to the Improvement Area #2 Projects; which annual payment includes Administrative Expenses and the Additional Interest collected on each annual payment of the Assessments as described in the Indenture and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

"Assessed Parcel" means each parcel of land located within Improvement Area #2 of the District against which an Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

"Assessed Property" means, collectively, all Assessed Parcels. *In the Service and Assessment Plan, the Assessed Property is referred to as the "Improvement Area #2 Assessed Property." See "APPENDIX C – Form of Service and Assessment Plan."*

"Assessment Revenue" means monies collected by or on behalf of the City from any one or more of the following: (i) an Assessment levied against an Assessed Parcel, or Annual Installment payment thereof, including any interest on such Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, and (iii) Foreclosure Proceeds. *In the Service and Assessment Plan, the Assessment Revenue is referred to as the "Improvement Area #2 Assessment Revenues." See "APPENDIX C – Form of Service and Assessment Plan."*

"Assessments" means the aggregate assessments shown on the Improvement Area #2 Assessment Roll. The singular of such term means the Assessment levied against an Assessed Parcel, as shown on the Improvement Area #2 Assessment Roll, subject to reallocation upon the subdivision of an Assessed Parcel, or consolidation of multiple Assessed Parcels, or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

"Bonds Similarly Secured" means the Outstanding Series 2024 Bonds, the Outstanding Series 2026 Bonds, and any Outstanding Refunding Bonds hereafter issued pursuant to and secured under the Indenture.

"Delinquent Collection Costs" means interest, penalties and expenses incurred or imposed with respect to any delinquent Assessment or an Annual Installment thereof, 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.

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

"Improvement Area #2 Assessment Roll" means the assessment roll attached as Appendix H to the Service and Assessment Plan or any other assessment roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Assessment against each Assessed Parcel relating to the Bonds Similarly Secured and the Improvement Area #2 Projects, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

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

"Pledged Revenues" means the sum of (i) Assessment Revenue less the Administrative Expenses, and (ii) any additional revenues that the City may pledge to the payment of Bonds Similarly Secured.

"Prepayment" means the payment of all or a portion of an Assessment before the due date thereof.

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

"Trust Estate" means the Trust Estate described in the granting clauses of the 2024 Indenture.

Collection and Enforcement of Assessments

For so long as any Bonds Similarly Secured are Outstanding, and/or amounts are due to the Landowner to pay it for funds it has contributed to pay Actual Costs of the Improvement Area #2 Projects in accordance with the PID Reimbursement Agreement, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be 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. See "– Pledged Revenue Fund," "APPENDIX B – Form of Indenture," and "APPENDIX C – Form of Service and Assessment Plan."

The Assessments assessed to pay debt service on the Bonds Similarly Secured, including the Series 2026 Bonds and the Series 2024 Bonds, together with interest thereon, will be payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds Similarly Secured. An Annual Installment of Assessments has been made payable in the Assessment Ordinance in each Fiscal Year preceding the date of final maturity of the Bonds Similarly Secured which, if collected, will be sufficient to pay the portion of the debt service requirements attributable to Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

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.

Unconditional Levy of Assessments

The City has imposed Assessments on the Assessed Property to pay the principal of and interest on the Bonds Similarly Secured 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 became effective on the date of adoption of, and strictly in accordance with the terms of, the Assessment Ordinance on November 12, 2024. 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 Similarly Secured, which installments shall include interest on the Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments will be calculated at the rate of interest on the Bonds Similarly Secured plus the Additional Interest Rate, calculated on the basis of a 360-day year of twelve 30-day months. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated on or before September 1 and shall be due on 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 calculate and collect each year while the Bonds Similarly Secured are Outstanding and unpaid an amount to pay Administrative Expenses. The portion of each Annual Installment of an Assessment used to pay Administrative Expenses shall remain in effect from year to year until all Bonds Similarly Secured 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 portion of the Assessments to pay Administrative Expenses shall be due in the manner set forth in the Assessment Ordinance on October 1 of each year and shall be delinquent if not paid by February 1 of the following year. Such portion of the Assessments to pay Administrative Expenses do not secure repayment of the Bonds Similarly Secured.

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

The PID Act provides that the Assessments (including any reassessment), with interest, the expense of collection, and reasonable attorney's fees, if incurred, are a first and prior lien (the "Assessment Lien") against the Assessed Property, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named, and runs with the land. Pursuant to the PID Act, the Assessment Lien was effective from the date of adoption of the Assessment Ordinance until the Assessments are paid (or otherwise discharged) and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See "ASSESSMENT PROCEDURES."

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

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

Perfected Security Interest

The lien on and pledge of the Trust Estate to payment of the Series 2026 Bonds shall be valid and binding and fully perfected from and after the Closing Date for the Series 2026 Bonds, 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 Similarly Secured and the pledge of the Trust Estate granted by the City under the Indenture, and such pledge is therefore valid, effective and perfected as of the Closing Date for the Series 2026 Bonds. If Texas law is amended at any time while the Bonds Similarly Secured are Outstanding such that the pledge of the Trust Estate granted by the City under the Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds Similarly Secured the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of 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

On or before February 15 of each year while the Bonds Similarly Secured are Outstanding, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the City shall deposit or cause to be deposited Pledged Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, in accordance with the provisions of the Indenture, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, in accordance with the provisions of the Indenture, (iv) fourth, to pay Actual Costs of the Improvement Area #2 Projects, and (v) fifth, to pay other costs permitted by the PID Act.

On the date of issuance of the Series 2026 Bonds, the remaining balance in the Developer Reimbursement Pledged Revenue Account shall be transferred to the Bond Pledged Revenue Account of the Pledged Revenue Fund as directed in a closing memorandum and the Developer Reimbursement Pledged Revenue Account and the Reimbursement Fund shall be closed.

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

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

Notwithstanding the deposits described in first through fifth above, the Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund.

Notwithstanding the deposits described in first through fifth above, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first, to the Reserve Account to restore any transfers from the Reserve Account made with respect to the Assessed Parcels to which the Foreclosure Proceeds relate, second, to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Assessed Parcels to which the Foreclosure Proceeds relate, and third, to the Redemption Fund.

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

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

Bond Fund

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

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

Project Fund

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

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 Similarly Secured pursuant to one or more City Certificates. Disbursements from other Accounts of the Project Fund to pay Actual Costs of the Improvement Area #2 Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the City or its designee approving the disbursement to the Landowner or the Landowner's designee. The disbursement of funds from the Improvement Area #2 Projects Account pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the PID Reimbursement Agreement.

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

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

Not later than six (6) months following each respective Closing Date, or upon a determination by the City Representative that all costs of issuance of a series of Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to another Account of the Project Fund and used to pay Actual Costs of the Improvement Area #2 Projects, or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds Similarly Secured, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

Redemption Fund

The Trustee shall cause to be deposited to the Redemption Fund from the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to redeem Bonds Similarly Secured as provided in the provisions of the Indenture relating to optional redemption and extraordinary optional redemption on the dates specified for redemption as provided in the Indenture. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds Similarly Secured as provided in provisions of the Indenture relating to redemption.

Reserve Fund

Reserve Account. The Indenture provides for the creation of a Reserve Account within the Reserve Fund for the benefit of the Bonds Similarly Secured and held by the Trustee which was funded in part with proceeds of the Series 2024 Bonds and will be funded in part with proceeds of the Series 2026 Bonds. Pursuant to the Indenture, the "Reserve Account Requirement" means the sum of the Series 2024 Reserve Account Requirement and the Series 2026 Reserve Account Requirement.

As of the Closing Date for the Series 2024 Bonds, the Series 2024 Reserve Account Requirement was $2,727,175.00, which was equal to the Maximum Annual Debt Service on the Series 2024 Bonds as of such date and was funded with proceeds of the Series 2024 Bonds. Pursuant to the Indenture, the Series 2026 Reserve Account Requirement is an amount equal to 50% of the Maximum Annual Debt Service on the Series 2026 Bonds as of the Closing Date of the Series 2026 Bonds. As of the Closing Date for the Series 2026 Bonds, the Series 2026 Reserve Account Requirement is $____*.

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

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

* To be completed upon pricing of the Series 2026 Bonds.

Additional Interest Reserve Account. An Additional Interest Reserve Account was created within the Reserve Fund for the benefit of the Bonds Similarly Secured in connection with the issuance of the Series 2024 Bonds and is held by the Trustee. The Additional Interest Account is funded from the deposit of Additional Interest up to the amount of the Additional Interest Account Requirement.

The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 1 and September 1 of each year an amount equal to the Additional Interest collected, if any, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall, and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds Similarly Secured from the proceeds of a Prepayment pursuant to the Indenture. In the event the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement then the deposits described in the immediately preceding sentence shall continue until the Additional Interest Reserve Account has been fully replenished. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund and shall notify the City of such transfer in writing. In calculating the amounts to be transferred, the Trustee may conclusively rely on the Annual Installments as shown on the Improvement Area #2 Assessment Roll in the Service and Assessment Plan or an Annual Service Plan Update unless and until it receives a City Certificate directing that a different amount be used.

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

Whenever Bonds Similarly Secured are to be redeemed with the proceeds of Prepayments pursuant to the Indenture, the Trustee shall transfer on the Business Day prior to the redemption date (or on such other date as agreed to by the City and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a City Certificate, to be applied to the redemption of the Bonds Similarly Secured. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds Similarly Secured to be redeemed with Prepayments multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayments toward payment of accrued interest, there are insufficient funds in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds Similarly Secured to be redeemed, as identified in a City Certificate, as a result of such Prepayments and as a result of the transfer from the Reserve Account under the Indenture, the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of $1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

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

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

Administrative Fund

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

THE ADMINISTRATIVE FUND SHALL NOT BE PART OF THE TRUST ESTATE AND SHALL NOT BE SECURITY FOR THE BONDS SIMILARLY SECURED, INCLUDING THE SERIES 2026 BONDS.

Bonds Similarly Secured Deemed Paid

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

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

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds Similarly Secured, including the Series 2026 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.

Events of Default

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

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

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

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

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

Nothing described above will be an Event of Default if it is in violation of any applicable state law or court order.

Remedies in Event of Default or Immediate Remedies for Default

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

THE PRINCIPAL OF THE BONDS SIMILARLY SECURED 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 Similarly Secured during the continuance of an Event of Default, in the selection of Trust Estate assets to be used in the payment of Bonds Similarly Secured due, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

Whenever moneys are to be applied during the continuance of an Event of Default, irrespective of and whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of the Indenture. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good

and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

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

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

Application of Revenues and Other Monies After Default

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

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

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

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

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

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

Investment of Funds

Money in any Fund or Account established pursuant to the Indenture shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee at least two (2) days in advance of the making of such investment. The money in any Fund or Account shall be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the PFIA, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in the Indenture) on the Bonds Similarly Secured, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured. Investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds or Accounts may be invested in common investments of the kind described above, or in a common pool of such investments, which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds, provided that safekeeping receipts or certificates of participation clearly evidencing the 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.

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

Against Encumbrances

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

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

Additional Obligations or Other Liens; Additional Bonds

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

Other than Refunding Bonds issued in accordance with the Indenture, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omit to be done any matter or things whatsoever whereby the lien of the Indenture or the priority thereof might or could be lost or impaired.

The 2024 Indenture contains certain conditions precedent (the "Additional Bonds Test") that must be satisfied prior to the issuance of Additional Bonds. Prior to the issuance of the Series 2026 Bonds, satisfactory evidence that the Additional Bonds Test has been met will be submitted to the City, the City's professional consultants, and the Trustee, and the Series 2026 Bonds will be issued as Additional Bonds pursuant to the terms of the 2024 Indenture.

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SOURCES AND USES OF FUNDS*

The table that follows summarizes the expected sources and uses of proceeds of the Series 2026 Bonds:

Sources of Funds:	
Principal Amount	$
TOTAL SOURCES	$
Use of Funds:	
Deposit to the Improvement Area #2 Projects Account of the Project Fund	$
Deposit to the Costs of Issuance Account of the Project Fund	
Deposit to the Reserve Account of the Reserve Fund	
Deposit to the District Administration Account of the Administrative Fund	
Underwriter's Discount [(1)]	
TOTAL USES	$

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

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* To be completed upon pricing of the Series 2026 Bonds.

DEBT SERVICE REQUIREMENTS FOR THE BONDS SIMILARLY SECURED *

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

	Series 2026 Bonds			Outstanding Series 2024 Bonds			Total Bonds Similarly Secured
Year Ending (September 30)	Principal	Interest	Total	Principal	Interest	Total	
2026				$ 582,000.00	$ 2,011,901.26	$ 2,593,901.26	
2027				610,000.00	1,985,711.26	2,595,711.26	
2028				639,000.00	1,958,261.26	2,597,261.26	
2029				670,000.00	1,929,506.26	2,599,506.26	
2030				702,000.00	1,899,356.26	2,601,356.26	
2031				736,000.00	1,867,766.26	2,603,766.26	
2032				771,000.00	1,834,646.26	2,605,646.26	
2033				813,000.00	1,795,132.50	2,608,132.50	
2034				858,000.00	1,753,466.26	2,611,466.26	
2035				905,000.00	1,709,493.76	2,614,493.76	
2036				954,000.00	1,663,112.50	2,617,112.50	
2037				1,006,000.00	1,614,220.00	2,620,220.00	
2038				1,061,000.00	1,562,662.50	2,623,662.50	
2039				1,119,000.00	1,508,286.26	2,627,286.26	
2040				1,181,000.00	1,450,937.50	2,631,937.50	
2041				1,246,000.00	1,390,411.26	2,636,411.26	
2042				1,314,000.00	1,326,553.76	2,640,553.76	
2043				1,386,000.00	1,259,211.26	2,645,211.26	
2044				1,463,000.00	1,188,178.76	2,651,178.76	
2045				1,543,000.00	1,113,200.00	2,656,200.00	
2046				1,634,000.00	1,028,335.00	2,662,335.00	
2047				1,730,000.00	938,465.00	2,668,465.00	
2048				1,832,000.00	843,315.00	2,675,315.00	
2049				1,940,000.00	742,555.00	2,682,555.00	
2050				2,055,000.00	635,855.00	2,690,855.00	
2051				2,176,000.00	522,830.00	2,698,830.00	
2052				2,304,000.00	403,150.00	2,707,150.00	
2053				2,441,000.00	276,430.00	2,717,430.00	
2054				2,585,000.00	142,175.00	2,727,175.00	
Total				**$38,256,000.00**	**$38,355,125.14**	**$76,611,125.14**	

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* To be completed upon pricing of the Series 2026 Bonds.

OVERLAPPING TAXES AND DEBT

The land within Improvement Area #2 of the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments.

Overlapping Taxes

In addition to the City, Prosper ISD and Denton County may each levy ad valorem taxes upon land in Improvement Area #2 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 other taxing authorities. The following table reflects the overlapping ad valorem tax rates currently levied on property located in Improvement Area #2 of the District and the estimated average Annual Installment of the Assessments as an equivalent tax rate. The District is located entirely within the City and Denton County.

Overlapping Taxes

Taxing Entity	Tax Year 2025 Ad Valorem Tax Rate [1]
City of Celina	$0.576401
Prosper Independent School District	1.214100
Denton County	0.185938
Total Tax Rate	**$1.976439**
Estimated Average Annual Installment as equivalent tax rate [2]	$0.652714
Estimated Total Tax Rate and Average Annual Assessment	**$2.629153**

(1) As reported by the taxing entities for tax year 2025. Per $100 in taxable assessed value.

(2) *Preliminary, subject to change.* Derived from the Service and Assessment Plan. Includes the Annual Installment of the Assessments securing the Bonds Similarly Secured, including the Series 2026 Bonds and the Series 2024 Bonds. See Appendix F, Table F-22 in "APPENDIX C – Form of Service and Assessment Plan" for information regarding the tax rate equivalent for each Lot Type.

Source: Denton Central Appraisal District and Service and Assessment Plan

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Overlapping Debt

As noted above, the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes 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 Area #2 of the District, as of April 1, 2026, and City debt to be secured by the Assessments:

Overlapping Debt *

Taxing or Assessing Entity	Total Outstanding Debt as of April 1, 2026	Estimated % Applicable (1)	Direct and Estimated Overlapping Debt (1)
The City (Series 2026 Bonds)	$ 7,100,000 *	100.00%	$ 7,100,000 *
The City (Series 2024 Bonds)	38,256,000	100.00%	38,256,000
The City (Ad Valorem)	602,610,000	1.05%	6,355,314
Denton County	758,115,000	0.06%	419,611
Prosper Independent School District	2,647,121,426	0.45%	11,815,233
Total	**$4,053,202,426**		**$63,946,158**

* *Preliminary; subject to change*

(1) Based on the "As Complete" value for Improvement Area #2 of the District as provided in the appraisal report prepared in connection with the issuance of the Series 2024 Bonds, dated August 10, 2024.

Source: Municipal Advisory Council of Texas (gross outstanding debt secured by property taxes), the Denton Central Appraisal District, and the Collin Central Appraisal District

Homeowners' Association Dues

In addition to paying Assessments related to the Bonds Similarly Secured, each lot owner in Improvement Area #2 will pay a property owner's association fee to a homeowners' association (the "HOA"), currently in the amount of $1,776 per year for single family homes and $5,256 per year for townhomes.

ASSESSMENT PROCEDURES

Capitalized terms used under this caption and not otherwise defined in the Indenture or this Limited Offering Memorandum shall have the meanings given in the Service and Assessment Plan.

General

As required by the PID Act, when the City determined to defray a portion of the costs of the Improvement Area #2 Projects through Assessments, it adopted a resolution generally describing the Improvement Area #2 Projects and the land within Improvement Area #2 to be subject to Assessments to pay the costs therefor. The City caused the Improvement Area #2 Assessment Roll to be prepared and attached to the Service and Assessment Plan, which Improvement Area #2 Assessment Roll shows the Assessed Property, the amount of the benefit to and the Assessment against each Assessed Parcel, and the number of Annual Installments into which the Assessment is divided.

Statutory notice was given to the owners of the Assessed Property and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #2 Projects and funding the same with the Assessments. The City adopted the Assessment Ordinance on November 12, 2024. After such adoption, the Assessments became legal, valid, and binding liens upon the Assessed Property. The Improvement Area #2 Assessment Roll was filed with the City Secretary and made available for public inspection.

In accordance with the PID Act and in connection with the issuance of the Series 2026 Bonds, the City intends to adopt an updated Service and Assessment Plan on May 12, 2026, which will provide for the allocation of Assessments for payment of principal of, premium, if any, and interest on the Bonds Similarly Secured, and will

update the Improvement Area #2 Assessment Roll to reflect the actual interest rate on the Series 2026 Bonds, as well as the Additional Interest collected pursuant to Section 372.018(a) of the PID Act.

Under the PID Act, the costs of Improvement Area #2 Projects may be assessed by the City against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Improvement Area #2 Projects equals or exceeds the Assessments. The costs of the Improvement Area #2 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 Area #2 is presented in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX C – Form of Service and Assessment Plan."

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each Parcel of Assessed Property in Improvement Area #2 as a result of the Improvement Area #2 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 benefit of the Improvement Area #2 Projects in a manner that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited.

As described in the Service and Assessment Plan and "SECURITY FOR THE BONDS SIMILARLY SECURED," a portion of the costs of the Improvement Area #2 Projects are being funded with proceeds of the Series 2026 Bonds and the Series 2024 Bonds, which are payable from a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of Assessment Revenues. The balance of the costs of the Improvement Area #2 Projects have been or will be financed by the Developer, without reimbursement by the City.

Assessment Methodology for the Improvement Area #2 Projects. As set forth in the Service and Assessment Plan, the City Council determined to allocate the costs of the Improvement Area #2 Projects to the Assessed Property by spreading the entire Assessment across the Parcels of Assessed Property based on the estimated number of Equivalent Units anticipated to be developed on each Parcel.

Based on the Budgeted Costs of the Improvement Area #2 Projects, the City Council determined that the benefit to the Assessed Property of the Improvement Area #2 Projects is at least equal to the Assessments levied on the Assessed Property.

Upon subsequent divisions of any Parcel, the Assessment applicable to it is apportioned pro rata based on the estimated Equivalent Units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments are apportioned proportionately among each Parcel based on the ratio of the estimated Equivalent Units at the time residential Lots are platted to the total estimated Equivalent Units of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council.

The Assessment and Annual Installments for each Parcel or Lot of Assessed Property is shown on the Improvement Area #2 Assessment Roll, attached as Appendix H to the Service and Assessment Plan, and no Assessment shall be changed except as authorized by the Service and Assessment Plan or the PID Act. See "APPENDIX C – Form of Service and Assessment Plan."

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The following table reflects the projected outstanding Assessments, upon issuance of the Series 2026 Bonds, by lot type, for each unit of Assessed Property within Improvement Area #2. The outstanding Assessments do not include the Annual Installments due January 31, 2026. The total outstanding Assessments are less than the outstanding Bonds Similarly Secured due to the payment of the Annual Installments due January 31, 2026. The Annual Installments due January 31, 2026, will be used to pay debt service on the Bonds Similarly Secured due in 2026.

Assessment Per Unit – Improvement Area #2 – Outstanding *

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit	Total Assessments
Lot Type 1 (70')	122	$95,471.46	1.00	$95,471.46	$11,647,518
Lot Type 2 (60')	182	$95,471.46	0.88	$83,754.50	15,243,320
Lot Type 3 (50')	141	$95,471.46	0.75	$72,037.55	10,157,295
Lot Type 4 (40')	99	$95,471.46	0.60	$56,848.91	5,628,042
Lot Type 5 (Townhomes)	47	$95,471.46	0.45	$42,528.19	1,998,825
Total	**591**				**$44,675,000**

* *Preliminary, subject to change.*

The following table provides the estimated tax rate equivalent per unit, upon issuance of the Series 2026 Bonds, calculated based on the estimated finished lot values and home values for each unit of Assessed Property within Improvement Area #2.

Estimated Tax Rate Equivalent Per Unit – Improvement Area #2 – Outstanding *

Description	Planned No. of Units	Estimated Finished Lot Value per unit (1)	Projected Home Value per unit (2)	Projected Average Annual Installment per unit	Tax Rate Equivalent (per $100 Lot Value)	Tax Rate Equivalent (per $100 Home Value)
Lot Type 1 (70')	122	$252,000	$1,100,000	$7,179.85	$2.8491	$0.6527
Lot Type 2 (60')	182	$215,000	$965,000	$6,298.69	$2.9296	$0.6527
Lot Type 3 (50')	141	$177,500	$830,000	$5,417.53	$3.0521	$0.6527
Lot Type 4 (40')	99	$142,000	$655,000	$4,275.28	$3.0108	$0.6527
Lot Type 5 (Townhomes)	47	$122,500	$490,000	$3,198.30	$2.6109	$0.6527

* *Preliminary, subject to change.*
(1) Provided by the Developer; based on lot purchase contracts.
(2) Provided by Developer; based on projections.

Mandatory Prepayment. If a Parcel of Assessed Property is transferred to a party that is exempt from the payment of the Assessments under applicable law, or if an owner causes a Parcel of Assessed Property 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. If at any time the Assessment per Equivalent Unit on a Parcel of Assessed Property exceeds the Improvement Area #2 Maximum Assessment Per Unit calculated in accordance with the Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation, or reallocation of the Assessment authorized by the Service and Assessment Plan and initiated by the owner of such Parcel, then such owner shall pay to the City prior to the recordation of the document subdividing such Parcel the amount calculated by the Administrator by which the Assessment per Equivalent Unit for such Parcel exceeds the Improvement Area #2 Maximum Assessment Per Unit calculated in accordance with the Service and Assessment Plan. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and the Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

Reduction of Assessments. If after all Improvement Area #2 Projects to be funded with the Bonds Similarly Secured have been completed and Actual Costs for such Improvement Area #2 Projects are less than the Actual Costs or Budgeted Costs of the Improvement Area #2 Projects used to calculate the Assessments securing the Bonds Similarly Secured, resulting in excess proceeds of the Bonds Similarly Secured, such excess proceeds shall be applied to redeem Bonds Similarly Secured as provided in the Indenture, and the Assessment securing the Bonds Similarly Secured 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 Property equals the reduced Actual Costs. The Assessments shall not be reduced to an amount less than the Outstanding Bonds Similarly Secured. If all of the Improvement Area #2 Projects are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels of Assessed Property from the Improvement Area #2 Projects completed.

If all the Improvement Area #2 Projects are not undertaken, resulting in excess proceeds of the Bonds Similarly Secured, such excess proceeds shall be applied to redeem Bonds Similarly Secured as provided in the Indenture, and the Assessments and Annual Installments for each Parcel of Assessed Property shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds Similarly Secured, including interest on the Bonds Similarly Secured (including Additional Interest) and Administrative Expenses. The City Council may reduce the Assessments and the Annual Installments for each such Parcel (i) in an amount that represents the Improvement Area #2 Projects provided for each such Parcel, or (ii) by an equal percentage calculated based on number of Equivalent Units, if determined by the City Council to be the most fair and practical means of reducing the Assessments for each such Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds Similarly Secured, including interest on the Bonds Similarly Secured and Administrative Expenses. The principal portion of the Assessment for each such Parcel shall be reduced pro rata to the reduction in the Assessments for each such Parcel such that the sum of the resulting reduced principal portion of the Assessments is equal to the Outstanding principal amount of the Bonds Similarly Secured.

Collection of Assessments

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."

The City covenants in the Indenture to collect, or cause to be collected, Assessments as provided in the Assessment Ordinance. No less frequently than annually, City staff or a designee of the City shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Improvement Area #2 Assessment Roll and a calculation of the Annual Installment for each Assessed Property. Administrative Expenses shall be allocated among all Assessed Properties in proportion to the amount of the Annual Installments for the Parcels.

The City covenants, agrees, and warrants in the Indenture that, for so long as any Bonds Similarly Secured 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 to generally implement the basic timeline and procedures for collection of Assessments and pursuit of delinquencies set forth in Exhibit D to the Continuing Disclosure Agreement of Issuer set forth in Appendix E-1 and to comply therewith to that the extent the City reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Assessments.

Annual Installments will be paid to the City or its agent. Annual Installments are due on or about 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 twelve percent (12%), and interest increases at the rate of one percent (1%) each month. In addition, if an account is delinquent in July, a twenty percent (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 Improvement Area #2 Maximum Assessment Per Unit was established by the methodology described in the Service and Assessment Plan. The Improvement Area #2 Assessment Roll sets forth for each year the Annual Installment for each Assessed Property consisting of (i) the annual portion allocable to the payment of principal and interest on the Bonds Similarly Secured, which amount includes the Additional Interest, and (ii) the portion of the Annual Installment allocable to Administrative Expenses. The Annual Installments for the District will be determined annually during the Annual Service Plan Update. The Assessments were levied against the parcels comprising the Assessed Property and are anticipated to be collected as indicated on the updated Improvement Area #2 Assessment Roll. See "APPENDIX C – Form of Service and Assessment Plan."

The Annual Installments shown on the Improvement Area #2 Assessment Roll will be reduced to equal the actual costs of repaying the Bonds Similarly Secured (which amount will include the Additional Interest), 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.

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council determined that the Assessments shall be allocated to the Assessed Property based on the ratio of estimated number of Equivalent Units anticipated to be developed on each Parcel.

As the existing Parcels are subsequently divided, the Assessments are further apportioned pro rata based on the estimated number of Equivalent Units of the newly created Parcels. See "– Assessment Methodology" and "APPENDIX C – Form of Service and Assessment Plan."

The Bonds Similarly Secured, including the Series 2026 Bonds and the Series 2024 Bonds, are payable from a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of the Assessment Revenues. See "SECURITY FOR THE BONDS SIMILARLY SECURED" and "APPENDIX C – Form of Service and Assessment Plan."

Projected Leverage – Improvement Area #2 – Outstanding [*]

The following table provides the estimated value to lien ratio for Improvement Area #2, upon issuance of the Series 2026 Bonds, based on lot type.

Description	Planned No. of Units	Estimated Finished Lot Value per unit [(1)]	Projected Home Value per unit [(2)]	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (70')	122	$252,000	$1,100,000	$95,471.46	2.64	11.52
Lot Type 2 (60')	182	$215,000	$965,000	$83,754.50	2.57	11.52
Lot Type 3 (50')	141	$177,500	$830,000	$72,037.55	2.46	11.52
Lot Type 4 (40' Ft)	99	$142,000	$655,000	$56,848.91	2.50	11.52
Lot Type 5 (Townhomes)	47	$122,500	$490,000	$42,528.19	2.88	11.52

[*] *Preliminary, subject to change.*
[(1)] Provided by Developer; based on lot purchase contracts.
[(2)] Provided by Developer; based on projections.

Prepayment of Assessments

The owner of any Assessed Property may pay the entire Assessment levied against any 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 Similarly Secured. 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. See "APPENDIX C – Form of Service and Assessment Plan."

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 Assessed Property, superior to all other liens and claims except liens or claims for the State, county, school district or municipal ad valorem taxes, and are a personal liability of and charge against the owners of the Assessed Property regardless of whether the owners are named. The lien was effective from the date of adoption of the Assessment Ordinance on November 12, 2024, until the Assessments are 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.

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 nondelinquent Annual 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 Similarly Secured 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 Similarly Secured or such payment may not be made in full. The City is not required under any circumstance to purchase the property or to pay the delinquent Assessment on the corresponding Assessed Property.

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

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

THE CITY

Background

The City is located in north central Collin and Denton Counties, 40 miles north of Dallas and 15 miles northwest of the City of McKinney. Access to the City is provided by State Highway 289, Dallas Parkway, FM 455, and FM 428. The City's location as part of the growing Dallas-Fort Worth-Arlington Metroplex has resulted in rapid growth over the last several years. Through a series of recent annexations, the City has increased in area. The City currently covers approximately 52.01 square miles (0.03 of which has been annexed for limited purposes only). The City's 2020 census population was 16,739. As of January 1, 2026, the City's population estimate was 63,937.

City Government

The City is a political subdivision and is a home rule municipality of the State of Texas, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City adopted a Home Rule Charter on May 12, 2007, as amended May 10, 2016, May 10, 2022, and May 3, 2025. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Council members who are elected for staggered three-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administration officer.

The current members of the City Council and principal administrators of the City, as of May 1, 2026, are shown on page ii.

General information regarding the City and the surrounding area can be found in "APPENDIX A – General Information Regarding the City and Surrounding Area."

Water and Wastewater

The Developer constructed a water line from Punk Carter Parkway south to Legacy Drive to provide a second point of connection for the District. Such extension was completed in December 2024. The City requested the water line to be oversized from the required 18" to 24". Pursuant to the Development Agreement, the City paid the costs to oversize the waterline.

The City will provide both water and wastewater service to the District. The City purchases its water and wastewater treatment wholesale from the Upper Trinity Regional Water District ("UTRWD"). The City maintains its own water distribution system and wastewater collection and discharge system. It has the capacity to treat approximately 3.2385 million gallons of wastewater per day ("MGD") through a combination of resources. Doe Branch Regional Treatment Plant (wastewater) provides 1.3385 MGD with an additional 4 MGD capacity under construction. The Downtown Treatment Plant (wastewater) has a current treatment capacity of 0.95 MGD and is under design to be expanded to 3.0 MGD. The Rasor Water Reclamation Plant is under design to provide an additional 0.95 MGD capacity. The City also recently completed construction of the Legacy Hills Wastewater Reclamation Plant, which provides an additional 0.95 MGD and will serve the District. The City has begun additional design work to expand the Legacy Hills Wastewater Reclamation Plant to a 2.0 MGD capacity. The City has started construction on an eight-million-gallon ground storage tank for water at the Southeast Pump Station, with completion estimated for 2027. This City has also begun engineering for an additional six-million-gallon ground storage tank for water located on Celina Road, which is expected to begin construction in 2028. The City has also contracted with UTRWD for extra wastewater discharge capacity to use as needed. The City anticipates its UTRWD subscribed capacity will increase by 2 MGD in the summer of 2027, with an additional 7 MGD forecasted for 2029-2030 as Lake Ralph Hall becomes fully operational. Furthermore, a new water well is expected to supply an additional 1.5 MGD starting in Fall 2027. Significant delays beyond the City's control in the development of Lake Ralph Hall could impact this timeline. The City is currently evaluating additional water resources for future growth. These new sources of water will extend the planning horizon and provide additional resources for new developments. The availability of water at full buildout will depend on the timing of the need, compared to when other developments will request water.

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by Resolution No. 2021-104R of the City adopted on November 9, 2021, in accordance with the PID Act (the "Creation Resolution") for the purpose of undertaking and financing the costs of certain public improvements within the District, including the Improvement Area #2 Projects, authorized by the PID Act and approved by the City Council that confer a special benefit on the property in the District. The District is not a separate political subdivision of the State and is administered by the City Council. A map of the property within the District is included on page iv hereof.

Powers and Authority of the City

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

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction, or improvement of the Improvement Area #2 Projects. See "THE IMPROVEMENT AREA #2 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 roadway, water, sanitary sewer, and storm drainage improvements, and other soft and miscellaneous improvements within Improvement Area #2 and to finance a portion of the costs thereof through the issuance of the Bonds Similarly Secured. The City has further determined to provide for the payment of debt service on the Bonds Similarly Secured through Pledged Revenues, consisting primarily of the Assessments, and other assets comprising the Trust Estate. See "ASSESSMENT PROCEDURES" and "APPENDIX C – Form of Service and Assessment Plan."

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Collection and Delinquency History in the District

On April 11, 2023, the City adopted an assessment ordinance and levied assessments on assessed property in Phase #1 of the District to secure repayment of bonds issued to finance improvements benefitting only the assessed property within Phase #1. The initial annual installment of such assessments was due and payable by January 31, 2024.

The following table shows the collection and delinquency history of such assessments.

Collection and Delinquency of Assessments in Phase #1 of the District

Fiscal Year Ending 9/30	Annual Installments Levied	Parcels Levied	Delinquent Amount as of 3/1	Delinquent Percentage as of 3/1	Delinquent Amount as of 9/1	Delinquent Percentage as of 9/1	Annual Installments Collected
2024	$ 600,443	2	–	0.00%	$0	0.00%	$ 600,443
2025	$1,624,232	435	$36,065	2.22%	$0	0.00%	$1,624,232
2026	$1,654,158	435	$21,248	1.28%	n/a	n/a	$1,623,335

On November 12, 2024, the City adopted the Assessment Ordinance and levied the Assessments on Assessed Property in Improvement Area #2. The initial annual installment of such Assessments was due and payable by January 31, 2026.

The following table shows the collection and delinquency history of such Assessments.

Collection and Delinquency of Assessments in Improvement Area #2

Fiscal Year Ending 9/30	Annual Installments Levied	Parcels Levied	Delinquent Amount as of 3/1	Delinquent Percentage as of 3/1	Delinquent Amount as of 9/1	Delinquent Percentage as of 9/1	Annual Installments Collected
2026	$3,346,731	273	$10,533	0.31%	n/a	n/a	$3,336,198

THE COLLECTION AND DELINQUENCY HISTORY OF THE VARIOUS ASSESSMENTS IN THE DISTRICT IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY. NO ASSURANCE CAN BE GIVEN THAT THE COLLECTION TO DATE OF ASSESSMENTS IN PHASE #1 OR IMPROVEMENT AREA #2 OF THE DISTRICT WILL MIRROR FUTURE COLLECTIONS. NONE OF THE ASSESSMENTS IN PHASE #1 OF THE DISTRICT ARE SECURITY FOR THE PAYMENT OF THE BONDS SIMILARLY SECURED.

Prepayment History

As of March 1, 2026, there has been one full prepayment of Assessments in Improvement Area #2 of the District.

Foreclosure History

As of March 1, 2026, there have been no foreclosure sales of property in Improvement Area #2 of the District.

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Top Assessment Payers in Improvement Area #2

The following table shows the top payers of the Assessments as of January 31, 2026, according to records of Denton Central Appraisal District.

Top Improvement Area #2 Assessment Payers

Owner Name [1]	Number of Parcels/Lots [1][2]	Assessments Levied [2]	% of Total Assessments
AMERICAN LEGEND HOMES LLC	97	$ 7,571,742.90	16.69%
DREES CUSTOM HOMES LP	7	$ 302,235.29	0.67%
FLHMO II LLC [3]	80	$ 6,613,489.62	14.58%
HIGHLAND HOMES-DALLAS LLC	37	$ 2,755,363.67	6.07%
PERRY HOMES LLC	19	$ 1,389,577.39	3.06%
TELLUS TEXAS I LLC [4]	21	$25,560,469.91	56.36%
TRADITION HOMES LLC	12	$ 1,163,121.22	2.56%
Total	**273**		**100.00%**

[1] Reflects ownership based on the 2025 certified roll as provided by the Denton Central Appraisal District in December 2025. Appraisal District record updates lag behind the dates of transfers of property ownership.

[2] As of January 31, 2026.

[3] FLHMO II LLC is a land bank used by Highland Homes for holding lots until it is ready to begin home construction. See "THE DEVELOPMENT – Status of Home Construction and Sales in Improvement Area #2."

[4] Parcel count includes unsubdivided parent parcels.

THE IMPROVEMENT AREA #2 PROJECTS

General

The Improvement Area #2 Projects consist of (i) the Improvement Area #2 Improvements, (ii) Improvement Area #2's allocable share of the Initial Major Improvements, and (iii) Improvement Area #2's allocable share of the Additional Major Improvements. A portion of the costs of the Improvement Area #2 Projects will be funded with the proceeds of the Series 2026 Bonds. The Improvement Area #2 Projects will be dedicated to the City once completed. See "– Ownership and Maintenance of Improvement Area #2 Projects" and "THE DEVELOPMENT – Development Plan."

Improvement Area #2 Improvements. The Improvement Area #2 Improvements include roadway, water, sanitary sewer, storm drainage, open space and park improvements, and soft and miscellaneous costs benefitting Improvement Area #2. A description of the Improvement Area #2 Improvements follows:

Roadway Improvements. The roadway portion of the Improvement Area #2 Improvements includes clearing, grubbing, excavation of streets and right of ways, construction of moisture and lime treated subgrade and reinforced concrete street pavements, removal of existing curb or pavement asphalt street pavements, removal of existing curb or pavement, bridges, deceleration lanes, turn lanes, sidewalks, retaining walls, median and other right-of-way landscaping, signage and traffic control devices, including an allocable share of perimeter road improvements, for the benefit of the Improvement Area #2 Assessed Property. All roadway improvements were designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Water Improvements. The water distribution system portion of the Improvement Area #2 Improvements include PVC waterlines, various gate valves and boxes, fire hydrants, and tapping sleeves, service lines and other water line appurtenances for the benefit of the Improvement Area #2 Assessed Property. All water improvements were designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Sanitary Sewer Improvements. The sanitary sewer collection system portion of the Improvement Area #2 Improvements includes PVC pipes, manholes, service lines, clean-outs, concrete encasements, and other sewer line appurtenances and trench safety for the benefit of the Improvement Area #2 Assessed Property. All sanitary sewer

improvements were designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Storm Drainage Improvements. The storm drainage collection system portion of the Improvement Area #2 Improvements includes pre and post development erosion control, silt fences, rock check dams, drainage structures, various size reinforced concrete pipes, reinforced concrete box culverts, curb inlets, headwalls, retention and detention structures and trench safety for the benefit of the Improvement Area #2 Assessed Property. All storm drainage improvements were designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Open Space and Park Improvements. The open space and park improvement portion of the Improvement Area #2 Improvements consists of certain public open space and park amenities for the benefit of the Improvement Area #2 Assessed Property. All public open space and park improvements were designed and constructed according to City standards.

Soft and Miscellaneous Costs. Soft and miscellaneous costs consisting of costs related to designing, constructing, and installing the Improvement Area #2 Improvements including land planning and design, city fees, legal fees, engineering, soil testing, survey, construction management, and contingency, costs associated with financing the Improvement Area #2 Improvements, and a portion of the costs incurred in the establishment, administration, and operation of the District.

Initial Major Improvements. The Initial Major Improvements benefit Phases #1-5 of the District and were constructed with the development of Phase #1. A description of the Initial Major Improvements are as follows:

Roadway Improvements. The roadway portion of the Initial Major Improvements includes clearing, grubbing, excavation of streets and right-of-way, construction of moisture and lime treated subgrade and reinforced concrete street pavements, removal of existing curb or pavement asphalt street pavements, removal of existing curb or pavement, bridges, deceleration lanes, turn lanes, sidewalks, trails, retaining walls, median landscaping, signage and traffic control devices, and the acquisition of related right-of-way for such roadway improvements, for the benefit of the assessed property within Phases #1-5. The roadway improvements include an allocable share of perimeter road improvements. All roadway improvements were designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Water Improvements. The water distribution system portion of the Initial Major Improvements includes water mains of various diameters that are generally polyvinyl chloride (PVC) pipe, matching gate valves and boxes, fire hydrants, tapping sleeves, service lines, and other water line appurtenances, including trench safety, for the benefit of the assessed property within Phases #1-5. All water improvements was designed and constructed in accordance with City standards and specifications and is owned and operated by the City.

Sanitary Sewer Improvements. The sanitary sewer collection system portion of the Initial Major Improvements includes sanitary sewer mains of various diameters, manholes, lift stations, service lines, clean-outs, and other sewer main appurtenances, including trench safety, for the benefit of the assessed property within Phases #1-5. All sanitary sewer improvements were designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Storm Drainage Improvements. The storm drainage collection system portion of the Initial Major Improvements includes pre-development erosion control, silt fences, rock check dams, drainage structures, various size reinforced concrete pipes, reinforced concrete box culverts, curb inlets, headwalls, retention basins, detention structures and trench safety for the benefit of the assessed property within Phases #1-5. All storm drainage improvements were designed and constructed in accordance with City standards and specifications and is owned and operated by the City.

Other Soft and Miscellaneous Improvements. Soft and miscellaneous costs consisting of costs related to designing, constructing, and installing the Initial Major Improvements including land planning and design, city fees, legal fees, engineering, soil testing, survey, construction management, and contingency, costs associated with

financing the Initial Major Improvements, and a portion of the costs incurred in the establishment, administration and operation of the District allocable to Phases #1-5.

Additional Major Improvements. The Additional Major Improvements benefit Phases #1-5 of the District. A description of the Additional Major Improvements are as follows:

Water Improvements. The water distribution system portion of the Additional Major Improvements includes water mains of various diameters that are generally polyvinyl chloride (PVC) pipe, matching gate valves and boxes, fire hydrants, tapping sleeves, service lines, and other water line appurtenances, including trench safety, for the benefit of the assessed property within Phases #1-5. All water improvements were designed and constructed in accordance with City standards and specifications and are owned and operated by the City.

Open Space and Park Improvements. The open space and park improvement portion of the Additional Major Improvements consists of certain public open space, trail improvements, and park amenities for the benefit of Phases #1-5 of the District. All public open space and trail system improvements were designed and constructed according to City standards.

Other Soft and Miscellaneous Improvements. Soft and miscellaneous costs consisting of costs related to designing, constructing, and installing the Additional Major Improvements including land planning and design, city fees, legal fees, engineering, soil testing, survey, construction management, and contingency, costs associated with financing the Additional Major Improvements, and a portion of the costs incurred in the establishment, administration and operation of the District allocable to Phases #1-5.

Budgeted Costs – Improvement Area #2 Projects

Authorized Improvements	Improvement Area #2's Proportional Share of Initial Major Improvements	Improvement Area #2's Proportional Share of Additional Major Improvements	Improvement Area #2 Improvements	Total Improvement Area #2 Projects *
Roadway improvements	$ 331,649	–	$ 8,393,619	$ 8,725,268
Water improvements	481,653	$1,742,217	3,164,573	5,388,443
Sanitary sewer improvements	1,162,583	–	3,858,184	5,020,767
Storm drainage improvements	289,600	–	4,168,057	4,457,657
Open space and park improvements	–	1,066,701	6,597,173	7,663,873
Other soft and miscellaneous costs	69,445	565,513	8,205,258	8,840,215
Total Authorized Improvements	**$2,334,931**	**$3,374,430**	**$34,386,863**	**$40,096,224**

* The costs of the Improvement Area #2 Projects are being paid out of a combination of the proceeds of the Bonds Similarly Secured and Landowner funds.

Ownership and Maintenance of Improvement Area #2 Projects

The Initial Major Improvements and the majority of the Improvement Area #2 Improvements have been or will be dedicated to and accepted by the City, either by fee or through a public use easement, and will constitute a portion of the City's infrastructure improvements. The Additional Major Improvements have been or will be dedicated to and accepted by the City when complete, either by fee or through a public use easement, and will constitute a portion of the City's infrastructure improvements. The Developer expects the Additional Major Improvements constructed with the development of Improvement Area #2 to be completed in the fourth quarter of 2026 and the remaining Additional Major Improvements to be constructed with the development of Future Improvement Areas in 2028. The City will provide for the ongoing operation, maintenance, and repair of the roadway, water, sanitary sewer, and storm drainage portions of the Improvement Area #2 Projects constructed and conveyed, as outlined in the Service and Assessment Plan, and expects to enter into a maintenance agreement with the HOA for the ongoing maintenance of the portion of the Improvement Area #2 Projects consisting of open space and park improvements that will be dedicated to the City by fee.

THE DEVELOPMENT

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

Overview

The District includes approximately 684.752 acres. The District is generally located one mile west of Dallas Parkway, 2.5 miles north of U.S. 380, adjacent to and west of Legacy Drive, and adjacent to and north of Parvin Road in the City, as shown in the maps on pages ii - v. All of the property within the District was annexed by the City in June 2022 and is now located within the corporate limits of the City.

Development Plan and Status of Development

The Development is currently expected to include 2,011 residential units consisting of 1,460 single-family lots (40', 50', 60', and 70' front feet), 210 townhomes, and 350 multi-family units; however, the final unit count at full buildout is subject to change based on final engineering for each phase of development. Phase #1 includes 544 single-family lots and 47 townhomes. Construction of the Phase #1 Improvements and the Initial Major Improvements began in January 2022 and such improvements were accepted by the City in the fourth quarter of 2023.

The Improvement Area #2 Projects consist of the Improvement Area #2 Improvements and Improvement Area #2's allocable share of the costs of the Initial Major Improvements and the Additional Major Improvements. The Initial Major Improvements were completed in the third quarter of 2023 and accepted by the City in the fourth quarter of 2023. The Developer began construction of the Improvement Area #2 Improvements for construction Phases #2A, #2B, and #2C in June 2023 and completed the road, water, sanitary sewer, and storm drainage portions of such improvements in the fourth quarter of 2024. The Developer began construction of the Improvement Area #2 Improvements for construction Phase #3C in September 2024 and completed the road, water, sanitary sewer, and storm drainage portions of such improvements in the fourth quarter of 2025. The Developer expects to complete all open space and landscaping portions of the Improvement Area #2 Improvements in the fourth quarter of 2026. Construction of the Additional Major Improvements began in June 2023. The Additional Major Improvements constructed with the development of Improvement Area #2 are expected to be complete in the fourth quarter of 2026. The Developer expects to complete the balance of the Additional Major Improvements with the development of Future Improvement Areas in 2028. Full development of Phases #1-5 is expected to be completed in 2028. See "APPENDIX C – Form of Service and Assessment Plan."

The Landowner expects the Seller to develop Phase #7 (in the Southeast corner of the District, depicted on page v) to include approximately 350 multi-family housing units and approximately seven acres of commercial development to consist of approximately 30 commercial equivalent units, possibly as garden offices, medical offices, or strip retail space. The Seller's current plans for development of the Seller Property may change in the future. Neither the Landowner nor the Developer has control over the development of the Seller Property.

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Status of Home Construction and Sales in Improvement Area #2

All 591 lots in Improvement Area #2 are under contract with the Homebuilders.

The following table shows the Developer's lot takedown schedule for Improvement Area #2 based on the lot purchase and sale agreements with the Homebuilders:

Expected Lot Takedown by Builder – Improvement Area #2

Lot Type and Homebuilder	Total Takedowns	Initial Takedown	2nd Takedown	3rd Takedown	4th Takedown	5th Takedown	Final Takedown
Phase #2							
25' Townhomes							
Drees Custom Homes [1]	47	3	4	7	9	10	14
Total	**47**						
40' Lots							
American Legend	44	44	n/a	n/a	n/a	n/a	n/a
Highland	55	55	n/a	n/a	n/a	n/a	n/a
Total	**99**	**99**					
50' Lots							
American Legend	52	52	n/a	n/a	n/a	n/a	n/a
Highland	53	53	n/a	n/a	n/a	n/a	n/a
Perry	36	36	n/a	n/a	n/a	n/a	n/a
Total	**141**	**141**					
60' Lots							
American Legend	36	36	n/a	n/a	n/a	n/a	n/a
Bloomfield/American Legend	21	21	n/a	n/a	n/a	n/a	n/a
Bloomfield/Highland	57	57	n/a	n/a	n/a	n/a	n/a
Total	**114**	**114**					
70' Lots							
Highland	35	35	n/a	n/a	n/a	n/a	n/a
Tradition	25	25	n/a	n/a	n/a	n/a	n/a
Total	**60**	**60**					
Phase #3C							
60' Lots							
Bloomfield	68	68	n/a	n/a	n/a	n/a	n/a
Total	**68**	**68**					
70' Lots							
Highland [2]	19	6	3	3	3	4	n/a
Homebound [3]	30	10	1	1	1	1	1
Tradition	13	13	n/a	n/a	n/a	n/a	n/a
Total	**62**	**62**					
Grand Total	**591**	**551**	**8**	**11**	**13**	**15**	**15**

[1] As of March 31, 2026, Drees Custom Homes had closed on 23 lots. Drees must purchase the remaining lots by June 15, 2026.
[2] As of March 31, 2026, Highland had closed on 9 lots. Highland must purchase the remaining lots by December 1, 2026.
[3] As of March 31, 2026, Homebound had closed on 12 lots. Homebound must purchase at least one lot per month and must purchase all lots by December 31, 2026.

Home construction in Improvement Area #2 began in February 2025. Following is a table reflecting the status of home construction and sales within Improvement Area #2 as of March 31, 2026:

Lot Size	Number of Single-Family Lots	Number of Lots Completed	Builder-Contracted Lots	Number of Homes Under Construction	Number of Homes Completed	Number of Homes with Residents	Expected Final Sale Date to Residents
Phase #2							
70’	60	60	60	19	16	14	3Q 2029
60’	114	114	114	79	12	7	3Q 2029
50’	141	141	141	26	20	40	3Q 2029
40’	99	99	99	7	5	16	3Q 2029
25’	47	47	47	–	10	–	3Q 2029
	461	**461**	**461**	**131**	**63**	**77**	
Phase #3C							
70’	62	62	62	2	2	–	3Q 2029
60’	68	68	68	–	–	–	3Q 2029
	130	**130**	**130**	**2**	**2**		
	591	**591**	**591**	**133**	**65**	**77**	

Source: The Developer, based on the information provided by the Homebuilders for the first quarter of 2026.

Actual and Expected Build-out and Home Prices in Improvement Area #2

The lot prices and the Developer’s expectations regarding home prices and absorption in Improvement Area #2 are as follows:

Lot and Home Prices in Improvement Area #2

Lot Size	Planned Number of Units	Actual Lot Price [1]	Actual Average Base Home Price [2]
Phase #2			
70’	60	$248,500	$1,100,000
60’	114	213,000	900,000
50’	141	177,500	800,000
40’	99	142,000	600,000
25’ Townhome	47	122,500	450,000
	461		
Phase #3C			
70’	62	294,000	1,100,000
60’	68	213,000	900,000
	130		
Total	**591**		

[1] Provided by Developer; based on lot purchase contracts. See “– Status of Lot Purchase and Sale Agreements.”
[2] Provided by Developer; based on information provided by the Homebuilders for the first quarter of 2026.

Actual and Expected Build-Out and Absorption Schedule of Improvement Area #2

Lot Size	Planned Number of Units	Infrastructure Completion Date [1]	Actual/Expected Final Sale Date to Homebuilders	Actual/Expected Initial Sale Date to Homeowners [2]	Expected Final Sale Date to Homeowners [2]
Phase #2					
70’	60	Q4 2024	05.21.2025	February 2025	Q3 2029
60’	114	Q4 2024	02.28.2025	January 2025	Q3 2029
50’	141	Q4 2024	05.21.2025	January 2025	Q3 2029
40’	99	Q4 2024	05.08.2025	April 2025	Q3 2029
25’ Townhome	47	Q4 2024	06.15.2026	May 2026	Q3 2029
Total	461				
Phase #3C					
70’	62	Q4 2025	12.31.2026	November 2025	Q3 2029
60’	68	Q4 2025	01.06.2026	July 2026	Q3 2029
Total	130				
Grand Total	**591**				

[1] Provided by Developer. Dates do not reflect completion of portions of the Improvement Area #2 Projects consisting of open space and landscaping improvements.

[2] Provided by Developer; based on information provided by the Homebuilders for the first quarter of 2026.

Amenities and Private Improvements

The Development will include two private amenity centers, two large public parks, and approximately 5 pocket parks linked by a network of trails. The main amenity center, located in Phase #1, features a lazy river/pool complex with a clubhouse situated adjacent to an approximately 5-acre lake. The second amenity center is expected to be located in Phase #3B and may have a swimming pool, if single-family construction is built in its general area as currently contemplated. See the map on page v for the proposed locations of the amenity centers.

Construction of the main amenity center began in the third quarter of 2024 and was completed in the November 2025. The Developer estimates that the total costs of the amenities and other private improvements will be approximately $30,176,740. The Developer has paid or will pay for such costs with equity, proceeds of the Development Loan, or proceeds from lot sales. As of March 31, 2026, the Developer has spent approximately $26,314,646 on amenities and other private improvements. The HOA will pay for the ongoing operation, maintenance, and repair of the amenities by charging a property owner’s association fee to be paid by each lot owner within the District. See “OVERLAPPING TAXES AND DEBT – Homeowners’ Association Dues” and “THE DEVELOPER AND THE LANDOWNER – History and Financing of the District.”

Photographs of Development

See “APPENDIX G – Photographs of the Development.”

Development Agreement

The Development Agreement provides certain rules and regulations for design and construction of the Authorized Improvements, including the Improvement Area #2 Projects, and the process for the development of all property within the District. The Development Agreement further provides, in part, that the Landowner was, with respect to the property located within Phase #1 of the District, required to begin construction, to the satisfaction of the City, of (i) the first of three amenity centers to be centrally located as shown on Exhibit E to the Development Agreement before the issuance of the 100th building permit west of Frontier Parkway and east of Doe Branch (which is roughly the property located within Phase #1), (ii) North Park Area (Doe Branch) and North Park Area 12FT Trail prior to issuance of the 250th building permit west of Frontier Parkway and east of Doe Branch, and (iii) North Park Area Pedestrian Bridge prior to issuance of the 300th building permit west of Frontier Parkway and east of Doe Branch. If one of the foregoing triggers is not met, the City may, in its discretion, delay or withhold the issuance of the relevant

building permit. The Developer satisfied the requirement to commence construction of the amenity center in the third quarter of 2024. Construction of the North Park Area park components began in the third quarter of 2024, in advance of the issuance of the 250th and 300th building permits.

The Development Agreement also required the reservation of a 10-12-acre site for an elementary school. That site was sold to Prosper ISD by separate agreement in November 2022. See "PLAN OF FINANCE – Overview" and "APPENDIX F – Development Agreement."

The Development Agreement also specifies the following residential development fees that are due and payable to the City at the time building permits are issued: (i) park fees in the amount not to exceed $1,500 per residential dwelling unit; (ii) technology fees in an amount not to exceed $500 per single family attached or detached residential dwelling unit; (iii) roadway capital fees of $3,000 per single family attached or detached residential dwelling unit; (iv) water capital fees of $2,500 per single family attached or detached residential dwelling unit; and (v) wastewater capital fees of $2,500 per single family attached or detached residential dwelling unit. Roadway, water, and wastewater capital fees each escalate by an additional $500 per single family attached or detached residential dwelling unit on June 8, 2029, and then on every 5th anniversary of such date thereafter (i.e., June 8, 2034; June 8, 2039, etc.).

NONE OF THE FEES DESCRIBED HEREIN ARE A PART OF THE TRUST ESTATE AND ARE NOT SECURITY FOR THE BONDS SIMILARLY SECURED.

Zoning/Permitting

The development of the property within the District is governed by the Development Agreement, the City Subdivision Regulations, the City Building Codes, the City Engineering and Construction Standards, the City's Water and Wastewater Rules, the City's Model Home Policy, the City's Water and Sewer Impact Fee Regulations, the City's Roadway Impact Fee Regulations, the City's Sign Ordinance, the Approved Plats, and the City Ordinances (collectively, the "Governing Regulations").

Education

The Development is located entirely within Prosper ISD. Prosper ISD currently operates one early childhood center, 20 elementary schools, six middle schools, and four high schools. Virgie Smothermon Elementary School located within the Mosaic community opened in August 2025. Moseley Middle School along Parvin Road and Richland High School along West First Street both opened in the fall of 2025. Students living within the District attend these schools.

GreatSchools.org and Texas Education Agency ratings are not yet available for the new schools.

Environmental

Site Evaluation. A Phase I Environmental Site Assessment (a "Phase I ESA") of approximately 447.726 acres, including all 434.015 acres of the Landowner Property, was completed by Alpha Testing, Inc. ("Alpha") and summarized in its report dated November 12, 2020. Based on the information presented in the Phase I ESA, Alpha concluded that there was no evidence of recognized environmental conditions. Alpha noted that the presence of residences on the rural Landowner Property beginning in the 1940s and the 1950s, respectively, septic tanks and water wells may be present on the Landowner Property, although none were observed. Alpha recommended that any septic tanks and water wells should be closed or plugged, respectively, and abandoned if encountered during development activities.

Endangered Species. According to the website for the Texas Parks and Wildlife Department, the Interior Least Tern and Whooping Crane are endangered species, and the Black Rail, Piping Plover, Rufa Red Knot, White-faced Ibis, Yellow-billed Cuckoo, Louisiana Pigtoe, Sandbank Pocketbook, Texas Heelsplitter, and Texas Horned Lizard are threatened species in Denton County. In addition, the Tricolored Bat is a federally proposed endangered species in Denton County. The Developer is not aware of any endangered species located on the Landowner Property.

Existing Mineral and Groundwater Rights

There are certain mineral rights reservations of prior owners of the Landowner Property (the "Mineral Owners") pursuant to one or more deeds in the chain of title for the Landowner Property. While there is currently no drilling or exploration of minerals on the Landowner Property, the Developer cannot predict whether the Mineral Owners will take new action in the future to explore or develop the above-described mineral rights. The Developer is not aware of any real property (including mineral rights) owned by the Mineral Owners adjacent to the Landowner Property. Certain rules and regulations of the Texas Railroad Commission may restrict the ability of the Mineral Owners to explore or develop the property due to well density, acreage, or location issues.

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

Flood Designation

According to the Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Map ("FIRM") Community Panel number 48121C0290G (April 18, 2011), a portion of the property in Improvement Area #2 of the District lies within the range of both the 100-year and 500-year floodplains. All residential lots are located outside of the floodplain or have been removed from the 100-year floodplain via a letter of map revision based on fill ("LOMR-F"). A letter of map revision ("LOMR") to formally revise the FIRM is currently under review with FEMA. See "BONDHOLDERS' RISKS – Flood Plains."

Final Geotechnical Exploration

A Final Geotechnical Exploration (a "Final Geotech") covering the Landowner Property was completed on December 7, 2021, and indicated that the estimated potential vertical movement associated with seasonal changes in soil moisture within the Landowner Property ranged from three to seven inches, depending on location.

Utilities

The City will provide both water and wastewater service to the Development. The City's water distribution system and wastewater collection and treatment system currently have sufficient capacity to provide water and wastewater service to the Development. See "THE CITY – Water and Wastewater."

Additional utilities are provided by the following: (1) Phone/Data - AT&T and Suddenlink; (2) Electric – CoServ Electric; (3) Cable - AT&T and Suddenlink; and (4) Natural Gas – CoServ Gas.

THE DEVELOPER AND THE LANDOWNER

The following information has been provided by the Landowner. 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 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 to homebuilders, 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 bonds, such as the Series 2026 Bonds, issued by a municipality for a public improvement district. A landowner or developer is generally under no obligation to develop the property that it owns in a development. Furthermore, there is no restriction on the landowner's or developer's right to sell any or

all of the land that the landowner or developer owns within a development. In addition, a landowner or developer is ordinarily the major tax and assessment payer within a district during its development.

Description of Landowner and Developer

The Landowner was created for the sole purpose of owning, managing, developing, and ultimately conveying the Landowner Property to third parties, as described under the caption "THE DEVELOPMENT." The Landowner is a Texas limited liability company, the primary assets of which are unsold portions of the Landowner Property. The Landowner 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 Landowner Property, reimbursements from the City under the PID Reimbursement Agreement, contributions from its equity partners, and third-party banking sources. The Landowner's ability to make full and timely payments of Assessments will directly affect the City's ability to meet its obligation to make payments on the Bonds Similarly Secured, including the Series 2026 Bonds.

The Landowner is majority owned by the Developer and the Developer is its Managing Member. The Developer was created by partners Craig Martin and David Blom to own and manage the Development. Under the Landowner's company agreement, the Developer has the duty and obligation to, among other things, develop, manage, operate, and maintain the Landowner Property. Both the Landowner and the Developer are part of a larger group of entities managed in part by Tellus Group Operations LLC, a Delaware limited liability company ("Tellus Group"), a real estate investment firm located in North Dallas, Texas, focused on residential and mixed-use land development with a primary focus in master-planned, amenity-rich lifestyle communities.

Description of Past and Current Projects of the Developer

The following is a brief sampling of past and current development projects of the Developer and its related entities:

Project Name	Location	Acreage	No. of Units	Description
Meraki	Forney, TX	1,000	2,700	Master-planned community SFA, mixed-use
Windsong Ranch	Prosper, TX	2,100	3,175	Master-planned community SFA, mixed-use
Paloma Creek	Aubrey, TX	1,200	5,500	Worked with Provident Realty Advisers on the limited partner/equity side - involved Fresh Water Supply District underwriting and bond issues
Woodforest	Montgomery County, TX	3,000	5,000	Worked with Johnson Development on the limited partner/equity side - involved Municipal Utility District underwriting and bond issues
Boot Ranch	Fredericksburg, TX	2,000	500	Master-planned private golf club community SFA
Various	DFW Metroplex	1,200	4,100	Separate smaller projects of 100 to 300 lots around the DFW Metroplex
Angel Fire Resort	Angel Fire, NM	22,000	20,000	Master-planned resort community: SFR Condo, Ski resort, Golf Course, Country Club, Property management, Hotel, Timeshare, Utility company
Ritz Carlton Golf Club and Residences Dove Mountain	Marana, AZ	950	500	Master-planned community SFA, mixed-use, golf course
Silverwood	Hesperia, CA	9,500	15,000	Master-planned community SFA, mixed-use
The Grove	College Grove, TN	1,120	770	Master-planned private golf club community SFA, mixed-use
Rolling Hills Ranch	Chula Vista, CA	606.8	2,400	Master-planned community SFA, mixed-use
Summerly	Lake Elsinore, CA	706.7	1482	Master-planned community SFA, mixed-use
Village 7 - Village of Vista Verde	Chula Vista, CA	288.5	444	Master-planned community SFA, mixed-use
Jupiter Country Club	Jupiter, Florida	500	551	Master planned community with golf course (early in development - circa 2007) (included County Development District)
Landmark Golf Company	Indian Wells, CA	Multiple		Golf Development Company

Executive Biographies of Tellus Group

D. Craig Martin, Partner. Craig Martin, CEO and Partner of Tellus Group, has worked in the real estate industry over 42 years focusing on recapitalizing opportunistic, distressed and value add real estate assets. Craig has experience purchasing assets from the FDIC, secured creditors and lenders, Federal Bankruptcy trustees, Joint Provisional Liquidators, as well as public companies and private parties.

Prior to forming Tellus Group, Mr. Martin was the founder of Terra Verde Group and the managing partner of several large land development partnerships, as well as golf and ski resort developments. Mr. Martin also spent seven years as a senior member of Robert M. Bass Realty of Fort Worth, Texas. At RMB Realty, Mr. Martin was active in the underwriting analysis, acquisition, and management of primarily large land development transactions and directed a team of outside consultants. Other past professional experience includes serving as managing director of the Landmark Golf Company of Indian Wells, California and managing general partner of the Angel Fire Ski and Golf Resort in New Mexico.

Mr. Martin began his career as a real estate investment broker for the Staubach Company of Dallas while studying real estate and finance at the Edwin L. Cox School of Business at Southern Methodist University. Mr. Martin is an active full member of the Urban Land Institute and currently serves on the Community Development Council (Blue Flight) and is an active member of the Dallas and National Home Builders Associations. Mr. Martin is the past Chapter Chairman of the YPO Gold Dallas Chapter (2016-2017). Mr. Martin has also served for seven years on the board of trustees of Liberty Christian School in Argyle, Texas.

David R. Blom, Partner. David Blom, President, Chief Operating Officer, and Partner of Tellus Group, has experience that encompasses both financial and development aspects of land development, with an emphasis on single-family development. He began his career with Republic Bank in Texas in 1983, where he was active in real estate foreclosures and asset turnaround activities, including the refurbishment and eventual sale of retail shopping centers and office buildings with a total value exceeding $60 million.

Mr. Blom then joined a private development company in Dallas in 1990, where he served as V.P. – Finance and then President, presiding over all aspects of the entitlement, development, and sale of over 4,000 single-family lots across the Dallas-Fort Worth-Arlington Metroplex. Mr. Blom subsequently joined an institutional pension fund advisor, managing and underwriting large scale projects with a wide range of developers and builders from Washington D.C. to Florida, with financial commitments totaling over $300 million.

Mr. Blom joined Forest City Enterprises in 2007, establishing the Texas Land Division and underwriting and acquiring a portfolio of twelve projects in three of the major markets in Texas, with a build-out value of over $400 million. His responsibilities included underwriting analysis, loan sourcing and negotiation, municipal entitlements, and builder relationships.

Mr. Blom joined Terra Verde Group in 2012 to manage all aspects of the development and sale of lots and land in the 2,000-acre master-planned community Windsong Ranch, located in Prosper, Texas, which was acquired from Forest City. In 2018 Mr. Blom became a partner in Tellus Group in the acquisition of Windsong Ranch from Terra Verde Group in 2018. The Windsong Ranch executive team created by Terra Verde transitioned to Tellus Group as part of the acquisition.

Kamille Grey, Vice President – Accounting and Finance. Kamille Grey is an accomplished finance and accounting professional with extensive experience in the commercial real estate industry. She joined as Vice President of Finance & Accounting for Tellus Group Operations in 2025. Previously, she served as Vice President Controller at Jackson-Shaw Company in Dallas, Texas, overseeing finance and accounting for a diverse portfolio of commercial real estate developments.

With expertise in treasury responsibilities, Ms. Grey plays a pivotal role in managing banking relationships, approving daily activities, and preparing comprehensive financial forecasts. She ensures that all financial transactions are properly accounted for, oversees annual audits, and manages partner reporting, including capital calls and distribution schedules. Ms. Grey's previous experience was serving as an Accounting Manager at Provident Realty Advisors, where she successfully managed a software conversion that added efficiency to the team and oversaw the

accounting for multiple real estate developments. Her commitment to accuracy and efficiency was evident through her oversight of financial report packages sent to lenders and partners, as well as her involvement in annual audits. Her additional professional experience includes a significant role as Accounting Manager at Brookfield Properties Retail, overseeing accounting for 12 retail mall properties and enhancing financial reporting processes. Ms. Grey's strong analytical skills and comprehensive understanding of financial principles make her a vital team member in navigating the complexities of the real estate industry. She graduated with a Bachelor's of Science degree in Accountancy from California State University Northridge and holds a license as a Certified Public Accountant.

Tina Sauseda, Vice President – Operations. As Vice President of Operations Tellus Group LLC, Ms. Sauseda is part of the development team at Windsong Ranch. She oversees various aspects of the business including contracts administration working with Windsong Ranch homebuilders and their title companies managing lot purchase agreements and lot sales. She also coordinates contracts with on-site contractors, including draws for specific projects. Her responsibilities also include working closely with outside legal associates and human resources management for the Tellus staff. In addition, Ms. Sauseda works with the management teams of both the Windsong Ranch Community Association and the Mosaic Community Association and serves on the board of each.

Ms. Sauseda began her career in Houston in 1976 working in the real estate appraisal industry. She transitioned into the oil and gas industry working with companies such as Exxon & Phillips Petroleum. She then joined The Stanford Group which specialized in residential and commercial real estate development, management and interior design. Her background includes numerous years in advertising and PR with The Bloom Companies and Gleason/Calise Associates. Most recently she worked on the homebuilder side with Darling Homes/Taylor Morrison until transitioning to the developer side working with the Tellus Group.

Andre Ferrari, Vice President – Transactions and General Counsel. Andre Ferrari, Vice President – Transactions and General Counsel for Tellus Group, joined the company in 2022. Mr. Ferrari is responsible for identifying and evaluating real estate acquisition opportunities as they relate to the company's overall expansion goals. He also works alongside the rest of the team to manage current developments, providing underwriting analysis and support and investor communications.

Prior to joining Tellus Group, Mr. Ferrari advised real estate owners and operators on capitalization of their real estate assets and projects at JLL Capital Markets (formerly HFF). Mr. Ferrari's clients included pension funds, developers, investment managers, family offices, and a variety of real estate investment vehicles. He primarily focused on joint venture equity and construction financing for residential developments. During his time at JLL, Mr. Ferrari was involved in over $2.5 billion of closed transactions across more than 20 states.

Prior to his time at JLL, Mr. Ferrari was an associate attorney at the international law firm Haynes and Boone, where he advised clients on their real estate and merger and acquisition transactions. During his time at Haynes and Boone, Mr. Ferrari advised clients on over $3.5 billion in closed transactions.

Mr. Ferrari received his undergraduate degree in finance from the University of Central Florida and his Juris Doctor from the University of Virginia School of Law. He is a licensed attorney in the State of Texas. He is also an active member of The Real Estate Council (TREC) and formerly served on its Young Guns Board. Mr. Ferrari's interest in residential development originated prior to obtaining his J.D. during his time with Hicks Trans American Partners, where he worked on master-planned community developments in the Patagonia region of Argentina. Mr. Ferrari is originally from Bogota, Colombia, and is bilingual.

Justin Craig, Vice President – Planning/Entitlement. Currently, Justin Craig serves as Vice President – Planning/Entitlement for Tellus Group. His position encompasses the management of on-site development activities and navigating jurisdictional permitting. He also leads the coordination and establishment of entitlements for Meraki through Kaufman County and Forney and for future acquisitions. Mr. Craig was hired in 2016 by Terra Verde Group as Development Manager prior to the transition to Tellus Group.

Mr. Craig's background includes 20 years of experience in the real estate development industry spanning project development, management, acquisition, and disposition with an emphasis in real estate entitlements. He began his career in Southern California working for a large master plan developer as a project coordinator working his way

up through the financial downturn to the position of Vice President focused on forward planning, entitlement, project design management, and managing lot sales with revenues upwards of $200 million dollars.

He then transitioned to a consultancy role working with an investment fund and multiple developers, including his previous employer, focusing on entitlement, project due diligence, underwriting evaluation, creating cost to complete budgets, managing various entitlement related efforts, and navigating jurisdictional permit compliance issues. This eventually led to a role with a multi-family apartment developer managing the underwriting and entitling of two redevelopment multi-family apartment projects, one $96 million-dollar project located in the City of San Diego and another $78 million-dollar project in the City of Santa Clarita, the former requiring significant community outreach and governmental regulatory navigation.

Mr. Craig earned his Bachelor of Business Administration degree from the University of San Diego.

Kris Wilson, Vice President – Development. Kris Wilson began his career in Dallas working for a landscape architecture and planning firm, concentrating on the planning and designing of master-planned communities in the Dallas-Fort Worth area. Later, he transitioned to the construction industry focusing on aquatic amenity construction then structural steel and ornamental metals when he worked as a project manager with a team that worked on the Dallas-Fort Worth Terminal Rehabilitation Project. In 2013 Mr. Wilson joined the Tellus Group to work with the Windsong Ranch team.

As Vice President – Development, Mr. Wilson oversees all aspects of construction, from underground utilities to lot completion. His responsibilities include creating and managing construction schedules, managing subcontractors, and performing quality control on all aspects of development. In addition to lot development, his focus has been on the construction and delivery of amenities such as a Mountain Bike Course, Disc Golf Course, Community Garden, Basketball Court, Dog Park, The Lagoon at Windsong Ranch (a five-acre, freshwater, clear tropical lagoon), and the lazy river planned for the District. Mr. Wilson oversees the implementation and management of onsite wildlife management plans, works with the onsite farming and ranching operations, and coordinates with homeowner associations regarding amenity repairs and maintenance.

Mr. Wilson graduated from Louisiana State University with a Bachelor's degree in landscape architecture.

History and Financing of the District

History of the District. In July 2021, the Landowner purchased the Landowner Property, consisting of 303.647 acres subject to a Seller's lien and 130.368 unencumbered acres available for development of Phase #1. In January 2022, the Phase #1 boundary was adjusted to 129.467 acres based upon final engineering document linework. In January 2024, the Seller released its lien on an additional 108.439 acres consisting of Phase #2. On October 9, 2024, the Seller released an additional 38.522 acres from its lien, consisting of Phase #3C.

In September 2021, the Landowner, together with the Merritt/Thornton Petitioners, submitted a petition to the City requesting the creation of the District. In November 2021, the City created the District consisting of approximately 684.752 acres. The Landowner Property makes up Phases #1-5 of the District shown on page v. The Seller Property makes up Phases #6-7 of the District shown on page v.

The Property Acquisition. The Landowner was formed for the purpose, among other things, of acquiring the Landowner Property. The Landowner acquired the Landowner Property from the Seller on July 30, 2021, for $41,526,105.30. To finance the purchase price of the property comprising Phase #1 of the District, the Landowner used equity to make an initial payment of $8,752,100. The purchase and sale agreement provides for three additional payments (the "Post-Closing Payments") to be made on July 31st of 2024, 2025, and 2026, in the amounts of $1,779,150.00 (reduced to $702,706.25 following payment to the Seller of $1,076,443.75 related to the lien release for the School Site), $5,056,250.00, and $25,938,605.30, respectively. Payments made by the Landowner in connection with the release of liens on property within Phases #2 and #3C ($11,376,964.27 and $4,269,841.27, respectively), satisfied the 2024 and 2025 payments and reduced the 2026 payment to $16,050,756.01. See "PLAN OF FINANCE – Overview."

The Property Acquisition and Development Financing. To finance the acquisition of the approximately 303.647 acres of the Landowner Property outside of Phase #1, the Landowner executed a promissory note in favor of

the Seller in the amount of $32,774,005.30 to be paid in the three Post-Closing Payments referenced above. The Landowner anticipates the remaining Post-Closing Payment will be made from: (i) equity, (ii) an acquisition and development loan entered into in the future in connection with the development of future phases, or (iii) a combination of (i) and (ii).

To finance the development of Phase #1 and Improvement Area #2 of the Landowner Property, the Landowner executed a promissory note effective as of January 27, 2022 (the "Promissory Note"), and obtained a development loan (the "Development Loan") from Third Coast Bank SSB (the "Lender") which was secured by, among other things, a lien on all of the real property within Phase #2 of the District and the improvements thereon owned by the Landowner. In connection with the repayment by the Landowner of the loans related to Phase #1, the Development Loan and Promissory Note were amended to extend the maturity date to December 31, 2025, and the lien on Phase #1 of the Landowner Property was released. In connection with the repayment by the Landowner of the loans related to Improvement Area #2 in December 2024, the Development Loan and Promissory Note were amended to extend the maturity date to December 31, 2026. The liens on property within Improvement Area #2 are released on a lot-by-lot basis as they are sold to the Homebuilders.

The Promissory Note allows for loans in the maximum amount of $30,000,000, bears interest at the lower of (i) prime plus 0.75%, or (ii) 4.00%, and matures on December 31, 2026. As of March 31, 2026, the Development Loan had a $0.00 balance, with a security interest in the lots owned by the Landowner as of such date. The Lender and the Landowner intend to modify the Development Loan in June 2026 to include its next phase of development.

Summary of At-Risk Entities and Investments in the District Subordinate to the Assessment Lien. In order to finance the development of the District, the Landowner and the Homebuilders have expended equity or extended promissory notes that are secured by a lien on some or all of the real property within Improvement Area #2 of the District that are subordinate to the lien associated with the Assessments securing the Bonds Similarly Secured. A list of the entities with at-risk capital whose position or lien is subordinate to that of the Assessments is listed in the following table and more fully described in the subheadings below.

Summary of Entities with At-Risk Capital Subordinate to the Lien Securing the Bonds

At Risk Entity	Funding Type	Funding Purpose	Security	Position to Assessment Lien	Initial/Maximum Amount	Outstanding Balance
Landowner	Cash	Purchase of Landowner Property	None	subordinate	$ 8,752,100	$0
Third Coast Bank SSB	Development Loan	Construction	Lots within Improvement Area #2	subordinate	$30,000,000 [(1)]	$0
American Legend Homes	Cash	Earnest Money	None	subordinate	$ 4,629,200	$0
Bloomfield Homes	Cash	Earnest Money	None	subordinate	$ 1,955,232	$0
Drees Custom Homes	Cash	Earnest Money	None	subordinate	$ 1,151,500	$588,000
Highland Homes	Cash	Earnest Money	None	subordinate	$ 6,300,200	$1,117,200
Perry Homes	Cash	Earnest Money	None	subordinate	$ 1,278,000	$0
Tradition Homes	Cash	Earnest Money	None	subordinate	$ 2,006,900	$0
Homebound	Cash	Earnest Money	None	subordinate	$1,764,000	$1,764,000
Total Outstanding Balance of Equity and Loan/Notes Secured by a Subordinate Lien Against Real Property within the District as of March 31, 2026:						**$3,469,200**

[(1)] The Development Loan permits advances on a revolving basis up to a maximum amount of $30,000,000.

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

THE PID ADMINISTRATOR

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

The City has entered into an agreement for administration of the District (the "MuniCap Agreement") with MuniCap, Inc. ("MuniCap" or the "Administrator") to provide specialized services related to the administration of the District needed to support the issuance of the Series 2026 Bonds. The MuniCap Agreement includes seven general types of services provided by MuniCap: (i) consulting services related to service and assessment plan and bond issuance, (ii) administrative support services related to the Assessments, (iii) delinquency management, (iv) prepayment of Assessments, (v) arbitrage rebate, (vi) continuing disclosure, (vii) IRS compliance monitoring, and (viii) accounting services.

MuniCap 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 currently acts as the administrator for over 300 special assessment and taxing districts in 30 states, including Texas. MuniCap periodically donates to certain charitable or public events hosted by the City.

BONDHOLDERS' RISKS

Before purchasing any of the Series 2026 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 Series 2026 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 Series 2026 Bonds) should be carefully considered prior to purchasing any of the Series 2026 Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.

THE SERIES 2026 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM A FIRST LIEN ON, SECURITY INTEREST IN, AND PLEDGE OF THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE SERIES 2026 BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE TRUST ESTATE IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE SERIES 2026 BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY ASSETS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE SERIES 2026 BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE SERIES 2026 BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE SERIES 2026 BONDS OUT OF ANY ASSETS OF THE CITY OTHER THAN THE TRUST ESTATE.

The Underwriter is not obligated to make a market in or repurchase any of the Series 2026 Bonds, and no representation is made by the Underwriter, the City, or the City's Municipal Advisor that a market for the Series 2026 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 Series 2026 Bonds. See "– Limited Secondary Market for the Series 2026 Bonds."

The City has not applied for or received a rating on the Series 2026 Bonds. The absence of a rating could affect the future marketability of the Series 2026 Bonds. There is no assurance that a secondary market for the Series 2026 Bonds will develop or that holders who desire to sell their Series 2026 Bonds prior to the stated maturity will be able to do so. See "– No Credit Rating."

Deemed Representations and Acknowledgment by Initial Purchasers

Each Initial Purchaser will be deemed to have acknowledged and represented to the City the matters set forth under the heading "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" which include, among others, a representation and acknowledgment that the purchase of the Series 2026 Bonds involves investment risks, certain of which are set forth under this heading "BONDHOLDERS' RISKS" and elsewhere herein, and each Initial Purchaser, either alone or with its purchaser representative(s) (as defined in Rule 501(h) of Regulation D under the Securities Act of 1933), has sophisticated knowledge and experience in financial and business matters and the capacity to evaluate such risks in making an informed investment decision to purchase the Series 2026 Bonds, and the Initial Purchaser can afford a complete loss of its investment in the Series 2026 Bonds.

General Factors relating to Payment of the Bonds

The ability of the City to pay debt service on the Bonds Similarly Secured as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Area #2 to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #2, and (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.

Assessment Limitations

Annual Installments of Assessments are billed to owners of Assessed Property. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as ad valorem taxes as described under "ASSESSMENT PROCEDURES." Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of the Bonds Similarly Secured maturing in each year, interest, and the Administrative Expenses for such year. See "ASSESSMENT PROCEDURES." 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 Assessments in the future.

In order to pay debt service on the Bonds Similarly Secured, including the Series 2026 Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds Similarly Secured, 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 Similarly Secured. See "BONDHOLDERS' RISKS – Bondholders' Remedies and Bankruptcy."

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #2, any Assessment that is delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

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

stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

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

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights had been claimed. Furthermore, the Landowner is not eligible to claim homestead rights and the Landowner has represented that it owned all property within Improvement Area #2 of the District as of the date of adoption of the Assessment Ordinance. Consequently, there are and can be no Pre-existing Homestead Rights on the Assessed Property superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

Failure by owners of the Assessed Property to pay Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or the inability of the City to sell parcels of Assessed Property 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 Similarly Secured, including the Series 2026 Bonds.

THE ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE ASSESSED PROPERTY, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT, OR MUNICIPALITY AD VALOREM TAXES AND ARE A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF ASSESSED PROPERTY LOCATED WITHIN IMPROVEMENT AREA #2.

Direct and Overlapping Indebtedness, Assessments, and Taxes

The ability of an owner of Assessed Property within Improvement Area #2 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 Improvement Area #2 currently impose ad valorem taxes on the property within Improvement Area #2 and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #2. The imposition of additional liens, whether from taxes, assessments, or private financing, may reduce the ability or willingness of the landowners to pay the Assessments. See "OVERLAPPING TAXES AND DEBT."

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

Failure of the owners of Assessed Property within Improvement Area #2 to pay the Assessments when due could result in the rapid, total depletion of the Reserve Account and the Additional Interest Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds Similarly Secured, including the Series 2026 Bonds, if sufficient amounts are not available in the Reserve Fund. The Reserve Account of the Reserve Fund will be fully funded from the proceeds of the Bonds Similarly Secured; however, funding of the Additional Interest Reserve Account is accumulated over time, by the mechanism described in "SECURITY FOR THE BONDS SIMILARLY SECURED – Reserve Fund – *Additional Interest Reserve Account*."

Lien Foreclosure and Bankruptcy

The payment of Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Assessment may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds Similarly Secured, including the Series 2026 Bonds, and the possibility that delinquent Assessments might not be paid in full. See "OVERLAPPING TAXES AND DEBT."

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds Similarly Secured, including the Series 2026 Bonds, or the occurrence of any other Event of Default under the Indenture, the Trustee may, and at the written direction of the Owners of not less than 25% in aggregate Outstanding principal amount of the Bonds Similarly Secured and its receipt of indemnity satisfactory to it shall, proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by the Indenture or Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained therein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds Similarly Secured or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so its use rests within the discretion of the court but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds Similarly Secured 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 Similarly Secured cannot themselves foreclose on property within Improvement Area #2 or sell property within Improvement Area #2 in order to pay the principal of and interest on the Bonds Similarly Secured. The enforceability of the rights and remedies of the owners of the Bonds Similarly Secured 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."

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within Improvement Area #2 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 judgment, is justiciable against a municipality.

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

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted (subject to provisions set forth in the Indenture) to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to Owners of the Bonds Similarly Secured, including the Series 2026 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 Similarly Secured or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within Improvement Area #2 available to pay debt service on the Bonds Similarly Secured may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments, and the Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

The Indenture expressly denies the right of acceleration in the event of a payment default or other default under the terms of the Bonds Similarly Secured, including the Series 2026 Bonds, or the Indenture.

Bankruptcy Limitation to Bondholders' Rights

The enforceability of the rights and remedies of the Owners of the Bonds Similarly Secured, including the Series 2026 Bonds, may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. The City is authorized under State law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946 ("Chapter 9"). The City may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

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

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

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract for the purchase of such real property, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a purchase contract is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the purchase contract. If the Landowner or the Homebuilders within Improvement Area #2 do not provide the required notice and prospective purchasers of Assessed Property within Improvement Area #2 terminate a purchase contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney's fees, or (ii) an amount not to exceed $5,000, plus reasonable attorney's fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the Assessed Property. In such an event, the outstanding Assessments on such Assessed Property should be prepaid. In the event of such prepayment, a partial redemption of the Bonds Similarly Secured, including the Series 2026 Bonds, could occur. See "DESCRIPTION OF THE BONDS – Redemption Provisions." On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further, if the Landowner or Homebuilders does not provide the required notice and becomes liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The forms of notice to be provided to homebuyers are attached as Appendix E to the Service and Assessment Plan and will be included in each Annual Service Plan Update. See "APPENDIX C – Form of Service and Assessment Plan."

Potential Future Changes in State Law Regarding Public Improvement Districts

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 89th Legislative Session of the State, 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 Similarly Secured, including the Series 2026 Bonds.

Limited Secondary Market for the Series 2026 Bonds

The Series 2026 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2026 Bonds in the event an Owner thereof determines to solicit purchasers for the Series 2026 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2026 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2026 Bonds, depending on the progress of development of Assessed Property in Improvement Area #2, 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 Series 2026 Bonds. Even if a credit rating had been sought for the Series 2026 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 Series 2026 Bonds. There is no assurance that a secondary market for the Series 2026 Bonds will develop or that holders who desire to sell their Series 2026 Bonds prior to the stated maturity will be able to do so. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

Adverse Developments Affecting the Financial Services Industry

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

If a Homebuilder uses a line of credit or other financial instrument to finance home construction and is unable to access funds under such line of credit or other financial instrument, the Homebuilder's ability to take down lots and complete homes could be adversely affected. Additionally, confidence in the safety and soundness of regional banks specifically, or the banking system generally, could impact where customers choose to maintain deposits, which could materially adversely impact the Homebuilder's liquidity and access loan funding capacity, and results in an impact to operations. Similar impacts to the development industry have occurred in the past.

General Risks of Real Estate Investment and Development

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, including the schedule for and/or the costs of the various improvements to be constructed within the District necessary to serve residents therein, as well as the operating revenues of the Landowner and the Developer, including those derived from the Development, are not within the control of the Landowner and the Developer. Such factors include changes in national, regional, and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional, and national market and economic conditions; unanticipated development costs, market preferences, and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and

the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism, or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Landowner and the Developer.

Furthermore, the operating revenues of the Landowner may be materially adversely affected if specific conditions in the lot purchase contracts are not met. Contracts that the Landowner may have with individual Homebuilders are subject to a myriad of contractual conditions and contingencies, all or some of which if not complied with, could precipitate a termination or winding up of such contractual arrangement for the sale of lots, causing the Landowner to possibly need to execute a different strategy for the development and sale of lots and residential units within the Development. As described herein, the Assessments are an imposition against the land only. None of the Developer, the Landowner, or any other subsequent landowner is a guarantor of the Assessments and the recourse for the failure of the Landowner or any other landowner to pay the Assessments is limited to the collection proceedings against the land as described herein. Failure to meet any lot purchase contract's conditions may allow the applicable lot purchaser to terminate its obligation to purchase lots from the Landowner and obtain its earnest money. See "THE DEVELOPMENT – Actual and Expected Build-Out and Home Prices in the Development."

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

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds Similarly Secured, including the Series 2026 Bonds, depends on the willingness and ability of the Landowner, a Homebuilder, and any subsequent owners to pay the Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Assessments and could greatly reduce the value of the property within Improvement Area #2 the District in the event such property has to be foreclosed. If Annual Installments of Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

Risks Related to the Current Residential Real Estate Market

The real estate market is currently experiencing a slowing of new home sales and new home closings due in part to rising inflation and mortgage interest rates. It is difficult to determine what effects the on-again, off-again tariffs imposed by the federal administration and retaliatory tariffs against the United States will have on inflation and mortgage interest rates. Downturns in the real estate market, mortgage rates, and other factors beyond the control of the Landowner and the Developer, including general economic conditions, may impact the timing of lot and home sales within Improvement Area #2. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

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

As a result of low supply and high demand, shipping constraints, and the ongoing trade war (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. Further, the federal administration's on-again, off-again tariffs, threatened impositions of tariffs, and the imposition or threatened imposition of retaliatory tariffs against the United States will impact the ability of the Homebuilders to estimate costs. If the Actual Costs of the Additional Major Improvements are substantially greater than the estimated costs or if the Developer is unable to access building materials in a timely manner, it may affect the ability of the Developer to complete the Additional Major Improvements or the Landowner to pay the Assessments when due. See "THE DEVELOPER AND THE

LANDOWNER – History and Financing of the District." If the cost of materials remains high or increases, it may affect the ability of the Homebuilders to construct homes within Improvement Area #2 of the District.

The federal administration's immigration policies may impact the State's workforce. Undocumented construction workers make up a large percentage of construction workers in the State. Mass deportations or immigration policies that make it challenging for foreign workers to work in the United States may result in labor shortages, particularly in construction. Labor shortages will impact the Developer's ability to estimate costs and to complete the Additional Major Improvements and the Homebuilders' ability to construct homes within Improvement Area #2 of the District.

Absorption Rates

There can be no assurance that the Developer will be able to achieve its anticipated absorption rates. Failure to achieve the absorption rate estimates may adversely affect the estimated value of property within Improvement Area #2 of the District, could impair the economic viability of the District and the Development, and could reduce the ability or desire of property owners in Improvement Area #2 of the District to pay the Assessments.

Competition

The housing industry in the Dallas-Fort Worth-Arlington area is very competitive, and none of the Developer, the Landowner, the City, the City's Municipal Advisor, or the Underwriter can give any assurance that the building programs of the single-family residential development within the District which are planned will ever be completed in accordance with the Developer's and Landowner's expectations. The competitive position of the Landowner in the sale of developed lots or of any 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 become able to compete with the Development. Below is a list of competitive projects in the area.

Project Name	# of Units	Proximity to Development	Developer	Date Started	Completed /Expected	Prices	# of Units Remaining
Windsong Ranch	3,175	1.6 miles	Tellus Group	Q4 2013	Q2 2025	$529k-$2.7mm	263
Star Trail	1,734	1.1 miles	Blue Star Land	Q3 2017	TBD	$775k-$1.4mm	110
Light Farms	3,383	3.0 miles	Republic Property Group	Q3 2012	TBD	$473k-$774k	283
Mustang Lakes	2,739	5.9 miles	Cambridge Companies	Q2 2016	TBD	$435k-$2.1mm	119
Lilyana	637	4.9 miles	Hillwood	Q2 2017	TBD	$659k-$800k	216

Hazardous Substances

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

The value of the land within Improvement Area #2 of the District does not consider the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The City has not independently verified, and is not aware, that the owner (or operator) of any of the parcels within the District has such a current liability with respect to such parcel; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within Improvement Area #2 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. These possibilities could significantly affect the value of a parcel that is realizable upon a foreclosure.

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

Regulation

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

Availability of Utilities

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

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

None of the City, the Municipal Advisor, the Underwriter, the Landowner, or the Developer can predict the impact that such growing demand may have on the City, the District, the projected buildout schedule, availability of water and wastewater service to the District or an investment in the Series 2026 Bonds.

Flood Plains

According to the FEMA FIRM Community Panel number 48121C0290G (April 18, 2011), a portion of the property in Improvement Area #2 of the District lies within the range of both the 100-year and 500-year floodplains. All residential lots are located outside of the floodplain or have been removed from the 100-year floodplain via a LOMR-F. A LOMR to formally revise the FIRM is currently under review with FEMA.

FEMA will from time to time revise its FIRMs. None of the City, the Underwriter, the Landowner, or the Developer makes any representation as to whether FEMA may revise its FIRMs, whether such revisions may result in homes that are currently outside of the 500-year or 100-year flood plain from being included in the 500-year or

100-year flood plain in the future, or whether extreme flooding events may occur more often than assumed in creating the rate maps.

Risk from Weather Events

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

Exercise of Third-Party Rights

As described herein under "THE DEVELOPMENT– Existing Mineral and Groundwater Rights" there are certain mineral rights reservations located within Improvement Area #2 of the District not owned by the Landowner. There may also be additional third-party rights and related real property rights reflected in the chain of title for the real property within Improvement Area #2 of the District recorded in the real property records of Denton County.

Neither the Landowner nor the Developer expect the existence or exercise of any third-party rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within Improvement Area #2 of the District to pay Assessments. However, none of the City, the City's Municipal Advisor, or the Underwriter provide any assurances as to such expectations.

Tax-Exempt Status of the Bonds

The Indenture contains covenants by the City intended to preserve the exclusion from gross income of interest on the Bonds Similarly Secured, including the Series 2026 Bonds, for federal income tax purposes. As discussed under the caption "TAX MATTERS," interest on the Series 2026 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Series 2026 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 Series 2026 Bonds under federal or State law and could affect the market price or marketability of the Series 2026 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 Series 2026 Bonds should consult their own tax advisors regarding the foregoing matters.

As further described in "TAX MATTERS" below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the "Code") and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Series 2026 Bonds to be included in the gross income of owners of the Series 2026 Bonds for federal income tax purposes, possibly from the date of original issuance of the Series 2026 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 Series 2026 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the Owners thereof for federal income tax purposes. In the past, the IRS announced audit efforts focused in part on "developer-driven bond transactions," including certain tax increment financings and certain assessment bond transactions. It cannot be predicted if this IRS focus could lead to an audit of the Series 2026 Bonds or what the result would be of any such audit. If an audit of the Series 2026 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 Series 2026 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 Series 2026 Bonds. Finally, if the IRS ultimately determines that the interest on the Series 2026 Bonds is not excluded from the gross income of Owners for federal income tax purposes, the City may not have the resources to settle with the IRS, the Series 2026 Bonds are not required to be redeemed, and the interest rate on the Series 2026 Bonds will not increase.

Management and Ownership

The management and ownership of the Landowner, the Developer, and related property owners could change in the future. Purchasers of the Series 2026 Bonds should not rely on the management experience of such entities. There are no assurances that such entities will not sell the subject property or that officers will not resign or be replaced. In such circumstances, a new developer or new officers in management positions may not have comparable experience in projects comparable to the Development.

Dependence Upon Landowner and Homebuilders

Currently, the Landowner and the Homebuilders have the obligation for payment of the Assessments. See "THE DISTRICT – Top Assessment Payers in Improvement Area #2." The ability of the Landowner and the Homebuilders to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds Similarly Secured, including the Series 2026 Bonds. The only assets of the Landowner are land within the District, related permits and development rights, and minor operating accounts. There can be no assurances given as to the financial ability of the Landowner or Homebuilders to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Landowner or any Homebuilder will advance such funds. See "THE DEVELOPER AND THE LANDOWNER – Description of Landowner and Developer."

None of the Landowner, the Developer, or the Homebuilders will guarantee or otherwise be obligated to pay debt service on the Bonds Similarly Secured, including the Series 2026 Bonds. Payment of the Assessments on the Assessed Property will initially be the responsibility of the Landowner and/or the Homebuilders, as the case may be, as the owners of such Assessed Property prior to purchase by homeowners.

2026 Iran War

Global stability has become more uncertain following the February 28, 2026, military strikes launched by the Unites States and Israel that resulted in the death of Supreme Leader Ayatollah Ali Khamenei and other members of Iran's leadership. Generally, early stages of any war are unstable and unpredictable, but this particular conflict is further burdened by unclear and shifting objectives, and no clear exit strategy or defined victory. Retaliatory attacks by the Islamic Revolutionary Guard Corps present a risk that the war may broaden to surrounding countries, or that internal power struggles could produce an Iranian civil war. A lengthy conflict would disrupt global shipping, disturb trade routes and supply chains, and reduce global output. The impact of war in the Middle East on the national economy will depend on the extent of rising oil prices and the disruption to global oil supplies. Increased energy prices are likely to create higher inflation, slower growth, and higher unemployment in the Unites States.

TAX MATTERS

Tax Exemption

The delivery of the Series 2026 Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Series 2026 Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. A form of Bond Counsel's opinion is reproduced as Appendix D. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the City made in a certificate dated the Closing Date pertaining to the use, expenditure, and investment of the proceeds of the Series 2026 Bonds and will assume continuing compliance by the City with the provisions of the Indenture subsequent to the issuance of the Series 2026 Bonds. The Indenture contains covenants by the City with respect to, among other matters, the use of the proceeds of the Series 2026 Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Series 2026 Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Series 2026 Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Series 2026 Bonds.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Series 2026 Bonds is commenced, under current procedures the IRS is likely to treat the City as the "taxpayer," and the owners of the Series 2026 Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Series 2026 Bonds, the City may have different or conflicting interests from the owners of the Series 2026 Bonds. Public awareness of any future audit of the Series 2026 Bonds could adversely affect the value and liquidity of the Series 2026 Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should be aware that the ownership of tax-exempt obligations such as the Series 2026 Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust ("FASIT"), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than $1 billion in average annual adjusted financial statement income, determined over a three-year period For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Series 2026 Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Series 2026 Bonds.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Series 2026 Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Series 2026 Bonds

The initial public offering price of certain Series 2026 Bonds (the "Discount Bonds") may be less than the amount payable on such Series 2026 Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold

to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Series 2026 Bonds described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

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

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

The purchase price of certain Series 2026 Bonds (the "Premium Bonds") paid by an owner may be greater than the amount payable on such Series 2026 Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity (or, in some cases with respect to a callable Series 2026 Bond, the yield based on a call date that results in the lowest yield on the Series 2026 Bond).

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

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership, or disposition of the Series 2026 Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in the states that, if enacted, could alter or amend the Federal and State tax matters referred to above or adversely affect the market value or marketability of the Series 2026 Bonds. It cannot be predicted whether or in what form any such proposal might be

enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value or marketability of the Series 2026 Bonds.

Prospective purchasers of the Series 2026 Bonds should consult with their own tax advisors regarding any other federal income tax legislation, whether currently pending or proposed, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2026 Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives, or litigation.

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

LEGAL MATTERS

Legal Proceedings

Delivery of the Series 2026 Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General to the effect that the Series 2026 Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State, payable from the Trust Estate and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Series 2026 Bonds, the legal opinion of Bond Counsel, to a like effect.

Norton Rose Fulbright US LLP, serves as Bond Counsel to the City. Orrick, Herrington & Sutcliffe LLP serves as counsel to the Underwriter. The legal fees paid to Bond Counsel and counsel to the Underwriter are contingent upon the sale and delivery of the Series 2026 Bonds.

Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Series 2026 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 Series 2026 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 Series 2026 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 Series 2026 Bonds, including principal thereof and interest thereon, are payable from a first lien on, security interest in, and pledge of the Trust Estate. Bond Counsel will also provide a legal opinion to the effect that interest on the Series 2026 Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption "TAX MATTERS." A copy of the form of the opinion of Bond Counsel is attached hereto as "APPENDIX D – Form of Opinion of Bond Counsel."

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Series 2026 Bonds herein under the captions or subcaptions "PLAN OF FINANCE – The Series 2026 Bonds and Improvement Area #2 Reimbursement Agreement Obligation" (except for the second paragraph therein), "DESCRIPTION OF THE SERIES 2026 BONDS," "SECURITY FOR THE BONDS SIMILARLY SECURED," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT" (except for the subcaptions "Collection and Delinquency History in the District," "Prepayment History," "Foreclosure History," and "Top Assessment Payers in Improvement Area #2"), "TAX MATTERS," "LEGAL MATTERS – Legal Proceedings" (first paragraph only) and "– Legal Opinions," "CONTINUING DISCLOSURE – The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS" and APPENDIX B and such firm is of the opinion that the information relating to the Series 2026 Bonds, the Series

2026 Bond Ordinance, the Assessment Ordinance, and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Series 2026 Bonds, such information conforms to the Series 2026 Bond Ordinance, the Assessment Ordinance, and the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Series 2026 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 Series 2026 Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to its knowledge, overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Series 2026 Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of Assessments securing the Series 2026 Bonds, or in any way contesting or affecting the validity or enforceability of the Series 2026 Bonds, the Assessment Ordinance, the Indenture, any action of the City contemplated by any of the said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Series 2026 Bonds or any action of the City contemplated by any documents relating to the Series 2026 Bonds.

Litigation – Landowner

At the time of delivery and payment for the Series 2026 Bonds, the Landowner will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Landowner, threatened against or affecting the Landowner wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Landowner or its general partner or would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Series 2026 Bonds, the Indenture, the Series 2026 Bond Ordinance, the Service and Assessment Plan, the PID Reimbursement Agreement, the Development Agreement, or otherwise described in this Limited Offering Memorandum, or (ii) the tax-exempt status of interest on the Series 2026 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2026 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 Series 2026 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by governmental immunity, bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors and enacted before or after such delivery, and by general principles of equity that permit the exercise of judicial discretion.

NO RATING

No application for a rating on the Series 2026 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 Series 2026 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 HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (in such capacity, the "Dissemination Agent") will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of the Issuer") for the benefit of the Owners of the Series 2026 Bonds (including owners of beneficial interests in the Series 2026 Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Issuer, certain financial information and operating data relating to the City (collectively, the "City Reports"). The specific nature of the information to be contained in the City Reports is set forth in "APPENDIX E-1 – Form of Disclosure Agreement of Issuer." Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of the Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Issuer would allow the Owners of the Series 2026 Bonds (including owners of beneficial interests in the Series 2026 Bonds) to bring an action for specific performance.

The City has agreed to update information and to provide notices of certain specified events only as provided in the Disclosure Agreement of Issuer. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of Issuer. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Series 2026 Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of Issuer or from any statement made pursuant to the Disclosure Agreement of Issuer.

The City's Compliance with Prior Undertakings

The City believes it has complied in all material respects with its continuing disclosure agreements made in accordance with the Rule during the last five years.

The Landowner

The Landowner, the Administrator, and the Dissemination Agent will enter into a Continuing Disclosure Agreement of Landowner (the "Disclosure Agreement of Landowner") for the benefit of the Owners of the Series 2026 Bonds (including owners of beneficial interests in the Series 2026 Bonds) to provide, by certain dates prescribed in the Disclosure Agreement of Landowner, certain information regarding the Development and the Improvement Area #2 Projects (the "Landowner Reports"). The specific nature of the information to be contained in the Landowner Reports is set forth in "APPENDIX E-2 – Form of Disclosure Agreement of Landowner." Under certain circumstances, the failure of the Landowner or the Administrator to comply with its obligations under the Disclosure Agreement of Landowner constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of would allow the Owners of the Series 2026 Bonds (including owners of beneficial interests in the Series 2026 Bonds) to bring an action for specific performance.

The Landowner has agreed to provide (i) certain updated information to the Administrator, which will then prepare and provide such updated information in report form and (ii) notices of certain specified events, only as provided in the Disclosure Agreement of Landowner. The Landowner 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 specifically provided in the Disclosure Agreement of Landowner. The Landowner makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Series 2026 Bonds at any future date. The Landowner disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of Landowner or from any statement made pursuant to the Disclosure Agreement of Landowner.

The Landowner's Compliance with Prior Undertakings

For the past five years, the Landowner has complied in all material respects with its continuing disclosure agreements made pursuant to the Rule.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed to purchase the Series 2026 Bonds from the City at a purchase price of $_____ (representing the par amount of the Series 2026 Bonds, less an underwriting discount of $___, which includes Underwriter's Counsel's fee). The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Series 2026 Bonds the Underwriter will be obligated to purchase all of the Series 2026 Bonds. Subject to certain restrictions contained in the bond purchase agreement, the Series 2026 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 Series 2026 Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Series 2026 Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Series 2026 Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Series 2026 Bonds under the securities laws of any jurisdiction in which the Series 2026 Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Series 2026 Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Series 2026 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 Series 2026 Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Series 2026 Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "NO RATING" above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Series 2026 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 Series 2026 Bonds are eligible to secure deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Series 2026 Bonds are legal investments for various institutions in those states. No representation is made that the Series 2026 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 Series 2026 Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Series 2026 Bonds for such purposes.

INVESTMENTS

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

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

underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this state that the City selects from a list the governing body or designated investment committee of the City adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in this state that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as the City's custodian of the banking deposits issued for the City's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) above, clause (12) below, require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds registered with and regulated by the United States SEC that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with federal SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA-m" or an equivalent by at least

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

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

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

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

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

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

INFORMATION RELATING TO THE TRUSTEE

The City has appointed U.S. Bank Trust Company, National Association, a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Series 2026 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 Series 2026 Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Series 2026 Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Series 2026 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 Series 2026 Bonds, the technical or financial feasibility of the project, or the investment quality of the Series 2026 Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information concerning the Trustee may be found at www.usbank.com. Neither the information on the Trustee's website nor any links from such website are a part of this Limited Offering Memorandum, nor should any such information be relied upon to make an investment decision as to the Series 2026 Bonds.

SOURCES OF INFORMATION

General

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

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Improvement Area #2 Projects, the Development, the Landowner, and the Developer generally and, in particular, the

information included in maps herein and in the sections captioned "PLAN OF FINANCE" (except for the subcaption "– The Series 2026 Bonds and Improvement Area #2 Reimbursement Agreement Obligation"), "OVERLAPPING TAXES AND DEBT – Homeowners' Association Dues," "THE IMPROVEMENT AREA #2 PROJECTS," "THE DEVELOPMENT," "THE DEVELOPER AND THE LANDOWNER," "BONDHOLDERS' RISKS" (only as it pertains to the Landowner, the Developer, the Improvement Area #2 Projects, and the Development), "LEGAL MATTERS – Litigation – The Landowner," and "CONTINUING DISCLOSURE – The Landowner" and "– The Landowner's Compliance with Prior Undertakings" has been provided by the Landowner, and the Landowner warrants and represents that the information contained therein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Series 2026 Bonds to the Underwriter, the Landowner will deliver a certificate to this effect to the City and the Underwriter.

Experts

The information regarding the Service and Assessment Plan, the collection and delinquency history in the District, the prepayment and foreclosure history, and the top Assessment payers in Improvement Area #2 of the District included in this Limited Offering Memorandum has been provided by the Administrator and has been included in reliance upon the authority of such firm as experts in the field of assessment allocation/methodology and district administration.

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the City learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Series 2026 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 Series 2026 Bonds to the Underwriter, unless the Underwriter notifies the City on or before such date that less than all of the Series 2026 Bonds have been sold to ultimate customers; in which case the City's obligations hereunder will extend for an additional period of time (but not more than ninety (90) days after the date the City delivers the Series 2026 Bonds) until all of the Series 2026 Bonds have been sold to ultimate customers.

FORWARD-LOOKING STATEMENTS

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

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

AUTHORIZATION AND APPROVAL

The City Council will approve the form and content of this preliminary Limited Offering Memorandum and the use thereof by the Underwriter in connection with the marketing and sale of the Series 2026 Bonds. In the Series

2026 Bond Ordinance, the City Council is expected to approve the form and content of the final Limited Offering Memorandum.

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREAS

The City is located in north central Collin and Denton Counties, 40 miles north of Dallas and 15 miles northwest of the City of McKinney. Access to the City is provided by State Highway 289, Dallas Parkway, FM 455, and FM 428. The City's location as part of the growing Dallas-Fort Worth-Arlington Metroplex has resulted in rapid growth over the last several years. Through a series of recent annexations, the City has increased in area. The City currently covers approximately 52.01 square miles (0.03 of which has been annexed for limited purposes only). The City's 2020 census population was 16,739. As of January 1, 2026, the City's population estimate was 63,937.

Historical Employment Information

The following information has been provided for informational purposes only.

	Collin County Average Annual				
	2026 [(1)]	2025	2024	2023	2022
Civilian Labor Force	703,063	703,565	680,301	664,539	635,039
Total Employed	674,058	676,281	654,384	640,361	614,007
Total Unemployed	29,005	27,284	25,917	24,178	21,032
Unemployment Rate	4.1%	3.9%	3.8%	3.6%	3.3%

[(1)] As of February 2026.

Source: Texas Workforce Commission.

Major Employers in the City

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

Employer	Employees
Celina Independent School District	815
City of Celina	364
Methodist Celina Medical Center	200
Keller Williams – North Country	191
Settlers Ridge Care Center	120
Brookshire	98
Collin College	92
Kimley-Horn	58
Southwestern Erosion Control	57
Burnco	56

Source: The City's Annual Comprehensive Financial Report for the fiscal year ending September 30, 2025.

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DALLAS-FORT WORTH-ARLINGTON MSA - REGIONAL EMPLOYMENT

Surrounding Economic Activity

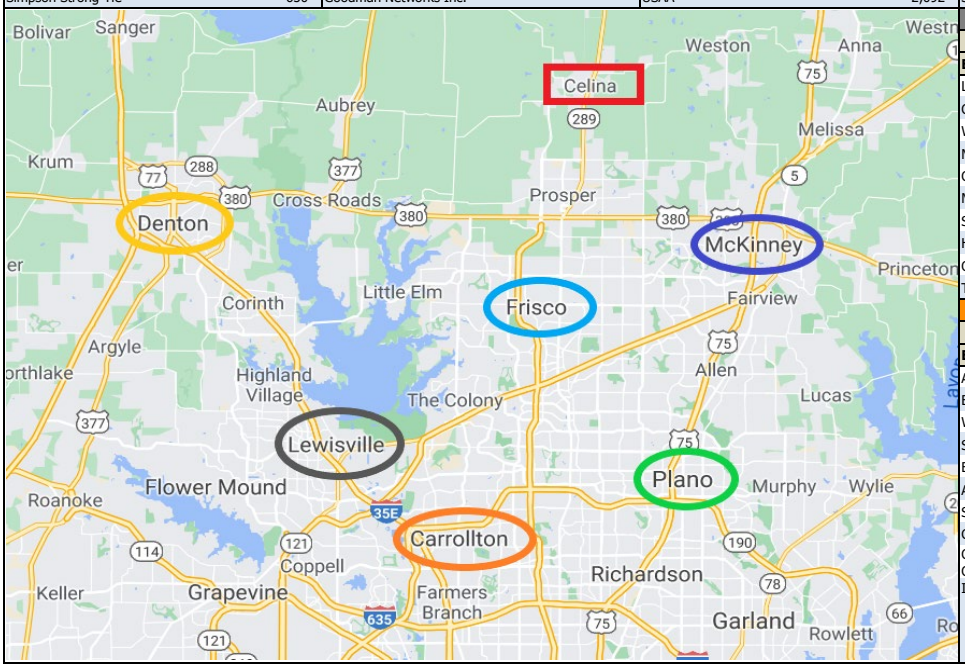
The major employers of municipalities surrounding the City are set forth in the table below.

City of McKinney, TX (2024)	
Approximately 15 Miles from the City	
Employer	**Employees**
Raytheon Space & Airborne Systems	4,200
McKinney ISD	2,920
Collin County	2,000
Globe Life	1,700
Encore Wire Corp.	1,653
City of McKinney	1,565
Medical City McKinney	1,424
Baylor Scott & White Medical Center	1,171
Collin College	794
Simpson Strong-Tie	650

City of Frisco, TX (2024)	
Approximately 10 Miles from the City	
Employer	**Employees**
Frisco ISD	8,850
Dallas Cowboys	2,000
City of Frisco	1,813
HCL Technologies Ltd.	1,500
ICS	1,300
Keurig Dr Pepper Inc.	1,213
Amerisource Bergen Specialty Group	749
Baylor Scott White/Centennial Hospital	567
Mario Sinacola & Sons Excavating	500
Goodman Networks Inc.	463

City of Plano, TX (2024)	
Approximately 25 Miles from the City	
Employer	**Employees**
JP Morgan Chase	10,530
Bank of America	6,318
Capital One Finance	5,578
Toyota Motor North America, Inc.	4,960
PepsiCo	3,759
Ericsson	3,346
AT&T Foundry	2,500
Medical City Plano	2,332
Liberty Mutual Insurance Company	2,184
USAA	2,092

City of Denton, TX (2024)	
Approximately 25 Miles from the City	
Employer	**Employees**
University of North Texas	8,891
Denton ISD	4,000
Peterbilt Motors-Headquarters & Plant	2,000
Denton County	1,987
City of Denton	1,900
Denton State Supported Living Center	1,727
Texas Presbyterian Hospital	1,100
Texas Women's University	1,077
Medical City Denton	799
Safran Electrical & Power	571



City of Lewisville, TX (2024)	
Approximately 25 Miles from the City	
Employer	**Employees**
Lewisville ISD	6,233
City of Lewisville	1,078
Wal-Mart	900
Medical City Lewisville	670
Caliber Collision	554
Mary Kay	513
SYSCO	476
HOYA Vision Care	325
Orthofix	250
The Flooring Services	250

City of Carrollton, TX (2024)	
Approximately 25 Miles from the City	
Employer	**Employees**
Amerisource Bergen	1,350
Brandt	1,200
Western Extrusions Corporation	800
Securus Technologies	736
BuzzBallz	626
AER Manufacturing	600
Schnieder Electric	574
G6 Hospitality	500
Carrollton Regional Medical Center	472
International Paper	450

Source: Municipal Advisory Council of Texas

APPENDIX B

FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF CELINA, TEXAS

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

DATED AS OF DECEMBER 1, 2024

SECURING

$38,256,000
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(MOSAIC PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2 PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE, dated as of December 1, 2024 is by and between the CITY OF CELINA, TEXAS (the "City"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, DALLAS, TEXAS, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

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

WHEREAS, the petition contained the signature of the owner of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Denton Central Appraisal District, and the signature of the property owner who owns taxable real property that constitutes more than fifty percent of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, on November 9, 2021, after due notice, the City Council of the City (the "City Council") held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act and on November 9, 2021, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2021-104R, 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 also made findings and determinations relating to the estimated total costs of certain Authorized Improvements; and

WHEREAS, on November 12, 2021, the City Secretary filed a copy of Resolution No. 2021-104R with the county clerk of each county in which all or a part of the District is located in accordance with the provisions of the PID Act; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after November 9, 2021; and

WHEREAS, on October 8, 2024, the City Council by Resolution No. 2024-49 made findings and determinations relating to the Actual Costs of certain Improvement Area #2 Projects, received and accepted a preliminary service and assessment plan and a proposed assessment roll, called a public hearing for November 12, 2024 and directed City staff to (i) file said proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish and mail such notice relating to the November 12, 2024 public hearing as required by Sections 372.016(b) and 372.016(c) of the PID Act; and

WHEREAS, on October 28, 2024, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *Celina Record*, a newspaper of general circulation in the City and in the part of the City's extraterritorial jurisdiction in which the District is located or in which the Improvement Area #2 Projects are to be undertaken, to consider the proposed Service and Assessment Plan and the Improvement Area #2 Assessment Roll and the levy of the Assessments on property within Improvement Area #2 of the District; and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Improvement Area #2 Assessment Roll and the Service and Assessment Plan and the levy of Assessments on property in Improvement Area #2 of the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council opened and convened the hearing on November 12, 2024 and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Service and Assessment Plan, the proposed Improvement Area #2 Assessment Roll and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of estimated costs of the Improvement Area #2 Projects to the Assessed Property, the purposes of the Assessments, the special benefits of the Improvement Area #2 Projects, and the penalties and interest on Annual Installments of the Assessments and on delinquent Annual Installments; and

WHEREAS, there were no written protests, objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of estimated costs of the Improvement Area #2 Projects to the Assessed Property, the Improvement Area #2 Assessment Roll, and the levy of the Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, the City approved Ordinance No. 2024-100, which levied the Assessments and approved and accepted the Service and Assessment Plan, including the Improvement Area #2 Assessment Roll, in conformity with the requirements of the PID Act; and the City Council found and determined that the Assessments should be levied as provided in the Service and Assessment Plan and the Improvement Area #2 Assessment Roll; and

WHEREAS, the City Secretary of the City filed a copy of the Assessment Ordinance and the Service and Assessment Plan, including the Improvement Area #2 Assessment Roll, not later than the seventh day after the date the City Council approved the Assessment Ordinance with the County Clerk of Denton County; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #2 Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #2 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 and administration of the District, and (v) paying costs of issuance; and

WHEREAS, the City Council now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled “City of Celina, Texas, Special Assessment Revenue Bonds, Series 2024 (Mosaic Public Improvement District Improvement Area #2 Project)”, such Bonds being payable solely from the Trust Estate and for the purposes set forth in the preamble of this Indenture; and

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

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds Similarly Secured issued and secured hereunder are to be issued, authenticated, and delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of

under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Bonds Similarly Secured as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

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

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

"Actual Costs" means, with respect to an Improvement Area #2 Project, the demonstrated, reasonable, allocable, and allowable costs of constructing such Improvement Area #2 Project, as specified in a Certification for Payment in a form that has been reviewed and approved by the City. Actual Costs may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Improvement Area #2 Project, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Improvement Area #2 Project, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Improvement Area #2 Project, (d) the costs for external professional costs associated with such Improvement Area #2 Project, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, 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 Improvement Area #2 Projects, (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, and miscellaneous expenses.

"Additional Bonds" means the additional parity bonds authorized to be issued in accordance with the terms and conditions prescribed in Section 13.2(c) of this Indenture.

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

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

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

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

"Additional Major Improvements" means Authorized Improvements which benefit all of the Assessed Property within Phases #1-5 of the District and which are constructed following the Initial Major Improvements, as described in Section III.C of the Service and Assessment Plan.

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

"Administrative Expenses" mean the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the District, including, but not limited to, the costs of: (i) creating and organizing the District, 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, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the District, (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 Similarly Secured, (v) paying and redeeming the Bonds Similarly Secured, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds Similarly Secured, (viii) the Trustee fees and expenses relating to the Bonds Similarly Secured, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Improvement Area #2 Projects. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds Similarly Secured. Assessments collected for Administrative Expenses and not expended for actual Administrative Expenses in one year shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

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

"Administrator" means an employee of the City or third-party 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. The initial Administrator is MuniCap, Inc.

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

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

"Annual Service Plan Update" means 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 of Texas or of the United States, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

"Assessed Parcel" means each parcel of land located within Improvement Area #2 of the District against which an Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

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

"Assessment Ordinance" means Ordinance No. 2024-100 adopted by the City Council on November 12, 2024, which levied the Assessments on the Assessed Property located within Improvement Area #2 of the District.

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

"Assessments" means the aggregate assessments shown on the Improvement Area #2 Assessment Roll. The singular of such term means the Assessment levied against an Assessed Parcel, as shown on the Improvement Area #2 Assessment Roll, subject to reallocation upon the subdivision of an Assessed Parcel, or consolidation of multiple Assessed Parcels, or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

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

"Authorized Improvements" means improvements authorized by Section 372.003 of the PID Act, including, but not limited to the Improvement Area #2 Improvements, the Initial Major Improvements, and the Additional Major Improvements, listed in Section III of the Service and Assessment Plan.

"Bond" means any of the Bonds.

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

"Bond Date" means the date designated as the initial date of the respective series of the Bonds Similarly Secured by Section 3.2 of this Indenture.

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

"Bond Ordinance" means Ordinance No. 2024-101 adopted by the City Council on November 12, 2024, authorizing the issuance of the Bonds pursuant to this Indenture.

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

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

"Bonds" means the City's bonds authorized to be issued by Section 3.1(a) of this Indenture entitled "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2024 (Mosaic Public Improvement District Improvement Area #2 Project)".

"Bonds Similarly Secured" means the Outstanding Bonds and any Outstanding Additional Bonds and any Outstanding Refunding Bonds hereafter issued pursuant to and secured under this Indenture.

"Bond Year" means the one-year period beginning on September 1 in each year and ending on August 31 in the following year.

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

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

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

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

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

"Closing Date" means the date of the initial delivery of and payment for each series of the Bonds Similarly Secured. With respect to the Bonds, the Closing Date is December 10, 2024.

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

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

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

"Delinquent Collection Costs" means interest, penalties and expenses incurred or imposed with respect to any delinquent Assessment or an Annual Installment thereof, 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.

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

"Developer" means Tellus Texas I, LLC, a Texas limited liability company, and its successors and assigns.

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

"Development Agreement" means that certain Mosaic Development Agreement by and between the City and James H. Merritt, III, W. Keith Thornton, Margaret M. Thornton, Susanna Parker, and Merritt/Thornton Farm Partnership, L.P., effective on June 8, 2021, recorded in the real property records of Denton County, Texas, as Instrument No. 130140 on July 20, 2021, as assigned to the Developer pursuant to that Development Restriction Agreement and Assignment of Development Agreement Obligations between James H. Merritt, III, W. Keith Thornton, Margaret M. Thornton, Susanna Parker, and Merritt/Thornton Farm Partnership, L.P. and the Developer, effective as of July 30, 2021, recorded in the real property records of Denton County Texas, as Instrument No. 137879 on July 30, 2021, and related to the development of the property within the District, as the same may be amended from time to time.

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

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

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

"Event of Default" shall have the meaning assigned to such term in Section 11.1(a) of this Indenture.

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

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

"Improvement Area #2" means Phase 2 and Phase 3C to be developed in the District, as further identified and depicted in the Service and Assessment Plan.

"Improvement Area #2 Assessment Roll" means the assessment roll attached as Appendix H to the Service and Assessment Plan or any other assessment roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Assessment against each Assessed Parcel related to the Bonds Similarly

Secured and the Improvement Area #2 Projects, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

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

"Improvement Area #2 Projects" means, collectively, (i) the pro rata portion of the Initial Major Improvements allocable to Improvement Area #2, (ii) the pro rata portion of the Additional Major Improvements allocable to Improvement Area #2, and (iii) the Improvement Area #2 Improvements.

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

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

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

"Initial Bond" means, with respect to the Bonds, the Initial Bond as set forth in Exhibit A to this Indenture and, with respect to any other series of Bonds Similarly Secured, the Initial Bond set forth in an exhibit to a Supplemental Indenture.

"Initial Major Improvements" means the Authorized Improvements which will benefit all of the property within Phases #1-5 of the District, and were constructed concurrently with the first phase of development of the District, and as more particularly described in Section III.B of the Service and Assessment Plan.

"Interest Payment Date" means the date or dates upon which interest on any series of Bonds Similarly Secured 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 and commencing, with respect to the Bonds, on March 1, 2025.

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

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

"Minor Amount Redemption" means a redemption, pursuant to Section 4.4 of this Indenture, of a principal amount of a series of Bonds Similarly Secured that is less than ten percent (10%) of the Outstanding principal amount of such series of the Bonds Similarly Secured.

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

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

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

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

"Phase" means one or more parcels within the District that will be developed in the same general time period.

"Phases #1-5" means the Phases within the District that are anticipated to be developed as the first through fifth development Phase, including any subphases within a specific Phase, and generally shown in Appendix A of the Service and Assessment Plan, as specifically described as the sum of all Parcels shown in Appendix C of the Service and Assessment Plan.

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

"PID Reimbursement Agreement" means the "Amended and Restated PID Reimbursement Agreement – Mosaic Public Improvement District" between the City and the Developer, effective as of November 12, 2024, as updated or supplemented, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds Similarly Secured and the payment of costs of Authorized Improvements within the District, the issuance of bonds, the reimbursement of costs to the Developer from the proceeds of the bonds and other revenues for funds advanced by the Developer and used to pay costs of such Authorized Improvements and other matters related thereto.

"Pledged Funds" means the Pledged Revenue Fund (excluding the Developer Reimbursement Pledged Revenue Account), the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

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

"Pledged Revenues" means the sum of (i) Assessment Revenue less the Administrative Expenses and (ii) any additional revenues that the City may pledge to the payment of Bonds Similarly Secured.

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

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

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

"Purchaser" means the initial purchaser of each series of the Bonds Similarly Secured.

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

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

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

"Redemption Price" means, when used with respect to any Bond Similarly Secured or portion thereof, the amount of par plus accrued and unpaid interest to the date of redemption, unless otherwise provided in a Supplemental Indenture.

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

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

"Reimbursement Fund" means that fund of such name established pursuant to Section 6.1.

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

"Reserve Account Requirement" means the least of: (i) Maximum Annual Debt Service on the Bonds as of the Closing Date of the Bonds, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date of the Bonds, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds. As of the Closing Date for the Bonds, the Reserve Account Requirement is $2,727,175.00, which is an amount equal to the Maximum Annual Debt Service on the Bonds as of the Closing Date. The Reserve Account Requirement

shall be adjusted in accordance with Section 13.2, in the event an additional series of Bonds Similarly Secured is hereafter issued.

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

"Service and Assessment Plan" means the "Mosaic Public Improvement District Service and Assessment Plan" dated November 12, 2024, including the Improvement Area #2 Assessment Roll, as hereinafter amended, updated, and/or restated by an Annual Service Plan Update or otherwise, a version of which is attached as an exhibit to the Assessment Ordinance.

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

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

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

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

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

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

"Trustee" means U.S. Bank Trust Company, National Association, Dallas, Texas, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds Similarly Secured.

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 SIMILARLY SECURED

Section 2.1. Granting Clauses

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

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

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

(b) The Trustee shall have and hold the Trust Estate, whether now owned or hereafter acquired or received by the Trustee and its successors or assigns, in trust upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds Similarly Secured from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds Similarly Secured in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this

Indenture. Provided, however, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price of and the interest on all the Bonds Similarly Secured at the times and in the manner stated in the Bonds Similarly Secured, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and shall remain in full force and effect.

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

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

Section 2.2. Security for the Bonds Similarly Secured.

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

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

Section 2.3. Limited Obligations.

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

Section 2.4. Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the City to the Trustee have been duly authorized by official action of the City Council of the City. The

City has ascertained and it is hereby determined and declared that the execution and delivery of this Indenture is necessary to carry out and effectuate the purposes set forth in the preambles of this Indenture and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds Similarly Secured and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

Section 2.5. Contract with Owners and Trustee.

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

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

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS SIMILARLY SECURED

Section 3.1. Authorization of the Bonds Similarly Secured.

(a) The Bonds. The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of $38,256,000 for the purposes of (i) paying a portion of the Actual Costs of the Improvement Area #2 Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #2 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 and administration of the District, and (v) paying costs of issuance.

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

(a) The Bonds.

(i) The Bonds shall be dated December 10, 2024 and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond for the Bonds, which shall be numbered T-1.

(ii) Interest shall accrue and be paid on each Bond from the later of the Closing Date of the Bonds or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing March 1, 2025 computed on the basis of a 360-day year of twelve 30-day months.

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

Years	Principal Amount ($)	Interest Rate (%)
2031	3,939,000	4.500
2044	14,077,000	5.125
2054	20,240,000	5.500

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

Section 3.3. Conditions Precedent to Delivery of Bonds.

(a) The Bonds. 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:

(i) a certified copy of the Assessment Ordinance;

(ii) a certified copy of the Bond Ordinance;

(iii) a copy of the executed PID Reimbursement Agreement;

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

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

Section 3.4. Medium, Method and Place of Payment.

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

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

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

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

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

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

Section 3.5. Execution and Registration of Bonds Similarly Secured.

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

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

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

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

Section 3.6. Ownership.

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

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

Section 3.7. Registration, Transfer and Exchange.

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

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

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

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

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

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

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

Section 3.8. Cancellation.

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

Section 3.9. Temporary Bonds Similarly Secured.

(a) Following the delivery and registration of the respective 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 Similarly Secured that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds Similarly Secured in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds Similarly Secured may determine, as evidenced by their signing of such temporary Bonds Similarly Secured.

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

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

Section 3.10. Replacement Bonds Similarly Secured.

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

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

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

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

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

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

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

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

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

Section 3.11. Book-Entry Only System.

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

With respect to Bonds Similarly Secured registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds Similarly Secured. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds Similarly Secured, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds Similarly Secured, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds Similarly Secured. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond Similarly Secured is registered in the Register as the absolute owner of such Bond Similarly

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

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

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

Section 3.13. Payments to Cede & Co.

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

ARTICLE IV

REDEMPTION OF BONDS SIMILARLY SECURED BEFORE MATURITY

Section 4.1. Limitation on Redemption.

The Bonds Similarly Secured 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.

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

Term Bonds Maturing September 1, 2031

Redemption Date	Sinking Fund Installment ($)
September 1, 2026	582,000
September 1, 2027	610,000
September 1, 2028	639,000
September 1, 2029	670,000
September 1, 2030	702,000
September 1, 2031*	736,000

* maturity

Term Bonds Maturing September 1, 2044

Redemption Date	Sinking Fund Installment ($)
September 1, 2032	771,000
September 1, 2033	813,000
September 1, 2034	858,000
September 1, 2035	905,000
September 1, 2036	954,000
September 1, 2037	1,006,000
September 1, 2038	1,061,000
September 1, 2039	1,119,000
September 1, 2040	1,181,000
September 1, 2041	1,246,000
September 1, 2042	1,314,000
September 1, 2043	1,386,000
September 1, 2044*	1,463,000

* maturity

Term Bonds Maturing September 1, 2054

Redemption Date	Sinking Fund Installment ($)
September 1, 2045	1,543,000
September 1, 2046	1,634,000
September 1, 2047	1,730,000
September 1, 2048	1,832,000
September 1, 2049	1,940,000
September 1, 2050	2,055,000

September 1, 2051	2,176,000
September 1, 2052	2,304,000
September 1, 2053	2,441,000
September 1, 2054*	2,585,000

* maturity

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

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

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

Section 4.3. Optional Redemption.

(a) The Bonds.

(i) The City reserves the right and option to redeem Bonds maturing on or after September 1, 2044, before their respective scheduled maturity dates, in whole or in part, on any date on or after September 1, 2032, such redemption date or dates to be fixed by the City, at the Redemption Price.

Section 4.4. Extraordinary Optional Redemption.

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

Trustee a City Certificate directing the Bonds Similarly Secured to be redeemed pursuant to this Section 4.4 in accordance with the provisions of Section 4.5 hereof.

Section 4.5. Partial Redemption.

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

(b) In selecting the Bonds Similarly Secured to be redeemed pursuant to Section 4.2, the Trustee may select Bonds Similarly Secured in any method that results in a random selection.

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

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

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

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

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

Section 4.6. Notice of Redemption to Owners.

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

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds Similarly Secured are to be surrendered for payment, and, if less than all the Outstanding Bonds Similarly Secured are to be redeemed, and subject to Section 4.5 hereof, an identification of the Bonds Similarly Secured or portions thereof to be redeemed, any conditions

to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond Similarly Secured shall become due and payable.

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

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

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

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds Similarly Secured to be redeemed pursuant to Section 4.3 or 4.4 hereof on such date of redemption by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds Similarly Secured being redeemed.

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

Section 4.8. Effect of Redemption.

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

ARTICLE V

FORM OF THE BONDS SIMILARLY SECURED

Section 5.1. Form Generally.

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

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

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

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

Section 5.2. CUSIP Registration.

The City may secure identification numbers through the CUSIP Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds Similarly Secured. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds Similarly Secured shall be of no significance or effect as regards the legality thereof; and none of the City, the Trustee, nor the attorneys approving said Bonds Similarly Secured as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds Similarly Secured.

Section 5.3. Legal Opinion.

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

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

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

(i) Pledged Revenue Fund;

(ii) Bond Fund;

(iii) Project Fund;

(iv) Reserve Fund;

(v) Redemption Fund;

(vi) Rebate Fund;

(vii) Administrative Fund; and

(viii) Reimbursement Fund.

(b) Creation of Accounts.

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

(A) Bond Pledged Revenue Account; and

(B) Developer Reimbursement Pledged Revenue Account

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

(A) Capitalized Interest Account; and

(B) Principal and Interest Account.

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

(A) Improvement Area #2 Projects Account; and

(B) Costs of Issuance Account.

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

(A) Reserve Account; and

(B) Additional Interest Reserve Account.

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

(A) District Administration Account.

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

(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 Bonds.

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

(A) to the Capitalized Interest Account of the Bond Fund: $1,458,628.41;

(B) to the Improvement Area #2 Projects Account of the Project Fund: $31,047,022.80;

(C) to the Costs of Issuance Account of the Project Fund: $1,685,000.00;

(D) to the Reserve Account of the Reserve Fund: $2,727,175.00; and

(E) to the District Administration Account of the Administrative Fund: $60,000.00.

Section 6.3. Pledged Revenue Fund.

(a) On or before February 15 of each year while the Bonds Similarly Secured are Outstanding and beginning February 15, 2025, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the City shall deposit or cause to be deposited Pledged Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, in accordance with Section 6.7(a) hereof, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, in accordance with Section 6.7(b) hereof, (iv) fourth, to the Developer Reimbursement Pledged Revenue Account of the Pledged Revenue Fund to pay the Developer for costs of Improvement Area #2 Projects that have been paid by the Developer (including any accrued interest) pursuant to the terms of the PID Reimbursement Agreement, (v) fifth, to pay Actual Costs of the Improvement Area #2 Projects, and (vi) sixth, to pay other costs permitted by the PID Act. Moneys transferred to the Developer Reimbursement Pledged Revenue Account shall not be a part of the Trust Estate and are not security for the Bonds Similarly Secured.

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

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

(d) Subject to the provisions of the PID Reimbursement Agreement, from time to time as needed to pay the obligations relating to Actual Costs of the Improvement Area #2 Projects that are paid by the Developer, and once all amounts deposited into the Improvement Area #2 Projects Account of the Project Fund have been disbursed, the Trustee shall, pursuant to a completed and accepted Certification for Payment, withdraw from the Developer Reimbursement Pledged Revenue Account and transfer to the Reimbursement Fund such amount needed to pay the Developer for funds it paid to fund Actual Costs of the Improvement Area #2 Projects, including any accrued interest. When all amounts due to the Developer to pay it for the funds it used to pay for Actual Costs of the Improvement Area #2 Projects have been paid to the Developer, whether through Assessments received and applied in accordance with this Indenture and the Service and Assessment Plan or an Annual Service Plan Update, or through the proceeds of Additional Bonds, no further deposits shall be made to the Developer Reimbursement Pledged Revenue Account and the Developer Reimbursement Pledged Revenue Account shall be closed.

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

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

(g) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in an account of the Reserve Fund and the other deposits described in (a) above, the City may direct the Trustee by City Certificate to apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid, including transfers to the Redemption Fund and the funding of any obligations due to the Developer with funds deposited to the Developer Reimbursement Pledged Revenue Account.

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

Section 6.4. Bond Fund.

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

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

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

Date	**Amount ($)**
March 1, 2025	452,677.78
September 1, 2025	1,005,950.63

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #2 Projects Account of the Project Fund, as directed by the City pursuant to a City Certificate, or if the Improvement Area #2 Projects Account has been closed as provided in Section 6.5(e) herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds Similarly Secured and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

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

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds Similarly Secured pursuant to one or more City Certificates. Disbursements from the other Accounts of the Project Fund to pay Actual Costs of the Improvement Area #2 Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Improvement Area #2 Projects Account pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the PID Reimbursement Agreement or as provided in such written direction. Such provisions and procedures related to such disbursements contained in the PID

Reimbursement Agreement and no other provisions of the PID Reimbursement Agreement, are herein incorporated by reference and deemed set forth herein in full.

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

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

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

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

Section 6.6. Redemption Fund.

(a) The Trustee shall cause to be deposited to the Redemption Fund from the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to redeem Bonds Similarly Secured 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 Similarly Secured as provided in Article IV.

Section 6.7. Reserve Fund.

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

(b) The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 1 and September 1 of each year, commencing March 1, 2026, an amount equal to the Additional Interest collected, if any, as shown in the Improvement Area #2 Assessment Roll attached to the Service and Assessment Plan or an Annual Service Plan Update, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any later time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall, and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds Similarly Secured from the proceeds of a Prepayment pursuant to Section 4.4 of this Indenture. In the event the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement then the deposits described in the immediately preceding sentence shall continue until the Additional Interest Reserve Account has been fully replenished. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the City of such transfer in writing. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Improvement Area #2 Assessment Roll in the Service and Assessment Plan or an Annual Service Plan Update, unless and until it receives a City Certificate directing that a different amount be used.

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

(d) Whenever Bonds Similarly Secured are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the City and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a City Certificate to be applied to the redemption of the Bonds Similarly Secured. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds Similarly Secured to be redeemed with Prepayments multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of

Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayments toward payment of accrued interest, there are insufficient funds in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds Similarly Secured to be redeemed, as identified in a City Certificate, as a result of such Prepayments and as a result of the transfer from the Reserve Account under this Section 6.7(d), the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of $1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of debt service on the Bonds Similarly Secured on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within 30 days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to a specified Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the respective Closing Date, or (iii) for such other use specified in such City Certificate if the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured.

(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 Similarly Secured due on such date, the Trustee shall transfer first, from the Additional Interest Reserve Account of the Reserve Fund to the Bond Fund, and second, from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

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

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

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

Section 6.8. Rebate Fund: Rebate Amount.

(a) There is hereby established a special fund of the City to be designated “City of Celina, Texas, Rebate Fund” (the “Rebate Fund”) to be held by the Trustee in accordance with

the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts relating to the Bonds Similarly Secured due the United States Government in accordance with the Code.

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

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

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

Section 6.9. Administrative Fund.

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

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

Section 6.10. Investment of Funds.

(a) Money in any Fund or Account established pursuant to this Indenture shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee at least two days in advance of the making of such investment. The money in any Fund or Account shall be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in Section 7.5(a) hereof) on the Bonds Similarly Secured, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured. Investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds or Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official

depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default.

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions contained in any City Certificate and to ensure that an investment it is directed to purchase is a permitted investment pursuant to the terms of this Indenture. 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 suitability or 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 the City and the Administrator monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder; and, unless the Trustee receives a written request, the Trustee is not required to provide brokerage confirmations so long as the Trustee is providing such monthly cash transaction statements.

Section 6.11. Security of Funds.

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

Section 6.12. Reimbursement Fund.

Money on deposit in the Reimbursement Fund shall be disbursed to the Developer, once all amounts deposited into the Improvement Area #2 Projects Account have been disbursed, to reimburse the Actual Costs of the Improvement Area #2 Projects paid for by the Developer as evidenced by a Certification for Payment and as provided in the PID Reimbursement Agreement. When all amounts due to the Developer to pay it for the funds it has contributed to pay Actual Costs of the Improvement Area #2 Projects have been paid to the Developer, as evidenced by a Certification for Payment, whether through Assessments received and applied in accordance with this Indenture and the Service and Assessment Plan or an Annual Service Plan Update, or through the proceeds of Additional Bonds, no further deposits shall be made to the Reimbursement Fund and the Reimbursement Fund shall be closed. In the event that the

Reimbursement Fund is closed pursuant to the terms of this Section, any remaining balance in the Reimbursement Fund and in any Account therein shall be transferred to the Pledged Revenue Fund and applied in accordance with the priorities set forth in Section 6.3(a) above.

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

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

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds Similarly Secured are Outstanding and/or amounts are due to the Developer to pay it for funds it has contributed to pay Actual Costs of the Improvement Area #2 Projects in accordance with the PID Reimbursement Agreement, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

(b) The City will determine or cause to be determined, no later than 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 Parcel. Furthermore, nothing shall obligate the City, the City Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the City and its appropriate collections enforcement designees.

Section 7.3. Against Encumbrances.

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

(b) So long as Bonds Similarly Secured are Outstanding hereunder, and except as set forth in Section 13.2 hereof, the City shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds Similarly Secured and Refunding Bonds, if any, secured by

any pledge of or other lien or charge on the Trust Estate or other property pledged under this Indenture, except for other indebtedness incurred in compliance with Section 13.2 hereof.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds Similarly Secured or any interest thereon remain Outstanding and unpaid, and/or the obligation to the Developer to pay it for funds it has contributed to pay Actual Costs of the Improvement Area #2 Projects in accordance with the PID Reimbursement Agreement remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and Owners of any Bonds Similarly Secured or any duly authorized agent or agents of such holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds Similarly Secured during the City's regular business hours and on a mutually agreeable date not later than 30 days after the City receives such request.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

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

"*Closing Date*" means the date on which each series of Bonds Similarly Secured are first authenticated and delivered to the respective initial purchasers against payment therefor.

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

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

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

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

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

"Regulations" means any proposed, temporary or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds Similarly Secured. Any reference to

any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (2) the Bonds Similarly Secured, as it pertains to a particular series of Bonds Similarly Secured, has the meaning set forth in Section 1.148-4 of the Regulations.

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

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

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

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

(d) No Private Loan.

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

similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

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

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

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

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

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

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

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

(iii) As additional consideration for the purchase of the Bonds Similarly Secured by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon

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

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

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

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

ARTICLE VIII

LIABILITY OF CITY

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

In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to

the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Indenture, the Bonds Similarly Secured, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds Similarly Secured (the "Bond Documents"), shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Administrative Expenses) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from the Trust Estate, the funds available for such payment in any of the Pledged Funds, if any, or the amounts collected to pay Administrative Expenses on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds Similarly Secured by mandamus or other proceeding at law or in equity.

The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Indenture, the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector 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 seem reasonable.

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

ARTICLE IX

THE TRUSTEE

Section 9.1. Trustee as Paying Agent/Registrar.

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

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified, to the extent permitted by law, to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, the Trustee may not request or require indemnification as a condition to making any deposits, payments, or transfers when required hereunder, or delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Pledged Revenue Fund or the District Administration Account of the Administrative Fund to pay all costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

The recitals contained in this Indenture and in the Bonds Similarly Secured shall be taken as the statements of the City and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of the offering documents, this Indenture, or the Bonds Similarly Secured 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 Similarly Secured for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; or (iv) any calculation of arbitrage or rebate under the Code. The Trustee has the right to act through agents and attorneys.

The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

The 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, both before and after default by the City. 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 Improvement Area #2 Projects.

The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the holders of at least a majority of the aggregate principal amount of Bonds Similarly Secured then Outstanding. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default.

In case a default or an Event of Default has occurred and is continuing hereunder (of which the Trustee has been notified), the Trustee shall exercise those rights and powers vested in it by this Indenture and shall use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

Section 9.4. Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5. Trustee Protected in Relying on Certain Documents.

The Trustee may 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 believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its sole discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative.

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13 herein.

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the District Administration Account of the Administrative Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by specific agreement, and the Trustee shall have a lien therefor on any and all funds at any time held by it in the Administrative Fund. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession in the Administrative Fund.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds Similarly Secured and may join in any action that any Owner of Bonds Similarly Secured may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds Similarly Secured or this Indenture, whether or not such committee shall represent the Owners of a majority in aggregate outstanding principal amount of the Bonds Similarly Secured.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond Similarly Secured. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time by (i) the Owners of at least a majority of the aggregate Outstanding principal of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) the City, so long as the City is not in default under this Indenture. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the aggregate Outstanding principal of the Bonds Similarly Secured.

Section 9.10. Successor Trustee.

If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged as bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 25% of the aggregate outstanding principal of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

Unless such successor Trustee shall have been appointed by the Owners of the Bonds Similarly Secured, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds Similarly Secured within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds Similarly Secured, in accordance with the immediately preceding paragraph.

If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds Similarly Secured may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

Any 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.

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

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

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as

Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing 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, such continuation statements as are delivered to the Trustee by the City, or on behalf of the City, and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC.

Section 9.14. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds Similarly Secured. Permissive rights of the Trustee are not to be construed as duties.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds Similarly Secured may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds Similarly Secured, or with the written consent without a meeting, of the Owners of at least a majority of the aggregate principal amount of the Bonds Similarly Secured then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond Similarly Secured or

reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond Similarly Secured, without the express consent of the Owner of such Bond Similarly Secured, or (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds Similarly Secured (except as otherwise permitted by Applicable Laws and this Indenture), or reduce the percentage of Owners of Bonds Similarly Secured required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

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

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

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

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City 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 Similarly Secured;

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

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

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

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

Section 10.2. Owners' Meetings.

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

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

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

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

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

any such action and the Trustee shall have no liability with respect to any action taken or any instance of inactions.

Section 10.4. Effect of Supplemental Indenture.

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

Section 10.5. Endorsement or Replacement of Bonds Similarly Secured Issued After Amendments.

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

Section 10.6. Amendatory Endorsement of Bonds Similarly Secured.

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

Section 10.7. Waiver of Default

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

Section 10.8. Execution of Supplemental Indenture.

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

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

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

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

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

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

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

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

Section 11.2. Immediate Remedies for Default.

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

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

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

such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

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

Section 11.3. Restriction on Owner's Action.

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

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

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

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

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

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

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

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

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

Section 11.5. Effect of Waiver.

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

Section 11.6. Evidence of Ownership of Bonds Similarly Secured.

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

(i) The fact and date of the execution of such instruments by any Owner of Bonds Similarly Secured or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

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

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

Section 11.7. No Acceleration.

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

Section 11.8. Mailing of Notice.

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

Section 11.9. Exclusion of Bonds Similarly Secured.

Bonds Similarly Secured 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 Similarly Secured provided for in this Indenture, and the City shall not be entitled with respect to such Bonds Similarly Secured to give any consent or take any other action provided for in this Indenture.

Section 11.10. Remedies Not Exclusive.

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

Section 11.11. Direction by Owners.

Anything herein to the contrary notwithstanding, the Owners of at least 25% of the aggregate outstanding principal of the Bonds Similarly Secured shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method, and place of conducting a proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture, or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with Applicable Laws and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which, in the opinion of the Trustee, would be unjustly prejudicial to Owners not parties to such direction.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

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

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

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

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

Section 12.2. Accounts, Periodic Reports and Certificates.

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

Section 12.3. General.

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

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

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

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

Section 13.2. Additional Obligations or Other Liens; Additional Bonds.

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

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

(c) The City reserves the right to issue Additional Bonds, but shall be under no obligation to issue Additional Bonds, to finance the Actual Costs of the Improvement Area #2 Projects or to pay amounts due to the Developer pursuant to the PID Reimbursement Agreement, but only in accordance with the conditions set forth below:

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

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

(iii) The Trustee and the City shall receive a certificate from the Administrator certifying that the Developer is not delinquent with respect to the payment of Assessments or any ad valorem taxes (other than any ad valorem taxes being contested in good faith);

(iv) The City and the Trustee shall receive a certificate from the Developer, through an authorized representative, certifying that: (1) no fewer than one hundred (100) building permits have been issued for single-family lots located within Improvement Area #2 of the District and (2) the Developer has entered into executed lot contracts that equal the number of at least seventy-five percent (75%) of single-family lots located within any future Phase of the District;

(v) The principal (including sinking fund installments) of the Additional Bonds must be scheduled to mature on September 1 of the years in which principal is scheduled to mature;

(vi) The interest on the Additional Bonds must be scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid;

(vii) The Reserve Account Requirement shall be increased by an amount equal to fifty percent (50%) of the Maximum Annual Debt Service on the proposed Additional Bonds to be issued as of the Closing Date of such series of Additional Bonds; provided, however, that the Reserve Account Requirement will not be increased by more than 10% of the principal amount of the Additional Bonds (or if the Additional Bonds are issued with more than 2% net original issue discount or premium, 10% of the proceeds of the Additional Bonds); provided further, however, the Reserve Account Requirement shall not exceed the least of (i) Maximum Annual Debt Service on the Bonds Similarly Secured, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds Similarly Secured or the combined original issue price of the Bonds Similarly Secured;

(viii) The issuance of such Additional Bonds shall not cause the amount of the Annual Installments to be collected in any year after the issuance of such Additional Bonds

to exceed the amount of the Annual Installments collected in such year as of the issuance of such Additional Bonds; and

(ix) The maximum principal amount of Additional Bonds that may be issued, subject to the approval of the City, in total, is the lesser of (i) the then outstanding balance of the PID Reimbursement Agreement and (ii) the then outstanding Assessments, less the Assessments required to pay the principal of the Bonds.

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

Section 13.3. Books of Record.

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

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

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS SIMILARLY SECURED AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

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

Section 14.2. Satisfaction of Indenture.

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

Section 14.3. Bonds Similarly Secured Deemed Paid.

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

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.

Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds Similarly Secured and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond Similarly Secured shall bind all future Owners of such Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds Similarly Secured; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture, including any City Certificate, shall be in writing and shall be telexed, cabled, delivered by hand, mailed by first-class mail, postage prepaid, or transmitted by facsimile or e-mail and addressed as follows:

If to the City:	City of Celina, Texas 142 North Ohio Street Celina, Texas 75009 Attention: City Manager
If to the Trustee or the Paying Agent/Registrar:	U.S. Bank Trust Company, National Association Attention: Bond Operations 111 Fillmore Avenue East St. Paul, Minnesota 55107-1402

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

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

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

(c) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 15.6. Partial Invalidity.

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

Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds Similarly Secured or the date fixed for redemption of any Bonds Similarly Secured or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original. The City and the Trustee agree that electronic signatures to this Indenture may be regarded as original signatures.

Section 15.10. Statutory Verifications.

The Trustee makes the following representation and verifications to enable the City to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Indenture. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Indenture, notwithstanding anything in this Indenture to the contrary.

(a) Not a Sanctioned Company. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do

not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

CITY OF CELINA, TEXAS

By: _____
Mayor

Attest:

_____
City Secretary

[CITY SEAL]

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

(e) 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 REGISTERED
No. _____ $_____

United States of America
State of Texas

CITY OF CELINA, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2024
(MOSAIC PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2 PROJECT)

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

The City of Celina, 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 March 1, 2025, until maturity or prior redemption.

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

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in St. Paul, Minnesota (the "Designated Payment/Transfer Office"), of U.S. Bank Trust Company, National Association, as trustee and paying agent/registrar (the "Trustee", which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the

Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the fifteenth calendar day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

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

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated December 10, 2024 and issued in the aggregate principal amount of $38,256,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of December 1, 2024 (the "Indenture"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #2 Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #2 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 and administration of the District, and (v) paying costs of issuance.

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

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

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

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

Term Bonds Maturing September 1, 2031

Redemption Date	Sinking Fund Installment ($)
September 1, 2026	582,000
September 1, 2027	610,000
September 1, 2028	639,000
September 1, 2029	670,000
September 1, 2030	702,000
September 1, 2031*	736,000

* maturity

Term Bonds Maturing September 1, 2044

Redemption Date	Sinking Fund Installment ($)
September 1, 2032	771,000
September 1, 2033	813,000
September 1, 2034	858,000
September 1, 2035	905,000
September 1, 2036	954,000
September 1, 2037	1,006,000
September 1, 2038	1,061,000
September 1, 2039	1,119,000
September 1, 2040	1,181,000
September 1, 2041	1,246,000
September 1, 2042	1,314,000
September 1, 2043	1,386,000
September 1, 2044*	1,463,000

* maturity

Term Bonds Maturing September 1, 2054

Redemption Date	Sinking Fund Installment ($)
September 1, 2045	1,543,000
September 1, 2046	1,634,000
September 1, 2047	1,730,000
September 1, 2048	1,832,000
September 1, 2049	1,940,000
September 1, 2050	2,055,000

September 1, 2051	2,176,000
September 1, 2052	2,304,000
September 1, 2053	2,441,000
September 1, 2054*	2,585,000

* maturity

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

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

The City reserves the right and option to redeem Bonds maturing on or after September 1, 2044 before their scheduled maturity dates, in whole or in part, on any date on or after September 1, 2032, such redemption date or dates to be fixed by the City, at the redemption price of par plus accrued interest to the date of redemption.

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

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

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

Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

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

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

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

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

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

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

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

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

_____
Mayor, City of Celina, Texas

_____
City Secretary, City of Celina, Texas

[City Seal]

(f) 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]

(g) 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.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
Dallas, Texas, as Trustee

DATED: _____

By:_____
Authorized Signatory

(h) Form of Assignment.

ASSIGNMENT

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

_____
_____
_____

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

Date: _____ _____

Signature Guaranteed By:

_____

_____
Authorized Signatory

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

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

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

(ii) in the first paragraph of the Bond, the words "on the Maturity Date as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 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 Amount ($) Interest Rate (%)"

(Information to be inserted from Section 3.2(a)(iii) hereof); and

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

SUPPLEMENTAL INDENTURE OF TRUST

By and Between

CITY OF CELINA, TEXAS

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

DATED AS OF JUNE 1, 2026

SECURING

$_____
CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MOSAIC PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2B PROJECT)

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EXHIBIT A Form of Series 2026 Bond A-1

SUPPLEMENTAL INDENTURE OF TRUST

THIS SUPPLEMENTAL INDENTURE OF TRUST, dated as of June 1, 2026 (this "2026 Supplemental Indenture"), is by and between the CITY OF CELINA, TEXAS (the "City"), and U.S. Bank Trust Company, National Association, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles and recitals and not otherwise defined shall have the meanings assigned thereto in the Indenture of Trust, dated as of December 1, 2024, executed and delivered by the City and the Trustee (the "2024 Indenture") and/or in Article I.

WHEREAS, the City, in accordance with the requirements of the PID Act, including all those requirements of the PID Act pertaining to notice and public hearing, approved the creation of the Mosaic Public Improvement District (the "District"), pursuant to a resolution adopted on November 9, 2021; and

WHEREAS, the City, in accordance with the requirements of the PID Act, including all those requirements of the PID Act pertaining to notice and public hearing, adopted the Assessment Ordinance on November 12, 2024, which Assessment Ordinance levied the Assessments against the Assessed Property in Improvement Area #2 of the District for the purpose of paying the costs of the Improvement Area #2 Projects and which also approved and adopted the Service and Assessment Plan for the District; and

WHEREAS, the City has previously issued its "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2024 (Mosaic Public Improvement District Improvement Area #2 Project)" (hereafter referred to interchangeably as the "Bonds" and the "Series 2024 Bonds"), which Series 2024 Bonds were the initial series of Bonds Similarly Secured secured by the 2024 Indenture, executed and delivered by the City and the Trustee, and which are payable from the Trust Estate, consisting primarily of the Assessments levied against the Assessed Property located within Improvement Area #2 of the District; and

WHEREAS, pursuant to Section 13.2(c) of the 2024 Indenture, the City is authorized to issue a series of Additional Bonds in accordance with the provisions of the 2024 Indenture provided the conditions set forth in Section 13.2(c) of the 2024 Indenture have been satisfied prior to the issuance of such Additional Bonds; and

WHEREAS, pursuant to Section 10.1(b)(ii) of the 2024 Indenture, the City is authorized to amend the 2024 Indenture at any time by a Supplemental Indenture to make any modifications not adversely affecting any Outstanding Bonds Similarly Secured in any material respect without the consent of any owners of the Bonds; and

WHEREAS, pursuant to Section 10.1(b)(iv) of the 2024 Indenture, the City is authorized to amend the 2024 Indenture at any time by a Supplemental Indenture to provide for the issuance of Additional Bonds as set forth in Section 13.2(c) of the 2024 Indenture; and

WHEREAS, the City Council, in accordance with the authority granted to it by the PID Act and other applicable laws, is authorized to issue its revenue bonds payable from the Assessments for the purposes of (i) paying a portion of the Actual Costs of the Improvement Area #2 Projects, (ii) funding a reserve fund for payment of principal and interest on the Bonds Similarly Secured, (iii) paying a portion of the costs incidental to the organization and administration of the District, and (iv) paying costs of issuance of the Series 2026 Bonds (defined below); and

WHEREAS, the City Council now desires to issue a second series of revenue bonds in accordance with the terms of the 2024 Indenture and this 2026 Supplemental Indenture and the PID Act, such bonds to be entitled "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Mosaic Public Improvement District Improvement Area #2B Project)" (the "Series 2026 Bonds"), such Series 2026 Bonds being payable solely from the Trust Estate, consisting primarily of Assessments, and other funds pledged under the 2024 Indenture and this 2026 Supplemental Indenture to the payment of the Bonds Similarly Secured and for the purposes set forth in the preamble of this 2026 Supplemental Indenture; and

WHEREAS, the Series 2026 Bonds are being issued as Additional Bonds and are secured and payable from a lien on and pledge of the Trust Estate (as established pursuant to the 2024 Indenture and confirmed herein) on parity with the Series 2024 Bonds; and

WHEREAS, upon issuance of the Series 2026 Bonds and the deposit of the proceeds thereof into the Project Fund, any obligation arising under the PID Reimbursement Agreement related to the Improvement Area #2 Projects shall be legally defeased and no longer outstanding for any lawful purpose, and all costs related to the Improvement Area #2 Projects shall be paid solely out of the applicable account of the Project Fund; and

WHEREAS, in accordance with the provisions of Section 10.1(d) of the 2024 Indenture, the City has delivered to the Trustee an opinion of Bond Counsel to the effect that this 2026 Supplemental Indenture is permitted under Applicable Laws and the provisions of the 2024 Indenture and will not adversely affect the (i) interest of the Owners in any material respect, or (ii) exclusion of interest on any Bond Similarly Secured from gross income for purposes of federal income taxation; and

WHEREAS, the City has received satisfactory evidence that all requirements of Section 13.2(c) of the 2024 Indenture concerning the issuance of Additional Bonds have been satisfied and that the Series 2026 Bonds may be issued as Additional Bonds secured by a pledge and lien on the Trust Estate on parity with the Series 2024 Bonds; and

WHEREAS, the execution and delivery of this 2026 Supplemental Indenture and the issuance of the Series 2026 Bonds have been in all respects duly and validly authorized by written ordinance of the City Council of the City; and

WHEREAS, the Trustee has accepted the trusts created by the 2024 Indenture and confirmed pursuant to this 2026 Supplemental Indenture and in evidence thereof has joined in the execution and delivery hereof; and

WHEREAS, except as provided herein, all acts, conditions and things required by the laws of the State to happen, exist and be performed precedent to execution and delivery of this 2026 Supplemental Indenture have happened, exist and have been performed as so required in order to make this 2026 Supplemental Indenture a valid, binding, and legal instrument for the security of the Series 2026 Bonds and a valid and binding agreement in accordance with its terms; and

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts created under the 2024 Indenture and restated herein, the purchase and acceptance of the Series 2026 Bonds by the Owners thereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the further purpose of fixing and declaring the terms and conditions upon which the Series 2026 Bonds are to be issued, authenticated, delivered and accepted by the holders thereof, as the Additional Bonds to be

issued pursuant to the terms of the 2024 Indenture and this 2026 Supplemental Indenture, the City and the Trustee do hereby mutually covenant and agree, for the equal and proportionate benefit of the respective Owners, from time to time, of the Bonds Similarly Secured, as follows:

ARTICLE I
SUPPLEMENTAL INDENTURE

Section 1.1 Effect of 2024 Indenture.

Except as modified by this 2026 Supplemental Indenture, the terms, conditions, and provisions of the 2024 Indenture remain in full force and effect.

Section 1.2 Supplemental Provisions.

(a) Section 1.1 of the 2024 Indenture is hereby supplemented to include the following definitions:

"2026 Supplemental Indenture" means that certain Supplemental Indenture of Trust, dated as of June 1, 2026, executed and delivered by the City and the Trustee.

"Series 2024 Bonds" means the Bonds.

"Series 2024 Reserve Account Requirement" means the least of: (i) Maximum Annual Debt Service on the Series 2024 Bonds as of the Closing Date of the Series 2024 Bonds, (ii) 125% of average Annual Debt Service on the Series 2024 Bonds as of the Closing Date of the Series 2024 Bonds, or (iii) 10% of the lesser of the principal amount of the Outstanding Series 2024 Bonds or the original issue price of the Series 2024 Bonds. As of the Closing Date for the Series 2024 Bonds, the Series 2024 Reserve Account Requirement is $2,727,175.00, which is an amount equal to the Maximum Annual Debt Service on the Series 2024 Bonds as of the Closing Date of the Series 2024 Bonds.

"Series 2026 Bonds" means the City's bonds authorized to be issued by the 2026 Supplemental Indenture and secured under the provisions of this Indenture, entitled "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Mosaic Public Improvement District Improvement Area #2B Project)", which Series 2026 Bonds are a series of Additional Bonds pursuant to the terms of this Indenture.

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

"Series 2026 Reserve Account Requirement" means an amount equal to 50% of the Maximum Annual Debt Service on the Series 2026 Bonds as of the Closing Date of the Series 2026 Bonds. As of the Closing Date for the Series 2026 Bonds, the Series 2026 Reserve Account Requirement is $_____.

(b) The following defined terms in Section 1.1 of the 2024 Indenture are hereby amended as follows:

"Bonds Similarly Secured" means the Outstanding Series 2024 Bonds, the Outstanding Series 2026 Bonds ~~and any Outstanding Additional Bonds~~ and any

Outstanding Refunding Bonds hereafter issued pursuant to and secured under this Indenture.

"Closing Date" means the date of the initial delivery of and payment for each series of the Bonds Similarly Secured. With respect to the Series 2024 Bonds, the Closing Date is December 10, 2024. With respect to the Series 2026 Bonds, the Closing Date is June 12, 2026.

"Initial Bond" means, with respect to the Series 2024 Bonds, the Initial Bond as set forth in Exhibit A to ~~this~~ the 2024 Indenture, with respect to the Series 2026 Bonds, the Initial Bond set forth in Exhibit A to the 2026 Supplemental Indenture, and, with respect to any other series of Bonds Similarly Secured, the Initial Bond set forth in an exhibit to a Supplemental Indenture.

"Interest Payment Date" means the date or dates upon which interest on any series of Bonds Similarly Secured 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 and commencing, with respect to the Series 2024 Bonds, on March 1, 2025, and, with respect to the Series 2026 Bonds, September 1, 2026.

"Pledged Funds" means the Pledged Revenue Fund ~~(excluding the Developer Reimbursement Pledged Revenue Account)~~, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

"Reserve Account Requirement" means the sum of the Series 2024 Reserve Account Requirement and the Series 2026 Reserve Account Requirement ~~least of: (i) Maximum Annual Debt Service on the Bonds as of the Closing Date of the Bonds, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date of the Bonds, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds. As of the Closing Date for the Bonds, the Reserve Account Requirement is $2,727,175.00, which is an amount equal to the Maximum Annual Debt Service on the Bonds as of the Closing Date. The Reserve Account Requirement shall be adjusted in accordance with Section 13.2, in the event an additional series of Bonds Similarly Secured is hereafter issued~~.

"Service and Assessment Plan" means the "Mosaic Public Improvement District Service and Assessment Plan" dated November 12, 2024, including the Improvement Area #2 Assessment Roll, as updated in connection with the issuance of the Series 2026 Bonds on May 12, 2026, as hereinafter amended, updated, and/or restated by an Annual Service Plan Update or otherwise~~, a version of which is attached as an exhibit to the Assessment Ordinance~~.

"Trustee" means U.S. Bank Trust Company, National Association, ~~Dallas~~ Irving, Texas, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds Similarly Secured.

(c) Section 3.1 of the 2024 Indenture is hereby supplemented to include the following as subsection (b):

(b) The Series 2026 Bonds. The Series 2026 Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The Series 2026 Bonds shall be issued in the aggregate principal amount of $_____ for the purposes of: (i) paying a portion of the Actual Costs of the Improvement Area #2 Projects, (ii) funding a reserve fund for payment of principal and interest on the Bonds Similarly Secured, (iii) paying a portion of the costs incidental to the organization and administration of the District, and (iv) paying costs of issuance of the Series 2026 Bonds.

(d) Section 3.2 of the 2024 Indenture is hereby supplemented to include the following as subsection (b):

(b) The Series 2026 Bonds.

(i) The Series 2026 Bonds shall be dated June 12, 2026 and shall be issued in Authorized Denominations. The Series 2026 Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond for the Series 2026 Bonds, which shall be numbered T-1.

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

(iii) The Series 2026 Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest as set forth below:

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

(iv) The Series 2026 Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV of this Indenture, as supplemented by the 2026 Supplemental Indenture, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Exhibit A to the 2026 Supplemental Indenture.

(e) Section 3.3 of the 2024 Indenture is hereby supplemented to include the following as subsection (b):

(b) The Series 2026 Bonds. The Series 2026 Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Series 2026 Bonds and, upon payment of the purchase price of the Series 2026 Bonds, shall

deliver the Series 2026 Bonds upon the order of the City, but only upon delivery to the Trustee of (each of which shall be provided in electronic format):

(i) a certified copy of the Assessment Ordinance;

(ii) a certified copy of the Series 2026 Bond Ordinance;

(iii) a copy of the executed PID Reimbursement Agreement;

(iv) a copy of the opinion of Bond Counsel required by the provisions of Section 10.1(d) and Section 10.8 of this Indenture;

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

(vi) a copy of the 2026 Supplemental Indenture executed by the Trustee and the City;

(vii) one or more certificates executed by the (1) City Representative, (2) the Developer and (3) the Administrator satisfying the requirements set forth in Section 13.2(c) of this Indenture; and

(viii) a City Certificate directing the authentication and delivery of the Series 2026 Bonds, describing the Series 2026 Bonds to be authenticated and delivered, designating the purchasers to whom the Series 2026 Bonds are to be delivered, stating the purchase price of the Series 2026 Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City.

(f) Section 4.2 of the 2024 Indenture is hereby supplemented to include the following as subsection (b):

(b) The Series 2026 Bonds.

(i) The Series 2026 Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__*	

* maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__*	

* maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__*	

* maturity

(ii) At least 45 days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by subparagraphs (iii) and (iv) of this Section 4.2(b), the Trustee shall select a principal amount of Series 2026 Bonds (in accordance with Section 4.5) of such maturity equal to the Sinking Fund Installment amount of such Series 2026 Bonds to be redeemed, shall call such Series 2026 Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(iii) The principal amount of Series 2026 Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (i) of this Section 4.2(b) shall be reduced, at the option of the City, by the principal amount of any Series 2026 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 Series 2026 Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(iv) The principal amount of Series 2026 Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (i) of this Section 4.2(b) shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Series 2026 Bonds which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

(g) Section 4.3 of the 2024 Indenture is hereby supplemented to include the following as subsection (b):

(b) The Series 2026 Bonds.

(i) The City reserves the right and option to redeem Series 2026 Bonds maturing on or after September 1, 20__, before their respective scheduled maturity dates, 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.

(h) Section 5.2 of the 2024 Indenture is hereby amended as follows:

The City may secure identification numbers through the CUSIP Services, managed by FactSet Research Systems ~~S&P Global Market Intelligence~~ on behalf of The American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds Similarly Secured. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds Similarly Secured shall be of no significance or effect as regards the legality thereof; and none of the City, the Trustee, nor the attorneys approving said Bonds Similarly Secured as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds Similarly Secured.

(i) Section 6.1 of the 2024 Indenture is hereby supplemented to include the following as subsections (e) and (f):

(e) From and after the issuance of the Series 2026 Bonds, (1) all amounts due to the Developer with respect to the Improvement Area #2 Projects pursuant to the terms of the PID Reimbursement Agreement will be paid to the Developer solely from the net proceeds of the Series 2024 Bonds and Series 2026 Bonds; and (2) no additional Pledged Revenues shall be deposited into the Developer Reimbursement Pledged Revenue Account. On the date of issuance of the Series 2026 Bonds, the remaining balance in the Developer Reimbursement Pledged Revenue Account shall be transferred to the Bond Pledged Revenue Account of the Pledged Revenue Fund as directed in a closing memorandum and the Developer Reimbursement Pledged Revenue Account and the Reimbursement Fund shall be closed.

(f) In the event the Costs of Issuance Account has been closed, the Costs of Issuance Account shall be reopened in order to receive funds related to the issuance of the Series 2026 Bonds. The Costs of Issuance Account shall be administered pursuant to the provisions of Section 6.5.

(j) Section 6.2 of the 2024 Indenture is hereby supplemented to include the following as subsection (b):

(b) The Series 2026 Bonds.

(i) The proceeds from the sale of the Series 2026 Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

(A) to the Improvement Area #2 Projects Account of the Project Fund: $_____;

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

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

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

(k) Section 6.3(a) of the 2024 Indenture is hereby amended as follows:

On or before February 15 of each year while the Bonds Similarly Secured are Outstanding and beginning February 15, 2025, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the City shall deposit or cause to be deposited Pledged Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, in accordance with Section 6.7(a) hereof, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, in accordance with Section 6.7(b) hereof, (iv) fourth, ~~to the Developer Reimbursement Pledged Revenue Account of the Pledged Revenue Fund to pay the Developer for costs of Improvement Area #2 Projects that have been paid by the Developer (including any accrued interest) pursuant to the terms of the PID Reimbursement Agreement, (v) fifth,~~ to pay Actual Costs of the Improvement Area #2 Projects, and (v) fifth~~(vi) sixth~~, to pay other costs permitted by the PID Act. ~~Moneys transferred to the Developer Reimbursement Pledged Revenue Account shall not be a part of the Trust Estate and are not security for the Bonds Similarly Secured.~~

(l) Section 6.3(d) of the 2024 Indenture is deleted in its entirety and shall be marked as “Reserved”.

(m) Section 6.3(g) of the 2024 Indenture is hereby amended as follows:

After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in an account of the Reserve Fund and the other deposits described in (a) above, the City may direct the Trustee by City Certificate to apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid, including transfers to the Redemption Fund~~ and the funding of any obligations due to the Developer with funds deposited to the Developer Reimbursement Pledged Revenue Account~~.

(n) Section 6.12 of the 2024 Indenture is deleted in its entirety and shall be marked as “Reserved”.

ARTICLE II
ADDITIONAL PROVISIONS

Section 2.1 Execution of 2026 Supplemental Indenture.

(a) This 2026 Supplemental Indenture may be simultaneously executed in several counterparts, including by facsimile or electronic (PDF) transmission, each of which, when so executed, shall be deemed to be an original and such counterparts shall together constitute one and the same instrument. The Trustee hereby verifies that it has received the items set forth in Section 1.3(e) hereof, including the opinion of counsel stating that the execution of this 2026 Supplemental Indenture is permitted by and in compliance with the 2024 Indenture. Therefore, and in full reliance upon such opinion, the Trustee verifies that this 2026 Supplemental Indenture is effective upon the Closing Date of the Series 2026 Bonds.

Section 2.2 Beneficiaries.

(a) This 2026 Supplemental Indenture shall inure to the benefit of and shall be binding upon the City and the Trustee and their respective successors and assigns.

Section 2.3 Recitals.

(a) The recitals contained herein shall be taken as the statements of the City, and the Trustee assumes no responsibility for nor makes any representations as to their correctness or the validity or sufficiency of this 2026 Supplemental Indenture or the consequences of any amendment provided herein.

Section 2.4 Indemnity.

(a) The indemnification provisions of the Trustee as set forth in the 2024 Indenture remain valid, effective, and binding provisions related to the Trustee, to the extent permitted by Applicable Law, and have not been modified since the City's authorization and execution of the 2024 Indenture (and are not modified herein).

Section 2.5 Construction.

(a) This 2026 Supplemental 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 2026 Supplemental Indenture.

Section 2.6 Statutory Verifications.

The Trustee makes the following representation and verifications pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this 2026 Supplemental Indenture. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this 2026 Supplemental Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this 2026 Supplemental Indenture, notwithstanding anything in this 2026 Supplemental Indenture to the contrary.

(i) 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.

(ii) 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 2026 Supplemental Indenture. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(iii) 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 2026 Supplemental 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.

(iv) 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 2026 Supplemental 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 Supplemental Indenture of Trust to be executed as of the date hereof.

CITY OF CELINA, TEXAS

By: _____
Mayor

Attest:

_____
City Secretary

[CITY SEAL]

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

(a) Form of Series 2026 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 SERIES 2026 BOND.

REGISTERED REGISTERED

No. _____ $_____

United States of America
State of Texas

CITY OF CELINA, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MOSAIC PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2B PROJECT)

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

The City of Celina, 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 Series 2026 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, until maturity or prior redemption.

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

The principal of this Series 2026 Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Series 2026 Bond at the corporate trust office in St. Paul, Minnesota (the "Designated

Payment/Transfer Office"), of U.S. Bank Trust Company, National Association, as trustee and paying agent/registrar (the "Trustee", which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Series 2026 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 Series 2026 Bond, the registered owner shall be the Person in whose name this Series 2026 Bond is registered at the close of business on the "Record Date," which shall be the fifteenth calendar day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Series 2026 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 Series 2026 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 Series 2026 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 " Series 2026 Bonds"), dated June 12, 2026, issued in the aggregate principal amount of $_____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of December 1, 2024, as supplemented by the Supplemental Indenture of Trust, dated as of June 1, 2026 (together, the "Indenture"), each 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 Series 2026 Bonds, the Trustee, and the City, and the terms upon which the Series 2026 Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Series 2026 Bond hereby consents. All Bonds Similarly Secured, including the Series 2026 Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Series 2026 Bonds are being issued for the purposes of (i) paying a portion of the Actual Costs of the Improvement Area #2 Projects, (ii) funding a reserve fund for payment of principal and interest on the Bonds Similarly Secured, (iii) paying a portion of the costs incidental to the organization and administration of the District, and (iv) paying costs of issuance of the Series 2026 Bonds.

The Series 2026 Bonds are special, limited obligations of the City payable solely from the Trust Estate as defined in the Indenture, and are secured on a parity with the Bonds Similarly Secured. 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 Series 2026 Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Series 2026 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 Series 2026 Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of $100,000 and any multiple of $1,000 in excess thereof.

The Series 2026 Bonds are subject to sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__*	

* maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__*	

* maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__*	

* maturity

At least 45 days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select a principal amount of Series 2026 Bonds of such maturity equal to the Sinking Fund Installment amount of such Series 2026 Bonds to be redeemed, shall call such Series 2026 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 Series 2026 Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Series 2026 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 Series 2026 Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Series 2026 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 Series 2026 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 in the Indenture and not previously credited to a mandatory sinking fund redemption.

The City reserves the right and option to redeem Series 2026 Bonds maturing on or after September 1, 20__, before their scheduled maturity dates, 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.

The Series 2026 Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, and in an amount and on a date specified in a City Certificate, at a redemption price equal to the principal amount of the Series 2026 Bonds, or portions thereof, called for redemption, plus accrued and unpaid interest to the date fixed for redemption, pursuant to the provisions of the Indenture, from amounts on deposit in the Redemption Fund as a result of Prepayments, other transfers to the Redemption Fund, or as a result of unexpended amounts transferred from the Project Fund as provided in the Indenture.

The Trustee shall give notice of any redemption of Series 2026 Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Series 2026 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 Series 2026 Bonds are to be surrendered for payment, and, if less than all the Series 2026 Bonds Outstanding are to be redeemed, an identification of the Series 2026 Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

With respect to any optional redemption of the Series 2026 Bonds, unless the Trustee has received funds sufficient to pay the redemption price of the Series 2026 Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Series 2026 Bonds, and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Series 2026 Bonds have not been redeemed.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Series 2026 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 Similarly Secured at the time Outstanding, on behalf of the holders of all the Bonds Similarly Secured, 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 Series 2026 Bond or any predecessor Series 2026 Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Series 2026 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 Series 2026 Bond.

As provided in the Indenture, this Series 2026 Bond is transferable upon surrender of this Series 2026 Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Series 2026 Bond. Upon satisfaction of such requirements, one or more new fully registered Series 2026 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 Series 2026 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 Series 2026 Bond redeemed in part.

The City, the Trustee, and any other Person may treat the Person in whose name this Series 2026 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 Series 2026 Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes,

whether or not this Series 2026 Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

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

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF CELINA, TEXAS, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE SERIES 2026 BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Series 2026 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 Series 2026 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 Series 2026 Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Series 2026 Bond to be executed under the official seal of the City.

_____
Mayor, City of Celina, Texas

_____
City Secretary, City of Celina, Texas

[City Seal]

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond of the Series 2026 Bonds:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO._____
	§	
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT there is on file and of record in my office an opinion to the effect that the Attorney General of the State of Texas has approved this Series 2026 Bond, and that this Series 2026 Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this_____.

_____
Acting Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Series 2026 Bonds of the series of Series 2026 Bonds referred to in the within mentioned Indenture.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
Irving, Texas, as Trustee

DATED:_____

By:_____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

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

_____

_____

_____

(Social Security or other identifying number: _____) the within Series 2026 Bond and all rights hereunder and hereby irrevocably constitutes and appoints_____ attorney to transfer the within Series 2026 Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date:_____ _____

Signature Guaranteed By:

_____

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Series 2026 Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

_____

Authorized Signatory

(e) Initial Bond. The Initial Bond of the Series 2026 Bonds shall be in the form set forth in paragraphs (a), (b), and (d) of this Exhibit A, except for the following alterations:

(i) immediately under the name of the Series 2026 Bond the headings "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 Series 2026 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 Amount ($) Interest Rate (%)"

(Information to be inserted from Section 1.2(d) of the 2026 Supplemental Indenture); and

(iii) the Initial Bond of the Series 2026 Bonds shall be numbered T-1.

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APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

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MOSAIC
PUBLIC IMPROVEMENT DISTRICT

CELINA, TEXAS

AMENDED SERVICE AND ASSESSMENT PLAN

April 11, 2023
As updated for Series 2024 Phase #1 Bonds and Improvement Area #2 on November 12, 2024, and Series 2026 Improvement Area #2 Bonds on May 12, 2026.

PREPARED BY:

MUNICAP, INC.
PUBLIC FINANCE

MOSAIC
PUBLIC IMPROVEMENT DISTRICT

AMENDED SERVICE AND ASSESSMENT PLAN

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I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On November 9, 2021, the City Council of the City of Celina, Texas (the "City") passed and approved Resolution No. 2021-104R approving and authorizing the creation of the Mosaic Public Improvement District (the "PID") to finance the costs of certain public improvements for the benefit of property in the PID, all of which is located within the City's corporate limits.

On April 11, 2023, the City Council of the City approved Ordinance No. 2023-31 which levied Assessments against the Phase #1 Assessed Property in connection with the issuance of a series of Phase #1 Bonds and the Phase #1 Reimbursement Agreement Obligation to finance the Phase #1 Improvements and also approved the Mosaic Public Improvement District Service and Assessment Plan (the "2023 Service and Assessment Plan").

On November 12, 2024, the City Council of the City approved Ordinance No. 2024-100 which levied Assessments against the Improvement Area #2 Assessed Property in connection with the issuance of the Series 2024 Improvement Area #2 Bonds and the Improvement Area #2 Reimbursement Agreement Obligation to finance the Improvement Area #2 Improvements and also approved the Mosaic Public Improvement District Service and Assessment Plan (the "2024 Service and Assessment Plan").

The 2024 Service and Assessment Plan, as heretofore updated, is being updated as this Mosaic Public Improvement District Amended Service and Assessment Plan (the "Service and Assessment Plan") in connection with the issuance of the Series 2026 Improvement Area #2 Bonds to refinance the Improvement Area #2 Reimbursement Agreement Obligation.

The property in the PID is proposed to be developed in multiple phases, and the PID will finance public improvements as the property is developed. Assessments will be imposed on the property that receives a special benefit from the Authorized Improvements for the public improvements to be constructed.

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. 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 (i) cover a period of at least five years; (ii) define the annual indebtedness and the projected costs for improvements; and (iii) include a copy of the notice form required by Section 5.014, Property Code." 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 for the portion of the PID in Phase #1 and Improvement Area #2 are currently included as Appendix G and Appendix H, respectively, of this Service and Assessment Plan and additional Assessment Rolls may be added to this Service and Assessment Plan in the future. The Assessments as shown on each Assessment Roll 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 Certificate for Payment in a form 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, 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, and miscellaneous expenses.

Actual Costs 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 Certificate for Payment in a form that has been reviewed and approved by the City. 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 372.018 of the PID Act.

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

"Additional Interest Reserve" has the meaning set forth in Section V.G of this Service and Assessment Plan.

"Additional Major Improvements" mean the Authorized Improvements described in Section III.C that provide a special benefit to all the property within Phases #1-5 of the PID and that are constructed after the Initial Major Improvements. The Developer will be responsible for paying the Actual Costs of any Additional Major Improvements for which Assessments are not levied.

"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, maintenance, 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. Assessments collected for Administrative Expenses and not expended for actual Administrative Expenses in one year shall 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 Roll attached hereto as Appendix G (with respect to Phase #1) and Appendix H (with respect to Improvement Area #2), or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, (ii) the Additional Interest Component designated for the Additional Interest Reserve described in Section V of this Service and Assessment Plan, if applicable, and (iii) the Administrative Expenses.

"Annual Service Plan Update" has the meaning set forth in the second paragraph of Section IV of this Service and Assessment Plan.

"Assessed Property" means the property that benefits from the Authorized Improvements to be provided by the PID 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.

"Assessment" means an assessment levied against a Parcel 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 each Assessment Ordinance 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 against the respective Assessed Property.

"Assessment Revenues" mean the revenues actually received by or on behalf of the City from the collection of Assessments.

"Assessment Roll" means, as applicable, the Phase #1 Assessment Roll, the Improvement Area #2 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, as each may be updated, modified, or amended from time to time in accordance with the procedures set forth in this Service and Assessment Plan and in the PID Act.

"Authorized Improvements" mean those public improvements described in Section III of this Service and Assessment Plan and authorized under 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 any bonds 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.

"Certificate for Payment" means the certificate to be provided by the Developer, or his designee, to substantiate the Actual Cost of one or more Authorized Improvements, substantially in the form attached as Exhibit A to the Reimbursement Agreement with such changes as may be required by the City.

"City" means the City of Celina, Texas.

"City Council" means the duly elected governing body of the City.

"County" means Denton 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, but excludes any amount collected as an Assessment or interest thereon.

"Developer" means Tellus Texas I, LLC, a Texas limited liability company.

"Development Agreement" means that certain Mosaic Development Agreement by and between the City and James H. Merritt, III., W. Keith Thornton, Margaret M. Thornton, Susanna Parker, and Merritt/Thornton Farm Partnership, L.P., effective on June 8, 2021 and recorded in the real property records of Denton County, Texas as Instrument No. 130140 on July 20, 2021, as assigned to the Developer, and related to development of the property within the PID, and as the same may be amended from time to time.

"Equivalent Units" mean, as to any Parcel the number of dwelling units by lot type expected to be built on the Parcel multiplied by the factors calculated and shown in Appendix F attached hereto.

"Future Phase(s)" means Phases that are developed after Phase #1 and Improvement Area #2, as such areas are generally depicted in Appendix A and described in Appendix C.

"Future Phase Improvements" mean those Authorized Improvements associated with any Future Phase(s) that specially benefit only the property within such Future Phase(s).

"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 Homeowners Association.

"Improvement Area" means one or more Phases that will be developed in the same general time period. The Phases within an Improvement Area are being assessed and/ or will be assessed in connection with the issuance of Bonds or the incurrence of an obligation under the Reimbursement Agreement for Authorized Improvements (or the portion thereof) designated in an update to this Service and Assessment Plan that specially benefit the Phases within the Improvement Area.

"Improvement Area #2" or **"IA #2"** means, collectively, Phase #2 and Phase #3C of the development, to be developed concurrently and as generally shown in Appendix A, and as specifically depicted and described as the sum of all Parcels shown in Appendix H.

"Improvement Area #2 Assessed Property" means all Parcels within Improvement Area #2 other than Non-Benefited Property and shown in the Improvement Area #2 Assessment Roll against which an Assessment relating to the Improvement Area #2 Projects has been levied.

"Improvement Area #2 Assessment Revenues" mean the actual revenues received by or on behalf of the City from the collection of Assessments levied against Improvement Area #2 Assessed Property, or the Annual Installments thereof, for the Improvement Area #2 Projects.

"Improvement Area #2 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 the issuance of Bonds or in connection with any Annual Service Plan Update.

"Improvement Area #2 Bonds" mean, collectively, the Series 2024 Improvement Area #2 Bonds and Series 2026 Improvement Area #2 Bonds.

"Improvement Area #2 Improvements" mean the Authorized Improvements which only benefit Improvement Area #2 Assessed Property, which are described in Section III.E.

"Improvement Area #2 Maximum Assessment Per Unit" means for Improvement Area #2, an Assessment per unit for Improvement Area #2 Projects for each applicable Lot Type as follows:

Lot Type 1 (70 Ft)	$96,926.77
Lot Type 2 (60 Ft)	$85,031.21
Lot Type 3 (50 Ft)	$73,135.65
Lot Type 4 (40 Ft)	$57,715.48
Lot Type 5 (Townhomes)	$43,176.47

"Improvement Area #2 Projects" mean (i) the pro rata portion of the Initial Major Improvements, allocable to Improvement Area #2 (ii) the pro rata portion of the Additional Major Improvements allocable to Improvement Area #2, and (iii) the Improvement Area #2 Improvements.

"Improvement Area #2 Reimbursement Agreement Obligation" means the reimbursement obligation related to the Actual Costs of the Improvement Area #2 Projects to be paid from Improvement Area #2 Assessment Revenues and/or a future series of Improvement Area #2 Bonds secured by the Improvement Area #2 Assessed Property for the Improvement Area #2 Projects under the terms of the Reimbursement Agreement. Following the issuance of the Series 2026 Improvement Area #2 Bonds and reimbursement of the Improvement Area #2 Projects costs to the Developer, the Improvement Area #2 Reimbursement Agreement Obligation shall be satisfied.

"Initial Major Improvements" mean the Authorized Improvements described in Section III.B that benefit all Assessed Property within Phases #1-5 of the PID and that were constructed concurrently with Phase #1. The Developer is responsible for paying the Actual Costs of any Initial Major Improvements for which Assessments are not levied.

"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.

"Non-Benefited Property" means Parcels that accrue no special benefit from the Authorized Improvements, which may include Homeowner Association Property, 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, 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 Denton 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.

"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 Phased PID Bonds or in connection with an obligation for such Phase under the Reimbursement Agreement for Authorized Improvements (or the portion thereof) designated herein or in an update to this Service and Assessment Plan that specially benefit the Parcels within the Phase.

"Phase #1" means the initial Phase to be developed and generally shown in Appendix A, as specifically depicted and described as the sum of all Parcels shown in Appendix G.

"Phase #1 Assessed Property" means all Parcels within Phase #1 other than Non-Benefited Property and shown in the Phase #1 Assessment Roll against which an Assessment relating to the Phase #1 Improvements is levied.

"Phase #1 Assessment Revenues" mean the actual revenues received by or on behalf of the City from the collection of Assessments levied against Phase #1 Assessed Property, or the Annual Installments thereof, for the Phase #1 Improvements.

"Phase #1 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 the issuance of Bonds or in connection with any Annual Service Plan Update.

"Phase #1 Bonds" mean the Series 2023 Phase #1 Bonds and the Series 2024 Phase #1 Bonds.

"Phase #1 Improvements" mean the Authorized Improvements which only benefit Phase #1 Assessed Property, which are described in Section III.D.

"Phase #1 Maximum Assessment Per Unit" means for Phase #1, an Assessment per unit related to the Phase #1 Improvements for each applicable Lot Type as follows:

Lot Type 1 (70 Ft)	$68,896.74
Lot Type 2 (60 Ft)	$57,845.63
Lot Type 3 (50 Ft)	$54,651.17
Lot Type 4 (40 Ft)	$40,405.61
Lot Type 5 (Townhomes)	$32,289.95

"Phase #1 Projects" mean, collectively, the: (i) pro rata portion of the Initial Major Improvements allocable to Phase #1, (ii) pro rata portion of the Additional Major Improvements allocable to Phase #1, and (iii) Phase #1 Improvements.

"Phase #1 Reimbursement Agreement Obligation" means the reimbursement obligation related to the Actual Costs of the Phase #1 Improvements to be paid from Phase #1 Assessment Revenue not used to pay debt service on the Phase #1 Bonds under the terms of the Reimbursement Agreement. Following the issuance of the Series 2024 Phase #1 Bonds, the Phase #1 Reimbursement Agreement Obligation was satisfied.

"Phases #1-5" means the Phases within the PID that are anticipated to be developed as Phase #1 through Phase #5, including any subphases within a specific phase, and generally shown in Appendix A, as specifically described as the sum of all Parcels shown in Appendix C.

"Phase #2" means the Improvement Area #2 Assessed Property identified as Phase #2 on the map attached as Appendix A.

"Phases #3A, 3B, 4, and 5" means Phases that are developed after Phase #1 and Improvement Area #2, as such areas are generally depicted in Appendix A and described in Appendix C.

"Phase #3C" means the Improvement Area #2 Assessed Property identified as Phase #3C on the map attached as Appendix A.

"Phased PID Bonds" mean bonds issued to fund Authorized Improvements (or a portion thereof) in a Future Phase(s). In connection with the Phased PID Bonds, Assessments will be levied only on Parcels located within the Phase, or if applicable, Improvement Area, in question.

"PID" has the meaning set forth in Section I.A of this Service and Assessment Plan.

"PID Act" means Texas Local Government Code Chapter 372, Public Improvement District Assessment Act, Subchapter A, Public Improvement Districts, as amended.

"PID Assessment Notice" means the form of notice required by the PID Act and Section 5.014 of the Texas Property Code, as amended. A copy of the PID Assessment Notice for the PID is attached as Appendix E hereto.

"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, the County, the City, a school district or any other public agency, whether in fee simple or through an exclusive use easement.

"Reimbursement Agreement" means that certain "PID Reimbursement Agreement Mosaic Public Improvement District", effective as of April 11, 2023, as amended and restated on November 12, 2024, by and between the City and the Developer in which the Developer agrees to fund certain Actual Costs of Authorized Improvements and the City agrees to reimburse the Developer with interest as permitted by the PID Act solely from Assessment Revenues and/or the net proceeds of Bonds for a portion of such Actual Costs funded by the Developer for Authorized Improvements constructed and accepted by the City for the benefit of Assessed Property.

"Series 2023 Phase #1 Bonds" means those certain City of Celina, Texas, Special Assessment Revenue Bonds, Series 2023 (Mosaic Public Improvement District Phase #1 Project).

"Series 2024 Phase #1 Bonds" means those certain City of Celina, Texas, Special Assessment Revenue Bonds, Series 2024 (Mosaic Public Improvement District Phase #1B Project).

"Series 2024 Improvement Area #2 Bonds" means those certain City of Celina, Texas, Special Assessment Revenue Bonds, Series 2024 (Mosaic Public Improvement District Improvement Area #2 Project).

"Series 2026 Improvement Area #2 Bonds" means those certain City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Mosaic Public Improvement District Improvement Area #2B Project).

"Service and Assessment Plan" 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.

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II. PROPERTY INCLUDED IN THE PID

A. PROPERTY INCLUDED IN THE PID

The PID is presently located within the corporate limits of the City and contains approximately 684.752 acres of land. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 1,460 single family residential units, 210 townhomes, 350 multi-family units, and 30,000 gross square feet of commercial, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The information regarding the projected buildout of the PID is for Phases #1-5 and Phase #7. Information regarding Phase #6 is not included herein. The landowner of Phase #6 has not provided any current development plan for such phase.

The property within the PID was originally proposed to be developed as shown in Table II-A.1.

Table II-A.1
Proposed Development – Original

Proposed Development	Quantity	Measurement
Residential:		
Single-Family - 70 Ft	161	Units
Single-Family - 60 Ft	488	Units
Single-Family - 50 Ft	465	Units
Single-Family - 40 Ft	356	Units
Townhomes	210	Units
Multi-Family[1]	336	Units
Subtotal - Residential	**2,016**	**Units**
Non-Residential:		
Commercial[1]	56	1,000 GSF
Subtotal – Non-Residential	**56**	**1,000 GSF**

[1]Developer is not the landowner of property within the portion of the Future Phase on which multi-family units and commercial development are anticipated to be built. Estimated number of multi-family units and commercial square footage has been provided by landowner of such portion of the Future Phase and is subject to change.

The original development plan was revised, and the revised lot count and lot mix is shown in Table II-A.2.

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Table II-A.2
Proposed Development – Revised

Proposed Development	Quantity	Measurement
Residential:		
Single-Family - 70 Ft	184	Units
Single-Family - 60 Ft	456	Units
Single-Family - 50 Ft	465	Units
Single-Family - 40 Ft	355	Units
Townhomes	210	Units
Multi-Family[1]	350	Units
Subtotal - Residential	**2,020**	**Units**
Non-Residential:		
Commercial[1]	30	1,000 GSF
Subtotal – Non-Residential	**30**	**1,000 GSF**

[1]Developer is not the landowner of property within the portion of the Future Phase on which multi-family units and commercial development are anticipated to be built. Estimated number of multi-family units and commercial square footage has been provided by landowner of such portion of the Future Phase and is subject to change.

B. Property Included in Phase #1

Phase #1 consists of approximately 129.468 acres and is projected to consist of 367 single family residential units and 68 townhomes. A map of the property within Phase #1 is shown in Appendix A.

The property within Phase #1 is proposed to be developed as shown on Table II-B below:

Table II-B
Proposed Development – Phase #1

Proposed Development	Quantity	Measurement
Single-Family - 70 Ft	62	Units
Single-Family - 60 Ft	109	Units
Single-Family - 50 Ft	110	Units
Single-Family - 40 Ft	86	Units
Townhomes	68	Units
Total	**435**	**Units**

C. Property Included Improvement Area #2

Improvement Area #2 consists of approximately 201.857 acres and is projected to consist of 544 single family residential units and 47 townhomes. A map of the property within Improvement Area #2 is shown in Appendix A.

The property within Improvement Area #2 is proposed to be developed as shown on Table II-C.

Table II-C
Proposed Development – Improvement Area #2

Proposed Development	Quantity (Phase #2)	Quantity (Phase #3C)	Total	Measurement
Single-Family - 70 Ft	60	62	122	Units
Single-Family - 60 Ft	114	68	182	Units
Single-Family - 50 Ft	141	0	141	Units
Single-Family - 40 Ft	99	0	99	Units
Townhomes	47	0	47	Units
Total	**461**	**130**	**591**	**Units**

D. PROPERTY INCLUDED IN THE FUTURE PHASES

The Future Phases consist of approximately 353.427 acres, which includes approximately 12.778 acres for a future school site. The Future Phases are projected to consist of approximately 549 single family residential units, 95 townhomes, 350 multi-family units, and 30,000 gross square feet of commercial. A map of the property within the Future Phases is shown in Appendix A.

The property within the Future Phases is proposed to be developed as follows:

Table II-D
Proposed Development – Future Phases

Proposed Development	Quantity	Measurement
Residential:		
Single-Family - 60 Ft	165	Units
Single-Family - 50 Ft	214	Units
Single-Family - 40 Ft	170	Units
Townhomes	95	Units
Multi-Family[1]	350	Units
Subtotal - Residential	**994**	**Units**
Non-Residential:		
Commercial[1]	30	1,000 GSF
Subtotal – Non-Residential	**30**	**1,000 GSF**

[1]Developer is not the landowner of property within the portion of the Future Phases on which multi-family units are anticipated to be built. Estimated number of multi-family units has been provided by the landowner of such portion of the Future Phases and is subject to change.

As Future Phases are developed, additional Assessments may be levied and Phased PID Bonds may be issued and/or obligations may be created under the Reimbursement Agreement for each new Phase or Improvement Area. In connection with the levy of Assessments against property within Future Phase(s) and/or issuance of each new Phased PID Bond, this Service and Assessment Plan will be updated to add additional details of each new Phase(s) as shown for Phase #1 and Improvement Area #2 in Section II.B. A map of the projected property within each Future Phase is shown in Appendix A. The Future Phase(s) are shown for illustrative purposes only and are subject

to adjustment. The current Parcels within Phase #1 and Improvement Area #2 in the PID are shown on the Phase #1 Assessment Roll and Improvement Area #2 Assessment Roll, respectively, included as Appendix G and Appendix H, respectively, and additional Assessment Rolls may be added to this Service and Assessment Plan as the Future Phase (s) are developed.

The estimated number of units at the build-out of the PID is based on the land use approvals for the property, the anticipated subdivision of property in the PID, and the Developer's estimate of the highest and best use of the property within the PID. The estimated number of units for the Future Phases is preliminary and is subject to change.

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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, III.C, III.D, and III.E and shown in the opinion of probable costs shown in Appendix B and on the diagrams included as Appendix D 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. Tables included in this Section may be rounded to the nearest whole dollar.

B. Descriptions and Costs of Initial Major Improvements

The Initial Major Improvements benefit Phases #1-5 of the PID. The costs of the Initial Major Improvements are allocated proportionally throughout Phases #1-5 of the PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the anticipated number of Equivalent Units. The costs of the Initial Major Improvements will be proportionally allocated to each of Phase #1-5, as shown on Table III-A.

The Initial Major Improvements descriptions are presented below as provided by the project engineer. The Actual Costs of the Initial Major Improvements are shown in Table III-A.

A description of the Initial Major Improvements are as follows:

Roadway Improvements

The roadway portion of the Initial Major Improvements includes clearing, grubbing, excavation of streets and right-of-way, construction of moisture and lime treated subgrade and reinforced concrete street pavements, removal of existing curb or pavement asphalt street pavements, removal of existing curb or pavement, bridges, deceleration lanes, turn lanes, sidewalks, trails, retaining walls, median landscaping, signage and traffic control devices, and the acquisition of related right-of-way for such roadway improvements, for the benefit of the Assessed Property within Phases #1-5. The roadway improvements include an allocable share of perimeter road improvements. All roadway improvements 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 distribution system portion of the Initial Major Improvements includes water mains of various diameters that are generally polyvinyl chloride (PVC) pipe, matching gate valves and boxes, fire hydrants, tapping sleeves, service lines, and other water line appurtenances, including trench safety, for the benefit of the Assessed Property within Phases #1-5. All 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 collection system portion of the Initial Major Improvements includes sanitary sewer mains of various diameters, manholes, lift stations, service lines, clean-outs, and other sewer main appurtenances, including trench safety, for the benefit of the Assessed Property within Phases #1-5. All 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 collection system portion of the Initial Major Improvements includes pre-development erosion control, silt fences, rock check dams, drainage structures, various size reinforced concrete pipes, reinforced concrete box culverts, curb inlets, headwalls, retention basins, detention structures and trench safety for the benefit of the Assessed Property within Phases #1-5. All storm drainage 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 Improvements

Soft and miscellaneous costs consisting of costs related to designing, constructing, and installing the Initial Major Improvements including land planning and design, city fees, legal fees, engineering, soil testing, survey, construction management, and contingency, costs associated with financing the Initial Major Improvements, and a portion of the costs incurred in the establishment, administration and operation of the District allocable to Phases #1-5.

Table III-A
Actual Costs - Initial Major Improvements

Authorized Improvements	Total Original Initial Major Improvement Costs	Budget Change	Total Updated Initial Major Improvement Costs	Phase #1 Allocated Amount	Improvement Area #2 Allocated Amount	Phases #3A, 3B, 4 and 5 Allocated Amount
Roadway improvements	$891,594	($8,841)	$882,753	$229,567	$331,649	$321,536
Water improvements	$1,427,248	($145,228)	$1,282,020	$333,400	$481,653	$466,967
Sanitary sewer improvements	$3,127,932	($33,475)	$3,094,457	$804,740	$1,162,583	$1,127,134
Storm drainage improvements	$779,169	($8,337)	$770,832	$200,461	$289,600	$280,770
Other soft and miscellaneous costs	$929,248	($744,406)	$184,842	$48,070	$69,445	$67,327
Total Authorized Improvements	**$7,155,191**	**($940,287)**	**$6,214,904**	**$1,616,238**	**$2,334,931**	**$2,263,734**

Note: Costs provided by the Developer. The City has only levied Assessments for the costs of the Initial Major Improvements allocable to Improvement Area #2. The Developer is responsible for paying costs of the Initial Major Improvements allocable to Phase #1 without reimbursement from the Phase #1 Bonds or Phase #1 Assessment Revenues. The City may levy Assessments or issue Future Phased Bonds to pay for the costs of the Initial Major Improvements allocable to Future Phases.

C. Descriptions and Costs of Additional Major Improvements

The Additional Major Improvements benefit Phases #1-5 of the PID. The costs of the Additional Major Improvements are allocated proportionally throughout the Phases #1-5 of the PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the anticipated number of Equivalent Units. The costs of the Additional Major Improvements will be proportionally allocated to each of Phases #1-5, as shown on Table III-B.

The Additional Major Improvements descriptions are presented below as provided by the project engineer. The Budgeted Costs of the Additional Major Improvements are shown in Table III-B and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Additional Major Improvements are as follows:

Water Improvements

The water distribution system portion of the Additional Major Improvements includes water mains of various diameters that are generally polyvinyl chloride (PVC) pipe, matching gate valves and boxes, fire hydrants, tapping sleeves, service lines, and other water line appurtenances, including trench safety, for the benefit of the Assessed Property within Phases #1-5. All water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Open Space and Park Improvements

The open space and park improvement portion of the Additional Major Improvements consists of certain public open space, trail improvements, and park amenities for the benefit of Phases #1-5 of the PID. All public open space and trail system improvements will be designed and constructed according to City standards.

Other Soft and Miscellaneous Improvements

Soft and miscellaneous costs consisting of costs related to designing, constructing, and installing the Additional Major Improvements including land planning and design, city fees, legal fees, engineering, soil testing, survey, construction management, and contingency, costs associated with financing the Additional Major Improvements, and a portion of the costs incurred in the establishment, administration and operation of the District allocable to Phases #1-5.

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Table III-B
Budgeted Costs - Additional Major Improvements

Authorized Improvements	Total Original Additional Major Improvement Costs	Budget Changes	Total Updated Additional Major Improvement Costs	Phase #1 Allocated Amount	Improvement Area #2 Allocated Amount	Phases #3A, 3B, 4 and 5 Allocated Amount
Roadway improvements	$1,039,000	($1,039,000)	$0	$0	$0	$0
Water improvements	$163,000	$4,474,271	$4,637,271	$1,205,962	$1,742,217	$1,689,093
Sanitary sewer improvements	$51,000	($51,000)	$0	$0	$0	$0
Storm drainage improvements	$355,000	($355,000)	$0	$0	$0	$0
Open space and park improvements	$0	$2,839,245	$2,839,245	$738,370	$1,066,701	$1,034,175
Other soft and miscellaneous costs	$446,863	$1,058,367	$1,505,230	$391,448	$565,513	$548,269
Total Authorized Improvements	**$2,054,863**	**$6,926,883**	**$8,981,746**	**$2,335,779**	**$3,374,430**	**$3,271,537**

Note: Costs provided by the Developer. The figures shown in Table III-B represent the Budgeted Costs of the Additional Major Improvements, are rounded, may be revised in Annual Service Plan Updates and may be reallocated between line items. The City has only levied Assessments for the costs of the Additional Major Improvements, allocable to Improvement Area #2. The Developer is responsible for paying costs of the Additional Major Improvements allocable to Phase #1 without reimbursement from the Phase #1 Bonds or Phase #1 Assessment Revenues. The City may levy Assessments or issue Future Phased Bonds to pay for the costs of the Additional Major Improvements allocable to Future Phases.

D. Descriptions and Costs of Phase #1 Improvements

The Phase #1 Improvements descriptions are presented below as provided by the project engineer. The Budgeted Costs of the Phase #1 Projects are shown in Table III-C and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

Roadway Improvements

The roadway portion of the Phase #1 Improvements includes clearing, grubbing, excavation of streets and right of ways, construction of moisture and lime treated subgrade and reinforced concrete street pavements, removal of existing curb or pavement asphalt street pavements, removal of existing curb or pavement, bridges, deceleration lanes, turn lanes, sidewalks, retaining walls, median landscaping, signage and traffic control devices, including an allocable share of perimeter road improvements, for the benefit of the Phase #1 Assessed Property. All roadway improvements 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 distribution system portion of the Phase #1 Improvements include PVC waterlines, various gate valves and boxes, fire hydrants, and tapping sleeves, service lines and other water line appurtenances for the benefit of the Phase #1 Assessed Property. All 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 collection system portion of the Phase #1 Improvements includes PVC pipes, manholes, service lines, clean-outs, concrete encasements, and other sewer line appurtenances and trench safety for the benefit of the Phase #1 Assessed Property. All 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 collection system portion of the Phase #1 Improvements includes pre and post development erosion control, silt fences, rock check dams, drainage structures, various size reinforced concrete pipes, reinforced concrete box culverts, curb inlets, headwalls, retention and detention structures and trench safety for the benefit of the Phase #1 Assessed Property. All storm drainage 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 Improvements

Soft and miscellaneous costs consisting of costs related to designing, constructing, and installing the Phase #1 Improvements including land planning and design, city fees, legal fees, engineering, soil testing, survey, construction management, and contingency, costs associated with financing the Phase #1 Improvements, and a portion of the costs incurred in the establishment, administration and operation of the District.

Table III-C
Budgeted Costs - Phase #1 Projects

Authorized Improvements	Original Phase #1 Improvements	Budget Changes	Updated Phase #1 Improvements	Phase #1's Proportional Share of Initial Major Improvements[1]	Phase #1's Proportional Share of Additional Major Improvements[2]	Total Phase #1 Projects[3]
Roadway improvements	$7,934,786	$1,110,725	$9,045,511	$229,567	$0	$9,275,079
Water improvements	$2,501,791	$8,878	$2,510,669	$333,400	$1,205,962	$4,050,031
Sanitary sewer improvements	$2,265,405	$178,911	$2,444,316	$804,740	$0	$3,249,055
Storm drainage improvements	$4,908,145	$392,220	$5,300,365	$200,461	$0	$5,500,826
Open space and park improvements	$0		$0	$0	$738,370	$738,370
Other soft and miscellaneous costs	$3,905,516	($2,119,774)	$1,785,742	$48,070	$391,448	$2,225,259
Total Authorized Improvements	**$21,515,642**	**($429,040)**	**$21,086,602**	**$1,616,238**	**$2,335,779**	**$25,038,620**

[1] See Table III-A. Allocation of Initial Major Improvements are based on the methodologies described in V.C and shown in Table V.A.
[2] See Table III-B. Allocation of Additional Major Improvements are based on the methodologies described in V.C and shown in Table V.A.
[3]Costs provided by Developer. The figures shown in Table III-C may be revised in Annual Service Plan Updates and may be reallocated between line items. Assessments have not been levied for Phase #1's proportionate share of the Initial Major Improvements or the Additional Major Improvements and the Developer is responsible for paying costs of the Initial Major Improvements and Additional Major Improvements allocable to Phase #1 without reimbursement from the Phase #1 Bonds or Phase #1 Assessment Revenues.

E. DESCRIPTIONS AND COSTS OF IMPROVEMENT AREA #2 IMPROVEMENTS

The Improvement Area #2 Improvements descriptions are presented below as provided by the project engineer. The Budgeted Costs of the Improvement Area #2 Projects are shown in Table III-D and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

Roadway Improvements

The roadway portion of the Improvement Area #2 Improvements includes clearing, grubbing, excavation of streets and right of ways, construction of moisture and lime treated subgrade and reinforced concrete street pavements, removal of existing curb or pavement asphalt street pavements, removal of existing curb or pavement, bridges, deceleration lanes, turn lanes, sidewalks, retaining walls, median and other right-of-way landscaping, signage and traffic control devices, including an allocable share of perimeter road improvements, for the benefit of the Improvement Area #2 Assessed Property. All roadway improvements 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 distribution system portion of the Improvement Area #2 Improvements include PVC waterlines, various gate valves and boxes, fire hydrants, and tapping sleeves, service lines and other water line appurtenances for the benefit of the Improvement Area #2 Assessed Property. All 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 collection system portion of the Improvement Area #2 Improvements includes PVC pipes, manholes, service lines, clean-outs, concrete encasements, and other sewer line appurtenances and trench safety for the benefit of the Improvement Area #2 Assessed Property. All 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 collection system portion of the Improvement Area #2 Improvements includes pre and post development erosion control, silt fences, rock check dams, drainage structures, various size reinforced concrete pipes, reinforced concrete box culverts, curb inlets, headwalls, retention and detention structures and trench safety for the benefit of the Improvement Area #2 Assessed Property. All storm drainage improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Open Space and Park Improvements

The open space and park improvement portion of the Improvement Area #2 Improvements consists of certain public open space and park amenities for the benefit of the Improvement Area #2 Assessed

Property. All public open space and park improvements will be designed and constructed according to City standards.

Other Soft and Miscellaneous Improvements

Soft and miscellaneous costs consisting of costs related to designing, constructing, and installing the Improvement Area #2 Improvements including land planning and design, city fees, legal fees, engineering, soil testing, survey, construction management, and contingency, costs associated with financing the Improvement Area #2 Improvements, and a portion of the costs incurred in the establishment, administration and operation of the District.

Table III-D
Budgeted Costs - Improvement Area #2 Projects

Authorized Improvements	Improvement Area #2's Proportional Share of Initial Major Improvements[1]	Improvement Area #2's Proportional Share of Additional Major Improvements[2]	Improvement Area #2 Improvements	Total Improvement Area #2 Projects[3]
Roadway improvements	$331,649	$0	$8,393,619	$8,725,268
Water improvements	$481,653	$1,742,217	$3,164,573	$5,388,443
Sanitary sewer improvements	$1,162,583	$0	$3,858,184	$5,020,767
Storm drainage improvements	$289,600	$0	$4,168,057	$4,457,657
Open space and park improvements	$0	$1,066,701	$6,597,173	$7,663,873
Other soft and miscellaneous costs	$69,445	$565,513	$8,205,258	$8,840,215
Total Authorized Improvements	**$2,334,931**	**$3,374,430**	**$34,386,863**	**$40,096,224**

[1] See Table III-A. Allocation of Initial Major Improvements are based on the methodologies described in V.C and shown in Table V.A.
[2] See Table III-B. Allocation of Additional Major Improvements are based on the methodologies described in V.C and shown in Table V.A.
[3]Costs provided by Developer. 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 Improvements amount does not change.

F. FUTURE PHASES

As Future Phases are developed, this SAP will be amended to identify the specific Authorized Improvements that confer a special benefit to the property inside each Future Phase (e.g. a Table III-E will be added to show the costs for the Future Phase Improvements financed within the specific Future Phase being developed) and to show such Future Phase's allocable share of the Actual Costs of the Initial Major Improvements and Additional Major Improvements.

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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. Construction of the Phase #1 Improvements and Initial Major Improvements began in January 2022, and the construction of the Phase #1 Improvements and Initial Major Improvements was completed in the 3rd quarter of 2023. The Developer began construction of the Improvement Area #2 Improvements for construction Phases #2A, #2B, and #2C in June 2023 and completed the road, water, sanitary sewer and storm drainage portions of such improvements in the fourth quarter of 2024. The Developer began construction of the Improvement Area #2 Improvements for construction Phase #3C in September 2024 and completed the road, water, sanitary sewer and storm drainage portions of such improvements in the 4th quarter of 2025. The Developer expects to complete all open space and landscaping portions of the Improvement Area #2 Improvements in the 4th quarter of 2026. It is anticipated that all Additional Major Improvements will be constructed in 2028. Local infrastructure to serve the next phases of development is expected to begin in the 2nd quarter of 2026.

The Budgeted Costs for the Phase #1 Projects plus costs related to the issuance of both series of the Phase #1 Bonds and the expenses incurred in the establishment, administration, and operation of the PID allocable to Phase #1 are $29,416,224 as shown in Table IV-A.2. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Authorized Improvement costs, 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 Budgeted Costs for the Improvement Area #2 Projects plus costs related to the issuance of the Improvement Area #2 Bonds and the expenses incurred in the establishment, administration, and operation of the PID allocable to Improvement Area #2 are $48,437,801 as shown in Table IV-B.2. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Authorized Improvement costs, and updating the Assessment Roll(s).

If Assessments are levied and/or Phased PID Bonds are issued for the costs of Authorized Improvements to be constructed with development of each Future Phase for this Service and Assessment Plan will be updated or amended (e.g. Table IV-C may be included for Improvement Area #3, etc.).

The Series 2023 Phase #1 Bonds were issued in 2023 and were used to finance a portion of the costs of the Phase #1 Improvements. At that time and at this time, no Assessments were levied against the Phase #1 Assessed Property for the Actual Costs of the Initial Major Improvements or the Additional Major Improvements allocable to Phase #1. Phase #1's allocable share of the Initial Major Improvements were funded by the Developer, and the Developer has funded, or will fund, Phase #1's allocable share of all Additional Major Improvements constructed and to be constructed. Phase #1's allocable share of the Initial Major Improvements and Additional Major Improvements

will not be reimbursed from the proceeds for the Phase #1 Bonds or from Phase #1 Assessment Revenues.

Table IV-A.1
Projected Sources and Uses – Phase #1 Projects - Original

Sources of Funds	Phase #1 Bonds	Phase #1 Reimbursement Agreement Obligation	Other Funding Sources	Total
Par amount	$15,923,000	$0	$0	$15,923,000
Original Issue Discount	($55,456)	$0	$0	($55,456)
Assessment	$0	$6,425,000	$0	$6,425,000
Other funding sources[1]	$0	$2,744,376	$2,248,044	$4,992,421
Total Sources	**$15,867,544**	**$9,169,376**	**$2,248,044**	**$27,284,965**
Uses of Funds				
Phase #1 Improvements[2]:				
Roadway Improvements	*$4,553,198*	*$3,381,588*	$0	*$7,934,786*
Water Improvements	$1,435,596	$1,066,195	$0	$2,501,791
Sanitary Sewer Improvements	$1,299,951	*$965,453*	$0	*$2,265,405*
Storm Drainage Improvements	$2,816,428	$2,091,717	$0	$4,908,145
Other Soft and Miscellaneous Costs	$2,241,092	*$1,664,424*	$0	*$3,905,516*
Subtotal Phase #1 Improvements	*$12,346,266*	*$9,169,376*	*$0*	*$21,515,642*
Initial Major Improvements[2]:				
Roadway Improvements	$0	$0	$217,626	$217,626
Water Improvements	$0	$0	$348,371	$348,371
Sanitary Sewer Improvements	$0	$0	$763,484	$763,484
Storm Drainage Improvements	$0	$0	$190,184	$190,184
Other Soft and Miscellaneous Costs	$0	$0	$226,816	$226,816
Subtotal Initial Major Improvements	*$0*	*$0*	*$1,746,481*	*$1,746,481*
Additional Major Improvements[2]:				
Roadway Improvements	$0	$0	$253,605	$253,605
Water Improvements	$0	$0	$39,786	$39,786
Sanitary Sewer Improvements	$0	$0	$12,448	$12,448
Storm Drainage Improvements	$0	$0	$86,651	$86,651
Other Soft and Miscellaneous Costs	$0	$0	$109,073	$109,073
Subtotal Additional Major Improvements	*$0*	*$0*	*$501,563*	*$501,563*
Bond Issuance Costs:				
Costs of Issuance	$780,000	$0	$0	$780,000
Capitalized interest	$1,092,123	$0	$0	$1,092,123
Reserve Fund	$1,121,465	$0	$0	$1,121,465
Administrative Expense	$50,000	$0	$0	$50,000
Underwriter's Discount	$477,690	$0	$0	$477,690
Subtotal Bond Issuance Costs	*$3,521,278*	*$0*	*$0*	*$3,521,278*
Total Uses	**$15,867,544**	**$9,169,376**	**$2,248,044**	**$27,284,965**

[1]The other funding sources represent project costs of the Phase #1 Projects to be paid by the Developer without reimbursement from the City including all of the costs of the Initial Major Improvements and Additional Major Improvements allocable to Phase #1.
[2] See Table III-C for details.

The Series 2024 Phase #1 Bonds were issued in 2024 and used to refinance the Phase #1 Reimbursement Agreement Obligation.

Table IV-A.2
Projected Sources and Uses – Phase #1 Projects - Revised

Sources of Funds	Series 2023 Phase #1 Bonds	Series 2024 Phase #1 Bonds	Other Funding Sources	Total
Par amount	$15,923,000	$6,336,000	$0	$22,259,000
Assessment	$0	$0	$0	$0
Other funding sources[1]	$0	$3,205,206	$3,952,018	$7,157,224
Total Sources	**$15,923,000**	**$9,541,206**	**$3,952,018**	**$29,416,224**
Uses of Funds				
Phase #1 Improvements[2,3]:				
Roadway Improvements	$5,296,173	$3,749,338	$0	*$9,045,511*
Water Improvements	$1,470,004	$1,040,665	$0	$2,510,669
Sanitary Sewer Improvements	$1,431,154	$1,013,162	$0	*$2,444,316*
Storm Drainage Improvements	$3,103,379	$2,196,986	$0	$5,300,365
Other Soft and Miscellaneous Costs	$1,045,557	$740,185	$0	*$1,785,742*
Subtotal Phase #1 Improvements	*$12,346,266*	*$8,740,336*	*$0*	*$21,086,602*
Initial Major Improvements[2]:				
Roadway Improvements	$0	$0	$229,567	$229,567
Water Improvements	$0	$0	$333,400	$333,400
Sanitary Sewer Improvements	$0	$0	$804,740	$804,740
Storm Drainage Improvements	$0	$0	$200,461	$200,461
Other Soft and Miscellaneous Costs	$0	$0	$48,070	$48,070
Subtotal Initial Major Improvements	*$0*	*$0*	*$1,616,238*	*$1,616,238*
Additional Major Improvements[2]:				
Water Improvements	$0	$0	$1,205,962	$1,205,962
Open Space and Park Improvements	$0	$0	$738,370	$738,370
Other Soft and Miscellaneous Costs	$0	$0	$391,448	$391,448
Subtotal Additional Major Improvements	*$0*	*$0*	*$2,335,779*	*$2,335,779*
Bond Issuance Costs:				
Costs of Issuance	$780,000	$376,000	$0	$1,156,000
Capitalized interest	$1,092,123	$0	$0	$1,092,123
Reserve Fund	$1,121,465	$223,534	$0	$1,344,999
Administrative Expense	$50,000	$0	$0	$50,000
Underwriter's Discount	$477,690	$190,080	$0	$667,770
Subtotal Bond Issuance Costs	*$3,521,278*	*$789,614*	*$0*	*$4,310,892*
Original Issue Discount related to Phase #1 Bonds	$55,456	$11,257	$0	$66,712
Total Uses	**$15,923,000**	**$9,541,206**	**$3,952,018**	**$29,416,224**

[1]The other funding sources represent project costs of the Phase #1 Projects to be paid by the Developer without reimbursement from the City including all of the costs of the Initial Major Improvements and Additional Major Improvements allocable to Phase #1.
[2] See Table III-C for details.
[3]Allocation updated based on updated Actual Costs.

The Series 2024 Improvement Area #2 Bonds were issued in 2024 and were used to finance a portion of the costs of the Improvement Area #2 Projects. Portions of the Improvement Area #2 Projects were also paid for and reimbursed pursuant to the terms of the Reimbursement Agreement.

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Table IV-B.1
Projected Sources and Uses – Improvement Area #2 Projects - Original

Sources of Funds	Improvement Area #2 Bonds	Improvement Area #2 Reimbursement Agreement Obligation	Total
Par amount	$38,256,000	$0	$38,256,000
Assessment	$0	$7,100,000	$7,100,000
Other funding sources[1]	$0	$1,949,201	$1,949,201
Total Sources	**$38,256,000**	**$9,049,201**	**$47,305,201**
Uses of Funds			
Improvement Area #2 Improvements[2]:			
Road Improvements	$7,008,443	$1,385,176	$8,393,619
Water Improvements	$2,642,332	$522,241	$3,164,573
Sanitary Sewer Improvements	$3,221,478	$636,706	$3,858,184
Storm Drainage Improvements	$3,480,214	$687,843	$4,168,057
Open space and park improvements	$5,508,459	$1,088,714	$6,597,173
Other Soft and Miscellaneous Costs	$6,851,166	$1,354,091	$8,205,258
Subtotal Improvement Area #2 Improvements	*$28,712,092*	*$5,674,771*	*$34,386,863*
Initial Major Improvements[2]:			
Road Improvements	$331,649	$0	$331,649
Water Improvements	$481,653	$0	$481,653
Sanitary Sewer Improvements	$1,162,583	$0	$1,162,583
Storm Drainage Improvements	$289,600	$0	$289,600
Other Soft and Miscellaneous Costs	$69,445	$0	$69,445
Subtotal Initial Major Improvements	*$2,334,931*	*$0*	*$2,334,931*
Additional Major Improvements[2]:			
Water Improvements	$0	$1,742,217	$1,742,217
Open Space and Park Improvements	$0	$1,066,701	$1,066,701
Other Soft and Miscellaneous Costs	$0	$565,513	$565,513
Subtotal Additional Major Improvements	*$0*	*$3,374,430*	*$3,374,430*
Estimated Bond Issuance Costs:			
Costs of Issuance	$1,685,000	$0	$1,685,000
Capitalized interest	$1,458,628	$0	$1,458,628
Reserve Fund	$2,727,175	$0	$2,727,175
Administrative Expense	$60,000	$0	$60,000
Underwriter's Discount	$1,147,680	$0	$1,147,680
Subtotal Estimated Bond Issuance Costs	*$7,078,483*	*$0*	*$7,078,483*
Original Issue Discount related to Series 2024 IA #2 Bonds	$130,494	$0	$130,494
Total Uses	**$38,256,000**	**$9,049,201**	**$47,305,201**

[1]The other funding sources represent project costs of the Improvement Area #2 Projects to be paid by the Developer without reimbursement from the City including a portion of the costs of the Initial Major Improvements and Additional Major Improvements allocable to Improvement Area #2.
[2] See Table III-D for details.

The Series 2026 Improvement Area #2 Bonds shown in Table IV-B.2 will be issued in 2026 and will be used to refinance the Improvement Area #2 Reimbursement Agreement Obligation and acquire a portion of the Improvement Area #2 Projects.

Table IV-B.2
Projected Sources and Uses – Improvement Area #2 Projects - Revised

Sources of Funds	Series 2024 Improvement Area #2 Bonds	Series 2026 Improvement Area #2 Bonds	Total
Par amount	$38,256,000	$7,100,000	$45,356,000
Assessment	$0	$0	$0
Other funding sources[1]	$0	$3,142,551	$3,142,551
Total Sources	**$38,256,000**	**$10,242,551**	**$48,498,551**
Uses of Funds			
Improvement Area #2 Improvements[2]:			
Road Improvements	$7,008,443	$1,385,176	$8,393,619
Water Improvements	$2,642,332	$522,241	$3,164,573
Sanitary Sewer Improvements	$3,221,478	$636,706	$3,858,184
Storm Drainage Improvements	$3,480,214	$687,843	$4,168,057
Open space and park improvements	$5,508,459	$1,088,714	$6,597,173
Other Soft and Miscellaneous Costs	$6,851,166	$1,354,091	$8,205,258
Subtotal Improvement Area #2 Improvements	*$28,712,092*	*$5,674,771*	*$34,386,863*
Initial Major Improvements[2]:			
Road Improvements	$331,649	$0	$331,649
Water Improvements	$481,653	$0	$481,653
Sanitary Sewer Improvements	$1,162,583	$0	$1,162,583
Storm Drainage Improvements	$289,600	$0	$289,600
Other Soft and Miscellaneous Costs	$69,445	$0	$69,445
Subtotal Initial Major Improvements	*$2,334,931*	*$0*	*$2,334,931*
Additional Major Improvements[2]:			
Water Improvements	$0	$1,742,217	$1,742,217
Open Space and Park Improvements	$0	$1,066,701	$1,066,701
Other Soft and Miscellaneous Costs	$0	$565,513	$565,513
Subtotal Additional Major Improvements	*$0*	*$3,374,430*	*$3,374,430*
Estimated Bond Issuance Costs:			
Costs of Issuance	$1,685,000	$426,000	$2,111,000
Capitalized interest	$1,458,628	$0	$1,458,628
Reserve Fund	$2,727,175	$514,350	$3,241,525
Administrative Expense	$60,000	$40,000	$100,000
Underwriter's Discount	$1,147,680	$213,000	$1,360,680
Subtotal Estimated Bond Issuance Costs	*$7,078,483*	*$1,193,350*	*$8,271,833*
Original Issue Discount related to IA #2 Bonds	$130,494	$0	$130,494
Total Uses	**$38,256,000**	**$10,242,551**	**$48,498,551**

[1]The other funding sources represent project costs of the Improvement Area #2 Projects to be paid by the Developer without reimbursement from the City including a portion of the costs of the Initial Major Improvements and Additional Major Improvements allocable to Improvement Area #2.
[2] See Table III-D for details.

As Future Phases are developed, the City may levy Assessments against benefitted property within such Future Phase and/or may issue Phased PID Bonds and/or incur obligations under the Reimbursement Agreement to finance the Authorized Improvements required for each new Phase(s).

B. PROJECTED FIVE-YEAR SERVICE PLAN

Phase #1

The annual projected costs and annual projected indebtedness for Phase #1's share of Initial Major Improvements and Additional Major Improvements is shown in Table IV-C. The annual projected costs and indebtedness are 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-C
Annual Projected Costs and Annual Projected Indebtedness
Phase #1 Share of Initial Major Improvements and Additional Major Improvements

Year	Annual Projected Cost	Annual Projected Indebtedness	Other Funding Sources	Projected Phase #1 Annual Installments
2026 & Prior	$3,952,018	$0	$3,952,018	$0
2027	$0	$0	$0	$0
2028	$0	$0	$0	$0
2029	$0	$0	$0	$0
2030	$0	$0	$0	$0
2031	$0	$0	$0	$0
2032	$0	$0	$0	$0
Total	**$3,952,018**	**$0**	**$3,952,018**	**$0**

[1]Annual Projected Costs shown do not include the costs of the Phase #1 Improvements separately in Table IV-D below. Annual Projected Indebtedness shown is solely related to Phase #1's share of Initial Major Improvements and Additional Major Improvements.

The annual projected costs shown in Table IV-C are the annual expenditures relating to Phase #1's share of the Initial Major Improvements and Additional Major Improvements shown in Table III-C. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

The annual projected costs and annual projected indebtedness for Phase #1 Improvements is shown in Table IV-D. The annual projected costs and indebtedness are 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
Phase #1 Improvements

Year	Annual Projected Cost	Annual Projected Indebtedness[2]	Other Funding Sources[3]	Projected Phase #1 Annual Installments
2026 & Prior	$25,464,206	$22,259,000	$3,205,206	$3,950,276
2027	$0	$0	$0	$1,674,956
2028	$0	$0	$0	$1,674,770
2029	$0	$0	$0	$1,674,781
2030	$0	$0	$0	$1,674,941
2031	$0	$0	$0	$1,675,202
2032	$0	$0	$0	$1,674,070
Total	**$25,464,206**	**$22,259,000**	**$3,205,206**	**$13,998,996**

[1]Administrative Expenses in year 2023 were funded with Series 2023 Phase #1 Bond proceeds, and interest on the Series 2023 Phase #1 Bonds for years 2023 and 2024 was funded with capitalized interest. Includes original issue discount.
[2]Includes amounts to be paid from Assessments related to both series of the Phase #1 Bonds.

The annual projected costs shown in Table IV-D are the annual expenditures relating to the Phase #1 Improvements shown in Table III-C, and the costs associated with setting up the PID allocable to Phase #1, and the bond issuance costs including reserves for the Phase #1 Bonds shown in Table IV-A.2. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

Improvement Area #2

The annual projected costs and annual projected indebtedness for Improvement Area #2 Projects are shown in Table IV-E. The annual projected costs and indebtedness are 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-E
Annual Projected Costs and Annual Projected Indebtedness
Improvement Area #2 Projects

Year	Annual Projected Cost	Annual Projected Indebtedness[2]	Other Funding Sources	Projected Improvement Area #2 Annual Installments
2026 & Prior	$48,498,551	$45,356,000	$3,142,551	$3,360,731
2027	$0	$0	$0	$3,360,344
2028	$0	$0	$0	$3,360,200
2029	$0	$0	$0	$3,360,326
2030	$0	$0	$0	$3,360,624
2031	$0	$0	$0	$3,359,991
2032	$0	$0	$0	$3,359,382
Total	**$48,498,551**	**$45,356,000**	**$3,142,551**	**$23,521,598**

[1]Administrative Expenses in year 2025 were funded with Series 2024 Improvement Area #2 Bond proceeds, and interest on the Series 2024 Improvement Area #2 Bonds for year 2025 was funded with capitalized interest. Includes original issue discount.
[2]Includes amounts to be paid from Assessments related to the Improvement Area #2 Bonds.

The annual projected costs shown in Table IV-E are the annual expenditures relating to the Improvement Area #2 Projects shown in Table III-D, and the costs associated with setting up the PID allocable to Improvement Area #2 and bond issuance costs including reserves related to the Improvement Area #2 Bonds shown in Table IV-B.2. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the 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 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. Following the issuance of the Series 2023 Phase #1 Bonds in 2023, the Series 2024 Phase #1 Bonds and the Series 2024 Improvement Area #2 Bonds issued in 2024, and the Series 2026 Improvement Area #2 Bonds, currently being issued, subsequent obligations under the Reimbursement Agreement and/or bond financings may be incurred or issued in the future as the subsequent Future Phases are gradually constructed.

The purpose of this gradual issuance of Bonds in phases is to mirror the actual development of the Authorized Improvements. The Bonds to be issued 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 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 Authorized Improvements.

For purposes of this Service and Assessment Plan, the City Council has determined that the costs of the Initial Major Improvements, Additional Major Improvements, Phase #1 Improvements, and Improvement Area #2 Improvements shall be allocated as described below:

1. The costs of the Phase #1 Improvements that only benefit Phase #1 shall be allocated to Phase #1 Assessed Property on the basis of Equivalent Units calculated using the average home price of each Lot Type once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Phase #1 Improvements to Parcels in Phase #1 similarly benefited.

2. The costs of the Improvement Area #2 Projects shall be allocated to Improvement Area #2 Assessed Property on the basis of Equivalent Units calculated using the average home price of each Lot Type 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 #2 Projects to Parcels in Improvement Area #2 similarly benefited.

3. The Initial Major Improvements and Additional Major Improvements are proportionally allocated to Phase #1 Assessed Property, Improvement Area #2 Assessed Property, and property in Phases #3A, 3B, 4, and 5 based on estimated Equivalent Units calculated using the average home price for the Phase #1 Assessed Property, Improvement Area #2 Assessed Property, and property in Phases #3A, 3B, 4, and 5. At this time the City has levied Assessments for the costs of the Initial Major Improvements and Additional Major Improvements allocable to Improvement Area #2.

At this time, it is impossible to determine with absolute certainty the amount of special benefit each Parcel within Future Phases will receive from the direct Authorized Improvements that will benefit each individual Phase Therefore, Parcels have only been assessed for the special benefits conferred upon the Phase #1 Assessed Property and Improvement Area #2 Assessed Property because of the Phase #1 Improvements and Improvement Area #2 Projects, respectively.

In connection with the levy of Assessments against property within a Future Phase and/or the issuance of Phased PID Bonds, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel of Assessed Property within a Future Phase receives from the specific Authorized Improvements funded with those Assessments and/or Phased PID Bonds with respect to that Future Phase. Prior to assessing Parcels located within Future Phases, each owner of the Parcels to be assessed must acknowledge that the Authorized Improvements to be financed confer a special benefit on their Parcel and must consent to the imposition of the Assessments to pay for the Actual Costs of such Authorized Improvements.

This section of this Service and Assessment Plan currently (i) describes the special benefit received by each Parcel within Phase #1 and Improvement Area #2 as a result of the Phase #1 Improvements and Improvement Area #2 Projects, respectively, as applicable, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments levied on the Phase #1 Assessed Property and levied on the Improvement Area #2 Assessed Property, respectively, for such improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Initial Major Improvements, Additional Major Improvements, the Phase #1 Improvements, and Improvement Area #2 Improvements 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 Developer and all future owners and developers of the Assessed Property.

As Future Phases are developed, in connection with the issuance of Phased PID Bonds and/or the incurrence of an obligation under the Reimbursement Agreement this Service and Assessment Plan will be updated based on the City's determination of the assessment methodology for each Future Phase.

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 (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.2 and Table IV-B.2 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 Developer has evaluated the potential use of the property and has 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 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 Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest 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 to Assessed Property

The Initial Major Improvements and Additional Major Improvements will provide a special benefit to all property in Phases #1-5 of the PID. Accordingly, the Actual Costs of the Initial Major Improvements and the Budgeted Costs of the Additional Major Improvements must be allocated throughout all Assessed Property in Phases #1-5 of the District. Table V-A summarizes the allocation of Actual Costs of the Initial Major Improvements and Budgeted Costs of the Additional Major Improvements. The Budgeted Costs shown in Table IV-A.2 and Table IV-B.2 are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

Phase #1 is projected to contain 435 residential units, Improvement Area #2 is projected to contain 591 residential units, and Phases #3A, 3B, 4, and 5 are projected to contain 644 residential units. As shown in Appendix F, the total projected Equivalent Units for Phase #1 is calculated as 323.08, the total projected Equivalent Units for Improvement Area #2 with respect to the allocation of the Initial Major Improvements and the Additional Major Improvements is calculated as 466.74, and the total projected Equivalent Units for the Phases #3A, 3B, 4, and 5 is calculated as 452.51. Therefore, the total projected Equivalent Units in Phases #1-5 of the PID with respect to the allocation of the Initial Major Improvements and the Additional Major Improvements is calculated to be 1,242.33 (i.e., 323.08 + 466.74 + 452.51 = 1,242.33). As a result, 26.01 percent of the Actual Costs of the Initial Major Improvements and the Budgeted Costs of the Additional Major Improvements (i.e. 323.08 ÷ 1,242.33= 26.01%) are allocated to the Phase #1 Assessed Property, 37.57 percent of the Actual Costs of the Initial Major Improvements and the Budgeted Costs of the Additional Major Improvements (i.e. 466.74 ÷ 1,242.33= 37.57%) are allocated to the Improvement Area #2 Assessed Property, and 36.42 percent of the Actual Costs of the Initial Major Improvements and the Budgeted Costs of the Additional Major Improvements (i.e., 452.51 ÷ 1,242.33= 36.42%) are allocated to the property located in Phases #3A, 3B, 4, and 5. The Phase #1 Bonds, and funds from the Developer funded the Actual Costs of the Phase #1 Improvements. One hundred percent (100%) of the Phase #1 Improvements are allocated to the Phase #1 Assessed Property. The Improvement Area #2 Bonds, and funds from the Developer will fund the Budgeted Costs of the Improvement Area #2 Improvements, as well as a portion of the Initial Major Improvements and Additional Major Improvements allocable to Improvement Area #2. One hundred percent (100%) of the Improvement Area #2 Improvements are allocated to the Improvement Area #2 Assessed Property.

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Table V-A
Allocation of Major Improvement Costs

Authorized Improvement	Initial Major Improvements	Additional Major Improvements
Roadway improvements	$882,753	$0
Water improvements	$1,282,020	$4,637,271
Sanitary sewer improvements	$3,094,457	$0
Storm drainage improvements	$770,832	$0
Open space and park improvements	$0	$2,839,245
Other soft and miscellaneous costs	$184,842	$1,505,230
Total Major Improvements	**$6,214,904**	**$8,981,746**
Phase #1		
Projected total number of Equivalent Units	323.08	323.08
% of total Equivalent Units	26.01%	26.01%
Proportionate Share of Costs	$1,616,238	$2,335,779
Improvement Area #2		
Projected total number of Equivalent Units	466.74	466.74
% of total Equivalent Units	37.57%	37.57%
Proportionate Share of Costs	$2,334,931	$3,374,430
Phases #3A, 3B, 4 and 5		
Projected total number of Equivalent Units	452.51	452.51
% of total Equivalent Units	36.42%	36.42%
Proportionate Share of Costs	$2,263,734	$3,271,537

D. ASSESSMENT METHODOLOGY

The costs of the Authorized Improvements may be assessed by the City Council against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equals or exceeds the Assessments. The costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited.

1. *Assessment Methodology for the Phase #1 Improvements*

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Phase #1 Improvements to be financed with the Phase #1 Bonds shall be allocated to the Phase #1 Assessed Property by spreading the entire Assessment across the Parcels within Phase #1 based on the estimated number of Equivalent Units anticipated to be developed on each Parcel.

Based on the Budgeted Costs of the Phase #1 Improvements, as set forth in Table III-C, the City Council has determined that the benefit to Phase #1 Assessed Property of the Phase #1 Improvements is at least equal to the Assessments levied on the Phase #1 Assessed Property.

Upon subsequent divisions of any Parcel within Phase #1, the Assessment applicable to it will then be apportioned pro rata based on the estimated Equivalent Units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated Equivalent Units at the time residential Lots are platted to the total estimated Equivalent Units for Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council.

The Assessment and Annual Installments for each Parcel or Lot located within Phase #1 is shown on the Phase #1 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 the Improvement Area #2 Projects*

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Improvement Area #2 Projects to be financed with the Improvement Area #2 Bonds and by the Developer under the Improvement Area #2 Reimbursement Agreement Obligation shall be allocated to the Improvement Area #2 Assessed Property by spreading the entire Assessment across the Parcels within Improvement Area #2 based on the estimated number of Equivalent Units anticipated to be developed on each Parcel.

Based on the Budgeted Costs of the Improvement Area #2 Projects, as set forth in Table III-D, the City Council has determined that the benefit to Improvement Area #2 Assessed Property of the Improvement Area #2 Projects is at least equal to the Assessments levied on the Improvement Area #2 Assessed Property.

Upon subsequent divisions of any Parcel within Improvement Area #2, the Assessment applicable to it will then be apportioned pro rata based on the estimated Equivalent Units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated Equivalent Units at the time residential Lots are platted to the total estimated Equivalent Units for Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council.

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #2 is shown on the Improvement Area #2 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 Future Phases

When any given Future Phase is developed, and Phased PID Bonds for that Future Phase are to be issued and/or an obligation is incurred under the Reimbursement Agreement, this Service and Assessment Plan will be amended to determine the assessment methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited within that Phase.

E. ASSESSMENTS

The Assessments have been levied on each Parcel within Phase #1 and Improvement Area #2 according to the Phase #1 Assessment Roll and Improvement Area #2 Assessment Roll, respectively, attached hereto as Appendix G and Appendix H. The Annual Installments of the Assessments will be collected at the time and in the amounts shown on the Phase #1 Assessment Roll and Improvement Area #2 Assessment Roll subject to any revisions made during an Annual Service Plan Update. Non-Benefitted Property will not be subject to any Assessments.

See Appendix F for Assessment per unit, leverage, and estimated tax rate equivalent calculation details.

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 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 treat 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 under the Reimbursement Agreement and not a series of Bonds.

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VI. TERMS OF THE ASSESSMENTS

A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN PHASE #1

The Assessment and Annual Installments for each Parcel of Phase #1 Assessed Property located within the PID is shown on the Phase #1 Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from the Phase #1 Assessed Property in an amount sufficient (i) to pay principal and interest on the Phase #1 Bonds, (ii) to fund the Additional Interest Reserve described in Section V, and (iii) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel in Phase #1 shall be calculated by taking into consideration any available capitalized interest applicable to the Parcel.

B. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN IMPROVEMENT AREA #2

The Assessment and Annual Installments for each Parcel of Improvement Area #2 Assessed Property located within the PID is shown on the Improvement Area #2 Assessment Roll, attached as Appendix H, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from the Improvement Area #2 Assessed Property in an amount sufficient (i) to pay principal and interest on the Improvement Area #2 Bonds, (ii) to fund the Additional Interest Reserve described in Section V, and (iii) to pay Administrative Expenses related to Improvement Area #2. The Annual Installment for each Parcel in Improvement Area #2 shall be calculated by taking into consideration any available capitalized interest applicable to the Parcel.

C. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN FUTURE PHASES

As Future Phases are developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Assessed Property located within Future Phases (e.g., an Appendix will be added as the Assessment Roll for Improvement Area #3, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

D. REALLOCATION OF ASSESSMENTS

1. Subdivision

Upon the subdivision of any Parcel, the Assessment for the Parcel prior to the subdivision shall be reallocated among the new subdivided Parcels according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

A = the Assessment for each new subdivided Parcel
B = the Assessment for the Parcel prior to subdivision
C = the estimated number of Equivalent Units to be built on each new subdivided Parcel
D = the sum of the estimated number of Equivalent Units to be built on all of the new subdivided Parcels

The calculation of the estimated number of Equivalent Units to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of Equivalent Units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. 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 subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

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

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.

If at any time the Assessment per Equivalent Unit on a Parcel within Phase #1 or Improvement Area #2 exceeds the Phase #1 Maximum Assessment Per Unit or Improvement Area #2 Maximum Assessment Per Unit, respectively, calculated in this Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the City prior to the recordation of the document subdividing the Parcel the amount calculated by

the Administrator by which the Assessment per Equivalent Unit for the Parcel exceeds the Phase #1 Maximum Assessment per Unit or Improvement Area #2 Maximum Assessment per Unit calculated in this Service and Assessment Plan.

The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the 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

If after all Authorized Improvements to be funded with a series of Bonds and/or Reimbursement Agreement have been completed and Actual Costs for such Authorized Improvements are less than the Actual Costs or Budgeted Costs of the Authorized Improvements used to calculate the Assessments securing such series of Bonds and/or related reimbursement obligation, resulting in excess Bond proceeds being available to redeem Bonds and/or reduce obligations under the Reimbursement Agreement, as the case may be, and such excess proceeds shall be applied to redeem Bonds and/or obligations under the Reimbursement Agreement may be reduced as provided in the Trust Indenture or the terms of the Reimbursement Agreement, then the Assessment securing such series of Bonds and/or obligations under the 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 amounts due under a related reimbursement agreement. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed and in accordance with the applicable Trust Indenture.

If all the Authorized Improvements are not undertaken, resulting in excess Bonds proceeds being available to redeem Bonds and/or a need to reduce the obligations under the Reimbursement Agreement, and such excess proceeds shall be applied to redeem Bonds and/or reduce obligations under the Reimbursement Agreement, as the case may be, as provided in the Trust Indenture or the terms of the 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 repay obligations under the Reimbursement Agreement, including interest on the Bonds (including Additional Interest) and/or interest due under the Reimbursement Agreement and Administrative Expenses. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on number of Equivalent Units, if 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 repay the obligations under the Reimbursement Agreement, including interest thereon and Administrative Expenses. The principal portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced principal portion of the Bonds and/or obligations under the Reimbursement Agreement is equal to the outstanding principal amount of the Bonds and/or Reimbursement Agreement.

G. PAYMENT OF ASSESSMENTS

1. Payment in Full

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.

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. 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.

At the option of the owner, the Assessment on any Parcel plus Prepayment Costs may be paid in part in an amount sufficient to allow for a convenient redemption of Bonds as determined by the Administrator. 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, Administrative Expenses, and payments required for the Additional Interest Reserve. Payment of the Annual Installments shall commence with tax bills mailed after the initial issuance of Bonds. If Assessments secure both a series of Bonds and an obligation under the Reimbursement Agreement, the lien securing the Bonds shall have a senior priority. As such, annual collections shall be applied first to amounts due on the Bonds, including Additional Interest and Administrative Expenses and second to amounts due under the Reimbursement Agreement.

Phase #1

The portion of each Assessment for Phase #1 Assessed Property related to the Series 2023 Phase #1 Bonds shall be paid with interest at the actual interest rate paid on the Series 2023 Phase #1 Bonds (plus Additional Interest). Interest on the Series 2023 Phase #1 Bonds is based on an interest rate of 4.375% per annum for years 1 through 8 (2023-2030) and 5.125% per annum for years 9 through 21 (2031-2043), and Additional Interest at the rate of up to 0.5% for the Additional Interest Reserve. The portion of each Assessment for the Phase #1 Assessed Property related to the Series 2024 Phase #1 Bonds shall be paid with interest at the actual interest rate paid on the Series 2024 Phase #1

Bonds (plus Additional Interest). Interest on the Series 2024 Phase #1 Bonds is based on an interest rate of 4.375% in years 1 through 7 (2025-2031), 5.125% in years 8 through 20 (2032-2044), and 5.375% in years 21 through 30 (2045-2053), and Additional Interest at the rate of up to 0.5% for the Additional Interest Reserve. Furthermore, the Annual Installments related to the Phase #1 Bonds may not exceed the amounts shown on the Phase #1 Assessment Roll. The Phase #1 Assessment Roll is shown as Appendix G.

The Annual Installments for the Phase #1 Assessed Property shall be reduced to equal the actual costs of repaying the Phase #1 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.

Improvement Area #2

The portion of each Assessment for the Improvement Area #2 Assessed Property related to the Series 2024 Improvement Area #2 Bonds shall be paid with interest at the actual interest rate paid on the Series 2024 Improvement Area #2 Bonds (plus Additional Interest). Interest on the Series 2024 Improvement Area #2 Bonds is based on an interest rate of 4.50% for years 1-7 (2025-2031), 5.125% for years 8-20 (2032-2044), and 5.50% for years 21-30 (2045-2054) and Additional Interest at the rate of up to 0.5% for the Additional Interest Reserve. The portion of each Assessment for the Improvement Area #2 Assessed Property related to the Series 2026 Improvement Area #2 Bonds shall be paid with interest at the actual interest rate paid on the Series 2026 Improvement Area #2 Bonds (plus Additional Interest). Interest on the Series 2026 Improvement Area #2 Bonds is based on an estimated interest rate of 4.74% in years 1 through 28 (2026-2054) and Additional Interest at the rate of up to 0.5% for the Additional Interest Reserve. Furthermore, the Annual Installments related to the Improvement Area #2 Bonds may not exceed the amounts shown on the Improvement Area #2 Assessment Roll. The Improvement Area #2 Assessment Roll is shown as Appendix H.

The Annual Installments for the Improvement Area #2 Assessed Property shall be reduced to equal the actual costs of repaying the Improvement Area #2 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 and/or issue additional Bonds 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 consider, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and a

calculation of the Annual Installment for each Parcel. 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, such as capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose, including any existing deposits for a prepayment reserve. 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.

Phase #1

Each Annual Installment, including the interest on the unpaid amount of an Assessment against the Phase #1 Assessed Property, 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 Annual Installments relating to the Assessments for Phase #1 were billed in October 2023.

Improvement Area #2

Each Annual Installment, including the interest on the unpaid amount of an Assessment against the Improvement Area #2 Assessed Property, 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 Annual Installments relating to the Assessments for Improvement Area #2 were billed in October 2025.

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VII. THE ASSESSMENT ROLL

A. PHASE #1 ASSESSMENT ROLL

The City Council has evaluated each Parcel in Phase #1 (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 Assessed Property within the Phase #1.

The Phase #1 Assessed Property was assessed for the special benefits conferred upon the property resulting from the Phase #1 Improvements. Table VII-B summarizes the $25,464,206 in special benefit received by the Phase #1 Assessed Property from the Phase #1 Improvements, the costs of the PID formation allocable to Phase #1, and the Series 2023 Phase #1 Bond issuance costs. The par amount of the Phase #1 Bonds is collectively $22,259,000, which is less than the benefit received by the Phase #1 Assessed Property from the Phase #1 Improvements, the costs of the PID formation allocable to Phase #1, and the Phase #1 Bond issuance costs. Accordingly, the total Assessment to be applied to all the Phase #1 Assessed Property is $22,259,000 plus interest, Additional Interest (as applicable), and annual Administrative Expenses. The Assessment for each Phase #1 Assessed Property is calculated based on the allocation methodologies described in Section V.C. The Phase #1 Assessment Roll is attached hereto as Appendix G.

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Table VII-A
Phase #1
Special Benefit Summary

Special Benefit	Total Cost
Phase #1 Improvements[1]	$21,086,602
Series 2023 Phase #1 Bond Costs of Issuance:	
Costs of issuance	$780,000
Capitalized interest	$1,092,123
Reserve fund	$1,121,465
Administrative Expense	$50,000
Underwriter's discount	$477,690
Subtotal Series 2023 Phase #1 Bond Costs of Issuance	*$3,521,278*
Original Issue Discount related to the Series 2023 Phase #1 Bonds	$55,456
Series 2024 Phase #1 Bond Costs of Issuance:	
Costs of issuance	$376,000
Reserve fund	$223,534
Administrative Expense	$0
Underwriter's discount	$190,080
Subtotal Series 2024 Phase #1 Bond Costs of Issuance	*$789,614*
Original Issue Discount related to the Series 2024 Phase #1 Bonds	*$11,257*
Total Special Benefit	**$25,464,206**
Special Benefit:	
Total Special Benefit	$25,464,206
Projected Assessment	$22,259,000
Excess Benefit	**$3,205,206**

[1]See Table III-C for details.

B. IMPROVEMENT AREA #2 ASSESSMENT ROLL

The City Council has evaluated each Parcel in Improvement Area #2 (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 Assessed Property within the Improvement Area #2.

The Improvement Area #2 Assessed Property was assessed for the special benefits conferred upon the property resulting from the Improvement Area #2 Projects. Table VII-B summarizes the $47,305,201 in special benefit received by the Improvement Area #2 Assessed Property from the Improvement Area #2 Projects, the costs of the PID formation allocable to Improvement Area #2, and the Series 2024 Improvement Area #2 Bond issuance costs at the time the Assessments were levied for Improvement Area #2. The original par amount of the Series 2024 Improvement Area #2 Bonds and the original amount of the Improvement Area #2 Reimbursement Agreement Obligation

due was collectively $45,356,000, which is less than the benefit received by the Improvement Area #2 Assessed Property from the Improvement Area #2 Projects, the costs of the PID formation allocable to Improvement Area #2, and the Series 2024 Improvement Area #2 Bond issuance costs at the time the Assessments were levied for Improvement Area #2. Accordingly, the total Assessment to be applied to all the Improvement Area #2 Assessed Property was $45,356,000 plus interest, Additional Interest (as applicable), and annual Administrative Expenses. The Assessment for each Improvement Area #2 Assessed Property is calculated based on the allocation methodologies described in Section V.C. The Improvement Area #2 Assessment Roll is attached hereto as Appendix H.

Table VII-B
Improvement Area #2
Special Benefit Summary

Special Benefit	Total Cost
Improvement Area #2 Projects[1]	$40,096,224
Series 2024 IA #2 Bond Costs of Issuance:	
Costs of issuance	$1,685,000
Capitalized interest	$1,458,628
Reserve fund	$2,727,175
Administrative Expense	$60,000
Underwriter's discount	$1,147,680
Subtotal Series 2024 IA #2 Bond Costs of Issuance	*$7,078,483*
Original Issue Discount related to the Series 2024 IA #2 Bonds	*$130,494*
Total Special Benefit	**$47,305,201**
Special Benefit:	
Total Special Benefit	$47,305,201
Projected Assessment	$45,356,000
Excess Benefit	**$1,949,201**

[1]See Table III-D for details.

C. Future Phases Assessment Rolls

As Future Phases are developed, this SAP will be amended to determine the Assessment for each Parcel or Lot located within such Future Phases (e.g. an appendix will be added as the Assessment Roll for Future Phases).

D. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Phase #1 Assessment Roll and Improvement Area #2 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 Assessment for each Parcel of Assessed Property, including any adjustments

authorized by this Service and Assessment Plan or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.F of this Service and Assessment Plan.

This update shall reflect the actual interest on the Bonds and/or due under the Reimbursement Agreement on which the Annual Installments shall be paid, any reduction in the Assessments, and any revisions in the Actual Costs to be funded by the Bonds and Developer funds.

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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 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 applicable 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 an 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 as long as there is a reasonable basis for such determination. 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.

All tables included in this Service and Assessment Plan may be rounded to the nearest whole dollar.

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.

D. Filing and Posting of Service and Assessment Plan

Within seven days of its approval by the City Council, the City shall (i) file and record this Service and Assessment Plan in the real property records of the County and (ii) post a copy of this Service and Assessment Plan on the City's internet website. In addition, the City shall similarly file and post each Annual Service Plan Update approved by the City Council, with each such filing and posting to occur within seven days of the date each respective Annual Service Plan Update is approved. All such documents shall be posted, 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.

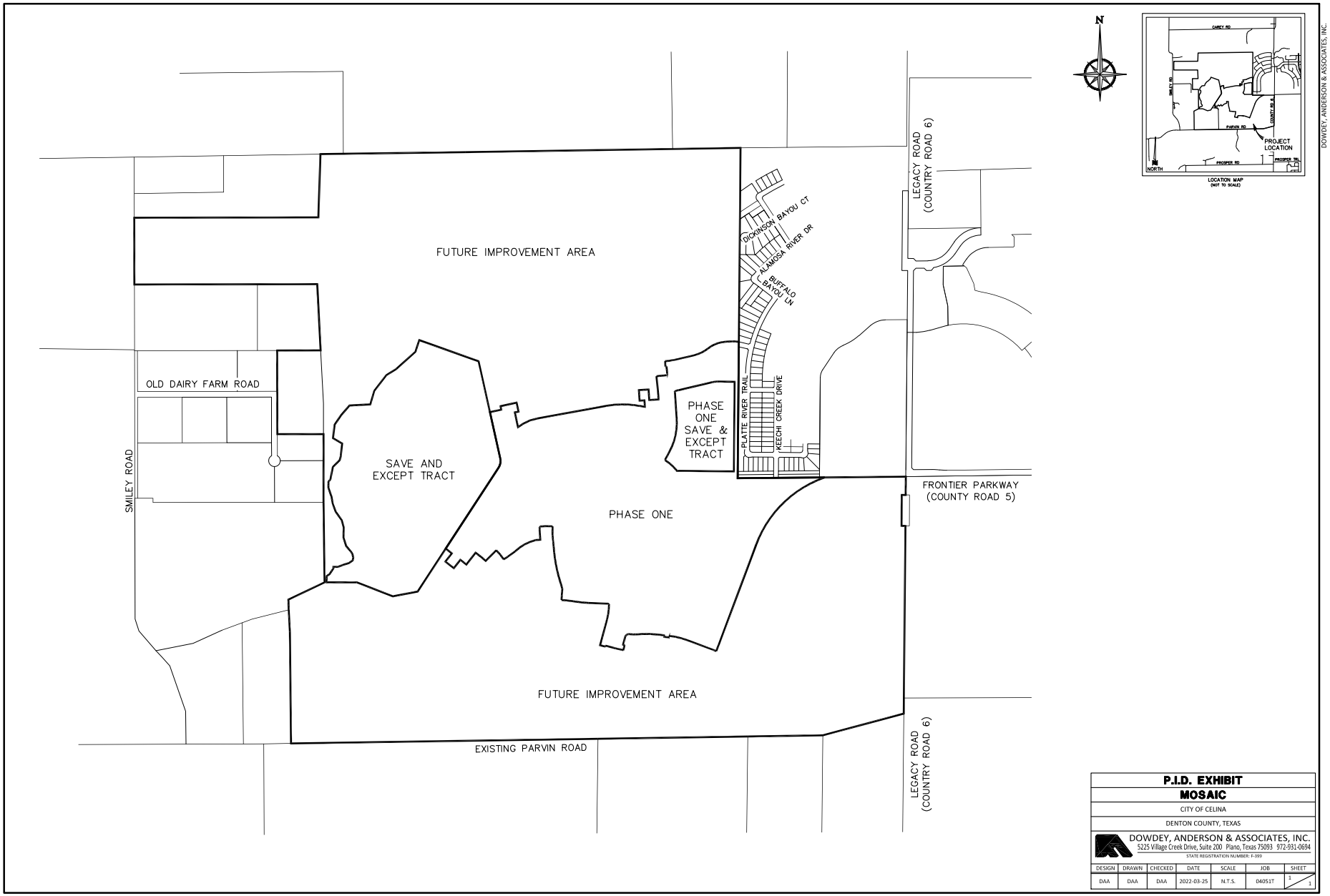
F. Severability

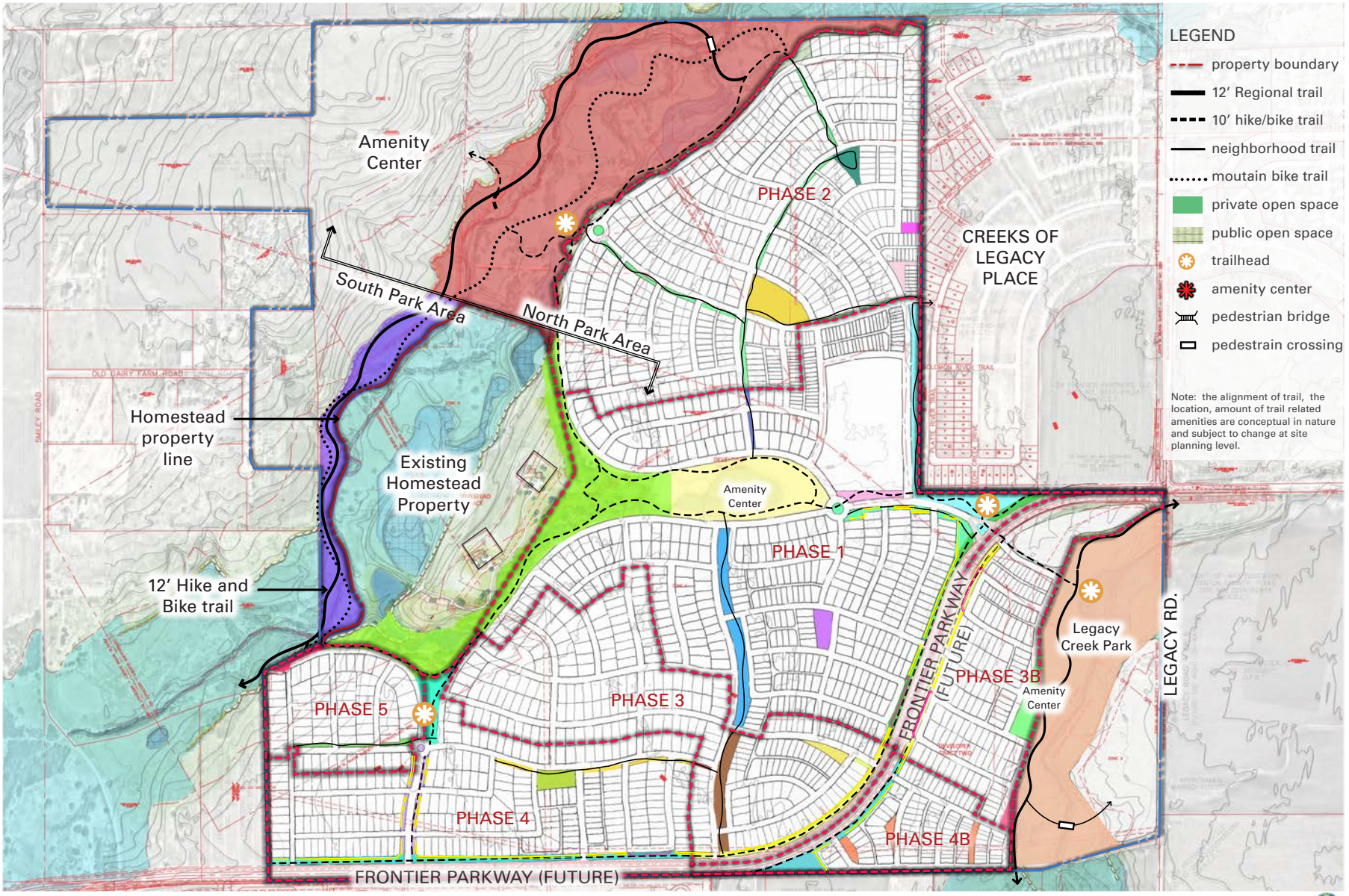
If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan or the application of same to an assessed Parcel or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service 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


N
CAREY RD
SMILEY RD
COUNTY RD 4
PARVIN RD
PROJECT LOCATION
PROSPER RD
PROSPER TRL
NORTH
LOCATION MAP
(NOT TO SCALE)
DOWDEY, ANDERSON & ASSOCIATES, INC.
FUTURE IMPROVEMENT AREA
LEGACY ROAD
(COUNTRY ROAD 6)
DICKINSON BAYOU CT
ALAMOSA RIVER DR
BUFFALO BAYOU LN
PLATTE RIVER TRAIL
KEECHI CREEK DRIVE
PHASE ONE SAVE & EXCEPT TRACT
OLD DAIRY FARM ROAD
SMILEY ROAD
SAVE AND EXCEPT TRACT
PHASE ONE
FRONTIER PARKWAY
(COUNTY ROAD 5)
FUTURE IMPROVEMENT AREA
EXISTING PARVIN ROAD
LEGACY ROAD
(COUNTRY ROAD 6)
P.I.D. EXHIBIT
MOSAIC
CITY OF CELINA
DENTON COUNTY, TEXAS
DOWDEY, ANDERSON & ASSOCIATES, INC.
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
STATE REGISTRATION NUMBER: F-399
DESIGN DRAWN CHECKED DATE SCALE JOB SHEET
DAA DAA DAA 2022-03-25 N.T.S. 04051T 1 1
PLATE NO.:



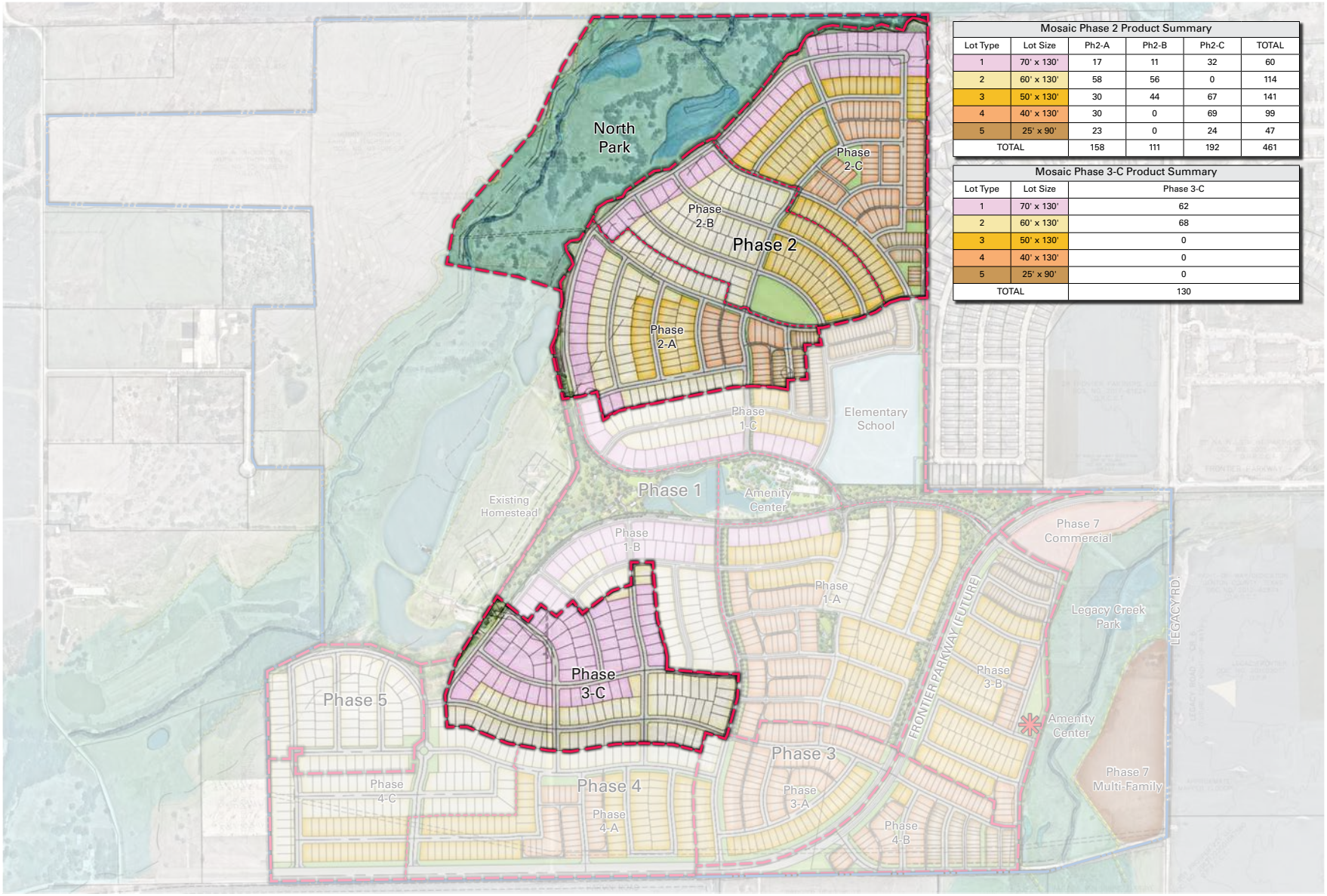
TBG

Mosaic

Conceptual Open Space Plan

(Augest, 2021 Draft, subject to change without notice)

TELLUS GROUP



Mosaic Phase 2 Product Summary					
Lot Type	Lot Size	Ph2-A	Ph2-B	Ph2-C	TOTAL
1	70' x 130'	17	11	32	60
2	60' x 130'	58	56	0	114
3	50' x 130'	30	44	67	141
4	40' x 130'	30	0	69	99
5	25' x 90'	23	0	24	47
TOTAL		158	111	192	461

Mosaic Phase 3-C Product Summary		
Lot Type	Lot Size	Phase 3-C
1	70' x 130'	62
2	60' x 130'	68
3	50' x 130'	0
4	40' x 130'	0
5	25' x 90'	0
TOTAL		130

MOSAIC

Improvement Area #2

Celina, Texas 08/07/24

All lot counts based on TBG preliminary layout and subject to change with final engineering layout.

TELLUS GROUP

TBG

0 100' 200' 400'

TBG
2001 Bryan St.
Suite 1450
Dallas, Texas 75201

(214) 744 0757
tbgpartners.com

APPENDIX B
BUDGETED COSTS OF AUTHORIZED IMPROVEMENTS

MOSAIC

City of Celina, Denton County, Texas

Plat/Land Plan 7/15/2022

Total Lots: *1,680* *Total Acres:* *433.2*
Prepared: 01/13/23 *Revised:*

Opinion of Probable Cost Summary

CATEGORY	PHASE 1	PHASE 2	PHASE 3	PHASE 3B	PHASE 4	PHASE 4B	PHASE 5	PHASE 6 (NW TRACT)	PHASE 7 (COMM. & MF)	TOTAL
Direct Public Improvements										
1 Clearing/Excavation	$ 282,697	$ 976,695	$ 476,970	$ 135,983	$ 244,101	$ 84,649	$ 86,167	$ 539,140	$ -	$ 2,826,403
2 Water	$ 2,501,791	$ 2,167,604	$ 1,446,399	$ 817,384	$ 1,379,540	$ 544,292	$ 556,985	$ 2,219,013	$ -	$ 11,633,008
3 Sewer	$ 2,265,405	$ 2,500,956	$ 1,190,590	$ 863,332	$ 1,144,088	$ 445,333	$ 403,330	$ 2,077,358	$ -	$ 10,890,392
4 Storm Drainage	$ 4,902,675	$ 2,430,998	$ 2,249,357	$ 1,750,830	$ 2,032,480	$ 562,321	$ 507,830	$ 3,402,887	$ -	$ 17,839,378
5 Roadways	$ 7,652,089	$ 5,593,765	$ 2,627,280	$ 1,794,378	$ 2,608,523	$ 1,206,791	$ 1,058,134	$ 5,313,226	$ -	$ 27,854,186
6 Retaining Walls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7 Erosion Control/SWPPP	$ 5,470	$ 121,100	$ 72,225	$ 45,680	$ 63,477	$ 40,183	$ 36,154	$ 90,582	$ -	$ 474,871
8 Landscape/Amenities (DA/SC Req.)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9 Landscape/Amenities (Non-DA/SC Req.)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10 Franchise Utilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11 Miscellaneous	$ 1,358,583	$ 902,450	$ 482,459	$ 317,588	$ 475,439	$ 199,833	$ 349,795	$ 963,163	$ -	$ 5,049,310
Hard Cost Subtotal	**$ 18,968,710**	**$ 14,693,568**	**$ 8,545,280**	**$ 5,725,175**	**$ 7,947,648**	**$ 3,083,402**	**$ 2,998,395**	**$ 14,605,370**	**$ -**	**$ 76,567,548**
12 Engineering/Surveying	$ 1,408,810	$ 1,175,485	$ 683,622	$ 458,014	$ 635,812	$ 246,672	$ 239,872	$ 1,168,430	$ -	$ 6,016,717
13 Landscape Design (DA/SC Req.)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14 Landscape Design (Non-DA/SC Req.)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
15 Inflation @ *2.5%*		$ 396,726	$ 236,491	$ 162,405	$ 231,086	$ 89,653	$ 89,361	$ 446,165	$ -	$ 1,651,888
16 Hard & Soft Contingency	$ 1,138,123	$ 1,469,357	$ 854,528	$ 572,518	$ 794,765	$ 308,340	$ 299,840	$ 1,621,997	$ -	$ 7,059,466
17 Soft Cost Subtotal	**$ 2,546,933**	**$ 3,041,569**	**$ 1,774,641**	**$ 1,192,937**	**$ 1,661,663**	**$ 644,665**	**$ 629,072**	**$ 3,236,591**	**$ -**	**$ 14,728,071**
TOTAL DIRECT COSTS	**$ 21,515,642**	**$ 17,735,137**	**$ 10,319,921**	**$ 6,918,112**	**$ 9,609,311**	**$ 3,728,067**	**$ 3,627,467**	**$ 17,841,962**	**$ -**	**$ 91,295,619**
Major Improvements (Benefit to All)										
1 Clearing/Excavation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2 Water	$ 1,427,248	$ 90,000	$ 45,000	$ 28,000	$ 48,000	$ 20,000	$ 15,000	$ 394,408	$ 188,240	$ 2,255,897
3 Sewer	$ 3,127,932	$ 28,000	$ 14,000	$ 9,000	$ 15,000	$ 6,000	$ 5,000	$ 755,448	$ 360,555	$ 4,320,935
4 Storm Drainage	$ 779,169	$ 100,000	$ 155,000	$ 100,000	$ 165,000	$ 67,000	$ 51,000	$ 334,047	$ 159,432	$ 1,910,648
5 Roadways	$ 891,594	$ 1,039,000	$ -	$ -	$ -	$ -	$ 6,061,215			$ 7,991,809
6 Retaining Walls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7 Erosion Control/SWPPP	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8 Landscape/Amenities (DA/SC Req.)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9 Landscape/Amenities (Non-DA/SC Req.)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
10 Franchise Utilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11 Miscellaneous	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hard Cost Subtotal	**$ 6,225,943**	**$ 1,257,000**	**$ 214,000**	**$ 137,000**	**$ 228,000**	**$ 93,000**	**$ 6,132,215**	**$ 1,483,904**	**$ 708,227**	**$ 16,479,288**
12 Engineering/Surveying	$ 498,075	$ 100,560	$ 17,120	$ 10,960	$ 18,240	$ 7,440	$ 490,577	$ 118,712	$ 56,658	$ 1,318,343
13 Landscape Design (DA/SC Req.)	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
14 Landscape Design (Non-DA/SC Req.)	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
15 PID Formation & Issuance Costs	$ 57,616	$ 61,457	$ 30,861	$ 18,543	$ 31,258	$ 12,980	$ 9,801	$ 52,450	$ 52,450	$ 327,417
16 Inflation @ *2.5%*	$ -	$ 35,475	$ 6,713	$ 4,373	$ 7,471	$ 3,054	$ 183,029	$ 46,814	$ -	$ 286,929
16 Hard & Soft Contingency	$ 373,557	$ 125,700	$ 21,400	$ 13,700	$ 22,800	$ 9,300	$ 613,222	$ 170,188	$ 81,734	$ 1,431,600
17 Soft Cost Subtotal	**$ 929,248**	**$ 323,192**	**$ 76,094**	**$ 47,576**	**$ 79,769**	**$ 32,774**	**$ 1,296,629**	**$ 388,165**	**$ 190,842**	**$ 3,364,289**
TOTAL MAJOR COSTS	**$ 7,155,191**	**$ 1,580,192**	**$ 290,094**	**$ 184,576**	**$ 307,769**	**$ 125,774**	**$ 7,428,844**	**$ 1,872,068**	**$ 899,069**	**$ 19,843,577**
	$ 7,188,639									
Private Improvements										
1 Clearing/Excavation	$ 2,962,495	$ 2,147,734	$ 1,035,767	$ 591,600	$ 1,180,845	$ 574,934	$ 419,450	$ 2,100,880	$ 1,002,693	$ 12,016,398
2 Water	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
3 Sewer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4 Storm Drainage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5 Roadways	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6 Retaining Walls	$ -	$ 232,000	$ 116,500	$ 70,000	$ 118,000	$ 49,000	$ 37,000	$ 146,732	$ 70,031	$ 839,263
7 Erosion Control/SWPPP	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8 Landscape/Amenities (DA/SC Req.)	$ 7,401,743	$ 1,571,977	$ 5,930,669	$ -	$ 3,057,376	$ -	$ 857,906			$ 18,819,670
9 Landscape/Amenities (Non-DA/SC Req.)	$ 8,735,082	$ 1,578,167	$ 464,608	$ -	$ 56,750	$ -	$ 14,000	$ 2,557,171	$ 1,220,468	$ 14,626,246
10 Franchise Utilities	$ 2,284,170	$ 846,700	$ 981,330	$ 241,400	$ 909,470	$ 160,090	$ 164,770	$ 1,317,155	$ 628,642	$ 7,533,727
11 Miscellaneous	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hard Cost Subtotal	**$ 21,383,489**	**$ 6,376,578**	**$ 8,528,874**	**$ 903,000**	**$ 5,322,441**	**$ 784,024**	**$ 1,493,126**	**$ 6,121,939**	**$ 2,921,834**	**$ 53,835,304**
12 Engineering/Surveying (Non-DA/SC Req.)	$ 237,000	$ 258,115	$ 682,310	$ 72,240	$ 425,795	$ 62,722	$ 119,450	$ 285,181	$ 136,109	$ 2,278,922
13 Landscape Design (DA/SC Req.)	$ 777,183	$ 165,058	$ 622,720	$ -	$ 321,024	$ -	$ 90,080	$ 268,503	$ 128,149	$ 2,372,718
14 Landscape Design (Non-DA/SC Req.)	$ 917,184	$ 165,707	$ 48,784	$ -	$ 5,959	$ -	$ 1,470	$ 138,301	$ 66,007	$ 1,343,412
15 Inflation @ *2.5%*		$ 174,136	$ 253,244	$ 25,615	$ 163,559	$ 22,796	$ 47,026	$ 181,227	$ 185,757	$ 1,053,361
16 Contingency	$ 1,283,009	$ 637,658	$ 852,887	$ 90,300	$ 532,244	$ 78,402	$ 149,313	$ 612,194	$ 292,183	$ 4,528,191
17 Soft Cost Subtotal	**$ 3,214,376**	**$ 1,400,674**	**$ 2,459,945**	**$ 188,155**	**$ 1,448,581**	**$ 163,921**	**$ 407,339**	**$ 1,485,406**	**$ 808,207**	**$ 11,576,603**
TOTAL PRIVATE COSTS	**$ 24,597,865**	**$ 7,777,251**	**$ 10,988,819**	**$ 1,091,155**	**$ 6,771,022**	**$ 947,945**	**$ 1,900,464**	**$ 7,607,345**	**$ 3,730,041**	**$ 65,411,908**
TOTAL PID ELIGIBLE COSTS	**$ 28,670,833**	**$ 19,315,329**	**$ 10,610,015**	**$ 7,102,688**	**$ 9,917,080**	**$ 3,853,841**	**$ 11,056,311**	**$ 19,714,030**	**$ 899,069**	**$ 111,139,196**
GRAND TOTAL	**$ 53,268,698**	**$ 27,092,580**	**$ 21,598,834**	**$ 8,193,844**	**$ 16,688,103**	**$ 4,801,785**	**$ 12,956,775**	**$ 27,321,375**	**$ 4,629,110**	**$ 176,551,104**
TOWNHOME	68	51	-	40	-	51	-	-		210
40' LOT	86	97	69	22	35	47	-	60		416
50' LOT	110	138	31	78	108	-	-	120		585
60' LOT	109	119	93	-	93	-	74	140		628
70' LOT	62	59	40	-	-	-	-	76		237
MF Units (300MF/137SFE)									137	137
5.6 AC of Commercial / 52 SFE									52	52
TOTAL	435	464	233	140	236	98	74	396	189	2,265
Cost per Lot	$ 122,457	$ 58,389	$ 92,699	$ 58,527	$ 70,712	$ 48,998	$ 175,092	$ 68,993	$ 24,493	$ 77,948
Totals w/o PID Formation or Inflation	$ 53,211,082	$ 26,424,785	$ 21,071,526	$ 7,982,907	$ 16,254,729	$ 4,673,302	$ 12,627,558			
Eng. Sheet Totals	$ 53,211,082	$ 26,424,785	$ 21,071,526	$ 7,982,907	$ 16,254,729	$ 4,673,302	$ 12,627,558			
Difference	$ -	$ -	$ -	$ -	$ -	$ -	$ -			

Notes:

1. The costs shown are preliminary and are not based on final contstruction contracts. Such costs are subject to change based on market conditions.

2. The lot counts and lot mix for Phases 2 through 6 are preliminary based on the current master plan and are subject to change as development progresses.

3. Contingency is for the unexpected costs that may arise during design and /or construction including, but not limited to, price increases, minor changes in scope, unforseen items, etc.

4. NW Tract is 107.89 AC in size and an estimated 396 units at 3.67 per AC (Developer tract is approximately 3.67 units per acre on 433.979AC)

MOSAIC, PHASE 1

City of Celina, Denton County, Texas

Plat/Land Plan 7/15/2022

Total Lots: ***435*** *Total Acres:* ***151.5***

Prepared: ***01/13/23*** *Revised:*

Opinion of Probable Cost Summary

CATEGORY		By Category	By Lot	By Acre	Major	Direct	Private
EXCAVATION		$3,245,192	$7,460	$21,418	$0	$282,697	$2,962,495
WATER		$3,929,039	$9,032	$25,932	$1,427,248	$2,501,791	$0
SANITARY SEWER		$5,393,336	$12,398	$35,596	$3,127,932	$2,265,405	$0
STORM SEWER		$5,681,844	$13,062	$37,500	$779,169	$4,902,675	$0
PAVING		$8,543,683	$19,641	$56,388	$891,594	$7,652,089	$0
RETAINING WALLS		$0	$0	$0	$0	$0	$0
EROSION CONTROL		$5,470	$13	$36	$0	$5,470	$0
DEV. AGMT. AMENITY IMPROVEMENTS		$16,136,824	$37,096	$106,503	$0	$0	$7,401,743
NON-DEV. AGMT. AMENITY IMPROVEMENTS					$0	$0	$8,735,082
FRANCHISE UTILITY IMPROVEMENTS		$2,284,170	$5,251	$15,076	$0	$0	$2,284,170
CITY FEES & MISCELLANEOUS CONSULTANTS		$1,358,583	$3,123	$8,967	$0	$1,358,583	$0
HARD COST SUB-TOTAL		$46,578,142	$107,076	$307,416	$6,225,943	$18,968,710	$21,383,489
ENGINEERING/SURVEYING	8%	$2,143,885	$4,928	$14,150	$498,075	$1,408,810	$237,000
DEV. AGMT. AMENITY IMPROVEMENT DESIGN	10.5%	$777,183	$1,787	$5,129	$0	$0	$777,183
NON-DEV. AGMT. AMENITY IMPROVEMENT DESIG	10.5%	$917,184	$2,108	$6,053	$0	$0	$917,184
CONTINGENCY	6%	$2,794,689	$6,425	$18,445	$373,557	$1,138,123	$1,283,009
TOTAL		**$53,211,082**	**$122,324**	**$351,193**	**$7,097,575**	**$21,515,642**	**$24,597,865**

EXCLUDES:

- COST FOR AMENITY CENTER, TRAILS, LANDSCAPE / IRRIGATION, PERIMETER SITE IMPROVEMENTS, TELEPHONE OR CABLE FEES, CONSTRUCTION MANAGEMENT, ENVIRONMENTAL REPORTS, ROCK EXCAVATION, TREE MITIGATION OR RELOCATION, FRANCHISE RELOCATION, MOISTURE CONDITIONING/WATER INJECTION, UNLESS NOTED
- PREPARED WITHOUT THE BENEFIT OF A BOUNDARY SURVEY, TOPOGRAPHIC SURVEY, CITY REVIEW OF ENGINEERING DOCUMENTS
- PREPARED WITHOUT THE BENEFIT OF A FLOOD STUDY
- DOES NOT INCLUDE COST FOR OFF-SITE EASEMENT

1) IT IS IMPORTANT TO NOTE THAT THIS REPORT IS LIMITED IN ACCURACY BECAUSE IT WAS PREPARED WITHOUT THE BENEFIT OF PERMITTED CONSTRUCTION DOCUMENTS AND/OR ENGINEERING REPORTS, THAT MAY BE REQUIRED FOR PERMITTING AND THAT MAY YIELD NEW INFORMATION WHICH COULD AFFECT THE FINAL DEVELOPMENT COST.

2) ALL INFRASTRUCTURE COST IDENTIFIED ABOVE ARE PREDICATED ON THE ASSUMPTIONS AND EXCLUSIONS IDENTIFIED IN THE DETAILED COST "BREAK-DOWN" OF PROBABLE COST BY TRACT.

3) THE COST ILLUSTRATED ABOVE FOR EACH TRACT ARE ONLY FOR THOSE CATEGORIES SPECIFICALLY OUTLINED BY THE DETAILED COST BREAK-DOWN AND DO NOT NECESSARILY REPRESENT THE TOTAL DEVELOPMENT COST FOR THE PROJECT. IN ADDITION, IN SOME INSTANCES, THE FUTURE DEVELOPMENT OF ONE TRACT MAY NECESSITATE THE EXPENDITURE OF MONIES ALLOCATED WITHIN ANOTHER.

4) THIS OPINION OF PROBABLE COST IS ASSOCIATED WITH THE SPECIFIC LAND PLAN SHOWN AT THE TOP OF THIS PAGE. THE SCOPE OF ANY FUTURE LAND PLAN REVISIONS WILL HAVE A DIRECT BEARING ON THE DEVELOPMENT COST.

Opinion of Probable Cost 199,667 178100

MOSAIC, PHASE 1 **99,833.3**

City of Celina, Denton County, Texas

Plat/Land Plan 7/15/2022

Total Lots: ***435*** *Total Acres:* ***151.515152***

Prepared: ***01/13/23*** *Revised:* ***0***

EXCAVATION	UNIT COST ($)	UNIT (-)	QTY (± #)	TOTAL ($)	MAJOR	DIRECT	PRIVATE
DEMOLISH EXISTING STRUCTURES/PAVING	$ 2.25	SF.	0	$ -		$ -	
CLEARING & GRUBBING (VARIES SITE TO SITE)	$ 2,000.00	AC.	151.5	$ 303,031			
CONSTRUCTION ENTRANCE	$ 2,500.00	EA.	1	$ 2,500			
STREET & RIGHT-OF-WAY EXCAVATION	$ 10,000.00	EA.	32,331	$ 323,311,112			
UN-CLASSIFIED EXCAVATION	$ 10,000.00	EA.	167,336	$ 1,673,355,556			
HOMESTEAD POND EXCAVATION	$ 0.35	SY.	95,368	$ 33,379			
FINE GRADING BERMS	$ 1.50	CY.	53,000	$ 79,500			
LOT BENCHING (Final/Finish)	$ 200.00	LT.	435	$ 87,000			

LOT BENCHING (Initial/Rough)	$ 200.00	LT.	435	$ 87,000			
MOISTURE CONDITIONING - PADS (5')	$ 200.00	LT.	143.55	$ 28,710			
MOISTURE CONDITIONING - PADS (5')	$ 200.00	LT.	143.55	$ 28,710			
POLY PADS	$ 475.00	LT.	435	$ 206,625			
TOTAL				**$ 3,245,192**	**$ -**	**$ 282,697**	**$ 2,962,495**

Updated with Actual contract , COs 1,2 and pro-rata of 3

WATER	UNIT COST ($)	UNIT (-)	QTY (± #)	TOTAL ($)	MAJOR	DIRECT	PRIVATE
Phase 1A		TN.	-	$ 2,247,155	$ 783,421.88	$ 1,463,733	
Phase 1B		TN.	-	$ 575,662	$ -	$ 575,662	
Phase 1C		TN.	-	$ 1,106,222	$ 643,825.86	$ 462,396	
12" GATE VALVE & BOX	#N/A	#N/A	-			$ -	
CONNECT TO EXISTING WATERLINE	$ 40.00	LF.	0	$ -		$ -	
FIRE HYDRANT W/ VALVE	$ 40.00	LF.	-	$ -		$ -	
1" SINGLE WATER SERVICE	#N/A	#N/A	0			$ -	
2" SINGLE WATER SERVICE	$ 6,500.00	EA.	0	$ -		$ -	
2-4" SLEEVES	$ 6,500.00	EA.	0	$ -		$ -	
2000 PSI CONCRETE ENCASEMENT	$ 6,500.00	EA.	0	$ -		$ -	
MISCELLANEOUS FITTINGS	$ 9,950.00	TN.	0.0	$ -		$ -	
TESTING & CHLORINATION	$ 2.00	LF.	-	$ -		$ -	
TRENCH SAFETY	$ 0.10	LF.	-	$ -		$ -	
MAINTENANCE BOND	1.1%	LF.	$ 3,929,039			$ -	
MF TRACT WATER LOOP			$ 1	$ -	$ -		
TOTAL				**$ 3,929,039**	**$ 1,427,248**	**$ 2,501,791**	**$ -**

Updated with Actual contract ***01/08/00***

SANITARY SEWER	UNIT COST ($)	UNIT (-)	QTY (± #)	TOTAL ($)	MAJOR	DIRECT	PRIVATE
Phase 1A	$ 16.00	LF.	-	$ 4,226,817	$ 3,127,931.57	$ 1,098,885	$ -
Phase 1B	$ 16.00	LF.	-	$ 327,422	$ -	$ 327,422	
Phase 1C	$ 16.00	LF.	-	$ 839,098	$ -	$ 839,098	
5' DIAMETER MANHOLE	$ 8,200.00	EA.	-	$ -		$ -	
CONNECT TO EXISTING MANHOLE	$ 50.00	LF.	0	$ -		$ -	
4" SERVICE LINES	$ 6,500.00	EA.	0	$ -		$ -	
2000 PSI CONCRETE ENCASEMENT	$ 283.00	LF.	0	$ -		$ -	
TESTING & T.V. INSPECTION	$ 3.65	LF.	-	$ -		$ -	
TRENCH SAFETY	$ 0.10	LF.	-	$ -		$ -	
MAINTENANCE BOND	1.1%	LF.	$ 5,393,336			$ -	
MF TRACT SANITARY SEWER			-	$ -	$ -		
TOTAL				**$ 5,393,336**	**$ 3,127,932**	**$ 2,265,405**	**$ -**

Updated with Actual contract

STORM SEWER	UNIT COST ($)	UNIT (-)	QTY (± #)	TOTAL ($)	MAJOR	DIRECT	PRIVATE
Phase 1A	$ 75,000.00	LS.	-	$ 2,827,694	$ 779,169.42	$ 2,048,525	$ -
Phase 1B	$ 75,000.00	LS.	0	$ 1,281,087	$ -	$ 1,281,087	$ -
Phase 1C	$ 5,500.00	EA.	0	$ 1,573,063	$ -	$ 1,573,063	$ -
18" R.C.P. *(Reinforced Concrete Pipe)*	$ 9,500.00	EA.	-	$ -	$ -	$ -	
21" R.C.P.	$ 9,500.00	EA.	-	$ -	$ -	$ -	
24" R.C.P.	$ 9,500.00	EA.	-	$ -	$ -	$ -	
27" R.C.P.	$ 3,300.00	EA.	-	$ -	$ -	$ -	
30" R.C.P.	$ 3,400.00	EA.	-	$ -	$ -	$ -	
36" R.C.P.	$ 3,500.00	EA.	-	$ -		$ -	
42" R.C.P.	$ 3,650.00	EA.	-	$ -		$ -	
48" R.C.P.	$ 4,250.00	EA.	-	$ -		$ -	
4' X 4' R.C.B	$ 325.00	LF.	-	$ -		$ -	
5' X 4' R.C.B	$ 360.00	LF.	-	$ -		$ -	
6' X 4' R.C.B	$ 6,400.00	EA.	-	$ -		$ -	
7' X 4' R.C.B	$ 460.00	0	-	$ -		$ -	
8' X 4' R.C.B	$ 525.00	LF.	-	$ -		$ -	
7' X 5' R.C.B	$ 490.00	LF.	-	$ -		$ -	
8' X 5' R.C.B	$ 525.00	LF.	-	$ -		$ -	
2 ~ 6' X 5' R.C.B	$ 800.00	LF.	-	$ -		$ -	
21" TYPE "B" PRE-CAST HEADWALL	$ 9,500.00	EA.	-	$ -		$ -	
30" TYPE "B" PRE-CAST HEADWALL	$ 3,500.00	EA.	0	$ -		$ -	
36" TYPE "B" PRE-CAST HEADWALL	$ 3,650.00	EA.	0	$ -		$ -	
42" TYPE "B" PRE-CAST HEADWALL	$ 4,250.00	EA.	0	$ -		$ -	
4' X 4' R.C.B HEADWALL	$ 8,000.00	EA.	0	$ -		$ -	
8' X 4' R.C.B HEADWALL	$ 9,000.00	EA.	0	$ -		$ -	
6' X 5' R.C.B HEADWALL	$ -	EA.	0	$ -		$ -	
8' X 5' R.C.B HEADWALL	$ 9,000.00	EA.	0	$ -		$ -	
2 ~ 6' X 5' R.C.B. HEADWALL	$ 15,000.00	EA.	0	$ -		$ -	
STORM SEWER MANHOLE	$ 10.00	SF.	0	$ -		$ -	
POND OUTLET STRUCTURE	$ 15,000.00	EA.	0	$ -		$ -	
INLET STRUCTURE ON EXISTING POND	$ 15,000.00	EA.	0	$ -		$ -	
TEMP. DETENTION POND & OUTLET STRUCTURE	$ 20,000.00	EA.	0	$ -		$ -	
TESTING & T.V. INSPECTION	$ 2.75	LF.	-	$ -		$ -	
TRENCH SAFETY	$ 0.10	LF.	-	$ -		$ -	
4' X 4' "Y" INLET PARVIN	$ 3,650.00	EA.	-	$ -		$ -	
10' INLET RECESSED PARVIN	#N/A	#N/A	0			$ -	
21" R.C.P. PARVIN	$ 9,500.00	EA.	-	$ -		$ -	
27" R.C.P. PARVIN	$ 3,300.00	EA.	-	$ -		$ -	
36" R.C.P. PARVIN	$ 3,500.00	EA.	-	$ -		$ -	
42" R.C.P. PARVIN	$ 3,650.00	EA.	-	$ -		$ -	
5' X 5' R.C.B PARVIN	$ 400.00	LF.	-	$ -		$ -	
6' X 5' R.C.B PARVIN	$ 460.00	LF.	-	$ -		$ -	
42" TYPE "B" PRE-CAST HEADWALL PARVIN	$ 4,250.00	EA.	0	$ -		$ -	
6' X 5' R.C.B HEADWALL PARVIN	$ -	EA.	0	$ -		$ -	
GRADE TO DRAIN PARVIN	$ 75,000.00	LS.	0	$ -		$ -	
TESTING & T.V. INSPECTION PARVIN	$ 2.75	LF.	-	$ -		$ -	
TRENCH SAFETY PARVIN	$ 0.10	LF.	-	$ -		$ -	
MISCELLANEOUS ITEMS	1%	LS.	$ -	$ -		$ -	
MAINTENANCE BOND	1.1%	LS.	$ 5,681,844			$ -	
LEGACY DRIVE DRAINAG (Frontier to Parvin)			1	$ -	$ -		
PARVIN ROAD DRAINAGE (Legacy to Creek)			1	$ -	$ -		

TOTAL				$ 5,681,844	$ 779,169	$ 4,902,675	$ -

Updated with Actual contract

PAVING	UNIT COST ($)	UNIT (-)	QTY (± #)	TOTAL ($)	MAJOR	DIRECT	PRIVATE
PHASE 1A				$ 4,719,504.85	$ 891,594	$ 3,827,911	$ -
PHASE 1B				$ 1,337,037.90	$ -	$ 1,337,038	$ -
PHASE 1C				$ 2,487,140.20	$ -	$ 2,487,140	$ -
6" REINF. CONCRETE STREET PAVEMENT	$ 52.00	SY.	83,209			$ -	
8" REINF. CONCRETE STREET PAVEMENT PARVIN ROAD	$ 85.00	SY.	9,800			$ -	
6" REINF. CONCRETE ALLEY PAVEMENT	$ 62.00	SY.	7,158			$ -	
TEMPORARY TURN AROUND	$ 52.00	SY.	660			$ -	
6" LIME TREATED SUBGRADE	$ 4.00	SY.	105,049			$ -	
8" LIME TREATED SUBGRADE PARVIN ROAD	$ 5.25	SY.	11,200			$ -	
HYDRATED LIME	$ 210.00	TN.	2160			$ -	
MOISTURE CONDITIONING - 7' DEPTH PARVIN ROAD	$ 4.00	SY.	11200			$ -	
MOISTURE CONDITIONING - 7' DEPTH INTERNAL	$ 4.00	SY.	105049			$ -	
PAVEMENT HEADER & BARRICADE	$ 1,305.00	EA.	15			$ -	
CONNECT TO EXISTING	$ 500.00	SY.	1			$ -	
ROUNDABOUT - MINI	$ 50,000.00	SY.				$ -	
ROUNDABOUT - SINGLE	$ 75,000.00	SY.	1			$ -	
SIDEWALK 5 FT DEVELOPER	$ 37.50	LF.	6240			$ -	
BARRIER FREE RAMPS	$ 2,700.00	SY.	90			$ -	
DETECTABLE WARNING SURFACE	$ 500.00	SY.	38			$ -	
STREET NAME BLADES	$ 300.00	EA.	94			$ -	
TRAFFIC SIGNS	$ 400.00	%	45			$ -	
TRAFFIC CONTROL DEVICES (SIGNS, BARRELS & BARRICADES)	$ 5,000.00	LS.	1			$ -	
MAINTENANCE BOND	1.0%	TN.	$ -			$ -	
LEGACY DRIVE PAVING (Frontier to Parvin)			1	$ -	$ -		
PARVIN ROAD PAVING (Legacy to Creek)			1	$ -	$ -		
PHASE 6 BRIDGE			1	$ -	$ -		
TOTAL				$ 8,543,683	$ 891,594	$ 7,652,089	$ -

Updated with Actual contract and updated unit costs

RETAINING WALLS	UNIT COST ($)	UNIT (-)	QTY (± #)		MAJOR	DIRECT	PRIVATE
RETAINING WALL PER LOT (VARIES SITE TO SITE)	$ -	LT.	435	$ -			$ -
TOTAL				$ -	$ -	$ -	$ -

EROSION CONTROL	UNIT COST ($)	UNIT (-)	QTY (± #)	TOTAL ($)	MAJOR	DIRECT	PRIVATE
PRE-DEVELOPMENT EROSION CONTROL:							
SILT FENCE (HIGH FLOW)	$ 1.75	LF.	0	$ -		$ -	
SILT FENCE (HIGH FLOW) (MAINTENANCE)	$ 1.75	LF.	0	$ -		$ -	
ROCK CHECK DAMS	$ 950.00	EA.		$ -		$ -	
POST DEVELOPMENT EROSION CONTROL:						$ -	
8' ROLL OF CURLEX WITH SEED	$ 1.50	LF.	-	$ -		$ -	
DISK & SEED	$ 300.00	AC.	-	$ -		$ -	
ADMINISTRATION:						$ -	
SWPPP BOOK	$ 800.00	LS.	1	$ 800		$ 800	
SWPPP BOOK COPY	$ 100.00	EA.	1	$ 100		$ 100	
SWPPP SITE SIGNAGE	$ 150.00	EA.	1	$ 150		$ 150	
WEEKLY INSPECTIONS	$ 85.00	EA.	52	$ 4,420		$ 4,420	
SALES TAX ON IMPROVEMENTS	8.25%	EA.	$ -	$ -		$ -	
TOTAL				$ 5,470	$ -	$ 5,470	$ -

AMENITY IMPROVEMENTS	UNIT COST ($)	UNIT (-)	QTY (± #)	TOTAL ($)	MAJOR	DIRECT	PRIVATE
DEV. AGMT REQ.	$ 7,401,743	LS.	1	$ 7,401,743			$ 7,401,743
NON-DEV. AGMT & NON-SUBSTANTIAL COMP.	$ 8,735,082	LS.	1	$ 8,735,082			$ 8,735,082
TOTAL				$ 16,136,824	$ -	$ -	$ 16,136,824

FRANCHISE UTILITY ON-SITE IMPROVEMENTS	UNIT COST ($)	UNIT (-)	QTY (± #)	TOTAL ($)	MAJOR	DIRECT	PRIVATE
ELECTRIC SERVICE	$ 22.00	LF.	26,590	584,980			$ 584,980
GAS SERVICE	$ -	LT.	435	-			$ -
STREET LIGHTS	$ 11.00	LF.	26,590	292,490			$ 292,490
FRONTIER DUCT BANK	$ 325.00	LF.	2,100	682,500			$ 682,500
INTERNAL PHASE DUCT BANK	$ 225.00	LF.	3,200	720,000			$ 720,000
4" FRANCHISE UTILITY SLEEVES	$ 10.00	LF.	420	4,200			$ 4,200
FRANCHISE RELOCATION							
TOTAL				2,284,170	-	-	2,284,170

CITY FEES & MISCELLANEOUS CONSULTANTS	UNIT COST ($)	UNIT (-)	QTY (± #)	TOTAL ($)	MAJOR	DIRECT	PRIVATE
CITY FEES:							
ANNEXATION FEE	$ 1,000.00	LS.	1	$ 1,000		$ 1,000	
ZONING FEE	$ 300.00	LS.	1	$ 300		$ 300	
PLATTING FEE PLUS $300	$ 7.00	LT.	435	$ 3,345		$ 3,345	
ENGINEERING REVIEW FEE	$ 5,000.00	LS.	1	$ 5,000		$ 5,000	
INSPECTION FEE	3.0%	LS.	$ 23,547,902	$ 706,438		$ 706,438	
PROFESSIONAL FEES:							
PLANNING, ANNEXATION, ZONING	$ 30,000.00	LS.	1	$ 30,000		$ 30,000	
TREE SURVEY	$ 10,000.00	LS.	1	$ 10,000		$ 10,000	
PID/TIRZ ASSISTANCE	$ 5,000.00	LS.	1	$ 5,000		$ 5,000	
FLOODPLAIN ANALYSIS	$ 150,000.00	LS.	1	$ 150,000		$ 150,000	
WETLANDS/WOTUS	$ 7,500.00	LS.	1	$ 7,500		$ 7,500	
ENVIRONMENTAL STUDY	$ 5,000.00	LS.	1	$ 5,000		$ 5,000	
GEOTECHNICAL REPORT	$ 500.00	LT.	435	$ 217,500		$ 217,500	
CONSTRUCTION MATERIAL TESTING	$ 500.00	LT.	435	$ 217,500		$ 217,500	
						$ -	
TOTAL				1,358,583	$ -	$ 1,358,583.00	$ -

PROJECT FUND BUDGET SUMMARY

IMPROVEMENT AREA 2
CELINA, TEXAS

PHASE 2 SUMMARY

EGORY	2A	2B	2C	3C	BUDGET	APPROVED REVISIONS	CURRENT BUDGET	PAID TO DATE BY DEVELOPER	PREVIOUS DRAWS	CURRENT DRAW	REMAINING BALANCE TO DRAW
Public Improvements											
Clearing/Excavation	$ 126,861	$ 98,709	$ 150,622	$ 118,148	$ 494,339	$ -	$ 494,339		$ -	$ -	$ 494,339
Water	$ 788,849	$ 643,423	$ 828,280	$ 904,020	$ 3,164,573	$ -	$ 3,164,573		$ -	$ -	$ 3,164,573
Sewer	$ 1,098,034	$ 746,347	$ 1,040,242	$ 973,560	$ 3,858,184	$ -	$ 3,858,184		$ -	$ -	$ 3,858,184
Storm Drainage	$ 766,200	$ 870,404	$ 1,052,906	$ 1,182,180	$ 3,871,689	$ -	$ 3,871,689		$ -	$ -	$ 3,871,689
Roadways	$ 2,110,439	$ 1,592,219	$ 2,388,581	$ 1,808,040	$ 7,899,279	$ -	$ 7,899,279		$ -	$ -	$ 7,899,279
Retaining Walls	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -
Erosion Control/SWPPP	$ 71,872	$ 56,365	$ 83,590	$ 84,540	$ 296,368	$ -	$ 296,368		$ -	$ -	$ 296,368
Landscape/Amenities (DA Req.)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -
Landscape/Amenities (Non-DA Req.)	$ 1,999,014	$ 1,729,673	$ 1,345,422	$ 1,523,064	$ 6,597,173	$ -	$ 6,597,173		$ -	$ -	$ 6,597,173
Franchise Utilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -
Miscellaneous	$ 86,900	$ 61,050	$ 105,600	$ 71,500	$ 325,050	$ -	$ 325,050		$ -	$ -	$ 325,050
Hard Cost Subtotal	**$ 7,048,170**	**$ 5,798,191**	**$ 6,995,242**	**$ 6,665,052**	**$ 26,506,655**	**$ -**	**$ 26,506,655**	**$ -**	**$ -**	**$ -**	**$ 26,506,655**
Engineering/Surveying	$ 706,887	$ 458,056	$ 707,167	$ 569,807	$ 2,441,918	$ -	$ 2,441,918		$ -	$ -	$ 2,441,918
Landscape Design (DA Req.)	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -
Landscape Design (Non-DA Req.)	$ 189,906	$ 164,319	$ 127,815	$ 144,691	$ 626,731	$ -	$ 626,731		$ -	$ -	$ 626,731
Hard & Soft Contingency	$ 775,506	$ 625,625	$ 785,241	$ 723,486	$ 2,909,857	$ -	$ 2,909,857		$ -	$ -	$ 2,909,857
Miscellaneous Soft Costs	$ 560,723	$ 399,581	$ 482,076	$ 459,321	$ 1,901,701	$ -	$ 1,901,701		$ -	$ -	$ 1,901,701
Soft Cost Subtotal	**$ 2,233,022**	**$ 1,647,581**	**$ 2,102,299**	**$ 1,897,305**	**$ 7,880,208**	**$ -**	**$ 7,880,208**	**$ -**	**$ -**	**$ -**	**$ 7,880,208**
TOTAL DIRECT COSTS	**$ 9,281,193**	**$ 7,445,772**	**$ 9,097,542**	**$ 8,562,357**	**$ 34,386,863**	**$ -**	**$ 34,386,863**	**$ -**	**$ -**	**$ -**	**$ 34,386,863**
Direct Running Total											
mprovements (Benefit to All)											
Clearing/Excavation	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Water	$ 3,660,386	$ 117,006	$ 374,033	$ -	$ 4,151,425	$ -	$ 4,151,425				$ 4,151,425
Sewer	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Storm Drainage	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Roadways	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Retaining Walls	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Erosion Control/SWPPP	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Landscape/Amenities (DA Req.)	$ 2,415,299	$ -	$ -	$ -	$ 2,415,299	$ -	$ 2,415,299				$ 2,415,299
Landscape/Amenities (Non-DA Req.)	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Franchise Utilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Miscellaneous	$ 7,567	$ 5,846	$ 18,210	$ -	$ 31,623	$ -	$ 31,623				$ 31,623
Hard Cost Subtotal	**$ 6,083,252**	**$ 122,852**	**$ 392,243**	**$ -**	**$ 6,598,347**	**$ -**	**$ 6,598,347**	**$ -**	**$ -**	**$ -**	**$ 6,598,347**
Engineering/Surveying	$ 15,279	$ 11,701	$ 37,403	$ -	$ 64,383	$ -	$ 64,383				$ 64,383
Landscape Design (DA Req.)	$ 229,453	$ -	$ -	$ -	$ 229,453	$ -	$ 229,453				$ 229,453
Landscape Design (Non-DA Req.)	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
PID Formation & Issuance Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Hard & Soft Contingency	$ 602,984	$ 8,190	$ 26,182	$ -	$ 637,357	$ -	$ 637,357				$ 637,357
Miscellaneous Soft Costs	$ 506,916	$ 8,466	$ 27,031	$ -	$ 542,414	$ -	$ 542,414				$ 542,414
Soft Cost Subtotal	**$ 1,354,633**	**$ 28,357**	**$ 90,617**	**$ -**	**$ 1,473,607**	**$ -**	**$ 1,473,607**	**$ -**	**$ -**	**$ -**	**$ 1,473,607**
TOTAL PHASE 2 MAJOR COSTS	**$ 7,437,885**	**$ 151,209**	**$ 482,860**	**$ -**	**$ 8,071,954**	**$ -**	**$ 8,071,954**	**$ -**	**$ -**	**$ -**	**$ 8,071,954**
TOTAL PHASE 2/3C PORTION OF PHASE 2/3C MAJOR COSTS					**$ 2,846,547**		**$ 2,846,547**				
TOTAL PHASE 2/3C PORTION OF PHASE 1 MAJOR COSTS					**$ 2,191,664**		**$ 2,191,664**				
Major Running Total											
Improvements											
Clearing/Excavation	$ 336,649	$ 236,507	$ 559,093	$ 856,852	$ 1,989,101	$ -	$ 1,989,101				$ 1,989,101
Water	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Sewer	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Storm Drainage	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Roadways	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Retaining Walls	$ 189,600	$ 133,200	$ 230,400	$ 208,000	$ 761,200	$ -	$ 761,200				$ 761,200
Erosion Control/SWPPP	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Landscape/Amenities (DA Req.)	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Landscape/Amenities (Non-DA Req.)	$ 25,763	$ 18,458	$ 22,400	$ -	$ 66,622	$ -	$ 66,622				$ 66,622
Franchise Utilities	$ 827,966	$ 422,629	$ 684,855	$ 508,528	$ 2,443,978	$ -	$ 2,443,978				$ 2,443,978
Miscellaneous	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Hard Cost Subtotal	**$ 1,379,978**	**$ 810,794**	**$ 1,496,748**	**$ 1,573,380**	**$ 5,260,901**	**$ -**	**$ 5,260,901**	**$ -**	**$ -**	**$ -**	**$ 5,260,901**
Engineering/Surveying (Non-DA Req.)	$ 81,514	$ 67,561	$ 62,399	$ 79,955	$ 291,429	$ -	$ 291,429				$ 291,429

Landscape Design (DA Req.)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Landscape Design (Non-DA Req.)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -
Hard & Soft Contingency	$ 146,149	$ 87,835	$ 140,915	$ 165,333	$ 540,233	$ -	$ 540,233					$ 540,233
Miscellaneous Soft Costs	$ 95,101	$ 55,876	$ 103,148	$ 108,429	$ 362,554	$ -	$ 362,554					$ 362,554
Soft Cost Subtotal	**$ 322,764**	**$ 211,272**	**$ 306,462**	**$ 353,718**	**$ 1,194,215**	**$ -**	**$ 1,194,215**	**$ -**	**$ -**	**$ -**		**$ 1,194,215**
TOTAL PRIVATE COSTS	**$ 1,702,742**	**$ 1,022,066**	**$ 1,803,210**	**$ 1,927,097**	**$ 6,455,116**	**$ -**	**$ 6,455,116**	**$ -**	**$ -**	**$ -**		**$ 6,455,116**
TOTAL PID ELIGIBLE COSTS	**$ 16,719,078**	**$ 7,596,981**	**$ 9,580,402**	**$ 8,562,357**	**$ 42,458,817**	**$ -**	**$ 42,458,817**	**$ -**	**$ -**	**$ -**		**$ 42,458,817**
TOTAL PHASE 2/3C PID DIRECT ELIGIBLE					**$ 39,425,074**		**$ 39,425,074**					
GRAND TOTAL	**$ 18,421,820**	**$ 8,619,047**	**$ 11,383,612**	**$ 10,489,454**	**$ 48,913,933**	**$ -**	**$ 48,913,933**	**$ -**	**$ -**	**$ -**		**$ 48,913,933**

TABLE III-B UPDATE

Date: 8/23/2024

	Original Budget from Table III-B		Constructed with Phase 2	Constructed with Phase 3C	To be Constructed w/in Next 5 Years	Updated Total	Notes
Roadway	$ 1,039,000		$ -	$ -		**$ -**	The section of Old Parvin Rd. is actually a direct improvement of Phase 4B
Water	$ 163,000		$ 4,151,425	$ -	$ 485,846	**$ 4,637,271**	Additional Water Major Improvements constructed with Phase 2 are shown on the attached exhibit and are necessary to serve the entire project. It is anticipated that an additional 12" water line will be installed in the next 5 years with Phases 4A and 4C.
Sanitary Sewer	$ 51,000		$ -	$ -		**$ -**	Based on updated engineering, we no longer anticipate Additional Sanitary Sewer Major Improvements to be constructed within the next 5 years.
Storm Drain	$ 355,000		$ -	$ -		**$ -**	Based on updated engineering, we no longer anticipate Additional Storm Drainage Major Improvements to be constructed within the next 5 years.
Landscape / Hike & Bike Trails	$ -		$ 2,415,299	$ -	$ 423,946	**$ 2,839,245**	Additional Landscape / Trails Major Improvements consist of hike and bike trails that are part of the larger trail system the initial portion of which are being constructed with Phase 2 with future portions anticipated to be constructed in phases over the next 5 years to serve the entire community
Soft & Misc.	$ 446,863		$ 1,505,230	$ -		**$ 1,505,230**	Phase 2 Misc. includes city inspection fees and bond costs. Soft costs include design and legal for Legacy waterline
Totals	**$ 2,054,863**		**$ 8,071,954**	**$ -**	**$ 909,792**	**$ 8,981,746**	

APPENDIX C
LEGAL DESCRIPTION

PID - LEGAL DESCRIPTION
757.571 ACRES WITH
72.819 ACRES SAVE AND EXCEPT
684.752 ACRES

BEING a tract of land situated in the C. COPENHAVER SURVEY, ABSTRACT NO. 253, the JOHN MORTON SURVEY, ABSTRACT NO. 791, the JOHN M. McKIM SURVEY, ABSTRACT NO. 889, the ANTHONY PHILLIPS SURVEY, ABSTRACT NO. 1028 and the A. THOMASON SURVEY, ABSTRACT NO. 1265, Denton County, Texas, and being all of that tract of land conveyed in Deed to W. Keith Thornton and James H. Merritt, III, according to the document of record filed in Document Number 95-0068384, Deed Records, Denton County, Texas, and being all of that tract of land conveyed in Deed to Merritt/Thornton Farm Partnership, L.P., according to the document of record filed in Document Number 99-096579, Deed Records, Denton County, Texas and being part of Lot 3, SMILEY ACRES, an Addition to the City of Celina, Denton County, Texas, according to the Plat of record filed in Cabinet D, Page 324, Plat Records, Denton County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8" iron rod found for a common interior ell corner of said Merritt/Thornton Farm Partnership, L.P. tract and the southwest corner of that tract of land described as a Right-Of-Way Dedication as conveyed in Deed to City of Celina, according to the document of record filed in Document Number 2008-9821, Official Records, Denton County, Texas;

THENCE N 89° 28' 44" E, with the common line of said Merritt tract/Thornton Farm Partners, L.P. tract and said City of Celina Tract, a distance of 1,738.53 feet to a point near the intersection of Legacy Road (County Road 6) with Frontier Parkway (County Road 5), at the most easterly northeast corner of said Merritt/Thornton Farm Partnership, L.P. tract, from which a 5/8" iron rod found bears N 78° 19' 21" E, 0.20 feet;

THENCE S 00° 29' 24" W, with the approximate centerline of said Legacy Road, a distance of 189.17 feet to a point for the common northeast corner of that tract of land described as Right-Of-Way Dedication as conveyed in Deed to Denton County, Texas, according to the document of record filed in Document Number 2010-62874, Official Records, Denton County, Texas and the northwest corner of that tract of land described as Right-Of-Way as conveyed in Deed to Town of Prosper, Texas, according to the document of record filed in Document Number 20100518000498080, Official Public Records, Collin County, Texas;

THENCE N 89° 48' 43" W, leaving the approximate centerline of said Legacy Road and with the north line of said Denton County, Texas tract, a distance of 40.79 feet for the northwest corner of said Denton County, Texas tract;

THENCE S 00° 11' 17" W, with the west line of said Denton County, Texas tract, a distance of 320.00 feet to a 5/8" iron rod found for the southwest corner of said Denton County, Texas tract;

THENCE S 89° 48' 43" E, with the south line of said Denton County, Texas tract, a distance of 39.10 feet, returning to the approximate centerline of said Legacy Road, for the common southeast corner of said Denton County, Texas tract and the southwest corner of the above mentioned Town of Prosper, Texas tract;

THENCE S 00° 29' 24" W, with the approximate center line of said Legacy Road, a distance of 1,942.34 feet to a 1/2" iron rod found in the west line of that tract of land conveyed in Deed to Prosper Independent School District (Prosper ISD), according to the document of record filed in Document Number 20200817001344070, Official Public Records, Collin County, Texas, for the common southeast corner of the above mentioned Merritt/Thornton Farm Partners, L.P. tract and the northeast corner of that tract of land conveyed in Deed to Patricia Ann Burnett Krov, according to the document of record filed in Document Number 2014-15524, Official Records, Denton County, Texas;

THENCE S 74° 57' 09" W, with the common south line of said Merritt/Thornton Farm Partners, L.P. tract and the north line of said Patricia Ann Burnett Krov tract, a distance of 866.35 feet to the common northwest corner of said Patricia Ann Burnett Krov tract and the northeast corner of that tract of land conveyed in Deed to The Leonard and Norma E. McCasland Revocable Living Trust, according to the document of record filed in Volume 4683, Page 1919, Deed Records, Denton County, Texas;

THENCE S 89° 07' 59" W, with the common south line of said Merritt/Thornton Farm Partners, L.P. tract and the north line of said The Leonard and Norma E. McCasland Revocable Living Trust tract, a distance of 776.28 feet to a 1/2" iron rod found for the common northwest corner of said The Leonard and Norma E. McCasland Revocable Living Trust tract and the northeast corner of that tract of land conveyed in Deed to Prosper Meadows LP, according to the document of record filed in Document Number 2019-65177, Official Records, Denton County, Texas;

THENCE S 89° 07' 21" W, with the common south line of said Merritt/Thornton Farm Partners, L.P. tract and the north line of said Prosper Meadows LP tract, a distance of 1,549.59 feet to a 1/2" iron rod found for the common northwest corner of said Prosper Meadows LP tract and the northeast corner of that tract of land conveyed in Deed to Prosper Independent School District (Prosper ISD), according to the document of record filed in Document Number 2017-34540, Official Records, Denton County, Texas;

THENCE S 89° 08' 17" W, with the common south line of said Merritt/Thornton Farm Partners, L.P. tract and the north line of said Prosper ISD tract, a distance of 3,173.39 feet to a 5/8" iron rod with cap stamped "RPLS 5674" found for the common southwest corner of said Merritt/Thornton Farm Partners, L.P. tract and the southeast corner of that tract of conveyed in Deed to Frontier Mini Storage, LLC, according to the document of record filed in Document Number 2018-77026, (Correction Deed Document Number 2018-121216), Official Records, Denton County, Texas;

THENCE N 00° 35' 32" W, with the common west line of said Merritt/Thornton Farm Partners, L.P. tract and the east line said Frontier Mini Storage, LLC tract, a distance of 1,156.84 feet to a 1/2" iron rod with a yellow cap stamped "DAA" found;

THENCE N 03° 12' 09" W, continuing with the common line of said Merritt/Thornton Farm Partners, L.P. tract and said Frontier Mini Storage, LLC tract, a distance of 225.36 feet to a 1/2" iron rod found for the common northeast corner of said Frontier Mini Storage, LLC tract and an exterior ell corner of that tract of land conveyed in Deed to Teel Lakes LLC, according to the document of record filed in Document Number 2009-126512, Official Records, Denton County, Texas;

THENCE With the common west line of said Merritt/Thornton Farm Partners, L.P. tract and the east line of said Teel Lakes, LLC tract, the following courses and distances:

N 01° 49' 22" W, a distance of 105.75 feet to a 5/8" iron rod with cap stamped "RPLS 5674" found;

N 64° 25' 33" E, a distance of 414.33 feet to a 5/8" iron rod with cap stamped "RPLS 5674" found;

N 00° 43' 47" W, a distance of 828.43 feet to a 1/2" iron rod found for the common northeast corner of said Teel Lakes, LLC tract and the southeast corner of Lot 4 of the above mentioned SMILEY ACRES Addition;

THENCE N 00° 01' 44" W, with the common west line of said Merritt/Thornton Farm Partners, L.P. tract and the east line of said SMILEY ACRES Addition, a distance of 705.25 feet to a 1/2" iron rod found in the above mentioned Lot 3 of said SMILEY ACRES Addition;

THENCE S 89° 59' 12" W, a distance of 477.09 feet to a point in the common west line of said Lot 3 and the east right-of-way line of Old Dairy Farm Road;

THENCE N 00° 05' 34" W, with the common line of said Lot 3 and said Old Dairy Farm Road, a distance of 442.82 feet to the southeast corner of Lot 2 of said SMILEY ACRES Addition;

THENCE N 00° 08' 51" W, with the common west line of said Lot 3 and the east line of said Lot 2, a distance of 422.32 feet to a 1/2" iron rod found in the south line of that tract of land described as Tract II as conveyed in Deed to Prosper 30 Partners, LLC, according to the document of record filed in Document Number 2018-111804, Official Records, Denton County, Texas, for the common northwest corner of said Lot 3 and the northeast corner of said Lot 2;

THENCE N 89° 53' 33" E, a distance of 449.54 feet to a point in the west line of the above mentioned Merritt/Thornton Farm Partners, L.P. tract, for the common northeast corner of said Lot 3 and the southeast corner of said Prosper 30 Partners, LLC tract;

THENCE N 02° 58' 07" W, with the common west line of said Merritt/Thornton Farm Partners, L.P. tract and the east line of said Tract II, a distance of 686.27 feet to a 1/2" iron rod found for the common southeast corner of the above mentioned W. Keith Thornton and James H. Merritt, III tract and the northeast corner of said Tract II;

THENCE S 89° 53' 38" W, with the south line of said W. Keith Thornton and James H. Merritt, III tract, a distance of 1,889.96 feet to a point in the east line of that tract of land conveyed in Deed to Smiley Road, LTD., according to the document of record filed in Document Number 2005-77986, Official Records, Denton County, Texas, for the southwest corner of said W. Keith Thornton and James H. Merritt, III tract;

THENCE N 00° 06' 49" W, with the common west line of said W. Keith Thornton and James H. Merritt, III tract and the east line said Smiley Road, LTD. tract, a distance of 690.33 feet to a 1/2" iron rod found for the common northwest corner of said W. Keith Thornton and James H. Merritt, III tract and the southwest corner of that tract of land conveyed in Deed to Smiley Road, LTD., according to

the document of record filed in Document Number 2006-45938, Official Records, Denton County, Texas;

THENCE N 89° 53' 30" E, with the common north line of said W. Keith Thornton and James H. Merritt, III tract and the south line of said Smiley Road, LTD. tract, a distance of 1,903.70 feet to a 1" iron pipe found in the west line of the above mentioned Merritt/Thornton Farm Partnership, L.P. tract, for the common northeast corner of said W. Keith Thornton and James H. Merritt, III tract and the southeast corner of said Smiley Road, LTD. tract;

THENCE N 01° 49' 48" E, with the common west line of said Merritt/Thornton Farm Partnership, L.P. tract and the east line of said Smiley Road, LTD. tract, a distance of 654.45 feet to a 1/2" iron rod found in the south line of that tract of land conveyed in Deed to Smiley Road, LTD., according to the document of record filed in Document Number 2006-2173, Official Records, Denton County, Texas, for the common northwest corner of said Merritt/Thornton Farm Partnership, L.P. tract and the northeast corner of said Smiley Road, LTD. (Document Number 2006-45938) tract;

THENCE N 89° 13' 47" E, with the common north line of said Merritt/Thornton Farm Partnership, L.P. tract and the south line of said Smiley Road, LTD. (Document Number 2006-2173) tract, a distance of 1,501.71 feet to a 1/2" iron rod found for the common southeast corner of said Smiley Road, LTD. tract and the southwest corner of that tract of land conveyed in Deed to West Celina 86 Partners, LTD., according to the document of record filed in Document Number 2015-23235, Official Records, Denton County, Texas;

THENCE N 89° 06' 09" E, continuing with the north line of said Merritt/Thornton Farm Partnership, L.P. tract, a distance of 2,842.45 feet to a point in the south line of that tract of land conveyed in Deed to Roys Glenn Allen and Randy Allen, Co-Trustees of the RG Allen Revocable Trust, according to the document of record filed in Document Number 2015-46639, Official Records, Denton County, Texas, for the common northeast corner of said Merritt/Thornton Farm Partnership, L.P. tract and the northwest corner of CREEKS OF LEGACY WEST PHASE 1, an Addition to the City of Celina, Denton County, Texas, according to the Plat of record filed in Cabinet 2018, Page 394, Plat Records, Denton County, Texas;

THENCE S 00° 29' 21" W, with the east line of said Merritt/Thornton Farm Partnership, L.P. tract , a distance of 3,416.82 feet to the **POINT OF BEGINNING**, and containing 757.571 acres of land, more or less.

SAVE AND EXCEPT:

BEING a tract of land in the C. COPENHAVER SURVEY, ABSTRACT NO. 253, the JOHN M. McKIM SURVEY, ABSTRACT NO. 889 and the ANTHONY PHILLIPS SURVEY, ABSTRACT NO. 1028, Denton County, Texas, and being all of Lots 1 and 2, MERRITT PARK ADDITION, an Addition to the City of Celina, Collin County, Texas, according to the Plat of record filed in Document Number 2013-303, Official Records, Collin County, Texas, and being part of that tract of land conveyed in Deed to Merritt/Thornton Farm Partnership, L.P., according to the document of record filed in Document Number 99-096579, Deed Records, Denton County, Texas, and being more particularly described as follows:

COMMENCING at a point for a common interior ell corner of said Merritt/Thornton Farm Partnership, L.P. tract and the most easterly southeast corner of that tract of land conveyed in Deed to Teel Lakes LLC, according to the document of record filed in Document Number 2009-126512, Official Records, Denton County, Texas, from which a 1/2" iron rod found in the west line of said Merritt/Thornton Farm Partnership, L.P. tract, for the common most southerly southeast corner of said Teel Lakes, LLC tract and the northeast corner of that tract of land conveyed in Deed to Frontier Mini Storage, LLC, according to the document of record filed in Document Number 2018-77026 (Correction Deed, Document Number 2018-121216), Official Records, Denton County, Texas, bears S 52° 30' 13" W, 467.16 feet;

THENCE Over and across said Merritt/Thornton Farm Partnership, L.P. tract, the following courses and distances:
N 00° 00' 00" E, a distance of 63.68 feet to the **POINT OF BEGINNING** of the tract of land described herein;

N 54° 52' 24" E, a distance of 40.69 feet;

N 32° 26' 23" E, a distance of 70.08 feet;

N 02° 32' 44" W, a distance of 13.69 feet;

N 89° 34' 08" E, a distance of 47.37 feet;

N 68° 41' 04" E, a distance of 49.27 feet;

N 72° 37' 27" E, a distance of 73.57 feet;

N 54° 03' 27" E, a distance of 45.73 feet;

N 09° 19' 17" E, a distance of 32.10 feet;

N 15° 43' 34" W, a distance of 40.22 feet;

N 32° 25' 42" W, a distance of 28.72 feet;

N 40° 58' 09" W, a distance of 69.41 feet;

N 18° 32' 55" W, a distance of 90.82 feet;

N 00° 57' 01" E, a distance of 112.83 feet;

N 16° 47' 39" W, a distance of 74.65 feet;

N 35° 42' 19" W, a distance of 102.42 feet;

N 20° 28' 35" W, a distance of 86.29 feet;

N 10° 48' 26" W, a distance of 82.16 feet;

N 19° 38' 00" W, a distance of 93.54 feet;

N 00° 00' 00" E, a distance of 62.22 feet;

N 39° 10' 53" E, a distance of 34.03 feet;

N 11° 13' 02" E, a distance of 129.62 feet;

N 44° 27' 46" E, a distance of 100.32 feet;

N 15° 23' 43" E, a distance of 44.07 feet;

N 06° 13' 09" E, a distance of 130.16 feet;

N 60° 23' 08" W, a distance of 109.36 feet;

N 06° 46' 51" E, a distance of 140.95 feet;

N 34° 29' 43" E, a distance of 115.46 feet;

N 40° 38' 06" E, a distance of 136.02 feet;

N 86° 44' 10" E, a distance of 215.82 feet;

N 16° 07' 11" E, a distance of 144.61 feet;

N 37° 40' 40" E, a distance of 204.49 feet;

N 57° 39' 24" E, a distance of 121.37 feet;

N 48° 05' 13" E, a distance of 267.21 feet;

N 17° 46' 03" E, a distance of 126.38 feet;

S 70° 22' 42" E, a distance of 652.06 feet;

S 12° 34' 43" E, a distance of 1,028.18 feet to a point at the beginning of a curve to the right having a central angle of 50° 22' 16", a radius of 125.00 feet and a chord bearing and distance of S 11° 46' 54" W, 106.39 feet;

With said curve to the right, an arc distance of 109.89 feet;

S 33° 08' 43" W, a distance of 1522.09 feet;

S 79° 00' 07" W, a distance of 260.45 feet;

N 68° 47' 46" W, a distance of 401.09 feet;

N 90° 00' 00" W, a distance of 312.21 feet to the **POINT OF BEGINNING**, and containing 72.819 acres of land, more or less.

PHASE #1

LEGAL DESCRIPTION

TRACT 1

BEING A TRACT OF LAND LOCATION IN THE C. COPENHAVER SURVEY, ABSTRACT NO. 253, JOHN MORTON SURVEY, ABSTRACT NO. 791, JOHN M. MCKIM SURVEY, ABSTRACT NO. 889, AND THE ANTHONY PHILLIPS SURVEY, ABSTRACT NO. 1028, DENTON COUNTY, TEXAS, AND BEING PART OF THAT TRACT OF LAND DESCRIBED AS TRACT 1 IN DEED TO TELLUS TEXAS I, LLC, RECORDED IN DOCUMENT NO. 2021-137876, OFFICIAL RECORDS, DENTON COUNTY, TEXAS, (O.R.D.C.T.), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8-INCH IRON ROD FOUND AT A NORTHEASTERLY INTERIOR ELL CORNER OF SAID TRACT 1 AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN RIGHT-OF-WAY DEED TO CITY OF CELINA, RECORDED IN DOCUMENT NUMBER 2008-9821, O.R.D.C.T.;

THENCE NORTH 89° 28' 44" EAST, ALONG THE COMMON LINE OF SAID TRACT 1 AND SAID CITY OF CELINA TRACT, A DISTANCE OF 901.73 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” FOUND AT THE MOST EASTERLY CORNER OF SAID TRACT 1 AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 50° 28' 55", A RADIUS OF 1,160.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 45° 43' 46" WEST, 989.31 FEET;

THENCE ALONG THE EAST LINE OF SAID TRACT 1, THE FOLLOWING THREE (3) COURSES AND DISTANCES:

SOUTHWESTERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 1,022.05 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” FOUND FOR CORNER;

SOUTH 20° 29' 18" WEST, A DISTANCE OF 1,113.94 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” FOUND FOR CORNER AT THE BEGINNING OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 02° 55' 27", A RADIUS OF 1,340.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 21° 57' 02" WEST, 68.38 FEET;

SOUTHWESTERLY, ALONG SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 68.39 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET FOR CORNER;

THENCE LEAVING SAID EAST LINE, OVER AND ACROSS SAID TRACT 1, THE FOLLOWING FIFTY-EIGHT (58) COURSES AND DISTANCES:

NORTH 66° 35' 14" WEST, A DISTANCE OF 40.00 FEET TO A POINT FOR CORNER;

NORTH 69° 30' 42" WEST, A DISTANCE OF 277.74 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 13° 42' 18", A RADIUS OF 791.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 76° 21' 51" WEST, 188.75 FEET;

WESTERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 189.20 FEET TO A POINT FOR CORNER;

SOUTH 22° 52' 03" WEST, A DISTANCE OF 15.61 FEET TO A POINT FOR CORNER;

NORTH 85° 48' 06" WEST, A DISTANCE OF 50.00 FEET TO A POINT FOR CORNER;

NORTH 04° 11' 54" EAST, A DISTANCE OF 1.74 FEET TO A POINT FOR CORNER;

NORTH 14° 01' 42" WEST, A DISTANCE OF 15.98 FEET TO A POINT FOR CORNER;

NORTH 83° 47' 55" WEST, A DISTANCE OF 61.07 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 11° 06' 46", A RADIUS OF 1,191.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 89° 21' 29" WEST, 230.64 FEET;

WESTERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 231.00 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A REVERSE CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 14° 23' 55", A RADIUS OF 259.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 87° 42' 54" WEST, 64.92 FEET;

WESTERLY, ALONG SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 65.09 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A REVERSE CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 84° 32' 16", A RADIUS OF 40.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 57° 12' 56" WEST, 53.81 FEET;

SOUTHWESTERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 59.02 FEET TO A POINT FOR CORNER;

SOUTH 14° 56' 48" WEST, A DISTANCE OF 82.93 FEET TO A POINT FOR CORNER;

SOUTH 59° 46' 19" EAST, A DISTANCE OF 15.52 FEET TO A POINT FOR CORNER;

SOUTH 11° 06' 21" WEST, A DISTANCE OF 50.00 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 03° 50' 12", A RADIUS OF 1,225.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 76° 58' 33" WEST, 82.01 FEET;

WESTERLY, ALONG SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 82.03 FEET TO A POINT FOR CORNER;

NORTH 75° 03' 27" WEST, A DISTANCE OF 104.35 FEET TO A POINT FOR CORNER;

SOUTH 59° 56' 40" WEST, A DISTANCE OF 14.14 FEET TO A POINT FOR CORNER;

NORTH 75° 03' 12" WEST, A DISTANCE OF 50.00 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET FOR CORNER;

NORTH 14° 56' 48" EAST, A DISTANCE OF 275.86 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 15° 34' 55", A RADIUS OF 570.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 07° 34' 50" EAST, 154.54 FEET;

NORTHERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 155.02 FEET TO A POINT FOR CORNER;

NORTH 44° 12' 18" WEST, A DISTANCE OF 14.50 FEET TO A POINT FOR CORNER;

NORTH 87° 44' 19" WEST, A DISTANCE OF 200.61 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 07° 27' 44", A RADIUS OF 1,225.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 84° 00' 27" WEST, 159.43 FEET;

WESTERLY, ALONG SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 159.55 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A REVERSE CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 07° 09' 51", A RADIUS OF 975.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 83° 51' 30" WEST, 121.83 FEET;

WESTERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 121.91 FEET TO A POINT FOR CORNER;

NORTH 02° 33' 35" EAST, A DISTANCE OF 50.00 FEET TO A POINT FOR CORNER;

NORTH 05° 14' 18" EAST, A DISTANCE OF 65.95 FEET TO A POINT FOR CORNER;

NORTH 16° 25' 20" WEST, A DISTANCE OF 62.22 FEET TO A POINT FOR CORNER;

NORTH 16° 55' 28" WEST, A DISTANCE OF 64.84 FEET TO A POINT FOR CORNER;

NORTH 14° 23' 41" WEST, A DISTANCE OF 64.84 FEET TO A POINT FOR CORNER;

NORTH 11° 52' 10" WEST, A DISTANCE OF 64.84 FEET TO A POINT FOR CORNER;

NORTH 09° 20' 32" WEST, A DISTANCE OF 64.84 FEET TO A POINT FOR CORNER;

NORTH 06° 48' 54" WEST, A DISTANCE OF 64.95 FEET TO A POINT FOR CORNER;

NORTH 05° 29' 35" WEST, A DISTANCE OF 60.00 FEET TO A POINT FOR CORNER;

NORTH 05° 27' 40" WEST, A DISTANCE OF 60.00 FEET TO A POINT FOR CORNER;

NORTH 05° 28' 37" WEST, A DISTANCE OF 60.00 FEET TO A POINT FOR CORNER;

NORTH 00° 08' 05" WEST, A DISTANCE OF 91.09 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 11° 36' 52", A RADIUS OF 610.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 89° 31' 40" WEST, 123.44 FEET;

WESTERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 123.65 FEET TO A POINT FOR CORNER;

SOUTH 40° 34' 22" WEST, A DISTANCE OF 14.70 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 02° 27' 35", A RADIUS OF 425.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 00° 12' 06" EAST, 18.24 FEET;

SOUTHERLY, ALONG SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 18.25 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A REVERSE CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 05° 24' 15", A RADIUS OF 375.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 01° 40' 26" EAST, 35.36 FEET;

SOUTHERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 35.37 FEET TO A POINT FOR CORNER;

SOUTH 04° 23' 39" EAST, A DISTANCE OF 73.07 FEET TO A POINT FOR CORNER;

SOUTH 85° 36' 21" WEST, A DISTANCE OF 50.00 FEET TO A POINT FOR CORNER;

SOUTH 71° 22' 02" WEST, A DISTANCE OF 70.71 FEET TO A POINT FOR CORNER;

SOUTH 63° 42' 31" WEST, A DISTANCE OF 57.51 FEET TO A POINT FOR CORNER;

SOUTH 56° 50' 21" WEST, A DISTANCE OF 57.51 FEET TO A POINT FOR CORNER;

SOUTH 49° 58' 11" WEST, A DISTANCE OF 57.51 FEET TO A POINT FOR CORNER;

SOUTH 53° 45' 26" WEST, A DISTANCE OF 94.80 FEET TO A POINT FOR CORNER;

SOUTH 57° 30' 58" WEST, A DISTANCE OF 50.00 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 12° 42' 31", A RADIUS OF 550.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 38° 50' 18" WEST, 121.74 FEET;

NORTHWESTERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 121.99 FEET TO A POINT FOR CORNER;

SOUTH 44° 48' 27" WEST, A DISTANCE OF 155.00 FEET TO A POINT FOR CORNER;

NORTH 49° 37' 45" WEST, A DISTANCE OF 64.87 FEET TO A POINT FOR CORNER;

NORTH 52° 20' 44" WEST, A DISTANCE OF 70.00 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET FOR CORNER;

SOUTH 37° 39' 16" WEST, A DISTANCE OF 155.00 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET FOR CORNER;

NORTH 52° 20' 44" WEST, A DISTANCE OF 79.50 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET FOR CORNER;

SOUTH 37° 39' 16" WEST, A DISTANCE OF 109.32 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET FOR CORNER;

NORTH 52° 20' 44" WEST, A DISTANCE OF 110.50 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET FOR CORNER;

NORTH 37° 39' 16" EAST, A DISTANCE OF 109.32 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET FOR CORNER;

NORTH 52° 20' 44" WEST, A DISTANCE OF 79.98 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET FOR CORNER IN THE NORTHWEST LINE OF SAID TRACT 1;

THENCE ALONG THE WEST LINE OF SAID TRACT 1, THE FOLLOWING THREE (3) COURSES AND DISTANCES:

N 33° 08' 43" EAST, A DISTANCE OF 991.23 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” FOUND FOR CORNER AT THE BEGINNING OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 50° 22' 16", A RADIUS OF 125.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 11° 46' 54" EAST, 106.39 FEET;

NORTHERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 109.89 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” FOUND FOR CORNER

NORTH 12° 34' 43" WEST, A DISTANCE OF 488.91 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET FOR CORNER;

THENCE LEAVING SAID WEST LINE, OVER AND ACROSS SAID TRACT 1, THE FOLLOWING THIRTY-EIGHT (38) COURSES AND DISTANCES:

NORTH 77° 25' 17" EAST, A DISTANCE OF 120.00 FEET TO A POINT FOR CORNER;

NORTH 12° 34' 43" WEST, A DISTANCE OF 36.15 FEET TO A POINT FOR CORNER;

NORTH 77° 25' 17" EAST, A DISTANCE OF 170.00 FEET TO A POINT FOR CORNER;

SOUTH 12° 34' 43" EAST, A DISTANCE OF 94.70 FEET TO A POINT FOR CORNER;

SOUTH 77° 25' 17" WEST, A DISTANCE OF 40.00 FEET TO A POINT FOR CORNER;

SOUTH 12° 34' 43" EAST, A DISTANCE OF 156.45 FEET TO A POINT FOR CORNER;

NORTH 55° 41' 49" EAST, A DISTANCE OF 56.24 FEET TO A POINT FOR CORNER;

NORTH 63° 27' 43" EAST, A DISTANCE OF 82.02 FEET TO A POINT FOR CORNER;

NORTH 74° 52' 32" EAST, A DISTANCE OF 79.61 FEET TO A POINT FOR CORNER;

NORTH 79° 37' 27" EAST, A DISTANCE OF 725.00 FEET TO A POINT FOR CORNER;

NORTH 81° 29' 38" EAST, A DISTANCE OF 82.66 FEET TO A POINT FOR CORNER;

NORTH 87° 17' 10" EAST, A DISTANCE OF 70.00 FEET TO A POINT FOR CORNER;

SOUTH 89° 13' 00" EAST, A DISTANCE OF 68.53 FEET TO A POINT FOR CORNER;

SOUTH 85° 16' 58" EAST, A DISTANCE OF 62.69 FEET TO A POINT FOR CORNER;

SOUTH 81° 31' 51" EAST, A DISTANCE OF 62.50 FEET TO A POINT FOR CORNER;

SOUTH 81° 31' 51" EAST, A DISTANCE OF 57.71 FEET TO A POINT FOR CORNER;

NORTH 03° 53' 08" WEST, A DISTANCE OF 66.33 FEET TO A POINT FOR CORNER;

SOUTH 86° 06' 51" WEST, A DISTANCE OF 50.50 FEET TO A POINT FOR CORNER;

NORTH 03° 53' 08" WEST, A DISTANCE OF 109.32 FEET TO A POINT FOR CORNER;

NORTH 86° 06' 52" EAST, A DISTANCE OF 100.50 FEET TO A POINT FOR CORNER;

SOUTH 03° 53' 08" EAST, A DISTANCE OF 109.32 FEET TO A POINT FOR CORNER;

NORTH 86° 06' 52" EAST, A DISTANCE OF 96.00 FEET TO A POINT FOR CORNER;

NORTH 03° 53' 08" WEST, A DISTANCE OF 63.89 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 03° 32' 51", A RADIUS OF 2,856.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 05° 39' 33" WEST, 176.80 FEET;

NORTHERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 176.83 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 02° 15' 50", A RADIUS OF 241.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 85° 42' 55" EAST, 9.52 FEET;

EASTERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 9.52 FEET TO A POINT FOR CORNER;

NORTH 84° 35' 00" EAST, A DISTANCE OF 93.00 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 00° 21' 34", A RADIUS OF 1,091.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 84° 24' 14" EAST, 6.84 FEET;

EASTERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 6.84 FEET TO A POINT FOR CORNER;

NORTH 11° 56' 41" EAST, A DISTANCE OF 15.76 FEET TO A POINT FOR CORNER;

NORTH 06° 33' 15" WEST, A DISTANCE OF 71.14 FEET TO A POINT FOR CORNER;

NORTH 50° 49' 03" WEST, A DISTANCE OF 14.32 FEET TO A POINT FOR CORNER;

NORTH 04° 38' 01" WEST, A DISTANCE OF 49.99 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 02° 26' 41", A RADIUS OF 775.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 84° 08' 39" EAST, 33.06 FEET;

EASTERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 33.07 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 06° 11' 31", A RADIUS OF 975.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 79° 41' 07" EAST, 105.32 FEET;

EASTERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 105.37 FEET TO A POINT FOR CORNER;

NORTH 76° 35' 22" EAST, A DISTANCE OF 166.57 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A COMPOUND CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 24° 57' 14", A RADIUS OF 375.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 64° 06' 44" EAST, 162.04 FEET;

NORTHEASTERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 163.32 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A REVERSE CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 35° 11' 29", A RADIUS OF 325.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 69° 13' 52" EAST, 196.49 FEET;

NORTHEASTERLY, ALONG SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 199.62 FEET TO A POINT FOR CORNER;

NORTH 86° 49' 36" EAST, A DISTANCE OF 67.10 FEET TO A POINT FOR CORNER AT THE BEGINNING OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 14° 16' 33", A RADIUS OF 275.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 86° 02' 08" EAST, 68.34 FEET;

EASTERLY, ALONG SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 68.52 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET FOR CORNER IN THE EAST LINE OF SAID TRACT 1 AND THE WEST LINE OF CREEKS OF LEGACY WEST PHASE2, AN ADDITION TO THE CITY OF CELINA, DENTON COUNTY, TEXAS, ACCORDING TO THE PLAT THEREOF RECORDED IN CABINET 2020, SLIDE 80, PLAT RECORDS, DENTON COUNTY, TEXAS;

THENCE SOUTH 00° 29' 21" WEST, WITH THE EAST LINE OF SAID TRACT 1, A DISTANCE OF 1,410.20 FEET TO THE POINT OF BEGINNING AND CONTAINING 142.245 ACRES OF LAND MORE OR LESS.

SAVE AND EXCEPT THE FOLLOWING DESCRIBED TRACT OF LAND:

TRACT 2

BEING A TRACT OF LAND LOCATION IN THE JOHN M. MCKIM SURVEY, ABSTRACT NO. 889, DENTON COUNTY, TEXAS, AND BEING PART OF THAT TRACT OF LAND DESCRIBED AS TRACT 1 IN DEED TO TELLUS TEXAS I, LLC, RECORDED IN DOCUMENT NO. 2021-137876, OFFICIAL RECORDS, DENTON COUNTY, TEXAS, (O.R.D.C.T.), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 5/8-INCH IRON ROD FOUND AT NORTHEASTERLY INTERIOR ELL CORNER OF SAID TRACT 1 AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN RIGHT-OF-WAY DEED TO CITY OF CELINA, RECORDED IN DOCUMENT NUMBER 2008-9821, O.R.D.C.T.

THENCE NORTH 29° 15' 04" WEST, A DISTANCE OF 80.63 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET FOR THE POINT OF BEGINNING OF THE TRACT OF LAND DESCRIBED HEREIN;

THENCE NORTH 89° 30' 39" WEST, A DISTANCE OF 587.82 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 18° 03' 19", A RADIUS OF 505.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 47° 26' 36" WEST, 158.48 FEET;

THENCE NORTHWESTERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 159.14 TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET;

THENCE NORTH 14° 01' 30" WEST, A DISTANCE OF 14.62 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET;

THENCE NORTH 28° 59' 19" EAST, A DISTANCE OF 65.25 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET AT THE BEGINNING OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 05° 04' 18", A RADIUS OF 830.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 26° 27' 10" EAST, 73.45 FEET;

THENCE NORTHEASTERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 73.47 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET AT THE BEGINNING OF A COMPOUND CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 27° 48' 09", A RADIUS OF 630.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 10° 00' 56" EAST, 302.71 FEET;

THENCE NORTHERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 305.70 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET;

THENCE NORTH 03° 53' 08" WEST, A DISTANCE OF 273.56 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET AT THE BEGINNING OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 00° 03' 46", A RADIUS OF 3,030.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 03° 55' 01" WEST, 3.33 FEET;

THENCE NORTHERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 3.33 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET;

THENCE NORTH 39° 54' 56" EAST, A DISTANCE OF 14.41 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 06° 12' 51", A RADIUS OF 280.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 79° 41' 47" EAST, 30.35 FEET;

THENCE EASTERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 30.37 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET;

THENCE NORTH 76° 35' 22" EAST, A DISTANCE OF 355.59 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET AT THE BEGINNING OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 13° 53' 59", A RADIUS OF 220.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 83° 32' 21" EAST, 53.24 FEET;

THENCE EASTERLY, ALONG SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 53.37 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET;

THENCE SOUTH 89° 30' 39" EAST, A DISTANCE OF 179.87 FEET TO A 5/8-INCH IRON ROD WITH YELLOW CAP STAMPED “RPLS 5674” SET;

THENCE SOUTH 00° 29' 21" WEST, A DISTANCE OF 927.02 FEET TO THE POINT OF BEGINNING, AND CONTAINING 12.778 ACRES OF LAND, MORE OR LESS.

LEAVING A NET ACREAGE OF 129.467 ACRES.

IMPROVEMENT AREA #2

METES AND BOUNDS DESCRIPTION
(approx. 201.857 acres)

TRACT ONE - PHASE 2 & NORTH PARK (163.335 ACRES)

BEING a tract of land situated in the A. Thomason Survey, Abstract No. 1265, the J. McKim Survey, Abstract No. 889, the J. Morton Survey, Abstract No. 791, and the A. Phillips Survey, Abstract No. 1028, City of Celina, Denton County, Texas, being part of Tract 1, conveyed to Tellus Texas I, LLC, by deed recorded in Document No. 2021-137876 and part of the Official Public Records, Denton County, Texas (OPRDCT)and being part of a tract of land conveyed to Merritt/Thornton Farm Partnership, L.P., by deed recorded in Document No. 99-096579, Deed Records, Denton County, Texas (DRDCT), with the subject tract being more particularly described as follows:

BEGINNING at a 1/2" iron rod with plastic cap stamped "SPIARSENG" set for the south corner of Lot 27, Block N, Creeks of Legacy West Phase 2, an addition recorded in Document No. 2020-80, Plat Records, Denton County, Texas (PRDCT), and being the northwest corner of the right-of-way of Keya Drive, and from which a 5/8" iron rod with plastic cap found for the southwest corner of Lot 10X, Block P, bears S 00°29'18" W, 1340.19 feet;

THENCE into and through said Tellus tract, the following:

A curve to the left having a central angle of 14°16'33", a radius of 275.00 feet, a chord of N 86°02'11" W - 68.34 feet, an arc length of 68.52 feet;

S 86°49'33" W, 67.10 feet;

A tangent curve to the left having a central angle of 35°10'58", a radius of 325.00 feet, a chord of S 69°14'04" W - 196.45 feet, an arc length of 199.57 feet;

A non-tangent curve to the right having a central angle of 24°57'41", a radius of 375.00 feet, a chord of S 64°06'28" W - 162.08 feet, an arc length of 163.37 feet;

S 76°35'18" W, 166.57 feet;

A tangent curve to the right having a central angle of 06°11'32", a radius of 975.00 feet, a chord of S 79°41'04" W - 105.32 feet, an arc length of 105.37 feet;

A non-tangent curve to the right having a central angle of 02°26'40", a radius of 775.00 feet, a chord of S 84°08'36" W - 33.06 feet, an arc length of 33.07 feet;

S 04°38'04" E, 49.99 feet;

S 50°49'06" E, 14.32 feet;

S 06°33'18" E, 71.14 feet;

S 11°56'38" W, 15.76 feet;

A non-tangent curve to the right having a central angle of 00°21'33", a radius of 1091.00 feet, a chord of S 84°24'10" W - 6.84 feet, an arc length of 6.84 feet;

S 84°34'57" W, 93.00 feet;

A tangent curve to the right having a central angle of 02°15'50", a radius of 241.00 feet, a chord of S 85°42'52" W - 9.52 feet, an arc length of 9.52 feet;

A non-tangent curve to the right having a central angle of 03°32'51", a radius of 2856.00 feet, a chord of S 05°39'37" E - 176.80 feet, an arc length of 176.83 feet;

S 03°53'11" E, 63.89 feet;

S 86°06'49" W, 146.00 feet;

S 03°53'11" E, 66.33 feet;

N 81°31'54" W, 120.20 feet;

N 85°17'01" W, 62.69 feet;

N 89°13'04" W, 68.53 feet;

S 87°17'06" W, 70.00 feet;

S 81°29'35" W, 82.66 feet;

S 79°37'24" W, 725.00 feet;

S 74°52'29" W, 79.61 feet;

S 63°27'39" W, 82.02 feet;

S 55°41'45" W, 56.24 feet;

N 12°34'46" W, 156.45 feet;

N 17°59'33" W, 50.00 feet;

A non-tangent curve to the right having a central angle of 05°24'47", a radius of 275.00 feet, a chord of S 74°42'50" W - 25.97 feet, an arc length of 25.98 feet;

S 77°25'14" W, 89.34 feet;

N 57°34'46" W, 14.14 feet;

And S 77°25'14" W, 120.00 feet to a point on a westerly line of said Tellus tract;

THENCE along the westerly and northerly lines thereof, the following:

N 12°34'46" W, 363.86 feet to a 5/8" iron rod with plastic cap found;

N 23°25'03" E, 85.37 feet;

N 09°02'24" E, 282.82 feet;

N 09°51'08" W, 42.20 feet;

THENCE into and through said Merritt/Thornton Farm partnership, LP tract, the following:

N 70°48'39" W, 308.32 feet;

N 79°30'27" W, 140.63 feet;

N 79°04'24" W, 19.29 feet;

N 79°40'33" W, 140.96 feet;

N 79°36'36" W, 230.31 feet;

N 09°00'08" E, 19.61 feet;

N 10°11'26" W, 278.95 feet;

N 41°14'29" E, 853.82 feet;

N 24°11'48" E, 512.11 feet;

N 32°25'06" E, 406.18 feet to a point on the south line of a tract conveyed to MTAK Properties, LLC, recorded in document no. 2022-11358 OPRDCT;

THENCE N 89°07'41" E, 2369.87 feet;

And S 00°29'18" W, 84.47 feet to a 5/8" iron rod with plastic cap found on the west line of Creeks of Legacy West Phase 1, recorded in Document No. 2018-394 PRDCT;

THENCE S 00°29'18" W, 1922.15 feet along the west line thereof, and of Creeks of Legacy West Phase 2, to the POINT OF BEGINNING with the subject tract containing 7,114,865 square feet or 163.335 acres of land.

TRACT TWO - PHASE 3C (38.522 ACRES)

BEING a tract of land situated in the C. Copenhaver Survey, Abstract No. 253, the John M. McKim Survey, Abstract No. 889 City of Celina, Denton County, Texas, being part of a tract described as Tract 1 conveyed to Tellus Texas I, LLC, by deed recorded in Document No. 2021-137876 of the Deed Records, Denton County, Texas with the subject tract being more particularly described as follows:

BEGINNING at a 5/8 inch capped iron rod found at the southernmost west right of way of Sunrise Lane within Mosaic Phase 1B Doc# 2023-284 O.R.D.C.T, same being the westernmost corner of Mosaic Phase 1B, an addition to the City of Celina, Texas;

THENCE S 52°20'47" E, 190.00 feet;

THENCE N 37°39'12" E, 155.00 feet;

THENCE S 52°20'47" E, 70.00 feet;

THENCE S 49°37'48" E, 64.87 feet;

THENCE N 44°48'24" E, 155.00 feet;

THENCE, around a non-tangent curve to the right having a central angle of 12°42'31", a radius of 550.00 feet, a chord of S 38°50'21" E - 121.74 feet, an arc length of 121.99 feet;

THENCE N 57°30'54" E, 50.00 feet;

THENCE N 53°45'23" E, 94.80 feet;

THENCE N 49°58'08" E, 57.51 feet;

THENCE N 56°50'18" E, 57.51 feet;

THENCE N 63°42'27" E, 57.51 feet;

THENCE N 71°21'59" E, 70.71 feet;

THENCE N 85°36'18" E, 50.00 feet;

THENCE N 04°23'42" W, 72.83 feet;

THENCE, around a non-tangent curve to the right having a central angle of 05°22'10", a radius of 375.00 feet, a chord of N 01°43'42" W - 35.13 feet, an arc length of 35.14 feet;

THENCE, around a non-tangent curve to the left having a central angle of 02°31'20", a radius of 425.00 feet, a chord of N 00°10'22" W - 18.71 feet, an arc length of 18.71 feet;

THENCE N 40°34'19" E, 14.70 feet;

THENCE, around a non-tangent curve to the right having a central angle of 11°36'52", a radius of 610.00 feet, a chord of N 89°31'37" E - 123.44 feet , an arc length of 123.65 feet;

THENCE S 00°08'08" E, 91.09 feet;

THENCE S 05°28'41" E, 60.00 feet;

THENCE S 05°27'43" E, 60.00 feet;

THENCE S 05°29'38" E, 60.00 feet;

THENCE S 06°48'57" E, 64.95 feet;

THENCE S 09°20'35" E, 64.84 feet;

THENCE S 11°52'14" E, 64.84 feet;

THENCE S 14°23'44" E, 64.84 feet;

THENCE S 16°55'31" E, 64.84 feet;

THENCE S 16°25'24" E, 62.22 feet;

THENCE S 05°14'15" W, 65.95 feet;

THENCE S 02°33'35" W, 50.00 feet;

THENCE, around a non-tangent curve to the right having a central angle of 07°09'51", a radius of 975.00 feet, a chord of S 83°51'27" E - 121.83 feet, an arc length of 121.91 feet;

THENCE, around a non-tangent curve to the left having a central angle of 07°27'44", a radius of 1225.00 feet, a chord of S 84°00'30" E - 159.43 feet, an arc length of 159.55 feet;

THENCE S 87°44'22" E, 200.61 feet;

THENCE S 44°12'21" E, 14.50 feet;

THENCE, around a non-tangent curve to the right having a central angle of 15°34'23", a radius of 570.00 feet, a chord of S 07°34'30" W - 154.45 feet, an arc length of 154.93 feet;

THENCE S 14°56'45" W, 275.96 feet;

THENCE N 29°47'00" W, 14.21 feet;

THENCE, around a non-tangent curve to the right having a central angle of 06°56'47", a radius of 525.00 feet, a chord of N 70°29'37" W - 63.61 feet, an arc length of 63.65 feet;

THENCE, around a reverse curve to the left having a central angle of 03°02'10", a radius of 1075.00 feet, a chord of N 68°32'19" W - 56.96 feet, an arc length of 56.97 feet;

THENCE S 14°56'44" W, 143.91 feet;

THENCE N 75°03'16" W, 75.49 feet;

THENCE, around a tangent curve to the left with a central angle of 14°23'28", a radius of 1200.00 feet, a chord of N 82°15'00" W - 300.62 feet, an arc length of 301.41 feet;

THENCE N 89°26'44" W, 5.50 feet;

THENCE N 89°40'41" W, 50.00 feet;

THENCE S 85°43'40" W, 179.95 feet;

THENCE, around a non-tangent curve to the left having a central angle of 09°03'48", a radius of 409.53 feet, a chord of S 81°05'16" W - 64.71 feet, an arc length of 64.78 feet;

THENCE, around a non-tangent curve to the right having a central angle of 14°22'51", a radius of 1315.00 feet, a chord of S 83°38'18" W - 329.19 feet, an arc length of 330.06 feet;

THENCE S 89°26'22" W, 50.00 feet;

THENCE N 00°33'38" W, 2.17 feet;

THENCE, around a non-tangent curve to the right having a central angle of 22°48'56", a radius of 1318.73 feet, a chord of N 75°33'00" W - 521.66 feet, an arc length of 525.13 feet;

THENCE, around a non-tangent curve to the left having a central angle of 02°29'07", a radius of 455.00 feet, a chord of N 65°21'07" W - 19.73 feet, an arc length of 19.74 feet;

THENCE N 66°35'40" W, 62.17 feet;

THENCE N 78°40'08" W, 45.63 feet;

THENCE S 89°12'16" W, 122.76 feet;

THENCE N 00°35'35" W, 146.28 feet;

THENCE, around a non-tangent curve to the left having a central angle of 01°40'53", a radius of 525.00 feet, a chord of S 85°28'18" W - 15.41 feet, an arc length of 15.41 feet;

THENCE S 84°37'51" W, 17.28 feet;

THENCE N 05°22'09" W, 50.00 feet;

THENCE N 45°06'46" E, 15.43 feet;

THENCE, along a non-tangent curve to the right having a central angle of 14°34'16", a radius of 275.00 feet, a chord of N 13°55'18" E - 69.75 feet, an arc length of 69.94 feet;

THENCE N 21°12'26" E, 210.09 feet;

THENCE N 33°08'40" E, 530.86 feet;

THENCE S 52°20'47" E, 79.98 feet to the **POINT OF BEGINNING** with subject tract containing 1,678,018 square feet or 38.522 acres of land.

MOSAIC PHASES 1 – 5 LEGAL DESCRIPTION

TRACT 1 LEGAL DESCRIPTION

BEING a tract of land situated in the P. Roberts Survey, Abstract No. 1115, the C. Copenhaver Survey, Abstract No. 253, the Anthony Phillips Survey, Abstract No. 1028, the John M. McKim Survey, Abstract No. 889, the John Morton Survey, Abstract No. 791, and the A. Thomason Survey, Abstract No. 1265, City of Celina, Denton County, Texas, being part of a tract described as Tract 1 conveyed to Tellus Texas I, LLC, by deed recorded in Document No. 2021-137876 of the Deed Records, Denton County, Texas with the subject tract being more particularly described as follows:

BEGINNING at a point from which a ½" iron rod with plastic cap stamped "SPIRSENG" set for the south corner of Lot 27, Block N, Creeks of Legacy West Phase 2, an addition to the City of Celina recorded in Document No. 2020-80, Plat Records, Denton County, Texas (PRDCT), and being the northwest corner of the right-of-way of Keya Drive, bears N 00°29'18" W, a distance of 413.17 feet;

THENCE N 89°30'42" W, 219.87 feet;

THENCE around a tangent curve to the left with a central angle of 13°53'59", a radius of 220.00 feet, a chord of S 83°32'18" W - 53.24 feet, an arc length of 53.37 feet;

THENCE S 76°35'18" W, 355.59 feet;

THENCE around a tangent curve to the right with a central angle of 06°12'51", a radius of 280.00 feet;, a chord of S 79°41'44" W - 30.35 feet, an arc length of 30.37 feet;

THENCE S 39°54'53" W, 14.41 feet;

THENCE around a non-tangent curve to the right with a central angle of 00°03'46, a radius of 3030.00 feet, a chord of S 03°55'05" E - 3.32 feet, an arc length of 3.32 feet;

THENCE S 03°53'11" E, 273.56 feet;

THENCE around a tangent curve to the right with a central angle of 27°48'09", a radius of 630.00 feet, a chord of S 10°00'53" W - 302.71 feet, an arc length of 305.70 feet;

THENCE around a compound curve to the right with a central angle of 05°04'18", a radius of 830.00 feet, a chord of S 26°27'07" W - 73.45 feet, an arc length of 73.47 feet;

THENCE S 28°59'16" W, 65.25 feet;

THENCE S 14°01'33" E, 14.62 feet;

THENCE around a non-tangent curve to the right with a central angle of 18°03'19", a radius of 505.00 feet, a chord of S 47°26'40" E - 158.48 feet, an arc length of 159.14 feet;

THENCE S 89°30'42" E, 557.82 feet;

THENCE N 00°29'18" E, 200.05 feet;

THENCE S 89°31'20" E, 70.00 feet;

THENCE S 00°29'18" W, 270.07 feet, passing a 5/8” iron rod with plastic cap found for the southwest corner of Lot 10X, Block P, Creeks of Legacy West Phase 2;

THENCE N 89°28'41" E, 1269.96 feet;

THENCE N 89°28'53" E, 468.56 feet;

THENCE S 00°29'23" W, 59.98 feet;

THENCE S 89°28'41" W, 467.50 feet;

THENCE around a tangent curve to the left with a central angle of 41°14'26", a radius of 1040.00 feet, a chord of S 68°51'28" W – 732.52 feet, an arc length of 748.58 feet;

THENCE S 05°12'43" E, 24.13 feet;

THENCE S 58°06'38" E, 169.72 feet;

THENCE around a tangent curve to the left with a central angle of 19°09'49", a radius of 675.00 feet, a chord of S 67°41'32" E - 224.71 feet, an arc length of 225.76 feet;

THENCE S 77°16'26" E, 46.84 feet;

THENCE S 12°43'34" W, 607.42 feet;

THENCE around a tangent curve to the right with a central angle of 05°46'29", a radius of 525.00 feet, a chord of S 15°36'48" W - 52.89 feet, an arc length of 52.91 feet;

THENCE S 18°30'03" W, 535.21 feet;

THENCE S 26°29'57" E, 14.14 feet;

THENCE S 71°29'57" E, 136.95 feet;

THENCE S 18°30'03" W, 277.94 feet;

THENCE around a tangent curve to the left with a central angle of 19°22'07", a radius of 475.00 feet, a chord of S 08°48'59" W - 159.81 feet, an arc length of 160.57 feet;

THENCE S 00°52'04" E, 169.03 feet;

THENCE S 00°52'04" E, 300.19 feet;

THENCE S 00°52'04" E, 70.03 feet;

THENCE S 87°25'58" W, 10.60 feet;

THENCE around a tangent curve to the right with a central angle of 01°48'20", a radius of 1030.00 feet;, a chord of S 88°20'08" W - 32.46 feet, an arc length of 32.46 feet;

THENCE S 89°14'18" W, 877.70 feet;

THENCE around a tangent curve to the right with a central angle of 41°07'26", a radius of 380.00 feet;, a chord of N 70°11'59" W - 266.93 feet, an arc length of 272.74 feet;

THENCE N 66°40'53" W, 16.02 feet;

THENCE S 43°58'51" W, 106.19 feet;

THENCE S 89°07'18" W, 63.41 feet;

THENCE N 30°09'52" W, 150.00 feet;

THENCE around a curve to the left having a central angle of 05°16'21", a radius of 1499.99 feet; a chord of N 57°11'46" E - 137.98, an arc length of 138.03 feet;

THENCE N 80°36'06" W, 57.53 feet;

THENCE around a curve to the left having a central angle of 23°15'13", a radius of 1460.00 feet; a chord of N 67°47'29" E – 588.49, an arc length of 592.55 feet;

THENCE S 89°07'18" W, 261.04 feet;

THENCE S 89°08'14" W, 3173.39 feet;

THENCE N 00°35'35" W, 1156.84 feet;

THENCE N 02°45'46" W, 331.09 feet;

THENCE N 64°25'29" E, 414.33 feet;

THENCE N 89°59'57" E, 333.20 feet;

THENCE S 68°47'49" E, 401.09 feet;

THENCE S 05°28'41" E, 130.58 feet;

THENCE around a non-tangent curve to the right having a central angle of 19°37'50", a radius of 325.00 feet, a chord of S 19°35'46" E - 110.81 feet, an arc length of 111.35 feet;

THENCE N 84°37'51" E, 102.78 feet;

THENCE N 45°06'46" E, 15.43 feet;

THENCE around a non-tangent curve to the right having a central angle of 14°34'16", a radius of 275.00 feet, a chord of N 13°55'18" E - 69.75 feet, an arc length of 69.94 feet;

THENCE N 21°12'26" E, 210.09 feet;

THENCE N 33°08'40" E, 1522.09 feet;

THENCE around a non-tangent curve to the left having a central angle of 50°22'16", a radius of 125.00 feet, a chord of N 11°46'51" E - 106.39 feet, an arc length of 109.89 feet;

THENCE N 12°34'46" W, 852.77 feet to a 5/8” iron rod with plastic cap found;

THENCE N 23°25'03" E, 85.37 feet;

THENCE N 09°02'24" E, 282.82 feet;

THENCE N 09°51'08" W, 93.26 feet;

THENCE N 25°30'34" E, 76.43 feet;

THENCE N 37°34'49" E, 96.04 feet;

THENCE N 02°53'54" E, 59.63 feet;

THENCE N 48°56'21" W, 73.01 feet;

THENCE N 20°57'08" E, 57.61 feet;

THENCE S 84°17'00" E, 73.49 feet;

THENCE N 29°38'33" E, 196.61 feet;

THENCE N 22°08'17" E, 70.55 feet;

THENCE N 55°11'46" E, 88.12 feet;

THENCE N 79°40'16" E, 56.49 feet;

THENCE N 70°14'51" E, 79.99 feet;

THENCE N 10°52'32" E, 30.16 feet;

THENCE N 56°12'39" E, 264.70 feet;

THENCE N 79°15'33" E, 121.22 feet;

THENCE N 46°14'13" E, 196.10 feet;

THENCE N 62°02'45" E, 211.19 feet;

THENCE N 43°21'03" E, 516.67 feet;

THENCE N 32°11'00" E, 171.63 feet;

THENCE N 45°50'23" E, 68.42 feet;

THENCE N 86°58'27" E, 48.21 feet;

THENCE N 33°45'23" E, 40.01 feet;

THENCE N 04°37'08" E, 46.91 feet;

THENCE N 54°49'32" E, 27.64 feet;

THENCE N 27°58'53" E, 28.59 feet;

THENCE N 72°13'50" E, 79.12 feet;

THENCE N 65°38'37" E, 100.22 feet;

THENCE S 85°07'20" E, 277.74 feet;

THENCE N 68°12'55" E, 65.00 feet;

THENCE N 84°05'21" E, 46.90 feet;

THENCE S 73°03'23" E, 91.25 feet;

THENCE N 81°08'08" E, 72.01 feet;

THENCE N 26°52'11" E, 76.58 feet;

THENCE N 76°02'36" E, 29.69 feet;

THENCE S 59°43'25" E, 35.77 feet;

THENCE S 75°08'35" E, 67.52 feet;

THENCE S 00°29'18" W, 2335.32 feet to the **POINT OF BEGINNING** with the subject tract containing 19,043,905 square feet or 437.188 acres of land.

MOSAIC FUTURE PHASES (3A, 3B, 4, AND 5)

TRACT 1 LEGAL DESCRIPTION

BEING a tract of land situated in the C. Copenhaver Survey, Abstract No. 253, and the John M. McKim Survey, City of Celina, Denton County, Texas, being part of a tract described as Tract 1 conveyed to Tellus Texas I, LLC, by deed recorded in Document No. 2021-137876 of the Deed Records, Denton County, Texas with the subject tract being more particularly described as follows:

BEGINNING at a point from which an ”X” found in concrete for the intersection of the centerline of Triadic Lane and the centerline of Miscellany Lane bears N 83°57'53" W, a distance of 205.51 feet;

THENCE N 14°56'44" E, 82.93 feet;

THENCE around a tangent curve to the right with a central angle of 84°32'16", a radius of 40.00 feet, a chord of N 57°12'52" E - 53.81 feet, an arc length of 59.02 feet;

THENCE around a reverse curve to the left with a central angle of 14°23'55", a radius of 259.00 feet, a chord of S 87°42'57" - 64.92 feet, an arc length of 65.09 feet;

THENCE around a reverse curve to the right with a central angle of 11°06'46", a radius of 1191.00 feet, a chord of S 89°21'32" E - 230.64 feet, an arc length of 231.00 feet;

THENCE S 83°47'59" E, 61.07 feet;

THENCE S 14°01'46" E, 15.98 feet;

THENCE S 04°11'51" W, 1.74 feet;

THENCE S 85°48'09" E, 50.00 feet;

THENCE N 22°52'00" E, 15.61 feet;

THENCE around a non-tangent curve to the right having a central angle of 13°42'18", a radius of 791.00 feet, a chord of S 76°21'54" E - 188.75 feet, an arc length of 189.20 feet;

THENCE S 69°30'45" E, 277.74 feet;

THENCE S 66°35'18" E, 40.00 feet;

THENCE around a non-tangent curve to the right having a central angle of 65°47'33", a radius of 1340.00 feet, a chord of S 56°18'29" W - 1455.56 feet, an arc length of 1538.72 feet;

THENCE S 89°12'16" W, 3185.90 feet;

THENCE N 00°35'35" W, 1053.99 feet;

THENCE N 02°45'46" W, 331.09 feet;

THENCE N 64°25'29" E, 414.33 feet;

THENCE N 89°59'57" E, 333.20 feet;

THENCE S 68°47'49" E, 401.09 feet;

THENCE S 05°28'41" E, 130.58 feet;

THENCE around a non-tangent curve to the right having a central angle of 19°37'50", a radius of 325.00 feet, a chord of S 19°35'46" E - 110.81 feet, an arc length of 111.35 feet;

THENCE N 84°37'51" E, 102.78 feet;

THENCE S 05°22'09" E, 50.00 feet;

THENCE N 84°37'51" E, 17.28 feet;

THENCE around a tangent curve to the right with a central angle of 01°40'53", a radius of 525.00 feet, a chord of N 85°28'18" E - 15.41 feet, an arc length of 15.41 feet;

THENCE S 00°35'35" E, 146.28 feet;

THENCE N 89°12'16" E, 122.76 feet;

THENCE S 78°40'08" E, 45.63 feet;

THENCE S 66°35'40" E, 62.17 feet;

THENCE around a tangent curve to the right with a central angle of 02°29'07", a radius of 455.00 feet, a chord of S 65°21'07" E - 19.73 feet, an arc length of 19.74 feet;

THENCE around a non-tangent curve to the left having a central angle of 22°48'56", a radius of 1318.73 feet, a chord of S 75°33'00" E - 521.66 feet, an arc length of 525.13 feet;

THENCE S 00°33'38" E, 2.17 feet;

THENCE N 89°26'22" E, 50.00 feet;

THENCE around a non-tangent curve to the left having a central angle of 14°19'46", a radius of 1315.00 feet, a chord of N 83°39'51" E - 328.02 feet, an arc length of 328.88 feet;

THENCE around a non-tangent curve to the right having a central angle of 09°13'42", a radius of 409.53 feet, a chord of N 81°00'19" E - 65.89 feet, an arc length of 65.96 feet;

THENCE N 85°43'40" E, 179.95 feet;

THENCE S 89°40'41" E, 50.00 feet;

THENCE S 89°26'44" E, 5.50 feet;

THENCE around a tangent curve to the right with a central angle of 14°23'28" a radius of 1200.00 feet, a chord of S 82°15'00" E - 300.62 feet, an arc length of 301.41 feet;

THENCE S 75°03'16" E, 75.49 feet;

THENCE N 14°56'44" E, 143.91 feet;

THENCE around a non-tangent curve to the right having a central angle of 03°02'10", a radius of 1075.00 feet, a chord of S 68°32'19" E - 56.96 feet, an arc length of 56.97 feet;

THENCE around a reverse curve to the left with a central angle of 06°56'47", a radius of 525.00 feet, a chord of S 70°29'37" E - 63.61 feet, an arc length of 63.65 feet;

THENCE S 29°47'00" E, 14.21 feet;

THENCE S 75°03'30" E, 50.00 feet;

THENCE N 59°56'37" E, 14.14 feet;

THENCE S 75°03'30" E, 104.35 feet;

THENCE around a tangent curve to the left with a central angle of 03°50'12", a radius of 1225.00 feet, a chord of S 76°58'36" E - 82.01 feet, an arc length of 82.03 feet;

THENCE N 11°06'18" E, 50.00 feet;

THENCE N 59°46'22" W, 15.52 feet; to the **POINT OF BEGINNING** with the subject tract containing 4,317,766 square feet or 99.122 acres of land.

TRACT 2 LEGAL DESCRIPTION

BEING a tract of land situated in the John M. McKim Survey, City of Celina, Denton County, Texas, being part of a tract described as Tract 1 conveyed to Tellus Texas I, LLC, by deed recorded in Document No. 2021-137876 of the Deed Records, Denton County, Texas with the subject tract being more particularly described as follows:

BEGINNING at a point from which an ”X” found in concrete for the intersection of the centerline of Triadic Lane and the centerline of Miscellany Lane bears N 39°01'49" W, a distance of 1097.66 feet;

THENCE around a curve to the left having a central angle of 05°16'21", a radius of 1499.99 feet; a chord of N 57°11'46" E - 137.98, an arc length of 138.03 feet;

THENCE N 80°36'06" W, 57.53 feet;

THENCE around a non-tangent curve to the left having a central angle of 35°40'37", a radius of 1460.00 feet, a chord of N 38°19'34" - 894.50 feet, an arc length of 909.11 feet;

THENCE N 20°29'15" E, 1113.94 feet;

THENCE around a tangent curve to the right with a central angle of 27°45'00", a radius of 1040.00 feet, a chord of N 34°21'45" E - 498.79 feet, an arc length of 503.70 feet to a point from which a 5/8” iron rod found for the southwest corner of Lot 10X, Block P, Creeks of Legacy West Phase 2, an addition recorded in Document No. 2020-80, Plat Records, Denton county, Texas (PRDCT), bears N 56°52'50" E, a distance of 700.47 feet;

THENCE S 05°12'43" E, 24.13 feet;

THENCE S 58°06'38" E, 169.72 feet;

THENCE around a tangent curve to the left with a central angle of 19°09'49", a radius of 675.00 feet, a chord of S 67°41'32" E - 224.71 feet, an arc length of 225.76 feet;

THENCE S 77°16'26" E, 46.84 feet;

THENCE S 12°43'34" W, 607.42 feet;

THENCE around a tangent curve to the right with a central angle of 05°46'29", a radius of 525.00 feet, a chord of S 15°36'48" W - 52.89 feet, an arc length of 52.91 feet;

THENCE S 18°30'03" W, 535.21 feet;

THENCE S 26°29'57" E, 14.14 feet;

THENCE S 71°29'57" E, 136.95 feet;

THENCE S 18°30'03" W, 277.94 feet;

THENCE around a tangent curve to the left with a central angle of 19°22'07", a radius of 475.00 feet, a chord of S 08°48'59" W - 159.81 feet, an arc length of 160.57 feet;

THENCE S 00°52'04" E, 539.25 feet;

THENCE S 87°25'58" W, 10.60 feet;

THENCE around a tangent curve to the right with a central angle of 01°48'20", a radius of 1030.00 feet, a chord of S 88°20'08" W - 32.46 feet, an arc length of 32.46 feet;

THENCE S 89°14'18" W, 877.70 feet;

THENCE around a tangent curve to the right with a central angle of 41°07'26", a radius of 380.00 feet, a chord of N 70°11'59" W - 266.93 feet, an arc length of 272.74 feet;

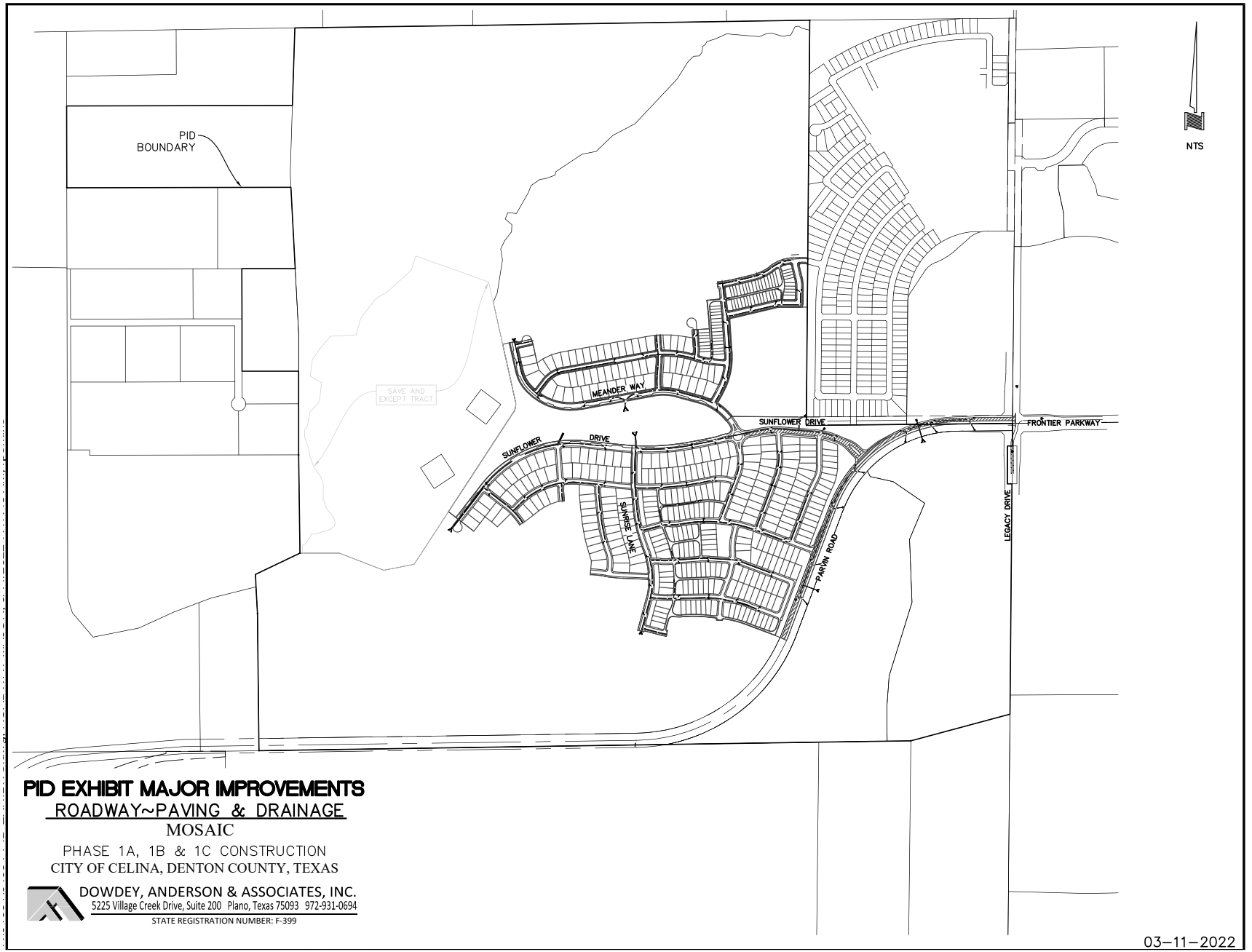
THENCE N 66°40'53" W, 16.02 feet;

THENCE S 43°58'51" W, 106.19 feet;

THENCE S 89°07'18" W, 63.41 feet;

THENCE N 30°09'52" W, 150.00 feet to the POINT OF BEGINNING with the subject tract containing 1,915,281 square feet or 43.969 acres of land.

APPENDIX D
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS



PID EXHIBIT MAJOR IMPROVEMENTS

ROADWAY~PAVING & DRAINAGE

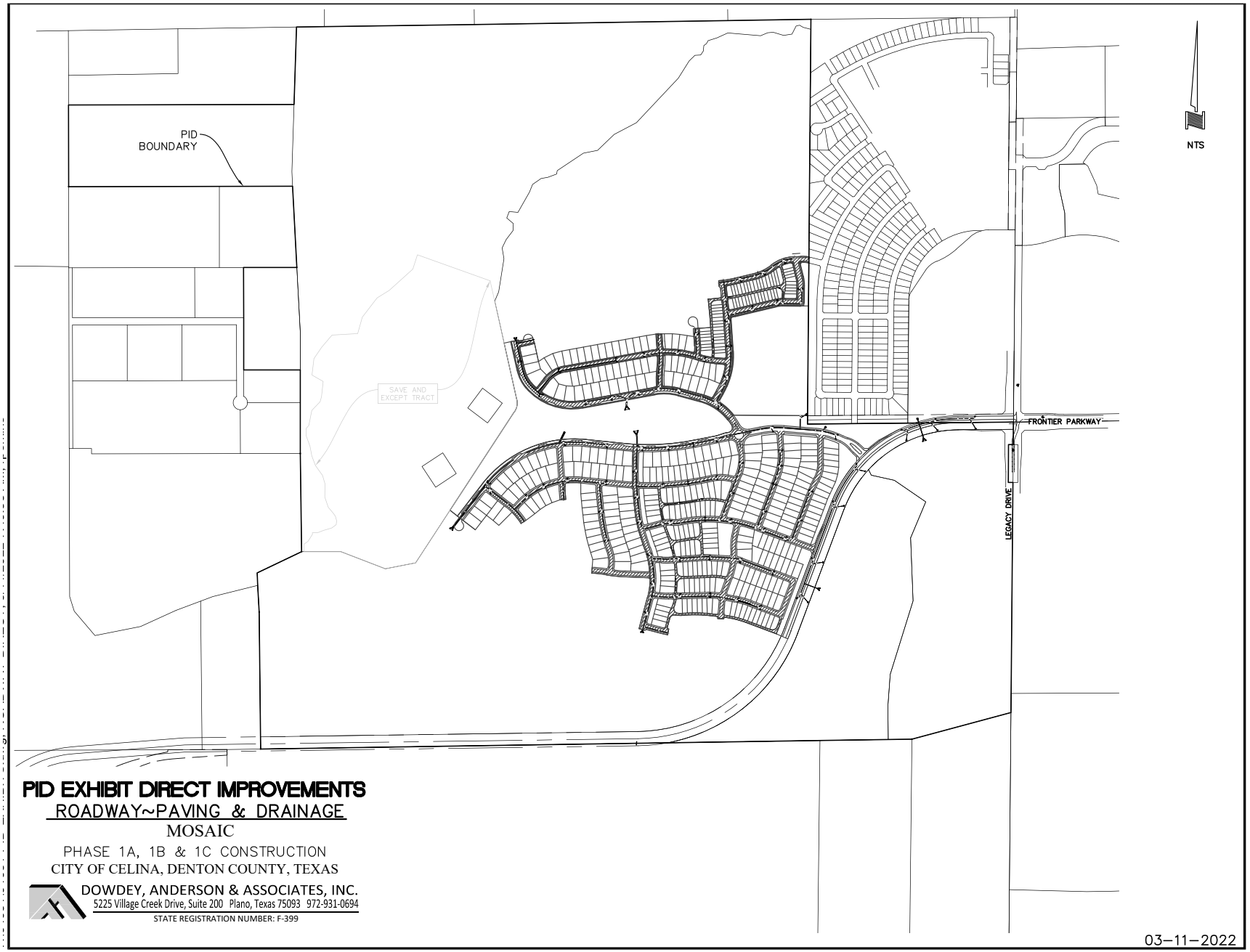
MOSAIC

PHASE 1A, 1B & 1C CONSTRUCTION

CITY OF CELINA, DENTON COUNTY, TEXAS

DOWDEY, ANDERSON & ASSOCIATES, INC.
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
STATE REGISTRATION NUMBER: F-399

03–11–2022



PID EXHIBIT DIRECT IMPROVEMENTS

ROADWAY~PAVING & DRAINAGE

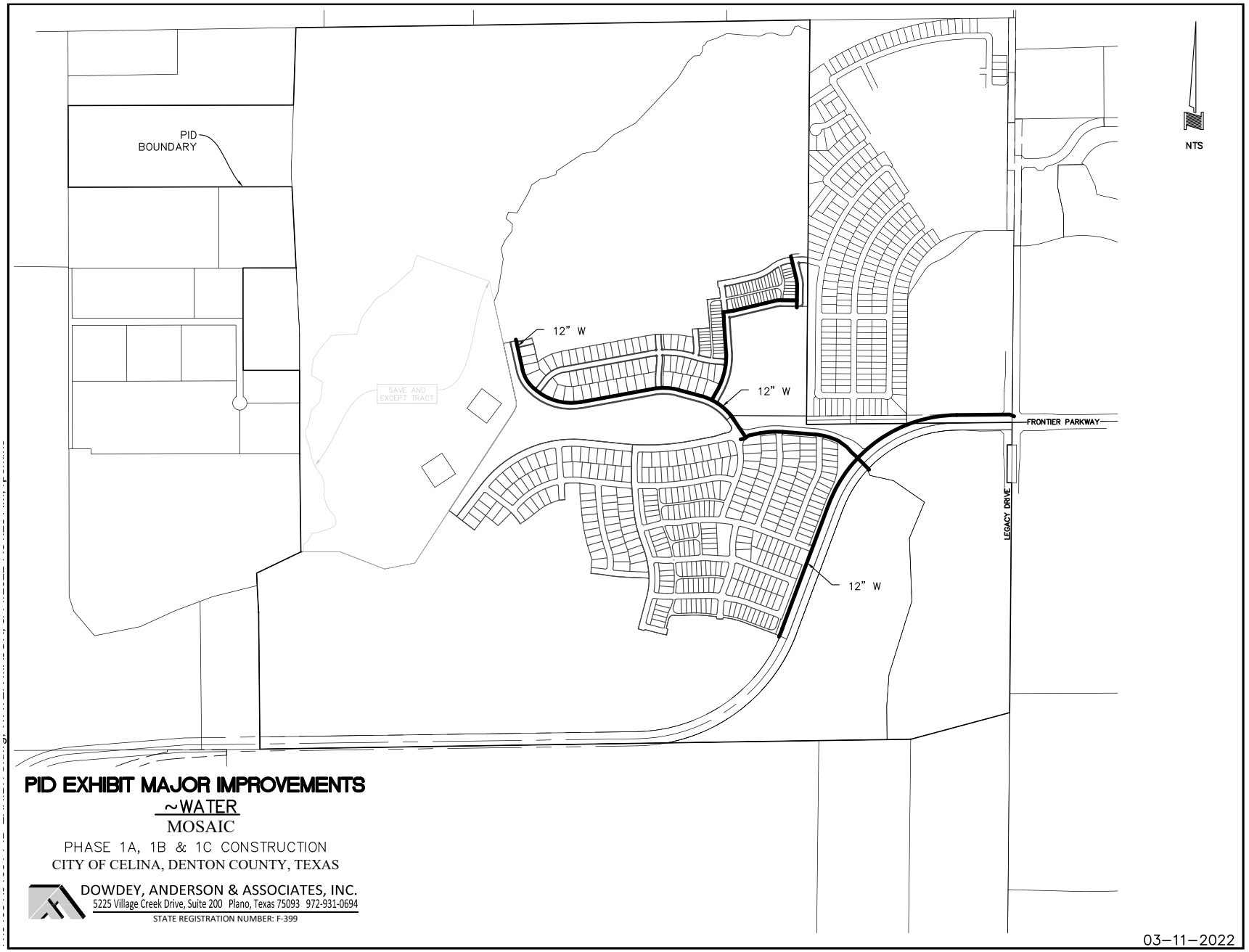
MOSAIC

PHASE 1A, 1B & 1C CONSTRUCTION

CITY OF CELINA, DENTON COUNTY, TEXAS

DOWDEY, ANDERSON & ASSOCIATES, INC.
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
STATE REGISTRATION NUMBER: F-399

03–11–2022



PID EXHIBIT MAJOR IMPROVEMENTS

~WATER

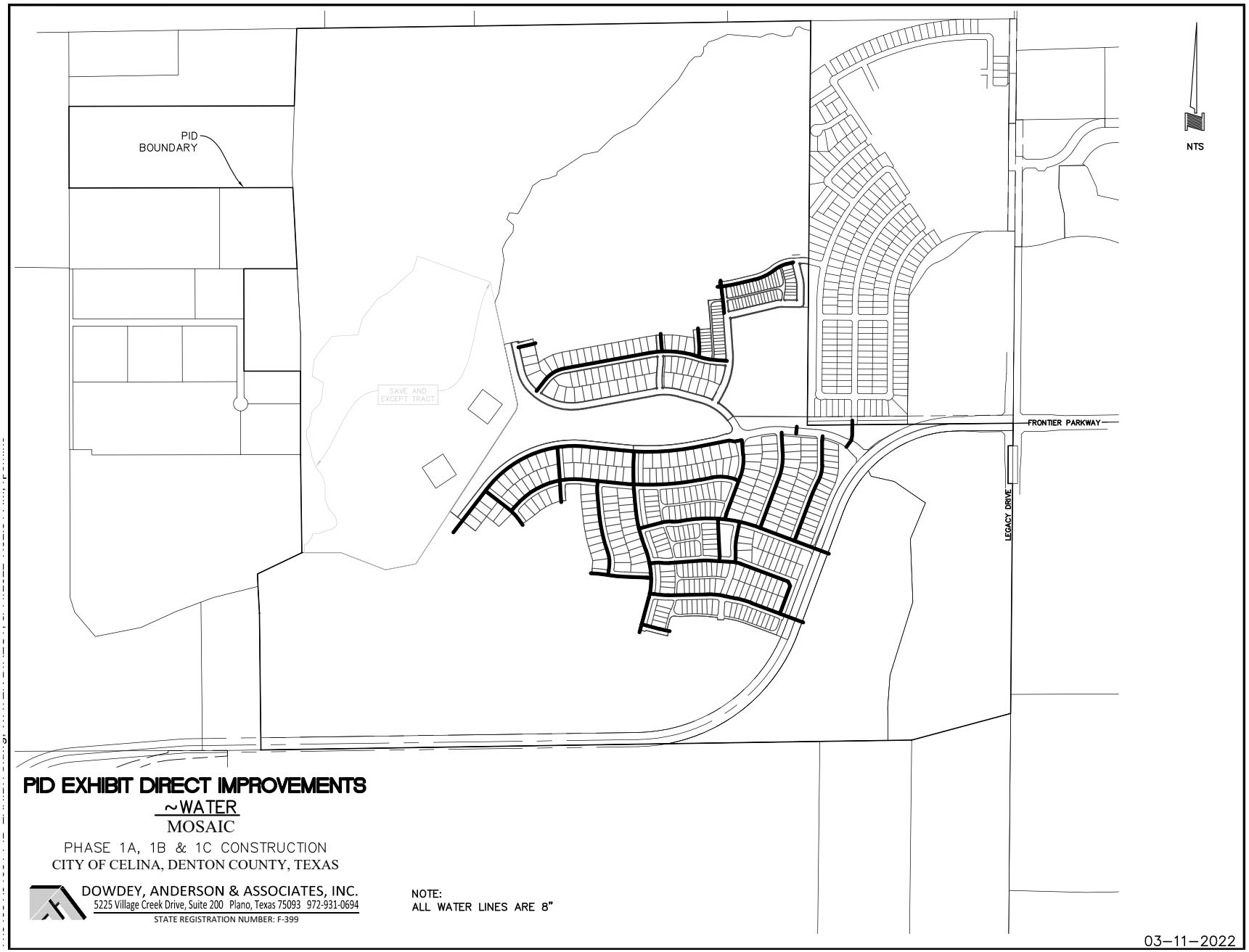
MOSAIC

PHASE 1A, 1B & 1C CONSTRUCTION

CITY OF CELINA, DENTON COUNTY, TEXAS

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5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
STATE REGISTRATION NUMBER: F-399

03–11–2022



PID EXHIBIT DIRECT IMPROVEMENTS

~WATER

MOSAIC

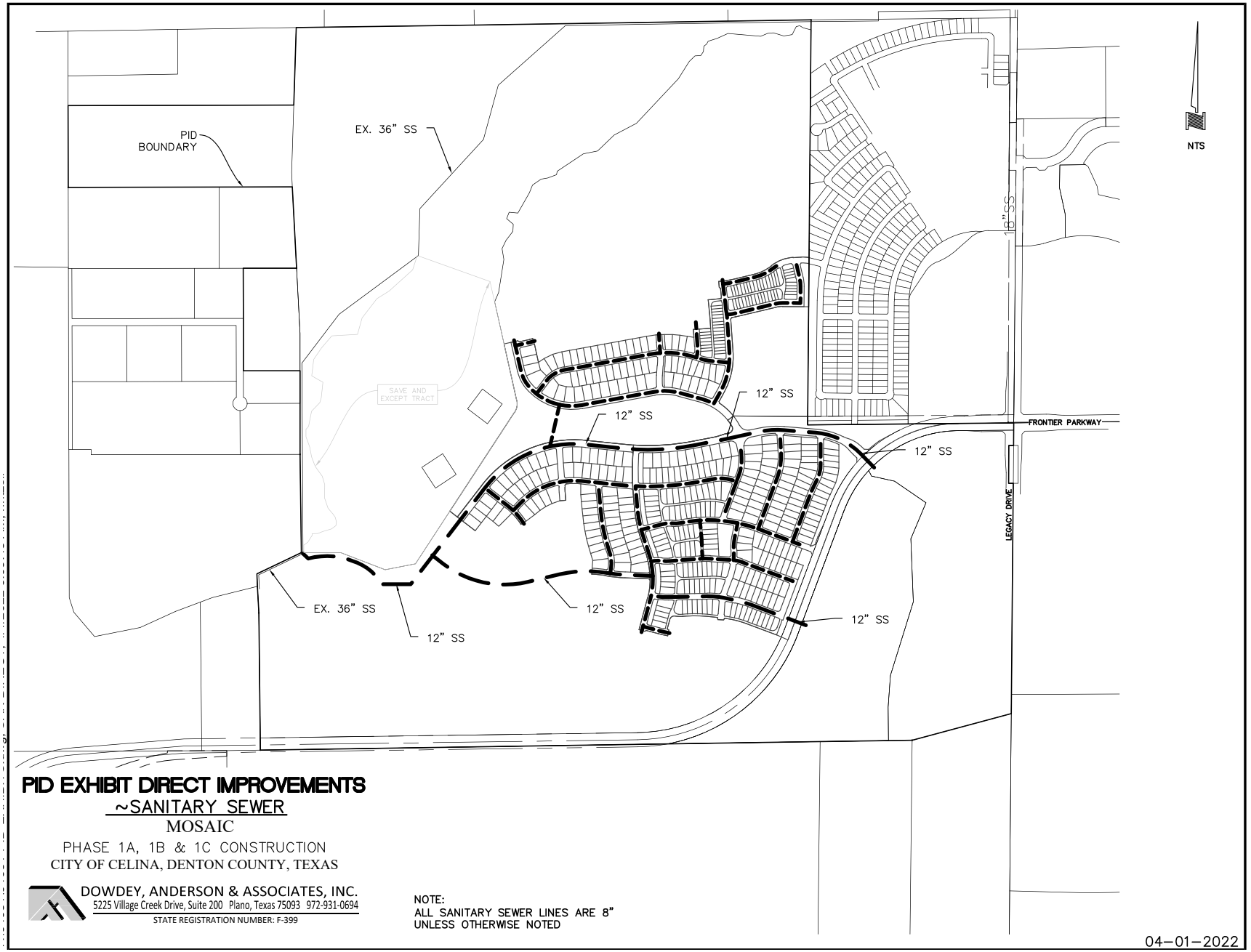
PHASE 1A, 1B & 1C CONSTRUCTION

CITY OF CELINA, DENTON COUNTY, TEXAS

DOWDEY, ANDERSON & ASSOCIATES, INC.
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
STATE REGISTRATION NUMBER: F-399

NOTE:
ALL WATER LINES ARE 8"

03–11–2022



PID EXHIBIT DIRECT IMPROVEMENTS

~SANITARY SEWER

MOSAIC

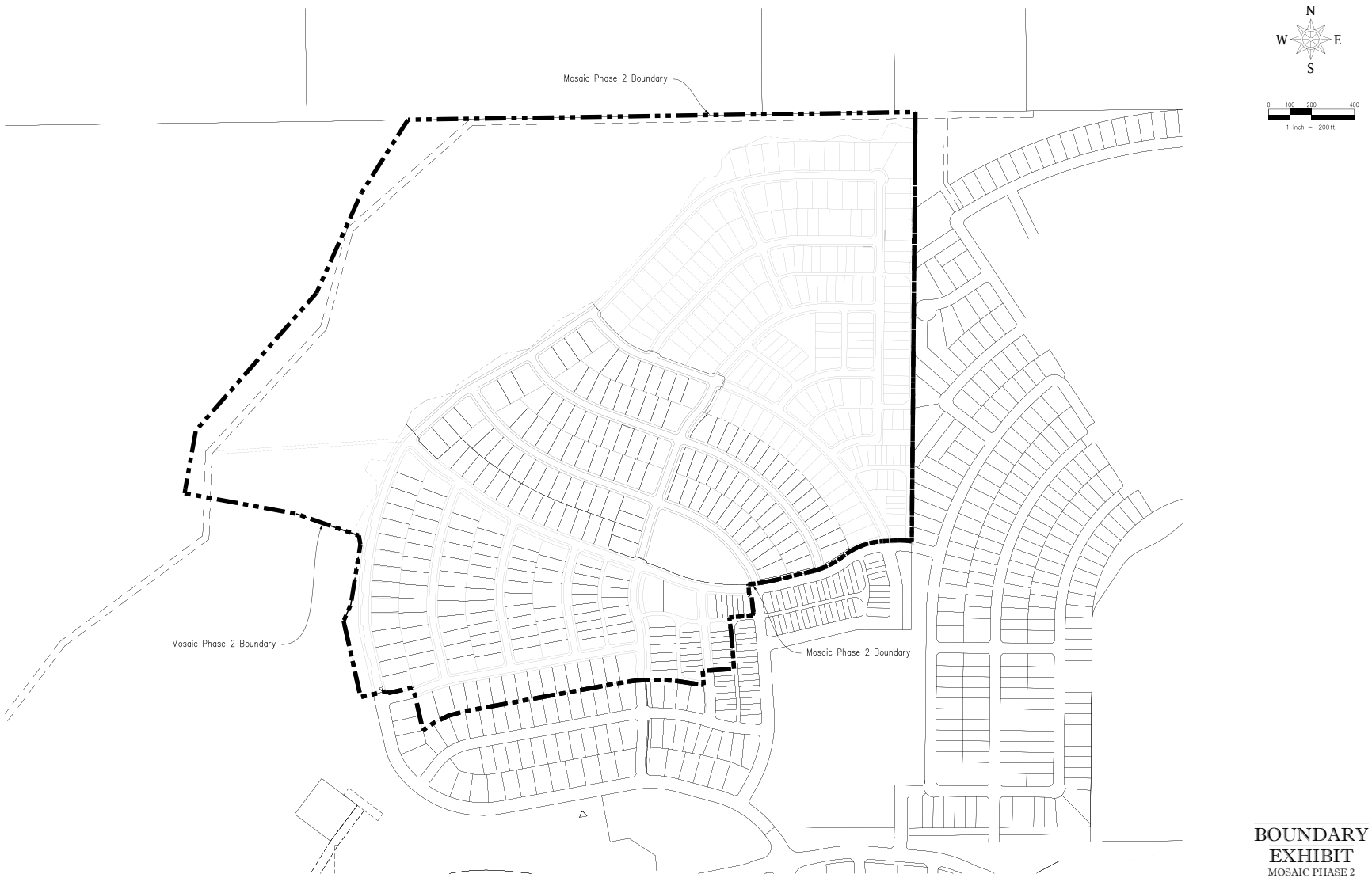
PHASE 1A, 1B & 1C CONSTRUCTION

CITY OF CELINA, DENTON COUNTY, TEXAS

DOWDEY, ANDERSON & ASSOCIATES, INC.
5225 Village Creek Drive, Suite 200 Plano, Texas 75093 972-931-0694
STATE REGISTRATION NUMBER: F-399

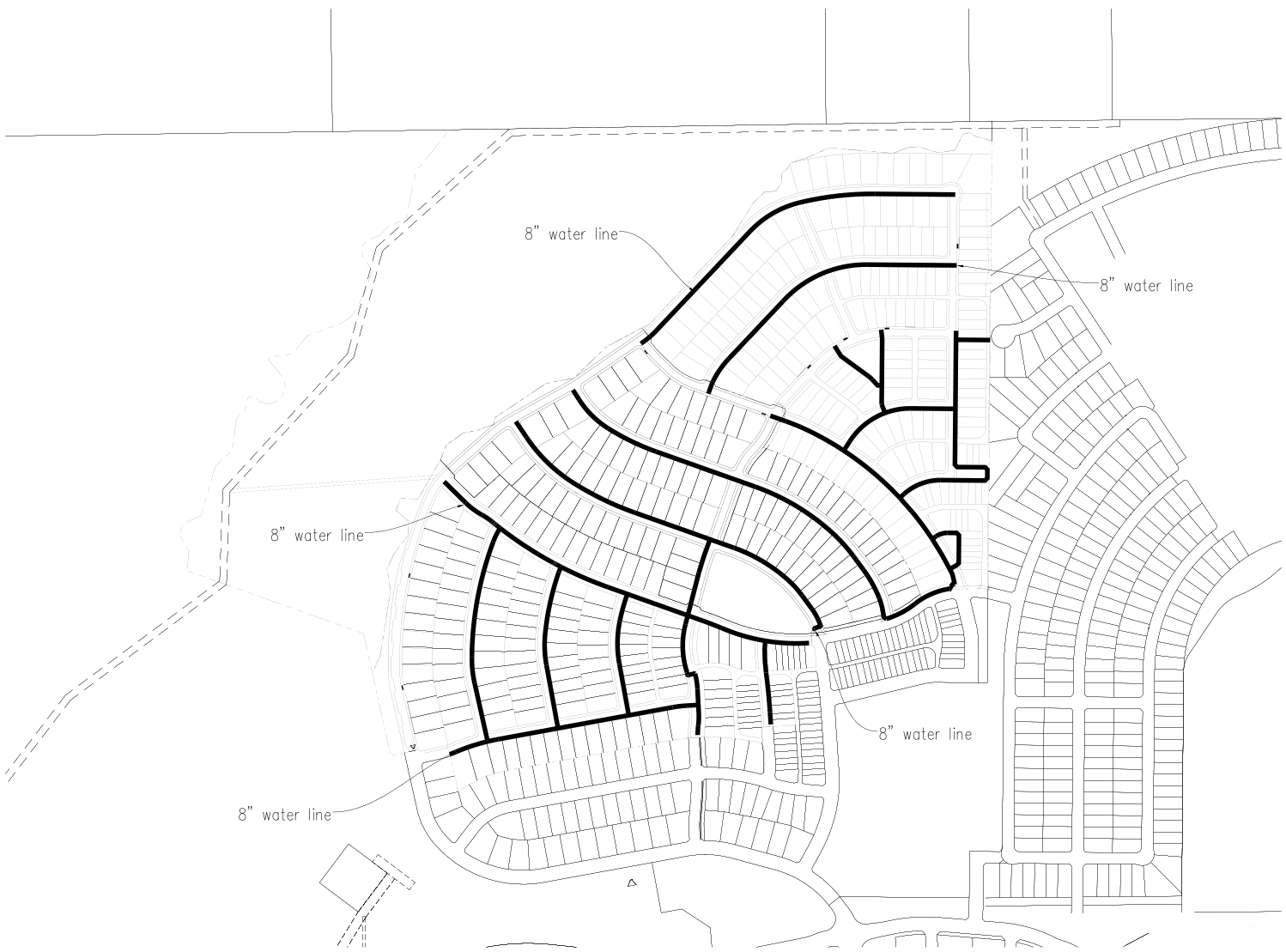
NOTE:
ALL SANITARY SEWER LINES ARE 8"
UNLESS OTHERWISE NOTED

04-01-2022



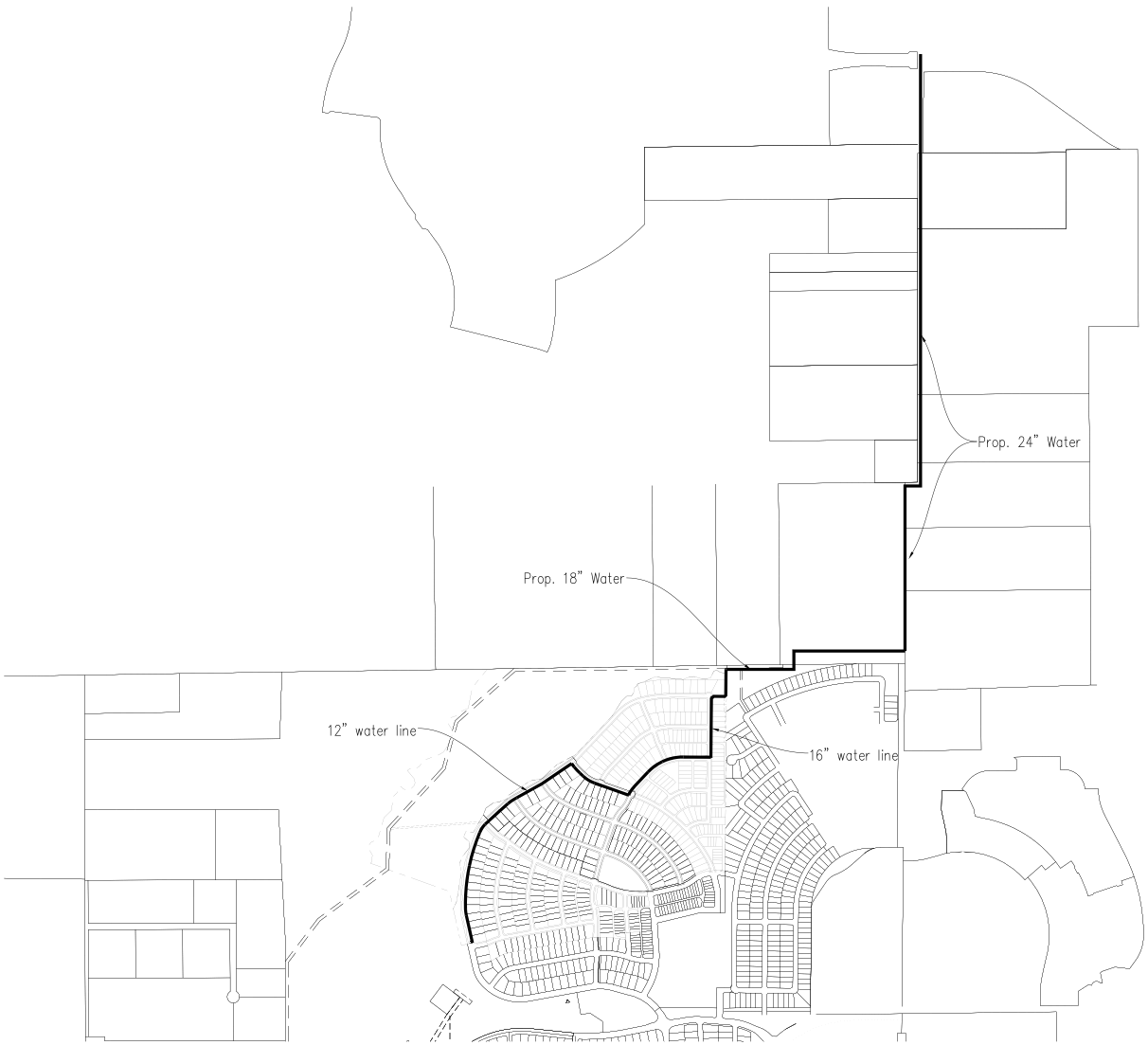
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765 Custer Road, Suite 100 · Plano, TX 75075 · 972.422.0077
TBPE No F-2121 · TBLPS No. F-10043100 · www.spiarseng.com

BOUNDARY EXHIBIT
MOSAIC PHASE 2
CITY OF CELINA, DENTON COUNTY, TEXAS



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DIRECT WATER IMPROVEMENTS
MOSAIC PHASE 2
CITY OF CELINA, DENTON COUNTY, TEXAS



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1 inch = 500 ft.

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MAJOR WATER IMPROVEMENTS
MOSAIC PHASE 2
CITY OF CELINA, DENTON COUNTY, TEXAS



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1 inch = 200 ft.

DIRECT SEWER IMPROVEMENTS
MOSAIC PHASE 2
CITY OF CELINA,
DENTON COUNTY, TEXAS

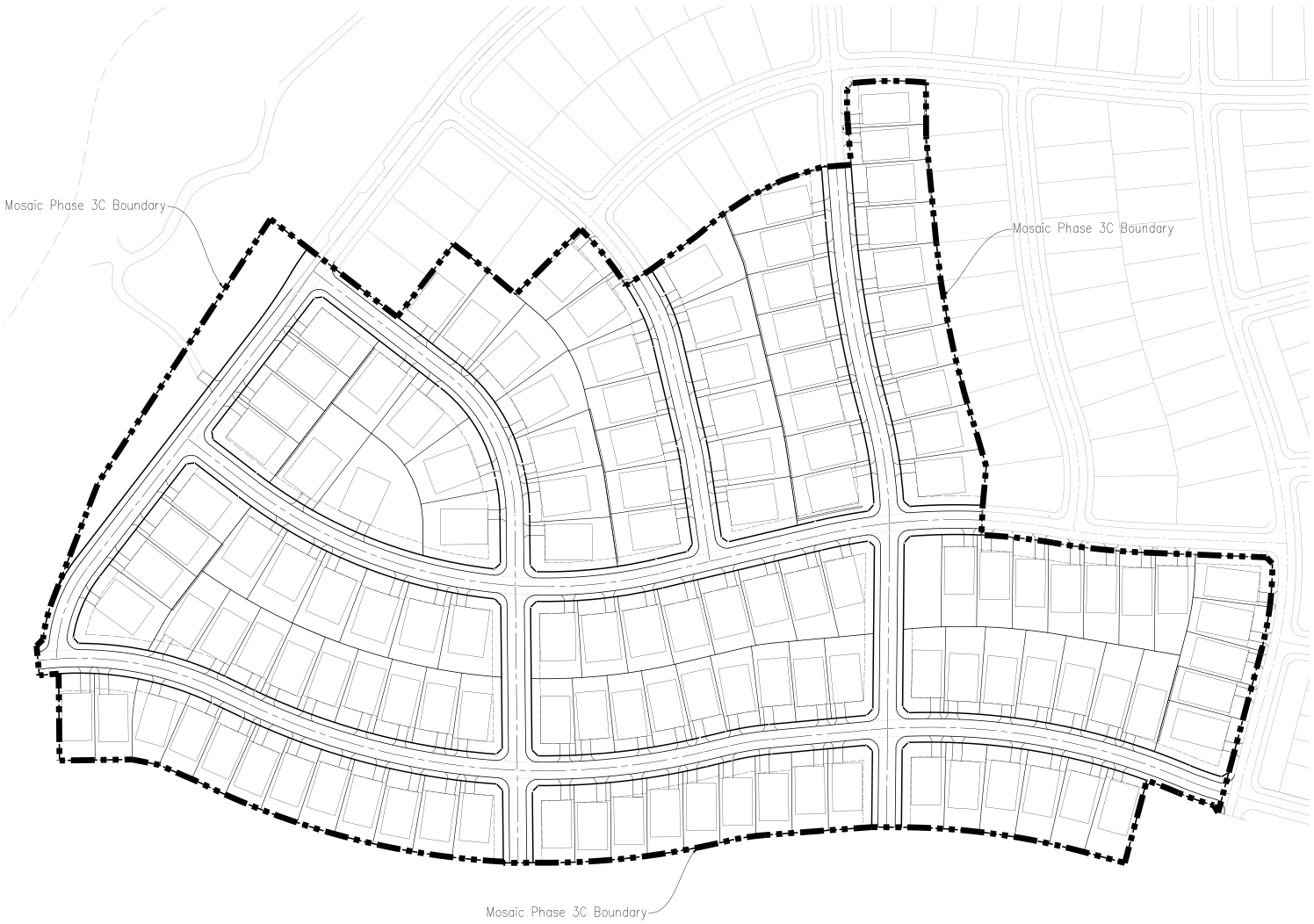
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DIRECT PAVING IMPROVEMENTS

MOSAIC PHASE 2
CITY OF CELINA, DENTON COUNTY, TEXAS

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BOUNDARY EXHIBIT
MOSAIC PHASE 3C
CITY OF CELINA, DENTON COUNTY,
TEXAS

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1 inch = 80 ft.

DIRECT SANITARY
SEWER IMPROVEMENTS
MOSAIC PHASE 3C
CITY OF CELINA, DENTON COUNTY, TEXAS

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1 inch = 80 ft.

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DIRECT WATER IMPROVEMENTS
MOSAIC PHASE 3C
CITY OF CELINA, DENTON COUNTY, TEXAS



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TBPE No. F-2121 • TBPLS No. F-10043100 • www.spiarseng.com

DIRECT PAVING IMPROVEMENTS

MOSAIC PHASE 3C
CITY OF CELINA, DENTON COUNTY, TEXAS

APPENDIX E
PID ASSESSMENT NOTICE

AFTER RECORDING RETURN TO:

_____
_____
_____
_____
_____][1]

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF CELINA, 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 Celina, 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 ***Mosaic Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City. 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 Denton 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 DENTON §

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 Denton County.

Purchaser Signature Page to Final Notice with Current Information of Obligation to Pay Improvement District Assessment

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 DENTON §

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 Denton County.

APPENDIX F
ASSESSMENT PER UNIT, PROJECTED LEVERAGE AND PROJECTED TAX RATE EQUIVALENTS

Appendix F

For purposes of calculating and allocating the Assessments, the Assessed Property has been classified in one of seven Lot Types.

"Lot Type 1" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 70 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 60 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 50 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 40 feet, as provided by the development standards shown in the Development Agreement.

"Lot Type 5" means lots identified as such on the Assessment Roll, which are referred to as "Townhomes" and being generally lots for an attached single family dwelling unit on individually platted lots, as provided by the development standards shown in the Development Agreement.

"Lot Type 6" means lots identified as such on the Assessment Roll, which are referred to as multi-family units and being generally dwelling units or suite of rooms on one or more floors of a multi-family building, as provided by the development standards shown in the Development Agreement.

"Lot Type 7" means lots identified as such on the Assessment Roll, being lots typically zoned as commercial, as provided by the development standards shown in the Development Agreement.

A) Proposed Development

Table F-1.1 shows the original proposed residential units to be developed within the PID.

Table F-1.1
Proposed Development within the PID – Original

Proposed Development	Quantity	Measurement
Residential:		
Single-Family - 70 Ft	161	Units
Single-Family - 60 Ft	488	Units
Single-Family - 50 Ft	465	Units
Single-Family - 40 Ft	356	Units
Townhomes	210	Units
Multi-Family	336	Units
Subtotal - Residential	**2,016**	**Units**
Non-Residential:		
Commercial	56	1,000 GSF
Subtotal – Non-Residential	**56**	**1,000 GSF**

Table F-1.2 shows the revised proposed residential units to be developed within the PID.

Table F-1.2
Proposed Development within the PID – Revised

Proposed Development	Quantity	Measurement
Residential:		
Single-Family - 70 Ft	184	Units
Single-Family - 60 Ft	456	Units
Single-Family - 50 Ft	465	Units
Single-Family - 40 Ft	355	Units
Townhomes	210	Units
Multi-Family	350	Units
Subtotal - Residential	**2,020**	**Units**
Non-Residential:		
Commercial	30	1,000 GSF
Subtotal – Non-Residential	**30**	**1,000 GSF**

Table F-2 shows the proposed residential units within Phase #1.

Table F-2
Proposed Development – Phase #1

Description	Proposed Development	
Single-Family - 70 Ft	62	Units
Single-Family - 60 Ft	109	Units
Single-Family - 50 Ft	110	Units
Single-Family - 40 Ft	86	Units
Townhomes	68	Units
Total	**435**	**Units**

Table F-3 shows the proposed residential units within Improvement Area #2.

Table F-3
Proposed Development – Improvement Area #2

Description	Phase #2	Phase #3C	Proposed Development	
Single-Family - 70 Ft	60	62	122	Units
Single-Family - 60 Ft	114	68	182	Units
Single-Family - 50 Ft	141	0	141	Units
Single-Family - 40 Ft	99	0	99	Units
Townhomes	47	0	47	Units
Total	**461**	**130**	**591**	**Units**

Table F-4 shows the proposed residential units within Phases #3A, 3B, 4, and 5.

Table F-4
Proposed Development – Phases #3A, 3B, 4, and 5

Description	Proposed Development	
Residential:		
Single-Family - 60 Ft	165	Units
Single-Family - 50 Ft	214	Units
Single-Family - 40 Ft	170	Units
Townhomes	95	Units
Total	644	**Units**

B) Calculation of Equivalent Units

As explained under Section V.D, for purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Authorized Improvements to be allocated to the Assessed Property receiving benefit from such Authorized Improvements by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Service and Assessment Plan, the City Council has determined that the Assessments shall be allocated to the Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the City Council has taken into consideration (i) the type of lots (i.e., 70 Ft, 60 Ft, etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements; and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the City Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the "Lot Types" defined above. These original classifications (from Lot Type 1 (70 Ft Lots) representing the highest value to Lot Type 5 (Townhomes) representing the lowest value for single-family residential lots as well as Lot Type 6 (Multi-Family), and Lot Type 7 (Commercial)) are set forth in Table F-5.1. Assessments are

allocated to each Lot Type on the basis of the average home value for each class of lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (70 Ft Lots) to 1.0.

Table F-5.1
Equivalent Unit Factors – Original (Major Improvements)

Lot Type	Estimated Average Unit Value	Equivalent Unit Factor	
Lot Type 1 (70 Ft)	$798,000	1.00	per dwelling unit
Lot Type 2 (60 Ft)	$670,000	0.84	per dwelling unit
Lot Type 3 (50 Ft)	$633,000	0.79	per dwelling unit
Lot Type 4 (40 Ft)	$468,000	0.59	per dwelling unit
Lot Type 5 (Townhomes)	$374,000	0.47	per dwelling unit
Lot Type 6 (Multi-Family)	$145,000	0.18	per dwelling unit
Lot Type 7 (Commercial)	$225,000	0.28	per 1,000 GSF

The Equivalent Unit calculations described above were revised by the City Council in 2024 following changes to the development process and the request from the Developer. These classifications were reduced to remove Lot Type 6 (Multi-Family) and Lot Type 7 (Commercial), as shown in Table F-5.2.

Table F-5.2
Equivalent Unit Factors – Phases #1-5 - 2024 Revised (Major Improvements)

Lot Type	Estimated Average Unit Value	Equivalent Unit Factor	
Lot Type 1 (70 Ft)	$798,000	1.00	per dwelling unit
Lot Type 2 (60 Ft)	$670,000	0.84	per dwelling unit
Lot Type 3 (50 Ft)	$633,000	0.79	per dwelling unit
Lot Type 4 (40 Ft)	$468,000	0.59	per dwelling unit
Lot Type 5 (Townhomes)	$374,000	0.47	per dwelling unit

The original total estimated Equivalent Units for the Future Phases are shown in Table F-6.1 as calculated based on the Equivalent Unit factors shown in Table F-5.1, estimated Lot Types and the original number of units estimated to be built within the Future Phases.

Table F-6.1
Estimated Equivalent Units – Future Phases – Original (Major Improvements)

Lot Type	Planned No. of Units/1,000 GSF	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70 Ft)	99	1.00	99.00
Lot Type 2 (60 Ft)	379	0.84	318.21
Lot Type 3 (50 Ft)	355	0.79	281.60
Lot Type 4 (40 Ft)	270	0.59	158.35
Lot Type 5 (Townhomes)	142	0.47	66.55
Lot Type 6 (Multi-Family)	336	0.18	61.05
Lot Type 7 (Commercial)	56	0.28	15.79
Total	**1,637**		**1,000.55**

The updated total estimated Equivalent Units for the Phases #3A, 3B, 4, and 5 are shown in Table F-6.2 as calculated based on the Equivalent Unit factors shown in Table F-5.2, estimated Lot Types and the 2024 revised number of units estimated to be built within the Phases #3A, 3B, 4, and 5.

Table F-6.2
Estimated Equivalent Units –Phases #3A, 3B, 4, and 5 – 2024 Revised (Major Improvements)

Lot Type	Planned No. of Units/1,000 GSF	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70 Ft)	0	1.00	0.00
Lot Type 2 (60 Ft)	165	0.84	138.53
Lot Type 3 (50 Ft)	214	0.79	169.75
Lot Type 4 (40 Ft)	170	0.59	99.70
Lot Type 5 (Townhomes)	95	0.47	44.52
Total	**644**		**452.51**

The total estimated Equivalent Units for Phase #1 are shown in Table F-7 as calculated based on the Equivalent Unit factors shown in Table F-5.2, estimated Lot Types and number of units estimated to be built within Phase #1.

Table F-7
Estimated Equivalent Units – (Phase #1 Improvements and Major Improvements)

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70 Ft)	62	1.00	62.00
Lot Type 2 (60 Ft)	109	0.84	91.52
Lot Type 3 (50 Ft)	110	0.79	87.26
Lot Type 4 (40 Ft)	86	0.59	50.44
Lot Type 5 (Townhomes)	68	0.47	31.87
Total	**435**		**323.08**

The total estimated Equivalent Units for Improvement Area #2 with respect to allocation of the Initial Major Improvements and the Additional Major Improvements are shown in Table F-8 as calculated based on the Equivalent Unit factors shown in Table F-5.2, estimated Lot Types and number of units estimated to be built within Improvement Area #2. The total estimated Equivalent Units for Improvement Area #2 with respect to allocation of the Improvement Area #2 Projects at the time the Assessments were levied for Improvement Area #2 are shown in Table F-15.

Table F-8
Estimated Equivalent Units - Improvement Area #2 (Major Improvements)

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70 Ft)	122	1.00	122.00
Lot Type 2 (60 Ft)	182	0.84	152.81
Lot Type 3 (50 Ft)	141	0.79	111.85
Lot Type 4 (40 Ft)	99	0.59	58.06
Lot Type 5 (Townhomes)	47	0.47	22.03
Total	**591**		**466.74**

C) Original Allocation of Assessments to Lots within Phase # 1

As shown in Section IV of this Service and Assessment Plan, the total amount of the Series 2023 Phase #1 Bonds and Phase #1 Reimbursement Agreement Obligation, which represents the total Assessment originally to be allocated on all Parcels within Phase #1, is $22,348,000. As shown in Table F-7, there are a total of 323.08 estimated Equivalent Units in Phase #1, resulting in an original Assessment per Equivalent Unit of $69,172.22.

The original Assessment per dwelling unit within Phase #1 is calculated as the product of (i) $69,172.22 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the original Assessment for a Lot Type 1 (70 Ft Lot) dwelling unit is $69,172.22 (i.e., $69,172.22 x 1.00). The original Assessment for a Lot Type 2 (60 Ft Lot) dwelling unit is $58,076.92 (i.e., $69,172.22 x 0.84). The original Assessment for a Lot Type 3 (50 Ft Lot) dwelling unit is $54,869.69 (i.e., $69,172.22 x 0.79). The original Assessment for a Lot Type 4

(40 Ft Lot) dwelling unit is $40,567.16 (i.e., $69,172.22 x 0.59). The original Assessment for a Lot Type 5 (Townhomes) dwelling unit is $32,419.06 (i.e., $69,172.22 x 0.47). Table F-9 sets forth the original Assessment per dwelling unit for each Lot Type in Phase #1.

Table F-9
Assessment Per Unit – Phase #1 - Original

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit		Total Assessments
Lot Type 1 (70 Ft)	62	$69,172.22	1.00	$69,172.22	per dwelling unit	$4,288,677
Lot Type 2 (60 Ft)	109	$69,172.22	0.84	$58,076.92	per dwelling unit	$6,330,385
Lot Type 3 (50 Ft)	110	$69,172.22	0.79	$54,869.69	per dwelling unit	$6,035,666
Lot Type 4 (40 Ft)	86	$69,172.22	0.59	$40,567.16	per dwelling unit	$3,488,776
Lot Type 5 (Townhomes)	68	$69,172.22	0.47	$32,419.06	per dwelling unit	$2,204,496
Total	**435**					**$22,348,000**

The original projected leverage calculated based on the original estimated land values, finished lot values and home values for each unit is shown in Table F-10.

Table F-10
Projected Leverage – Phase #1 – Original

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (70 Ft)	62	$144,900	$798,000	$69,172.22	2.09	11.54
Lot Type 2 (60 Ft)	109	$124,200	$670,000	$58,076.92	2.14	11.54
Lot Type 3 (50 Ft)	110	$103,500	$633,000	$54,869.69	1.89	11.54
Lot Type 4 (40 Ft)	86	$82,800	$468,000	$40,567.16	2.04	11.54
Lot Type 5 (Townhomes)	68	$72,000	$374,000	$32,419.06	2.22	11.54

The original projected tax rate equivalent per unit calculated based on the original estimated finished lot values and home values for each unit is shown in Table F-11.

Table F-11
Estimated Tax Rate Equivalent per unit – Phase #1 – Original

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per $100 Lot Value)	Tax Rate Equivalent (per $100 Home Value)
Lot Type 1 (70 Ft)	62	$144,900	$798,000	$5,207.36	$3.5938	$0.6526
Lot Type 2 (60 Ft)	109	$124,200	$670,000	$4,372.09	$3.5202	$0.6526
Lot Type 3 (50 Ft)	110	$103,500	$633,000	$4,130.65	$3.9910	$0.6526
Lot Type 4 (40 Ft)	86	$82,800	$468,000	$3,053.94	$3.6883	$0.6526
Lot Type 5 (Townhomes)	68	$72,000	$374,000	$2,440.54	$3.3896	$0.6526

D) Revised Allocation of Assessments to Lots within Phase #1

As shown in Section IV of this Service and Assessment Plan, the total amount of the Series 2023 Phase #1 Bonds and Series 2024 Phase #1 Bonds, which represents the revised total Assessment to be allocated on all Parcels within Phase #1, is $22,259,000. As shown in Table F-7, there are a total of 323.08 estimated Equivalent Units in Phase #1, resulting in a revised Assessment per Equivalent Unit of $68,896.74.

The revised Assessment per dwelling unit within Phase #1 is calculated as the product of (i) $68,896.74 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the revised Assessment for a Lot Type 1 (70 Ft Lot) dwelling unit is $68,896.74 (i.e., $68,896.74 x 1.00). The revised Assessment for a Lot Type 2 (60 Ft Lot) dwelling unit is $57,845.63 (i.e., $68,896.74 x 0.84). The revised Assessment for a Lot Type 3 (50 Ft Lot) dwelling unit is $54,651.17 (i.e., $68,896.74 x 0.79). The revised Assessment for a Lot Type 4 (40 Ft Lot) dwelling unit is $40,405.61 (i.e., $68,896.74 x 0.59). The revised Assessment for a Lot Type 5 (Townhomes) dwelling unit is $32,289.95 (i.e., $68,896.74 x 0.47). Table F-12 sets forth the revised Assessment per dwelling unit for each Lot Type in Phase #1.

Table F-12
Assessment Per Unit – Phase #1 – Revised

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit		Total Assessments
Lot Type 1 (70 Ft)	62	$68,896.74	1.00	$68,896.74	per dwelling unit	$4,271,598
Lot Type 2 (60 Ft)	109	$68,896.74	0.84	$57,845.63	per dwelling unit	$6,305,174
Lot Type 3 (50 Ft)	110	$68,896.74	0.79	$54,651.17	per dwelling unit	$6,011,629
Lot Type 4 (40 Ft)	86	$68,896.74	0.59	$40,405.61	per dwelling unit	$3,474,882
Lot Type 5 (Townhomes)	68	$68,896.74	0.47	$32,289.95	per dwelling unit	$2,195,717
Total	**435**					**$22,259,000**

The revised projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table F-13.

Table F-13
Projected Leverage – Phase #1 – Revised

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (70 Ft)	62	$144,900	$798,000	$68,896.74	2.10	11.58
Lot Type 2 (60 Ft)	109	$124,200	$670,000	$57,845.63	2.15	11.58
Lot Type 3 (50 Ft)	110	$103,500	$633,000	$54,651.17	1.89	11.58
Lot Type 4 (40 Ft)	86	$82,800	$468,000	$40,405.61	2.05	11.58
Lot Type 5 (Townhomes)	68	$72,000	$374,000	$32,289.95	2.23	11.58

The revised projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit is shown in Table F-14.

Table F-14
Estimated Tax Rate Equivalent per unit – Phase #1 – Revised

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per $100 Lot Value)	Tax Rate Equivalent (per $100 Home Value)
Lot Type 1 (70 Ft)	62	$144,900	$798,000	$5,184.61	$3.5781	$0.6497
Lot Type 2 (60 Ft)	109	$124,200	$670,000	$4,353.00	$3.5048	$0.6497
Lot Type 3 (50 Ft)	110	$103,500	$633,000	$4,112.61	$3.9735	$0.6497
Lot Type 4 (40 Ft)	86	$82,800	$468,000	$3,040.60	$3.6722	$0.6497
Lot Type 5 (Townhomes)	68	$72,000	$374,000	$2,429.88	$3.3748	$0.6497

The revised Assessment and Annual Installments for each Parcel or Lot located within Phase #1 is shown on the Phase #1 Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

E) Original Allocation of Assessments to Lots within Improvement Area #2

According to the Developer, the average home prices in Improvement Area #2 substantially increased at the time the Assessments for Improvement Area #2 were levied as compared to Phase #1. This increase in average home prices for Improvement Area #2 is disproportional between the different Lot Types as compared with Phase #1. As a result, new Equivalent Unit factors were calculated as shown in Table F-15.

Table F-15
Equivalent Unit Factors – Improvement Area #2 Projects

Lot Type	Estimated Average Unit Value	Equivalent Unit Factor	
Lot Type 1 (70 Ft)	$1,100,000	1.00	per dwelling unit
Lot Type 2 (60 Ft)	$965,000	0.88	per dwelling unit
Lot Type 3 (50 Ft)	$830,000	0.75	per dwelling unit
Lot Type 4 (40 Ft)	$655,000	0.60	per dwelling unit
Lot Type 5 (Townhomes)	$490,000	0.45	per dwelling unit

As shown in Section IV of this Service and Assessment Plan, the total original amount of the Series 2024 Improvement Area #2 Bonds and Improvement Area #2 Reimbursement Agreement Obligation, which represents the total original Assessment to be allocated on all Parcels within Improvement Area #2, was $45,356,000. As shown in Table F-16 there are a total of 467.94 estimated Equivalent Units in Improvement Area #2, resulting in an Assessment per Equivalent Unit of $96,926.77.

The original Assessment per dwelling unit within Improvement Area #2 was calculated as the product of (i) $96,926.77 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, The Assessment for a Lot Type 1 (70 Ft Lot) dwelling unit is $96,926.77 (i.e., $96,926.77 x 1.00). The Assessment for a Lot Type 2 (60 Ft Lot) dwelling unit is $85,031.21 (i.e., $96,926.77 x 0.88). The Assessment for a Lot Type 3 (50 Ft Lot) dwelling unit is $73,135.65 (i.e., $96,926.77 x 0.75). The Assessment for a Lot Type 4 (40 Ft Lot) dwelling unit is $57,715.48 (i.e., $96,926.77 x 0.60). The Assessment for a Lot Type 5 (Townhomes) dwelling unit is $43,176.47 (i.e., $96,926.77 x 0.47). Table F-17 sets forth the Assessment per dwelling unit for each Lot Type in Improvement Area #2.

Table F-16
Estimated Equivalent Units - Improvement Area #2

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70 Ft)	122	1.00	122.00
Lot Type 2 (60 Ft)	182	0.88	159.66
Lot Type 3 (50 Ft)	141	0.75	106.39
Lot Type 4 (40 Ft)	99	0.60	58.95
Lot Type 5 (Townhomes)	47	0.45	20.94
Total	**591**		**467.94**

Table F-17 sets forth the original Assessment per dwelling unit for each Lot Type in Improvement Area #2.

Table F-17
Assessment Per Unit – Improvement Area #2 – Original

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit		Total Assessments
Lot Type 1 (70 Ft)	122	$96,926.77	1.00	$96,926.77	per dwelling unit	$11,825,066
Lot Type 2 (60 Ft)	182	$96,926.77	0.88	$85,031.21	per dwelling unit	$15,475,680
Lot Type 3 (50 Ft)	141	$96,926.77	0.75	$73,135.65	per dwelling unit	$10,312,127
Lot Type 4 (40 Ft)	99	$96,926.77	0.60	$57,715.48	per dwelling unit	$5,713,833
Lot Type 5 (Townhomes)	47	$96,926.77	0.45	$43,176.47	per dwelling unit	$2,029,294
Total	**591**					**$45,356,000**

The original projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table F-18.

Table F-18
Projected Leverage – Improvement Area #2 - Original

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (70 Ft)	122	$252,000	$1,100,000	$96,926.77	2.60	11.35
Lot Type 2 (60 Ft)	182	$215,000	$965,000	$85,031.21	2.53	11.35
Lot Type 3 (50 Ft)	141	$177,500	$830,000	$73,135.65	2.43	11.35
Lot Type 4 (40 Ft)	99	$142,000	$655,000	$57,715.48	2.46	11.35
Lot Type 5 (Townhomes)	47	$122,500	$490,000	$43,176.47	2.84	11.35

The original projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit is shown in Table F-19.

Table F-19
Estimated Tax Rate Equivalent per unit – Improvement Area #2 - Original

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per $100 Lot Value)	Tax Rate Equivalent (per $100 Home Value)
Lot Type 1 (70 Ft)	122	$252,000	$1,100,000	$7,182.11	$2.8500	$0.6529
Lot Type 2 (60 Ft)	182	$215,000	$965,000	$6,300.67	$2.9305	$0.6529
Lot Type 3 (50 Ft)	141	$177,500	$830,000	$5,419.23	$3.0531	$0.6529
Lot Type 4 (40 Ft)	99	$142,000	$655,000	$4,276.62	$3.0117	$0.6529
Lot Type 5 (Townhomes)	47	$122,500	$490,000	$3,199.30	$2.6117	$0.6529

F) Revised Allocation of Assessments to Lots within Improvement Area #2

The total outstanding Assessment for Improvement Area #2, after the payment of the Annual Installments due January 31, 2026, to be allocated on all Parcels within Improvement Area #2, is $44,675,000. As shown in Table F-16 there are a total of 467.94 estimated Equivalent Units in Improvement Area #2, resulting in an outstanding Assessment per Equivalent Unit of $95,471.46. The outstanding Assessment is less than the outstanding Improvement Area #2 Bonds due to the payment of the Annual Installments due January 31, 2026. The Annual Installments due January 31, 2026, will be used to pay debt service on the Improvement Area #2 Bonds due in 2026.

The revised Assessment per dwelling unit or acre within Improvement Area #2 is calculated as the product of (i) $95,471.46 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, The Assessment for a Lot Type 1 (70 Ft Lot) dwelling unit is $95,471.46 (i.e., $95,471.46 x 1.00). The Assessment for a Lot Type 2 (60 Ft Lot) dwelling unit is $83,754.50 (i.e., $95,471.46 x 0.88). The Assessment for a Lot Type 3 (50 Ft Lot) dwelling unit is $72,037.55 (i.e., $95,471.46 x 0.75). The Assessment for a Lot Type 4 (40 Ft Lot) dwelling unit is $56,848.91 (i.e., $95,471.46 x 0.60). The Assessment for a Lot Type 5 (Townhomes) dwelling unit is $42,528.19 (i.e., $95,471.46 x 0.47). Table F-20 sets forth the outstanding Assessment per dwelling unit for each Lot Type in Improvement Area #2.

Table F-20
Assessment Per Unit – Improvement Area #2 – Outstanding

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit		Total Assessments
Lot Type 1 (70 Ft)	122	$95,471.46	1.00	$95,471.46	per dwelling unit	$11,647,518
Lot Type 2 (60 Ft)	182	$95,471.46	0.88	$83,754.50	per dwelling unit	$15,243,320
Lot Type 3 (50 Ft)	141	$95,471.46	0.75	$72,037.55	per dwelling unit	$10,157,295
Lot Type 4 (40 Ft)	99	$95,471.46	0.60	$56,848.91	per dwelling unit	$5,628,042
Lot Type 5 (Townhomes)	47	$95,471.46	0.45	$42,528.19	per dwelling unit	$1,998,825
Total	**591**					**$44,675,000**

The revised leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table F-21.

Table F-21
Projected Leverage – Improvement Area #2 - Outstanding

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (70 Ft)	122	$252,000	$1,100,000	$95,471.46	2.64	11.52
Lot Type 2 (60 Ft)	182	$215,000	$965,000	$83,754.50	2.57	11.52
Lot Type 3 (50 Ft)	141	$177,500	$830,000	$72,037.55	2.46	11.52
Lot Type 4 (40 Ft)	99	$142,000	$655,000	$56,848.91	2.50	11.52
Lot Type 5 (Townhomes)	47	$122,500	$490,000	$42,528.19	2.88	11.52

The revised projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit is shown in Table F-22.

Table F-22
Estimated Tax Rate Equivalent per unit – Improvement Area #2 - Outstanding

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per $100 Lot Value)	Tax Rate Equivalent (per $100 Home Value)
Lot Type 1 (70 Ft)	122	$252,000	$1,100,000	$7,179.85	$2.8491	$0.6527
Lot Type 2 (60 Ft)	182	$215,000	$965,000	$6,298.69	$2.9296	$0.6527
Lot Type 3 (50 Ft)	141	$177,500	$830,000	$5,417.53	$3.0521	$0.6527
Lot Type 4 (40 Ft)	99	$142,000	$655,000	$4,275.28	$3.0108	$0.6527
Lot Type 5 (Townhomes)	47	$122,500	$490,000	$3,198.30	$2.6109	$0.6527

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #2 is shown on the Improvement Area #2 Assessment Roll, attached as Appendix H, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

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APPENDIX G
REVISED PHASE #1 ASSESSMENT ROLL

Appendix G-1
Revised Phase #1 Assessment Roll

Parcel **See Assessment Roll Summary**
Equivalent Units **323.08**
Assessment **$22,259,000**

Year[1]	Principal[2]	Interest[2]	Principal[3]	Interest[3]	Administrative Expenses[4]	Additional Interest	Capitalized Interest	Total Annual Installment
9/30/23	$0	$0	$0	$0	$0	$0	$0	$0
9/30/24	$0	$1,092,123	$0	$469,828	$51,000	$79,615	($1,092,123)	$600,443
9/30/25	$251,000	$834,744	$211,000	$236,067	$62,020	$79,615	$0	$1,674,446
9/30/26	$262,000	$823,763	$101,000	$316,379	$63,260	$108,985	$0	$1,675,387
9/30/27	$274,000	$812,300	$105,000	$311,960	$64,526	$107,170	$0	$1,674,956
9/30/28	$286,000	$800,313	$110,000	$307,366	$65,816	$105,275	$0	$1,674,770
9/30/29	$299,000	$787,800	$115,000	$302,554	$67,132	$103,295	$0	$1,674,781
9/30/30	$312,000	$774,719	$121,000	$297,523	$68,475	$101,225	$0	$1,674,941
9/30/31	$326,000	$761,069	$127,000	$292,229	$69,845	$99,060	$0	$1,675,202
9/30/32	$343,000	$744,361	$132,000	$286,673	$71,241	$96,795	$0	$1,674,070
9/30/33	$361,000	$726,783	$140,000	$279,908	$72,666	$94,420	$0	$1,674,776
9/30/34	$380,000	$708,281	$147,000	$272,733	$74,120	$91,915	$0	$1,674,048
9/30/35	$401,000	$688,806	$156,000	$265,199	$75,602	$89,280	$0	$1,675,887
9/30/36	$422,000	$668,255	$164,000	$257,204	$77,114	$86,495	$0	$1,675,068
9/30/37	$444,000	$646,628	$173,000	$248,799	$78,656	$83,565	$0	$1,674,648
9/30/38	$468,000	$623,873	$182,000	$239,933	$80,229	$80,480	$0	$1,674,514
9/30/39	$493,000	$599,888	$192,000	$230,605	$81,834	$77,230	$0	$1,674,557
9/30/40	$519,000	$574,621	$203,000	$220,765	$83,471	$73,805	$0	$1,674,662
9/30/41	$547,000	$548,023	$214,000	$210,361	$85,140	$70,195	$0	$1,674,719
9/30/42	$576,000	$519,989	$226,000	$199,394	$86,843	$66,390	$0	$1,674,615
9/30/43	$607,000	$490,469	$239,000	$187,811	$88,580	$62,380	$0	$1,675,240
9/30/44	$640,000	$459,360	$252,000	$175,563	$90,351	$58,150	$0	$1,675,424
9/30/45	$677,000	$424,160	$266,000	$162,648	$92,158	$53,690	$0	$1,675,656
9/30/46	$716,000	$386,925	$281,000	$148,350	$94,002	$48,975	$0	$1,675,252
9/30/47	$757,000	$347,545	$298,000	$133,246	$95,882	$43,990	$0	$1,675,663
9/30/48	$801,000	$305,910	$314,000	$117,229	$97,799	$38,715	$0	$1,674,653
9/30/49	$848,000	$261,855	$332,000	$100,351	$99,755	$33,140	$0	$1,675,102
9/30/50	$897,000	$215,215	$352,000	$82,506	$101,750	$27,240	$0	$1,675,712
9/30/51	$949,000	$165,880	$371,000	$63,586	$103,785	$20,995	$0	$1,674,247
9/30/52	$1,004,000	$113,685	$393,000	$43,645	$105,861	$14,395	$0	$1,674,586
9/30/53	$1,063,000	$58,465	$419,000	$22,521	$107,978	$7,410	$0	$1,678,375
Total	**$15,923,000**	**$16,965,804**	**$6,336,000**	**$6,482,933**	**$2,456,894**	**$2,103,890**	**($1,092,123)**	**$49,176,399**

[1]The 9/30/XX dates represent the fiscal year end for the Phase #1 Bonds.
[2]Represents the principal and interest on the Series 2023 Phase #1 Bonds. Interest was calculated using an interest rate of 4.375% per annum for years 1 through 8 (2023-2030), 5.125% per annum for years 9 through 21 (2031-2043), and 5.50% per annum for years 22 through 30 (2044-2053). Interest on the Series 2023 Phase #1 Bonds due in 2024 was funded with capitalized interest.
[2]Represents the principal and interest on the Series 2024 Phase #1 Bonds. Interest is calculated using an interest rate of 4.375% in years 1 through 7 (2025-2031), 5.125% in years 8 through 20 (2032-2044), and 5.375% in years 21 through 30 (2045-2053).
[4]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year. Administrative Expenses in year 2023 were funded with Series 2023 Phase #1 Bond proceeds.

Appendix G-2
Revised Phase #1 Assessment Roll by Lot Type

Lot Type	**Lot Type 1 (70 Ft)**
Equivalent Units	**1.00**
Assessment	**$68,896.74**

Year[1]	Principal[2]	Interest[2]	Principal[3]	Interest[3]	Administrative Expenses[4]	Additional Interest	Capitalized Interest	Total Annual Installment
9/30/23	$0	$0	$0	$0	$0	$0	$0	$0
9/30/24	$0	$3,380	$0	$1,454	$158	$246	($3,380)	$1,859
9/30/25	$777	$2,584	$653	$731	$192	$246	$0	$5,183
9/30/26	$811	$2,550	$313	$979	$196	$337	$0	$5,186
9/30/27	$848	$2,514	$325	$966	$200	$332	$0	$5,184
9/30/28	$885	$2,477	$340	$951	$204	$326	$0	$5,184
9/30/29	$925	$2,438	$356	$936	$208	$320	$0	$5,184
9/30/30	$966	$2,398	$375	$921	$212	$313	$0	$5,184
9/30/31	$1,009	$2,356	$393	$905	$216	$307	$0	$5,185
9/30/32	$1,062	$2,304	$409	$887	$221	$300	$0	$5,182
9/30/33	$1,117	$2,250	$433	$866	$225	$292	$0	$5,184
9/30/34	$1,176	$2,192	$455	$844	$229	$284	$0	$5,182
9/30/35	$1,241	$2,132	$483	$821	$234	$276	$0	$5,187
9/30/36	$1,306	$2,068	$508	$796	$239	$268	$0	$5,185
9/30/37	$1,374	$2,001	$535	$770	$243	$259	$0	$5,183
9/30/38	$1,449	$1,931	$563	$743	$248	$249	$0	$5,183
9/30/39	$1,526	$1,857	$594	$714	$253	$239	$0	$5,183
9/30/40	$1,606	$1,779	$628	$683	$258	$228	$0	$5,183
9/30/41	$1,693	$1,696	$662	$651	$264	$217	$0	$5,184
9/30/42	$1,783	$1,609	$700	$617	$269	$205	$0	$5,183
9/30/43	$1,879	$1,518	$740	$581	$274	$193	$0	$5,185
9/30/44	$1,981	$1,422	$780	$543	$280	$180	$0	$5,186
9/30/45	$2,095	$1,313	$823	$503	$285	$166	$0	$5,187
9/30/46	$2,216	$1,198	$870	$459	$291	$152	$0	$5,185
9/30/47	$2,343	$1,076	$922	$412	$297	$136	$0	$5,187
9/30/48	$2,479	$947	$972	$363	$303	$120	$0	$5,183
9/30/49	$2,625	$811	$1,028	$311	$309	$103	$0	$5,185
9/30/50	$2,776	$666	$1,090	$255	$315	$84	$0	$5,187
9/30/51	$2,937	$513	$1,148	$197	$321	$65	$0	$5,182
9/30/52	$3,108	$352	$1,216	$135	$328	$45	$0	$5,183
9/30/53	$3,290	$181	$1,297	$70	$334	$23	$0	$5,195
Total	**$45,995**	**$52,332**	**$18,314**	**$19,996**	**$7,270**	**$6,489**	**($3,380)**	**$147,017**

[1]The 9/30/XX dates represent the fiscal year end for the Phase #1 Bonds.
[2]Represents the principal and interest on the Series 2023 Phase #1 Bonds. Interest was calculated using an interest rate of 4.375% per annum for years 1 through 8 (2023-2030), 5.125% per annum for years 9 through 21 (2031-2043), and 5.50% per annum for years 22 through 30 (2044-2053). Interest on the Series 2023 Phase #1 Bonds due in 2024 was funded with capitalized interest.
[2]Represents the principal and interest on the Series 2024 Phase #1 Bonds. Interest is calculated using an interest rate of 4.375% in years 1 through 7 (2025-2031), 5.125% in years 8 through 20 (2032-2044), and 5.375% in years 21 through 30 (2045-2053).
[4]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year. Administrative Expenses in year 2023 were funded with Series 2023 Phase #1 Bond proceeds.

Appendix G-3
Revised Phase #1 Assessment Roll by Lot Type

Lot Type	**Lot Type 2 (60 Ft)**
Equivalent Units	**0.84**
Assessment	**$57,845.63**

Year[1]	Principal[2]	Interest[2]	Principal[3]	Interest[3]	Administrative Expenses[4]	Additional Interest	Capitalized Interest	Total Annual Installment
9/30/23	$0	$0	$0	$0	$0	$0	$0	$0
9/30/24	$0	$2,838	$0	$1,221	$133	$207	($2,838)	$1,560
9/30/25	$652	$2,169	$548	$613	$161	$207	$0	$4,351
9/30/26	$681	$2,141	$262	$822	$164	$283	$0	$4,354
9/30/27	$712	$2,111	$273	$811	$168	$279	$0	$4,353
9/30/28	$743	$2,080	$286	$799	$171	$274	$0	$4,352
9/30/29	$777	$2,047	$299	$786	$174	$268	$0	$4,352
9/30/30	$811	$2,013	$314	$773	$178	$263	$0	$4,353
9/30/31	$847	$1,978	$330	$759	$182	$257	$0	$4,353
9/30/32	$891	$1,934	$343	$745	$185	$252	$0	$4,350
9/30/33	$938	$1,889	$364	$727	$189	$245	$0	$4,352
9/30/34	$988	$1,841	$382	$709	$193	$239	$0	$4,350
9/30/35	$1,042	$1,790	$405	$689	$196	$232	$0	$4,355
9/30/36	$1,097	$1,737	$426	$668	$200	$225	$0	$4,353
9/30/37	$1,154	$1,680	$450	$647	$204	$217	$0	$4,352
9/30/38	$1,216	$1,621	$473	$624	$208	$209	$0	$4,352
9/30/39	$1,281	$1,559	$499	$599	$213	$201	$0	$4,352
9/30/40	$1,349	$1,493	$528	$574	$217	$192	$0	$4,352
9/30/41	$1,422	$1,424	$556	$547	$221	$182	$0	$4,352
9/30/42	$1,497	$1,351	$587	$518	$226	$173	$0	$4,352
9/30/43	$1,577	$1,275	$621	$488	$230	$162	$0	$4,354
9/30/44	$1,663	$1,194	$655	$456	$235	$151	$0	$4,354
9/30/45	$1,759	$1,102	$691	$423	$239	$140	$0	$4,355
9/30/46	$1,861	$1,006	$730	$386	$244	$127	$0	$4,354
9/30/47	$1,967	$903	$774	$346	$249	$114	$0	$4,355
9/30/48	$2,082	$795	$816	$305	$254	$101	$0	$4,352
9/30/49	$2,204	$680	$863	$261	$259	$86	$0	$4,353
9/30/50	$2,331	$559	$915	$214	$264	$71	$0	$4,355
9/30/51	$2,466	$431	$964	$165	$270	$55	$0	$4,351
9/30/52	$2,609	$295	$1,021	$113	$275	$37	$0	$4,352
9/30/53	$2,762	$152	$1,089	$59	$281	$19	$0	$4,362
Total	**$38,617**	**$43,938**	**$15,377**	**$16,789**	**$6,104**	**$5,448**	**($2,838)**	**$123,436**

[1]The 9/30/XX dates represent the fiscal year end for the Phase #1 Bonds.
[2]Represents the principal and interest on the Series 2023 Phase #1 Bonds. Interest was calculated using an interest rate of 4.375% per annum for years 1 through 8 (2023-2030), 5.125% per annum for years 9 through 21 (2031-2043), and 5.50% per annum for years 22 through 30 (2044-2053). Interest on the Series 2023 Phase #1 Bonds due in 2024 was funded with capitalized interest.
[2]Represents the principal and interest on the Series 2024 Phase #1 Bonds. Interest is calculated using an interest rate of 4.375% in years 1 through 7 (2025-2031), 5.125% in years 8 through 20 (2032-2044), and 5.375% in years 21 through 30 (2045-2053).
[4]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year. Administrative Expenses in year 2023 were funded with Series 2023 Phase #1 Bond proceeds.

Appendix G-4
Revised Phase #1 Assessment Roll by Lot Type

Lot Type	**Lot Type 3 (50 Ft)**
Equivalent Units	**0.79**
Assessment	**$54,651.17**

Year[1]	Principal[2]	Interest[2]	Principal[3]	Interest[3]	Administrative Expenses[4]	Additional Interest	Capitalized Interest	Total Annual Installment
9/30/23	$0	$0	$0	$0	$0	$0	$0	$0
9/30/24	$0	$2,681	$0	$1,154	$125	$195	($2,681)	$1,474
9/30/25	$616	$2,049	$518	$580	$152	$195	$0	$4,111
9/30/26	$643	$2,023	$248	$777	$155	$268	$0	$4,113
9/30/27	$673	$1,994	$258	$766	$158	$263	$0	$4,112
9/30/28	$702	$1,965	$270	$755	$162	$258	$0	$4,112
9/30/29	$734	$1,934	$282	$743	$165	$254	$0	$4,112
9/30/30	$766	$1,902	$297	$730	$168	$249	$0	$4,112
9/30/31	$800	$1,869	$312	$717	$171	$243	$0	$4,113
9/30/32	$842	$1,828	$324	$704	$175	$238	$0	$4,110
9/30/33	$886	$1,784	$344	$687	$178	$232	$0	$4,112
9/30/34	$933	$1,739	$361	$670	$182	$226	$0	$4,110
9/30/35	$985	$1,691	$383	$651	$186	$219	$0	$4,115
9/30/36	$1,036	$1,641	$403	$631	$189	$212	$0	$4,113
9/30/37	$1,090	$1,588	$425	$611	$193	$205	$0	$4,112
9/30/38	$1,149	$1,532	$447	$589	$197	$198	$0	$4,111
9/30/39	$1,210	$1,473	$471	$566	$201	$190	$0	$4,111
9/30/40	$1,274	$1,411	$498	$542	$205	$181	$0	$4,112
9/30/41	$1,343	$1,346	$525	$516	$209	$172	$0	$4,112
9/30/42	$1,414	$1,277	$555	$490	$213	$163	$0	$4,112
9/30/43	$1,490	$1,204	$587	$461	$217	$153	$0	$4,113
9/30/44	$1,571	$1,128	$619	$431	$222	$143	$0	$4,114
9/30/45	$1,662	$1,041	$653	$399	$226	$132	$0	$4,114
9/30/46	$1,758	$950	$690	$364	$231	$120	$0	$4,113
9/30/47	$1,859	$853	$732	$327	$235	$108	$0	$4,114
9/30/48	$1,967	$751	$771	$288	$240	$95	$0	$4,112
9/30/49	$2,082	$643	$815	$246	$245	$81	$0	$4,113
9/30/50	$2,202	$528	$864	$203	$250	$67	$0	$4,114
9/30/51	$2,330	$407	$911	$156	$255	$52	$0	$4,111
9/30/52	$2,465	$279	$965	$107	$260	$35	$0	$4,112
9/30/53	$2,610	$144	$1,029	$55	$265	$18	$0	$4,121
Total	**$36,485**	**$41,512**	**$14,528**	**$15,862**	**$5,767**	**$5,147**	**($2,681)**	**$116,619**

[1]The 9/30/XX dates represent the fiscal year end for the Phase #1 Bonds.

[2]Represents the principal and interest on the Series 2023 Phase #1 Bonds. Interest was calculated using an interest rate of 4.375% per annum for years 1 through 8 (2023-2030), 5.125% per annum for years 9 through 21 (2031-2043), and 5.50% per annum for years 22 through 30 (2044-2053). Interest on the Series 2023 Phase #1 Bonds due in 2024 was funded with capitalized interest.

[2]Represents the principal and interest on the Series 2024 Phase #1 Bonds. Interest is calculated using an interest rate of 4.375% in years 1 through 7 (2025-2031), 5.125% in years 8 through 20 (2032-2044), and 5.375% in years 21 through 30 (2045-2053).

[4]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year. Administrative Expenses in year 2023 were funded with Series 2023 Phase #1 Bond proceeds.

Appendix G-5
Revised Phase #1 Assessment Roll by Lot Type

Lot Type	**Lot Type 4 (40 Ft)**
Equivalent Units	**0.59**
Assessment	**$40,405.61**

Year[1]	Principal[2]	Interest[2]	Principal[3]	Interest[3]	Administrative Expenses[4]	Additional Interest	Capitalized Interest	Total Annual Installment
9/30/23	$0	$0	$0	$0	$0	$0	$0	$0
9/30/24	$0	$1,982	$0	$853	$93	$145	($1,982)	$1,090
9/30/25	$456	$1,515	$383	$429	$113	$145	$0	$3,040
9/30/26	$476	$1,495	$183	$574	$115	$198	$0	$3,041
9/30/27	$497	$1,475	$191	$566	$117	$195	$0	$3,040
9/30/28	$519	$1,453	$200	$558	$119	$191	$0	$3,040
9/30/29	$543	$1,430	$209	$549	$122	$188	$0	$3,040
9/30/30	$566	$1,406	$220	$540	$124	$184	$0	$3,040
9/30/31	$592	$1,382	$231	$530	$127	$180	$0	$3,041
9/30/32	$623	$1,351	$240	$520	$129	$176	$0	$3,039
9/30/33	$655	$1,319	$254	$508	$132	$171	$0	$3,040
9/30/34	$690	$1,286	$267	$495	$135	$167	$0	$3,039
9/30/35	$728	$1,250	$283	$481	$137	$162	$0	$3,042
9/30/36	$766	$1,213	$298	$467	$140	$157	$0	$3,041
9/30/37	$806	$1,174	$314	$452	$143	$152	$0	$3,040
9/30/38	$850	$1,132	$330	$436	$146	$146	$0	$3,040
9/30/39	$895	$1,089	$349	$419	$149	$140	$0	$3,040
9/30/40	$942	$1,043	$368	$401	$152	$134	$0	$3,040
9/30/41	$993	$995	$388	$382	$155	$127	$0	$3,040
9/30/42	$1,046	$944	$410	$362	$158	$121	$0	$3,040
9/30/43	$1,102	$890	$434	$341	$161	$113	$0	$3,041
9/30/44	$1,162	$834	$457	$319	$164	$106	$0	$3,041
9/30/45	$1,229	$770	$483	$295	$167	$97	$0	$3,042
9/30/46	$1,300	$702	$510	$269	$171	$89	$0	$3,041
9/30/47	$1,374	$631	$541	$242	$174	$80	$0	$3,042
9/30/48	$1,454	$555	$570	$213	$178	$70	$0	$3,040
9/30/49	$1,539	$475	$603	$182	$181	$60	$0	$3,041
9/30/50	$1,628	$391	$639	$150	$185	$49	$0	$3,042
9/30/51	$1,723	$301	$673	$115	$188	$38	$0	$3,039
9/30/52	$1,823	$206	$713	$79	$192	$26	$0	$3,040
9/30/53	$1,930	$106	$761	$41	$196	$13	$0	$3,047
Total	**$26,975**	**$30,691**	**$10,741**	**$11,727**	**$4,264**	**$3,806**	**($1,982)**	**$86,221**

[1]The 9/30/XX dates represent the fiscal year end for the Phase #1 Bonds.

[2]Represents the principal and interest on the Series 2023 Phase #1 Bonds. Interest was calculated using an interest rate of 4.375% per annum for years 1 through 8 (2023-2030), 5.125% per annum for years 9 through 21 (2031-2043), and 5.50% per annum for years 22 through 30 (2044-2053). Interest on the Series 2023 Phase #1 Bonds due in 2024 was funded with capitalized interest.

[2]Represents the principal and interest on the Series 2024 Phase #1 Bonds. Interest is calculated using an interest rate of 4.375% in years 1 through 7 (2025-2031), 5.125% in years 8 through 20 (2032-2044), and 5.375% in years 21 through 30 (2045-2053).

[4]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year. Administrative Expenses in year 2023 were funded with Series 2023 Phase #1 Bond proceeds.

Appendix G-6
Revised Phase #1 Assessment Roll by Lot Type

Lot Type	**Lot Type 5 (Townhomes)**
Equivalent Units	**0.47**
Assessment	**$32,289.95**

Year[1]	Principal[2]	Interest[2]	Principal[3]	Interest[3]	Administrative Expenses[4]	Additional Interest	Capitalized Interest	Total Annual Installment
9/30/23	$0	$0	$0	$0	$0	$0	$0	$0
9/30/24	$0	$1,584	$0	$682	$74	$115	($1,584)	$871
9/30/25	$364	$1,211	$306	$342	$90	$115	$0	$2,429
9/30/26	$380	$1,195	$147	$459	$92	$158	$0	$2,430
9/30/27	$397	$1,178	$152	$453	$94	$155	$0	$2,430
9/30/28	$415	$1,161	$160	$446	$95	$153	$0	$2,429
9/30/29	$434	$1,143	$167	$439	$97	$150	$0	$2,430
9/30/30	$453	$1,124	$176	$432	$99	$147	$0	$2,430
9/30/31	$473	$1,104	$184	$424	$101	$144	$0	$2,430
9/30/32	$498	$1,080	$191	$416	$103	$140	$0	$2,428
9/30/33	$524	$1,054	$203	$406	$105	$137	$0	$2,430
9/30/34	$551	$1,027	$213	$396	$108	$133	$0	$2,428
9/30/35	$582	$999	$226	$385	$110	$130	$0	$2,431
9/30/36	$612	$969	$238	$373	$112	$125	$0	$2,430
9/30/37	$644	$938	$251	$361	$114	$121	$0	$2,429
9/30/38	$679	$905	$264	$348	$116	$117	$0	$2,429
9/30/39	$715	$870	$279	$335	$119	$112	$0	$2,429
9/30/40	$753	$834	$294	$320	$121	$107	$0	$2,429
9/30/41	$794	$795	$310	$305	$124	$102	$0	$2,429
9/30/42	$836	$754	$328	$289	$126	$96	$0	$2,429
9/30/43	$881	$711	$347	$272	$128	$90	$0	$2,430
9/30/44	$928	$666	$366	$255	$131	$84	$0	$2,430
9/30/45	$982	$615	$386	$236	$134	$78	$0	$2,431
9/30/46	$1,039	$561	$408	$215	$136	$71	$0	$2,430
9/30/47	$1,098	$504	$432	$193	$139	$64	$0	$2,431
9/30/48	$1,162	$444	$456	$170	$142	$56	$0	$2,429
9/30/49	$1,230	$380	$482	$146	$145	$48	$0	$2,430
9/30/50	$1,301	$312	$511	$120	$148	$40	$0	$2,431
9/30/51	$1,377	$241	$538	$92	$151	$30	$0	$2,429
9/30/52	$1,456	$165	$570	$63	$154	$21	$0	$2,429
9/30/53	$1,542	$85	$608	$33	$157	$11	$0	$2,435
Total	**$21,557**	**$24,527**	**$8,583**	**$9,372**	**$3,407**	**$3,041**	**($1,584)**	**$68,903**

[1]The 9/30/XX dates represent the fiscal year end for the Phase #1 Bonds.

[2]Represents the principal and interest on the Series 2023 Phase #1 Bonds. Interest was calculated using an interest rate of 4.375% per annum for years 1 through 8 (2023-2030), 5.125% per annum for years 9 through 21 (2031-2043), and 5.50% per annum for years 22 through 30 (2044-2053). Interest on the Series 2023 Phase #1 Bonds due in 2024 was funded with capitalized interest.

[2]Represents the principal and interest on the Series 2024 Phase #1 Bonds. Interest is calculated using an interest rate of 4.375% in years 1 through 7 (2025-2031), 5.125% in years 8 through 20 (2032-2044), and 5.375% in years 21 through 30 (2045-2053).

[4]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year. Administrative Expenses in year 2023 were funded with Series 2023 Phase #1 Bond proceeds.

APPENDIX H
UPDATED IMPROVEMENT AREA #2 ASSESSMENT ROLL

Appendix H-1
Improvement Area #2 Assessment Roll

Parcel	**All Parcels**
Equivalent Units	**467.94**
Outstanding Assessment	**$44,675,000**

Year[1]	Principal[2]	Interest[2]	Principal[3]	Interest[3]	Administrative Expenses[4]	Additional Interest[5]	Capitalized Interest	Total Annual Installment
9/30/25	$0	$1,458,628	$0	$0	$0	$0	($1,458,628)	$0
9/30/26	$582,000	$2,011,901	$99,000	$415,350	$61,200	$191,280	$0	$3,360,731
9/30/27	$610,000	$1,985,711	$122,000	$331,834	$87,424	$223,375	$0	$3,360,344
9/30/28	$639,000	$1,958,261	$128,000	$326,051	$89,172	$219,715	$0	$3,360,200
9/30/29	$670,000	$1,929,506	$134,000	$319,984	$90,956	$215,880	$0	$3,360,326
9/30/30	$702,000	$1,899,356	$141,000	$313,633	$92,775	$211,860	$0	$3,360,624
9/30/31	$736,000	$1,867,766	$147,000	$306,950	$94,631	$207,645	$0	$3,359,991
9/30/32	$771,000	$1,834,646	$154,000	$299,982	$96,523	$203,230	$0	$3,359,382
9/30/33	$813,000	$1,795,133	$162,000	$292,683	$98,454	$198,605	$0	$3,359,874
9/30/34	$858,000	$1,753,466	$169,000	$285,004	$100,423	$193,730	$0	$3,359,623
9/30/35	$905,000	$1,709,494	$178,000	$276,994	$102,431	$188,595	$0	$3,360,514
9/30/36	$954,000	$1,663,113	$186,000	$268,557	$104,480	$183,180	$0	$3,359,330
9/30/37	$1,006,000	$1,614,220	$195,000	$259,741	$106,569	$177,480	$0	$3,359,011
9/30/38	$1,061,000	$1,562,663	$205,000	$250,499	$108,701	$171,475	$0	$3,359,337
9/30/39	$1,119,000	$1,508,286	$215,000	$240,782	$110,875	$165,145	$0	$3,359,088
9/30/40	$1,181,000	$1,450,938	$225,000	$230,591	$113,092	$158,475	$0	$3,359,096
9/30/41	$1,246,000	$1,390,411	$237,000	$219,927	$115,354	$151,445	$0	$3,360,137
9/30/42	$1,314,000	$1,326,554	$248,000	$208,694	$117,661	$144,030	$0	$3,358,938
9/30/43	$1,386,000	$1,259,211	$261,000	$196,939	$120,014	$136,220	$0	$3,359,384
9/30/44	$1,463,000	$1,188,179	$274,000	$184,568	$122,415	$127,985	$0	$3,360,146
9/30/45	$1,543,000	$1,113,200	$287,000	$171,581	$124,863	$119,300	$0	$3,358,944
9/30/46	$1,634,000	$1,028,335	$302,000	$157,978	$127,360	$110,150	$0	$3,359,823
9/30/47	$1,730,000	$938,465	$317,000	$143,663	$129,907	$100,470	$0	$3,359,506
9/30/48	$1,832,000	$843,315	$333,000	$128,638	$132,506	$90,235	$0	$3,359,694
9/30/49	$1,940,000	$742,555	$350,000	$112,855	$135,156	$79,410	$0	$3,359,975
9/30/50	$2,055,000	$635,855	$367,000	$96,265	$137,859	$67,960	$0	$3,359,939
9/30/51	$2,176,000	$522,830	$386,000	$78,870	$140,616	$55,850	$0	$3,360,166
9/30/52	$2,304,000	$403,150	$405,000	$60,575	$143,428	$43,040	$0	$3,359,193
9/30/53	$2,441,000	$276,430	$426,000	$41,378	$146,297	$29,495	$0	$3,360,600
9/30/54	$2,585,000	$142,175	$447,000	$21,187	$149,223	$15,160	$0	$3,359,745
Total	**$38,256,000**	**$39,813,754**	**$7,100,000**	**$6,241,753**	**$3,300,365**	**$4,180,420**	**($1,458,628)**	**$97,433,663**

[1]The 9/30/XX dates represent the fiscal year end for the Improvement Area #2 Bonds and Improvement Area #2 Reimbursement Agreement Obligation.
[2]Represents the principal and interest on the Series 2024 Improvement Area #2 Bonds. Interest was calculated using an interest rate of 4.50% for years 1-7 (2025-2031), 5.125% for years 8-20 (2032-2044), and 5.50% for years 21-30 (2045-2054). Interest on the Series 2024 Improvement Area #2 Bonds for year 2025 was funded with capitalized interest.
[3]Represents the principal and interest on the Series 2026 Improvement Area #2 Bonds. Interest is calculated using an interest rate of 5.85% for years 2024-2026. Interest on the Series 2026 Improvement Area #2 Bonds is calculated based on an estimated interest rate of 4.74%.
[4]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year. Administrative Expenses in year 2025 were funded with Series 2024 Improvement Area #2 Bond proceeds. A portion of the Administrative Expenses in year 2026 are being funded with Series 2026 Improvement Area #2 Bond proceeds.
[5]Additional Interest is only charged on the portion of the Assessments associated with the Improvement Area #2 Bonds.

Appendix H-2
Improvement Area #2 Assessment Roll by Lot Type

Lot Type	**Lot Type 1 (70 Ft)**
Equivalent Units	**1.00**
Outstanding Assessment	**$95,471.46**

Year[1]	Principal[2]	Interest[2]	Principal[3]	Interest[3]	Administrative Expenses[4]	Additional Interest[5]	Capitalized Interest	Total Annual Installment
9/30/25	$0	$3,117	$0	$0	$0	$0	($3,117)	$0
9/30/26	$1,244	$4,299	$212	$888	$131	$409	$0	$7,182
9/30/27	$1,304	$4,244	$261	$709	$187	$477	$0	$7,181
9/30/28	$1,366	$4,185	$274	$697	$191	$470	$0	$7,181
9/30/29	$1,432	$4,123	$286	$684	$194	$461	$0	$7,181
9/30/30	$1,500	$4,059	$301	$670	$198	$453	$0	$7,182
9/30/31	$1,573	$3,991	$314	$656	$202	$444	$0	$7,180
9/30/32	$1,648	$3,921	$329	$641	$206	$434	$0	$7,179
9/30/33	$1,737	$3,836	$346	$625	$210	$424	$0	$7,180
9/30/34	$1,834	$3,747	$361	$609	$215	$414	$0	$7,180
9/30/35	$1,934	$3,653	$380	$592	$219	$403	$0	$7,181
9/30/36	$2,039	$3,554	$397	$574	$223	$391	$0	$7,179
9/30/37	$2,150	$3,450	$417	$555	$228	$379	$0	$7,178
9/30/38	$2,267	$3,339	$438	$535	$232	$366	$0	$7,179
9/30/39	$2,391	$3,223	$459	$515	$237	$353	$0	$7,178
9/30/40	$2,524	$3,101	$481	$493	$242	$339	$0	$7,178
9/30/41	$2,663	$2,971	$506	$470	$247	$324	$0	$7,181
9/30/42	$2,808	$2,835	$530	$446	$251	$308	$0	$7,178
9/30/43	$2,962	$2,691	$558	$421	$256	$291	$0	$7,179
9/30/44	$3,126	$2,539	$586	$394	$262	$274	$0	$7,181
9/30/45	$3,297	$2,379	$613	$367	$267	$255	$0	$7,178
9/30/46	$3,492	$2,198	$645	$338	$272	$235	$0	$7,180
9/30/47	$3,697	$2,006	$677	$307	$278	$215	$0	$7,179
9/30/48	$3,915	$1,802	$712	$275	$283	$193	$0	$7,180
9/30/49	$4,146	$1,587	$748	$241	$289	$170	$0	$7,180
9/30/50	$4,392	$1,359	$784	$206	$295	$145	$0	$7,180
9/30/51	$4,650	$1,117	$825	$169	$300	$119	$0	$7,181
9/30/52	$4,924	$862	$865	$129	$307	$92	$0	$7,179
9/30/53	$5,216	$591	$910	$88	$313	$63	$0	$7,182
9/30/54	$5,524	$304	$955	$45	$319	$32	$0	$7,180
Total	**$81,754**	**$85,083**	**$15,173**	**$13,339**	**$7,053**	**$8,934**	**($3,117)**	**$208,218**

[1]The 9/30/XX dates represent the fiscal year end for the Improvement Area #2 Bonds and Improvement Area #2 Reimbursement Agreement Obligation.
[2]Represents the principal and interest on the Series 2024 Improvement Area #2 Bonds. Interest was calculated using an interest rate of 4.50% for years 1-7 (2025-2031), 5.125% for years 8-20 (2032-2044), and 5.50% for years 21-30 (2045-2054). Interest on the Series 2024 Improvement Area #2 Bonds for year 2025 was funded with capitalized interest.
[3]Represents the principal and interest on the Series 2026 Improvement Area #2 Bonds. Interest is calculated using an interest rate of 5.85% for years 2024-2026. Interest on the Series 2026 Improvement Area #2 Bonds is calculated based on an estimated interest rate of 4.74%.
[4]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year. Administrative Expenses in year 2025 were funded with Series 2024 Improvement Area #2 Bond proceeds. A portion of the Administrative Expenses in year 2026 are being funded with Series 2026 Improvement Area #2 Bond proceeds.
[5]Additional Interest is only charged on the portion of the Assessments associated with the Improvement Area #2 Bonds.

Appendix H-3
Improvement Area #2 Assessment Roll by Lot Type

Lot Type	**Lot Type 2 (60 Ft)**
Equivalent Units	**0.88**
Outstanding Assessment	**$83,754.50**

Year[1]	Principal[2]	Interest[2]	Principal[3]	Interest[3]	Administrative Expenses[4]	Additional Interest[5]	Capitalized Interest	Total Annual Installment
9/30/25	$0	$2,735	$0	$0	$0	$0	($2,735)	$0
9/30/26	$1,091	$3,772	$186	$779	$115	$359	$0	$6,301
9/30/27	$1,144	$3,723	$229	$622	$164	$419	$0	$6,300
9/30/28	$1,198	$3,671	$240	$611	$167	$412	$0	$6,300
9/30/29	$1,256	$3,617	$251	$600	$171	$405	$0	$6,300
9/30/30	$1,316	$3,561	$264	$588	$174	$397	$0	$6,300
9/30/31	$1,380	$3,502	$276	$575	$177	$389	$0	$6,299
9/30/32	$1,445	$3,440	$289	$562	$181	$381	$0	$6,298
9/30/33	$1,524	$3,365	$304	$549	$185	$372	$0	$6,299
9/30/34	$1,609	$3,287	$317	$534	$188	$363	$0	$6,298
9/30/35	$1,697	$3,205	$334	$519	$192	$354	$0	$6,300
9/30/36	$1,789	$3,118	$349	$503	$196	$343	$0	$6,298
9/30/37	$1,886	$3,026	$366	$487	$200	$333	$0	$6,297
9/30/38	$1,989	$2,930	$384	$470	$204	$321	$0	$6,298
9/30/39	$2,098	$2,828	$403	$451	$208	$310	$0	$6,297
9/30/40	$2,214	$2,720	$422	$432	$212	$297	$0	$6,297
9/30/41	$2,336	$2,607	$444	$412	$216	$284	$0	$6,299
9/30/42	$2,463	$2,487	$465	$391	$221	$270	$0	$6,297
9/30/43	$2,598	$2,361	$489	$369	$225	$255	$0	$6,298
9/30/44	$2,743	$2,228	$514	$346	$229	$240	$0	$6,299
9/30/45	$2,893	$2,087	$538	$322	$234	$224	$0	$6,297
9/30/46	$3,063	$1,928	$566	$296	$239	$207	$0	$6,299
9/30/47	$3,243	$1,759	$594	$269	$244	$188	$0	$6,298
9/30/48	$3,435	$1,581	$624	$241	$248	$169	$0	$6,299
9/30/49	$3,637	$1,392	$656	$212	$253	$149	$0	$6,299
9/30/50	$3,853	$1,192	$688	$180	$258	$127	$0	$6,299
9/30/51	$4,079	$980	$724	$148	$264	$105	$0	$6,299
9/30/52	$4,319	$756	$759	$114	$269	$81	$0	$6,298
9/30/53	$4,576	$518	$799	$78	$274	$55	$0	$6,300
9/30/54	$4,846	$267	$838	$40	$280	$28	$0	$6,299
Total	**$71,720**	**$74,641**	**$13,311**	**$11,702**	**$6,187**	**$7,837**	**($2,735)**	**$182,664**

[1]The 9/30/XX dates represent the fiscal year end for the Improvement Area #2 Bonds and Improvement Area #2 Reimbursement Agreement Obligation.
[2]Represents the principal and interest on the Series 2024 Improvement Area #2 Bonds. Interest was calculated using an interest rate of 4.50% for years 1-7 (2025-2031), 5.125% for years 8-20 (2032-2044), and 5.50% for years 21-30 (2045-2054). Interest on the Series 2024 Improvement Area #2 Bonds for year 2025 was funded with capitalized interest.
[3]Represents the principal and interest on the Series 2026 Improvement Area #2 Bonds. Interest is calculated using an interest rate of 5.85% for years 2024-2026. Interest on the Series 2026 Improvement Area #2 Bonds is calculated based on an estimated interest rate of 4.74%.
[4]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year. Administrative Expenses in year 2025 were funded with Series 2024 Improvement Area #2 Bond proceeds. A portion of the Administrative Expenses in year 2026 are being funded with Series 2026 Improvement Area #2 Bond proceeds.
[5]Additional Interest is only charged on the portion of the Assessments associated with the Improvement Area #2 Bonds.

Appendix H-4
Improvement Area #2 Assessment Roll by Lot Type

Lot Type	**Lot Type 3 (50 Ft)**
Equivalent Units	**0.75**
Outstanding Assessment	**$72,037.55**

Year[1]	Principal[2]	Interest[2]	Principal[3]	Interest[3]	Administrative Expenses[4]	Additional Interest[5]	Capitalized Interest	Total Annual Installment
9/30/25	$0	$2,352	$0	$0	$0	$0	($2,352)	$0
9/30/26	$938	$3,244	$160	$670	$99	$308	$0	$5,419
9/30/27	$984	$3,202	$197	$535	$141	$360	$0	$5,418
9/30/28	$1,030	$3,158	$206	$526	$144	$354	$0	$5,418
9/30/29	$1,080	$3,111	$216	$516	$147	$348	$0	$5,418
9/30/30	$1,132	$3,063	$227	$506	$150	$342	$0	$5,419
9/30/31	$1,187	$3,012	$237	$495	$153	$335	$0	$5,418
9/30/32	$1,243	$2,958	$248	$484	$156	$328	$0	$5,417
9/30/33	$1,311	$2,895	$261	$472	$159	$320	$0	$5,418
9/30/34	$1,384	$2,827	$273	$460	$162	$312	$0	$5,417
9/30/35	$1,459	$2,757	$287	$447	$165	$304	$0	$5,419
9/30/36	$1,538	$2,682	$300	$433	$168	$295	$0	$5,417
9/30/37	$1,622	$2,603	$314	$419	$172	$286	$0	$5,416
9/30/38	$1,711	$2,520	$331	$404	$175	$277	$0	$5,417
9/30/39	$1,804	$2,432	$347	$388	$179	$266	$0	$5,416
9/30/40	$1,904	$2,340	$363	$372	$182	$256	$0	$5,416
9/30/41	$2,009	$2,242	$382	$355	$186	$244	$0	$5,418
9/30/42	$2,119	$2,139	$400	$337	$190	$232	$0	$5,416
9/30/43	$2,235	$2,030	$421	$318	$194	$220	$0	$5,417
9/30/44	$2,359	$1,916	$442	$298	$197	$206	$0	$5,418
9/30/45	$2,488	$1,795	$463	$277	$201	$192	$0	$5,416
9/30/46	$2,635	$1,658	$487	$255	$205	$178	$0	$5,418
9/30/47	$2,790	$1,513	$511	$232	$209	$162	$0	$5,417
9/30/48	$2,954	$1,360	$537	$207	$214	$146	$0	$5,417
9/30/49	$3,128	$1,197	$564	$182	$218	$128	$0	$5,418
9/30/50	$3,314	$1,025	$592	$155	$222	$110	$0	$5,418
9/30/51	$3,509	$843	$622	$127	$227	$90	$0	$5,418
9/30/52	$3,715	$650	$653	$98	$231	$69	$0	$5,417
9/30/53	$3,936	$446	$687	$67	$236	$48	$0	$5,419
9/30/54	$4,168	$229	$721	$34	$241	$24	$0	$5,418
Total	**$61,687**	**$64,199**	**$11,449**	**$10,065**	**$5,322**	**$6,741**	**($2,352)**	**$157,110**

[1]The 9/30/XX dates represent the fiscal year end for the Improvement Area #2 Bonds and Improvement Area #2 Reimbursement Agreement Obligation.
[2]Represents the principal and interest on the Series 2024 Improvement Area #2 Bonds. Interest was calculated using an interest rate of 4.50% for years 1-7 (2025-2031), 5.125% for years 8-20 (2032-2044), and 5.50% for years 21-30 (2045-2054). Interest on the Series 2024 Improvement Area #2 Bonds for year 2025 was funded with capitalized interest.
[3]Represents the principal and interest on the Series 2026 Improvement Area #2 Bonds. Interest is calculated using an interest rate of 5.85% for years 2024-2026. Interest on the Series 2026 Improvement Area #2 Bonds is calculated based on an estimated interest rate of 4.74%.
[4]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year. Administrative Expenses in year 2025 were funded with Series 2024 Improvement Area #2 Bond proceeds. A portion of the Administrative Expenses in year 2026 are being funded with Series 2026 Improvement Area #2 Bond proceeds.
[5]Additional Interest is only charged on the portion of the Assessments associated with the Improvement Area #2 Bonds.

Appendix H-5
Improvement Area #2 Assessment Roll by Lot Type

Lot Type	**Lot Type 4 (40 Ft)**
Equivalent Units	**0.60**
Outstanding Assessment	**$56,848.91**

Year[1]	Principal[2]	Interest[2]	Principal[3]	Interest[3]	Administrative Expenses[4]	Additional Interest[5]	Capitalized Interest	Total Annual Installment
9/30/25	$0	$1,856	$0	$0	$0	$0	($1,856)	$0
9/30/26	$741	$2,560	$126	$529	$78	$243	$0	$4,277
9/30/27	$776	$2,527	$155	$422	$111	$284	$0	$4,276
9/30/28	$813	$2,492	$163	$415	$113	$280	$0	$4,276
9/30/29	$853	$2,455	$171	$407	$116	$275	$0	$4,276
9/30/30	$893	$2,417	$179	$399	$118	$270	$0	$4,276
9/30/31	$937	$2,377	$187	$391	$120	$264	$0	$4,276
9/30/32	$981	$2,335	$196	$382	$123	$259	$0	$4,275
9/30/33	$1,035	$2,284	$206	$372	$125	$253	$0	$4,275
9/30/34	$1,092	$2,231	$215	$363	$128	$247	$0	$4,275
9/30/35	$1,152	$2,175	$227	$352	$130	$240	$0	$4,276
9/30/36	$1,214	$2,116	$237	$342	$133	$233	$0	$4,275
9/30/37	$1,280	$2,054	$248	$331	$136	$226	$0	$4,274
9/30/38	$1,350	$1,988	$261	$319	$138	$218	$0	$4,275
9/30/39	$1,424	$1,919	$274	$306	$141	$210	$0	$4,274
9/30/40	$1,503	$1,846	$286	$293	$144	$202	$0	$4,274
9/30/41	$1,586	$1,769	$302	$280	$147	$193	$0	$4,276
9/30/42	$1,672	$1,688	$316	$266	$150	$183	$0	$4,274
9/30/43	$1,764	$1,602	$332	$251	$153	$173	$0	$4,275
9/30/44	$1,862	$1,512	$349	$235	$156	$163	$0	$4,276
9/30/45	$1,963	$1,417	$365	$218	$159	$152	$0	$4,274
9/30/46	$2,079	$1,309	$384	$201	$162	$140	$0	$4,275
9/30/47	$2,201	$1,194	$403	$183	$165	$128	$0	$4,275
9/30/48	$2,331	$1,073	$424	$164	$169	$115	$0	$4,275
9/30/49	$2,469	$945	$445	$144	$172	$101	$0	$4,276
9/30/50	$2,615	$809	$467	$122	$175	$86	$0	$4,276
9/30/51	$2,769	$665	$491	$100	$179	$71	$0	$4,276
9/30/52	$2,932	$513	$515	$77	$183	$55	$0	$4,275
9/30/53	$3,106	$352	$542	$53	$186	$38	$0	$4,276
9/30/54	$3,289	$181	$569	$27	$190	$19	$0	$4,275
Total	**$48,681**	**$50,663**	**$9,035**	**$7,943**	**$4,200**	**$5,320**	**($1,856)**	**$123,984**

[1]The 9/30/XX dates represent the fiscal year end for the Improvement Area #2 Bonds and Improvement Area #2 Reimbursement Agreement Obligation.
[2]Represents the principal and interest on the Series 2024 Improvement Area #2 Bonds. Interest was calculated using an interest rate of 4.50% for years 1-7 (2025-2031), 5.125% for years 8-20 (2032-2044), and 5.50% for years 21-30 (2045-2054). Interest on the Series 2024 Improvement Area #2 Bonds for year 2025 was funded with capitalized interest.
[3]Represents the principal and interest on the Series 2026 Improvement Area #2 Bonds. Interest is calculated using an interest rate of 5.85% for years 2024-2026. Interest on the Series 2026 Improvement Area #2 Bonds is calculated based on an estimated interest rate of 4.74%.
[4]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year. Administrative Expenses in year 2025 were funded with Series 2024 Improvement Area #2 Bond proceeds. A portion of the Administrative Expenses in year 2026 are being funded with Series 2026 Improvement Area #2 Bond proceeds.
[5]Additional Interest is only charged on the portion of the Assessments associated with the Improvement Area #2 Bonds.

Appendix H-6
Improvement Area #2 Assessment Roll by Lot Type

Lot Type	**Lot Type 5 (Townhomes)**
Equivalent Units	**0.45**
Outstanding Assessment	**$42,528.19**

Year[1]	Principal[2]	Interest[2]	Principal[3]	Interest[3]	Administrative Expenses[4]	Additional Interest[5]	Capitalized Interest	Total Annual Installment
9/30/25	$0	$1,389	$0	$0	$0	$0	($1,389)	$0
9/30/26	$554	$1,915	$94	$395	$58	$182	$0	$3,199
9/30/27	$581	$1,890	$116	$316	$83	$213	$0	$3,199
9/30/28	$608	$1,864	$122	$310	$85	$209	$0	$3,199
9/30/29	$638	$1,837	$128	$305	$87	$206	$0	$3,199
9/30/30	$668	$1,808	$134	$299	$88	$202	$0	$3,199
9/30/31	$701	$1,778	$140	$292	$90	$198	$0	$3,199
9/30/32	$734	$1,746	$147	$286	$92	$193	$0	$3,198
9/30/33	$774	$1,709	$154	$279	$94	$189	$0	$3,198
9/30/34	$817	$1,669	$161	$271	$96	$184	$0	$3,198
9/30/35	$862	$1,627	$169	$264	$98	$180	$0	$3,199
9/30/36	$908	$1,583	$177	$256	$99	$174	$0	$3,198
9/30/37	$958	$1,537	$186	$247	$101	$169	$0	$3,198
9/30/38	$1,010	$1,488	$195	$238	$103	$163	$0	$3,198
9/30/39	$1,065	$1,436	$205	$229	$106	$157	$0	$3,198
9/30/40	$1,124	$1,381	$214	$220	$108	$151	$0	$3,198
9/30/41	$1,186	$1,324	$226	$209	$110	$144	$0	$3,199
9/30/42	$1,251	$1,263	$236	$199	$112	$137	$0	$3,198
9/30/43	$1,319	$1,199	$248	$187	$114	$130	$0	$3,198
9/30/44	$1,393	$1,131	$261	$176	$117	$122	$0	$3,199
9/30/45	$1,469	$1,060	$273	$163	$119	$114	$0	$3,198
9/30/46	$1,555	$979	$287	$150	$121	$105	$0	$3,198
9/30/47	$1,647	$893	$302	$137	$124	$96	$0	$3,198
9/30/48	$1,744	$803	$317	$122	$126	$86	$0	$3,198
9/30/49	$1,847	$707	$333	$107	$129	$76	$0	$3,199
9/30/50	$1,956	$605	$349	$92	$131	$65	$0	$3,198
9/30/51	$2,071	$498	$367	$75	$134	$53	$0	$3,199
9/30/52	$2,193	$384	$386	$58	$137	$41	$0	$3,198
9/30/53	$2,324	$263	$406	$39	$139	$28	$0	$3,199
9/30/54	$2,461	$135	$426	$20	$142	$14	$0	$3,198
Total	**$36,418**	**$37,901**	**$6,759**	**$5,942**	**$3,142**	**$3,980**	**($1,389)**	**$92,752**

[1]The 9/30/XX dates represent the fiscal year end for the Improvement Area #2 Bonds and Improvement Area #2 Reimbursement Agreement Obligation.

[2]Represents the principal and interest on the Series 2024 Improvement Area #2 Bonds. Interest was calculated using an interest rate of 4.50% for years 1-7 (2025-2031), 5.125% for years 8-20 (2032-2044), and 5.50% for years 21-30 (2045-2054). Interest on the Series 2024 Improvement Area #2 Bonds for year 2025 was funded with capitalized interest.

[3]Represents the principal and interest on the Series 2026 Improvement Area #2 Bonds. Interest is calculated using an interest rate of 5.85% for years 2024-2026. Interest on the Series 2026 Improvement Area #2 Bonds is calculated based on an estimated interest rate of 4.74%.

[4]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year. Administrative Expenses in year 2025 were funded with Series 2024 Improvement Area #2 Bond proceeds. A portion of the Administrative Expenses in year 2026 are being funded with Series 2026 Improvement Area #2 Bond proceeds.

[5]Additional Interest is only charged on the portion of the Assessments associated with the Improvement Area #2 Bonds.

SCHEDULE I
REIMBURSEMENT AGREEMENT BALANCE

SCHEDULE I

1. Reimbursement Agreement Balance – Phase #1 Improvements

A. *Portion to be paid from net PID Bond Proceeds of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2023 (Mosaic Public Improvement District Phase #1 Project) (the "Series 2023 Phase #1 Bonds"):*

- Original Principal Amount: **$15,923,000**

- Interest Rate: Interest Rate on any unpaid portion of the Reimbursement Agreement Balance – Phase #1 Improvements paid from the proceeds of the Series 2023 Phase #1 Bonds shall be the lesser of: (1) the interest rates on the Series 2023 Phase #1 Bonds or (2) 5.85**%** based on the Bond Index Rate of 5.85% as the highest average index rate reported for the *Bond Buyer's Index of 25 Revenue Bonds*, a weekly bond index approved by the City Council of the City, in the month before the date the City approved the Phase #1 Assessment Ordinance which is the same date the obligation to pay the Reimbursement Agreement Balance - Phase #1 Improvements was incurred.

- Date of Phase #1 Assessment Ordinance Approval: Ordinance No. 2023-31 approved on April 11, 2023 and recorded in the real property records of Denton County, Texas on April 17, 2023, as Instrument No. 38050.

- Payment Source: Solely from net bond proceeds of the Series 2023 Phase #1 Bonds secured by the Assessments levied against the Phase #1 Assessed Property shown on the Phase #1 Assessment Roll attached as Appendix G to the SAP.

B. *Portion to be paid from net PID Bond Proceeds of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2024 (Mosaic Public Improvement District Phase #1B Project) (the "Series 2024 Phase #1B Bonds"):*

- Outstanding Principal Amount at the time the Series 2024 Phase #1B Bonds were issued: **$5,535,129.65**

- Interest Rate**:** Interest Rate on any unpaid portion of the Reimbursement Agreement Balance – Phase #1 Improvements paid from the proceeds of the Series 2024 Phase #1B Bonds shall be the lesser of: (1) the interest rates on the Series 2024 Phase #1B Bonds, or (2) 5.85**%** based on the Bond Index Rate of 5.85% as the highest average index rate reported for the *Bond Buyer's Index of 25 Revenue Bonds*, a weekly bond index approved by the City Council of the City, in the month before the date the City approved the Phase #1 Assessment Ordinance which is the same date the obligation to pay the Reimbursement Agreement Balance - Phase #1 Improvements was incurred.

- Date of Phase #1 Assessment Ordinance Approval: Ordinance No. 2023-31 approved on April 11, 2023 and recorded in the real property records of Denton County, Texas on April 17, 2023, as Instrument No. 38050.

- Payment Source: Solely from net bond proceeds of the Series 2024 Phase #1B Bonds secured by the Assessments levied against the Phase #1 Assessed Property shown on the Phase #1 Assessment Roll attached as Appendix G to the SAP, as updated in connection with the issuance of the Series 2024 Phase #1B Bonds.

2. Reimbursement Agreement Balance – Improvement Area #2 Projects

A. *Portion to be paid from net PID Bond Proceeds of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2024 (Mosaic Public Improvement District Improvement Area #2 Project) (the "Series 2024 IA #2 Bonds"):*

- Original Principal Amount: $38,256,000
- Interest Rate: Interest Rate on any unpaid portion of the Reimbursement Agreement Balance – Improvement Area #2 Projects paid from the proceeds of the Series 2024 IA #2 Bonds shall be the lesser of: (1) the interest rates on the Series 2024 IA #2 Bonds or (2) 5.85% based on the Bond Index Rate of 4.57% as the highest average index rate reported for the *Bond Buyer's Index of 25 Revenue Bonds*, a weekly bond index approved by the City Council of the City in the month before the date the City approved the Improvement Area #2 Assessment Ordinance which is the same date the obligation to pay the Reimbursement Agreement Balance – Improvement Area #2 Projects was incurred.
- Date of Improvement Area #2 Assessment Ordinance Approval: Ordinance No. 2024-100 approved on November 12, 2024, and recorded in the real property records of Denton County, Texas on November 15, 2024, as Instrument No. 124361.
- Improvements Paid: The proceeds of the Series 2024 IA #2 Bonds shall only be used to pay for the costs of the Improvement Area #2 Improvements and the Initial Major Improvements allocable to Improvement Area #2. No proceeds of the Series 2024 IA #2 Bonds can be used to pay for the Additional Major Improvements allocable to Improvement Area #2 and such Additional Major Improvements allocable to Improvement Area #2 shall not be required to be completed before such time as 100% of the proceeds of the Series 2024 IA #2 Bonds can be disbursed pursuant to a Certification For Payment attached to the Amended and Restated PID Reimbursement Agreement.
- Payment Source: Solely from net bond proceeds of the Series 2024 IA #2 Bonds secured by the Assessments levied against the Improvement Area #2 Assessed Property shown on the Improvement Area #2 Assessment Roll attached as Appendix H to the SAP. The net bond proceeds of the Series 2024 IA #2 Bonds deposited in the Improvement Area #2 Project Account of the Project Fund established by the trust indenture relating to the Series 2024 IA #2 Bonds shall only be used to pay for the costs of the Improvement Area #2 Improvements and the Initial Major Improvements allocable to Improvement Area #2. No proceeds of the Series 2024 IA #2 Bonds can be used to pay for the Additional Major Improvements allocable to Improvement Area

#2 and such Additional Major Improvements allocable to Improvement Area #2 shall not be required to be completed before such time as 100% of the proceeds of the Series 2024 IA #2 Bonds can be disbursed pursuant to a Certification For Payment attached to the Amended and Restated PID Reimbursement Agreement.

B. *Portion to be paid from net PID Bond Proceeds of the City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Mosaic Public Improvement District Improvement Area #2B Project) (the "Series 2026 IA #2B Bonds"):*

- Outstanding Principal Amount at the time the Series 2026 IA #2B Bonds were issued: [$7,100,000]
- Interest Rate: Interest Rate on any unpaid portion of the Reimbursement Agreement Balance – Improvement Area #2 Projects paid from the proceeds of the Series 2026 IA #2B Bonds shall be the lesser of: (1) the interest rates on the Series 2026 IA #2B Bonds, or (2) 5.85**%** based on the Bond Index Rate of 4.57% as the highest average index rate reported for the *Bond Buyer's Index of 25 Revenue Bonds*, a weekly bond index approved by the City Council of the City, in the month before the date the City approved the Improvement Area #2 Assessment Ordinance which is the same date the obligation to pay the Reimbursement Agreement Balance - Improvement Area #2 Projects was incurred.
- Date of Improvement Area #2 Assessment Ordinance Approval: Ordinance No. 2024-100 approved on November 12, 2024, and recorded in the real property records of Denton County, Texas on November 15, 2024, as Instrument No. 124361
- Payment Source: Solely from net bond proceeds of the Series 2026 IA #2B Bonds secured by the Assessments levied against the Improvement Area #2 Assessed Property shown on the Improvement Area #2 Assessment Roll attached as Appendix H to the SAP, as updated in connection with the issuance of the Series 2026 IA #2B Bonds.

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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NORTON ROSE FULBRIGHT

[CLOSING DATE]

Norton Rose Fulbright US LLP
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IN REGARD to the authorization and issuance of the "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Mosaic Public Improvement District Improvement Area #2B Project)" (the "Bonds"), dated June 12, 2026, in the principal amount of $_____, we have examined the legality and validity of the issuance thereof by the City of Celina, Texas (the "City") solely to express legal opinions as to the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, or the history or prospects of the collection of the Pledged Revenues, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds, and have not assumed any responsibility with respect thereto. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Indenture.

THE BONDS are issued in fully registered form only and mature on September 1 in each of the years specified in an Indenture of Trust (the "2024 Indenture"), dated as of December 1, 2024, with U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by the Supplemental Indenture of Trust (the "Supplemental Indenture and, together with the 2024 Indenture, the "Indenture"), dated as of June 1, 2026, approved by the City Council of the City pursuant to an ordinance (the "Ordinance") adopted by the City Council of the City authorizing the issuance of the Bonds, unless redeemed prior to maturity in accordance with the terms stated on the Bonds. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Indenture.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings had in connection with the issuance of the Bonds, including the Indenture, the Ordinance and an examination of the initial Bond executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the City; and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATION, we are of the opinion that, under applicable law of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Bonds have been authorized, issued and delivered in accordance with law; that the Bonds are valid, legally binding and enforceable limited obligations of the City in

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accordance with their terms payable solely from the Trust Estate, except to the extent the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditors' rights generally.

2. Assuming continuing compliance after the date hereof by the City with the provisions of the Indenture and in reliance upon representations and certifications of the City made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, interest on the Bonds for federal income tax purposes (i) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date hereof, of the owners thereof pursuant to Section 103 of such Code, existing regulations, published rulings, and court decisions thereunder, and (ii) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

We express no opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER

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CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MOSAIC PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2B PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer, dated as of June 1, 2026 (this "Disclosure Agreement"), is executed and delivered by and among the City of Celina, Texas (the "Issuer"), MuniCap, Inc. (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent (the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2026 (Mosaic Public Improvement District Improvement Area #2B 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 December 1, 2024, and Supplemental Indenture of Trust, dated June 1, 2026, relating to the Bonds (together, 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:

"Annual Collections Report" shall mean any Annual Collections Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

"Annual Collections Report Filing Date" shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

"Annual Financial Information" shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in subsection 4(a) of this Disclosure Agreement.

"Annual Financial Statements" shall mean audited or unaudited financial statements of the Issuer prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

"Annual Financials Filing Date" shall mean, for each Fiscal Year, the date on which the Annual Financial Statements must be filed with the MSRB, which date is twelve (12) months after the end of the Issuer's Fiscal Year. The Annual Financials Filing Date is currently September 30.

"Annual Information Filing Date" shall mean, for each Fiscal Year, the date on which the Annual Financial Information must be filed with the MSRB, which date is six (6) months after the end of the Issuer's Fiscal Year. The Annual Information Filing Date is currently March 31.

"Collections Reporting Date" shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

"Delinquency Date" shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

"Disclosure Agreement of Landowner" shall mean the Continuing Disclosure Agreement of Landowner relating to the Bonds, dated as of June 1, 2026, executed and delivered by the Landowner, the Administrator, and the Dissemination Agent.

"Disclosure Representative" shall mean the Director of Finance or City Manager of the Issuer or his or her designee or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access service currently available on the internet at http://emma.msrb.org.

"Filing Date" means any one or all of the Annual Financials Filing Date, Annual Information Filing Date, and Annual Collections Report Filing Date.

"Final Assessment Payment Date" shall mean the calendar day preceding the Delinquency Date.

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the Issuer's fiscal year, currently the twelve-month period from October 1 through September 30.

"Landowner" shall mean Tellus Texas I, LLC, a Texas limited liability company, and its successors and assigns.

"Listed Events" shall mean any of the events listed in subsection 6(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Tax Year" means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

SECTION 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2026, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, the Annual Financial Information and the Annual Financial Statements, as follows:

(i) The Issuer shall provide or caused to be provided the Annual Financial Information to the MSRB not later than the Annual Information Filing Date; and

(ii) The Issuer shall provide or caused to be provided audited Annual Financial Statements to the MSRB not later than the Annual Financials Filing Date, or if audited Annual Financial Statements are not available by the Annual Financials Filing Date, unaudited Annual Financial Statements, provided to the Dissemination Agent which is consistent with the requirements specified in Section 4 of this Disclosure Agreement.

In each case, the Annual Financial Information and Annual Financial Statements may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer's Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Annual Information Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Not later than ten days prior to the applicable Filing Date, the Issuer shall provide the Annual Financial Information or Annual Financial Statements, as the case may be, to the Dissemination Agent together with written direction to file such with the MSRB. The Dissemination Agent shall provide such Annual Financial Information or Annual Financial Statements to the MSRB not later than ten days from receipt of such from the Issuer, but in no event later than the applicable Filing Date for such Fiscal Year.

If by the fifth (5^{th}) day before the applicable Filing Date, the Dissemination Agent has not received a copy of the Annual Financial Information or Annual Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Financial Information or Annual Financial Statements pursuant to subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Financial

Information or Annual Financial Statements, as applicable, no later than two Business Days prior to the applicable Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Financial Information by the Annual Information Filing Date or the Annual Financial Statements by the Annual Financials Filing Date, as applicable, state the date by which the Annual Financial Information or Annual Financial Statements for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Financial Information, Annual Financial Statements, or the notice of failure to file, as applicable, to the MSRB, no later than the applicable Filing Date; provided further, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the applicable Filing Date.

(c) The Dissemination Agent, pursuant to written direction, shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information and the Annual Financial Statements on the dates required in subsection (a);

(ii) on behalf of the Issuer, file the Annual Financial Information and the Annual Financial Statements containing or incorporating by reference the information set forth in Section 4 hereof; and

(iii) if the Issuer has provided the Dissemination Agent with the completed Annual Financial Information and the Annual Financial Statements, as applicable, and the Dissemination Agent has filed such Annual Financial Information or Annual Financial Statements with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Financial Information or Annual Financial Statements has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Financial Information and Annual Financial Statements.

(a) *Annual Financial Information*. The Annual Financial Information for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Information Filing Date, the following Annual Financial Information (any or all of which may be unaudited):

(i) Information regarding the Bonds and the Trust Estate in substantially similar form to that shown in the tables provided under Sections 4(a)(i) of Exhibit B attached hereto. Such information shall be provided as of the end of the Fiscal Year to which the information being reported relates.

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Sections 4(a)(ii) of Exhibit B attached hereto. Such information shall be provided as of the end of the Fiscal Year to which the information being reported relates.

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update.

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) *Annual Financial Statements*. The Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Financials Filing Date the audited Annual Financial Statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If the audited Annual Financial Statements of the Issuer are not available by the Annual Financials Filing Date, the Issuer shall provide unaudited Annual Financial Statements of the Issuer no later than the Annual Financials Filing Date and audited Annual Financial Statements when and if available.

(c) The Issuer has designated 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 receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5^{th}) day before the Annual Collections Report Filing Date the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking

to provide the applicable Annual Collections Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A hereto; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Collections Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Collections Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Collections Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (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 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 the Landowner of real property within Improvement Area #2 in the ordinary course of the Landowner's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC

Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the incurrence of Additional Obligations without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 6 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than one (1) Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information.

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made pursuant to 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 one (1) Business Day following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, any Owner or beneficial owner of any interests in the Bonds, or any other party as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to Bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is <u>not</u> material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the

Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within 30 days of such discharge. The Dissemination Agent may resign at any time with 30 days' written notice to the Issuer. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The Issuer shall provide written notice to each Reporting Party, as defined in the Disclosure Agreement of Landowner, of any change in the identity of the Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5, or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or

(ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Information for the 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) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Landowner and a default under the Disclosure Agreement of Landowner 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 this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law,

the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Administrative Expenses collected from the owners of Assessed Property in Improvement Area #2, against any losses, expenses, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability arising under this Disclosure Agreement, 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 and hold harmless the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Landowner or the failure of the Landowner to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Landowner. The obligations of the Issuer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Financial Information or Annual Financial Statements in accordance with subsection 3(a) or the Annual Collections Report in accordance with subsection 5(a), the Dissemination Agent shall not be responsible for the failure to submit an Annual Financial Information, Annual Financial Statements, or an Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The 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 pursuant to this subsection 12(a), are 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 owners of Assessed Property in Improvement Area #2, against any losses, expenses, and liabilities which the Administrator 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 under this Disclosure Agreement, 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 or hold harmless the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Landowner to provide information to the Administrator as and when required under the Disclosure Agreement of Landowner. 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 pursuant to this subsection 12(b), are 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. EXCEPT AS DESCRIBED IN SECTION 11 WITH RESPECT TO THE DISSEMINATION AGENT, NEITHER THE DISSEMINATION AGENT NOR THE ADMINISTRATOR ARE UNDER ANY OBLIGATION 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, officers, agents, or employees of the Issuer, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed,

entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute 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 Area #2, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications. The Dissemination Agent and the Administrator, each individually, make the following 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 the Administrator, as the case may be, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

(a) *Not a Sanctioned Company*. The Dissemination Agent and the Administrator, each individually, represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent and the Administrator and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) *No Boycott of Israel*. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) *No Discrimination Against Firearm Entities*. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) *No Boycott of Energy Companies*. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator's participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 21. Governing Law and Venue. This Disclosure Agreement shall be governed by the laws of the State of Texas. Venue of any action to enforce the rights and privileges existing under this Disclosure Agreement shall be brought in the state district court of Denton County, Texas.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

CITY OF CELINA, TEXAS
(as Issuer)

By: _____
City Manager

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER

HTS CONTINUING DISCLOSURE SERVICES,
a division of Hilltop Securities Inc.
(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 FINANCIAL STATEMENTS]
[ANNUAL COLLECTIONS REPORT]

Name of Issuer:	City of Celina, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Mosaic Public Improvement District Improvement Area #2B Project) (the "Bonds")
CUSIP Nos.	[insert CUSIP Nos.]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that the City of Celina, Texas (the "Issuer"), has not provided the [Annual Financial Information] [Annual Financial Statements] [an Annual Collections Report] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of June 1, 2026, by and among the Issuer, MuniCap, Inc., as "Administrator," and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as "Dissemination Agent." The Issuer anticipates that the [Annual Financial Information] [Annual Financial Statements] [Annual Collections Report] will be filed by _____.

Dated: _____

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.,
on behalf of the City of Celina, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Celina, Texas

EXHIBIT B

CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MOSAIC PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2B PROJECT)

ANNUAL FINANCIAL INFORMATION[*]

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: _____
City: _____
Telephone: _____
Contact Person: _____

Section 4(a)(i)

BONDS OUTSTANDING

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
		Total		

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value[(1)]	Book Value[(1)]	Market Value[(1)]

[*] Excluding Audited Financial Statements of the Issuer.
[(1)] According to account balance statement dated as of [insert date] as provided by the Trustee.

ASSETS AND LIABILITIES OF TRUST ESTATE

Cash Position of Trust Estate for statements dated September 30, 20[__]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding Assessment Amount to be collected		C
Net Position of Trust Estate and Outstanding Bonds and Assessments		A-B+C

September 30, 20[__] Trust Statements: ☐ Audited ☐ Unaudited

Accounting Type: ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

Year Ending (September 30)	Principal	Interest	Total

Top [Five] Assessment Payers in Improvement Area #2 [(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; may be fewer than five.

Assessed Value of Improvement Area #2 of the District

The [YEAR] certified total assessed value for the Assessed Property in Improvement Area #2 of the District is approximately $[AMOUNT] according to the Denton County 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__		
20__		
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 CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MOSAIC PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2B PROJECT)

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____]
City: [_____, Texas _____]
Telephone: (___) ___-____
Contact Person: Attn: _____

SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE COLLECTION OF ASSESSMENTS COVERING THE PERIOD BEGINNING WITH THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN COMPLIANCE WITH SUBSECTION 5(A) OF THE ISSUER'S DISCLOSURE AGREEMENT

Foreclosure History Related To The Annual Installments(1)

Succeeding Fiscal Year	Delinquent Annual Installment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Annual Installment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
20__	$		$		$

(i) Period covered includes October 1, 20__ through March 1, 20__.

Collection and Delinquency of Annual Installments [1]

Succeeding Fiscal Year	Total Annual Installments Levied	Parcels Levied[2]	Delinquent Amount as of 3/1	Delinquent % as of 3/1	Total Annual Installments Collected[3]
20__	$		$	%	$

[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 15	43/44	Trustee pays bond interest payments to Owners.
April 1	59/60	At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.
July 1	**152/153**	**If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for**

[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.

		transfer to the Principal and Interest Account of such amounts as shall be required for the full September payment, Issuer and/or Administrator to notify Dissemination Agent in writing for inclusion in the next Annual Financial Information. **Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.** If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer. If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
August 15	197/198	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent and the Trustee. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198). **Foreclosure action to be filed with the court as soon as practicable, in accordance with the Tax Assessor/Collector's procedures**. **Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing for inclusion in next Annual Report**.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the Issuer to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

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APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF LANDOWNER

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CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MOSAIC PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2B PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF LANDOWNER

This Continuing Disclosure Agreement of Landowner dated as of June 1, 2026 (this "Disclosure Agreement"), is executed and delivered by and among Tellus Texas I, LLC, a Texas limited liability company (the "Landowner"), MuniCap, Inc. (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (in such capacity, the "Dissemination Agent") with respect to the captioned obligations (the "Bonds"). The Landowner, 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 Landowner, 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 December 1, 2024, and the Supplemental Indenture of Trust, dated as of June 1, 2026 (together, 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:

"Affiliate" shall mean an entity that is controlled by, controls, or is under common control with another entity.

"Amenities" shall mean the North Park Area (Doe Branch), the North Park Area 12FT Trail, the North Park Area Pedestrian Bridge, and other landscaping, trails, entry features, screening walls, ponds, open space, playground and a pavilion, or other similar improvements to be constructed by the Landowner within the District.

"Certification Letter" shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

"Disclosure Agreement of Issuer" shall mean the Continuing Disclosure Agreement of Issuer dated as of even date herewith executed and delivered by and among the Issuer, the Administrator, and the Dissemination Agent.

"Dissemination Agent" shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer, and which has filed with the Trustee a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access service administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at http://emma.msrb.org.

"Homebuilder" shall mean any homebuilder who enters into a Lot Purchase Agreement with the Landowner, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

"Homebuilder Listed Events" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

"Issuer" shall mean the City of Celina, Texas.

"Landowner" shall mean Tellus Texas I, LLC, a Texas limited liability company, its successors and assigns, including any Affiliate of the Landowner.

"Landowner Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"Listed Events" shall mean, collectively, Landowner Listed Events and Homebuilder Listed Events.

"Lot Purchase Agreement" shall mean, with respect to lots or land within the District, any lot purchase agreement between a Homebuilder and the Landowner 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.

"North Park Area (Doe Branch)" shall have the meaning assigned to such term in the Development Agreement.

"North Park Area 12FT Trail" shall have the meaning assigned to such term in the Development Agreement.

"North Park Area Pedestrian Bridge" shall have the meaning assigned to such term in the Development Agreement.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

"Quarterly Ending Date" shall mean each March 31, June 30, September 30 and December 31, beginning June 30, 2026.

"Quarterly Filing Date" shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being February 15, May 15, August 15, and November 15.

"Quarterly Information" shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

"Quarterly Report" shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

"Reporting Party" shall mean, collectively, the Landowner, any Person who has assumed the reporting obligations of the Landowner pursuant to Section 5 of this Disclosure Agreement, and any

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.

SECTION 3. Quarterly Reports.

(a) The Landowner and any 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, the information required to be provided by such Reporting Party for preparation of the Quarterly Report 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 Landowner elects, the Landowner may, but shall not be obligated to, provide any Quarterly Information on behalf of any Homebuilder, and (ii) the Landowner shall remain obligated to provide Quarterly Information with respect to any real property acquired by a Homebuilder until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time Landowner shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than twenty (20) days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any necessary changes to the applicable Quarterly Information, or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any necessary changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than thirty (30) days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly Information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Parties pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than twenty (20) days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and authorize the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in Section 3(d), and 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 Landowner Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #2 on a parcel owned by the Landowner; provided, however, that the exercise of any right of the Landowner as a landowner within Improvement Area #2 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 Landowner Listed Event under this Section 4 nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within the District, including the Improvement Area #2 Improvements, the Initial Major Improvements, the Additional Major Improvements, and the Amenities;

(iii) Material default by the Landowner or any of the Landowner's Affiliates on any loan with respect to the acquisition, development, or permanent financing of the District undertaken by the Landowner or any of the Landowner's Affiliates;

(iv) Material default by the Landowner or any of Landowner's Affiliates on any loan secured by property within the District owned by the Landowner or any of the Landowner's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Landowner or any of the Landowner's Affiliates or any determination that the Landowner or any of the Landowner's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Landowner, or the sale of all or substantially all of the assets of the Landowner or any of the Landowner's Affiliates, other than in the ordinary course of business, or the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages in excess of $1,000,000 against the Landowner or any of the Landowner's Affiliates that may adversely affect the completion of the District or litigation that may materially adversely affect the financial condition of the Landowner or any of the Landowner's Affiliates;

(viii) Any change in the legal structure, chief executive officer, or controlling ownership of the Landowner; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 hereof.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Homebuilder is a Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #2 on a lot or parcel owned by such Homebuilder; provided, however, that the exercise of any right of such Homebuilder as a landowner within Improvement Area #2 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 Homebuilder Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency, or similar filing of such Homebuilder or any determination that such Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Homebuilder or the sale of all or substantially all of the assets of the Homebuilder, other than in the ordinary course of business, or the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer, or controlling ownership of such Homebuilder;

(v) Early termination of or material default by such Homebuilder under any Lot Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 hereof.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator, and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Landowner and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if such Reporting Party is providing Quarterly Information on behalf of any other Reporting Party. Additionally, if a Homebuilder does not execute the assignment and assumption of disclosure obligations pursuant to Section 6 hereof, and, therefore, the Developer is reporting on behalf of the Homebuilder, the Developer shall not be required to conduct an independent investigation of the occurrence of a 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 notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations of Landowner.

The Landowner shall cause each Person who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #2 Projects or the Amenities to assume and comply with the disclosure obligations of the Landowner under this Disclosure Agreement with respect thereto. The Landowner shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgement from each Person who assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #2 Projects or Amenities in substantially the form attached as Exhibit E (the "Landowner Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Landowner shall direct the Dissemination Agent to file a copy of each Landowner 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 Landowner's obligations under this Disclosure Agreement as to the property transferred, the Landowner 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 Landowner 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 Homebuilder.

(a) The Landowner may (i) cause a Homebuilder to comply with the Landowner's disclosure obligations under Sections 3(d)(iv) and 4(b) hereof with respect to the real property acquired by such Homebuilder 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 Homebuilder; provided, however, that if the Landowner initially elects to provide any or all Quarterly Information on behalf of a Homebuilder, the Landowner may elect in the future to cause such Homebuilder to comply with the Landowner's disclosure obligations, as described in clause (i) above.

(b) If the Landowner elects to cause a Homebuilder to comply with the Landowner's disclosure obligations, as described in clause (a)(i) above, the Landowner shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgement from each Homebuilder, in substantially the form attached as Exhibit E (the "Homebuilder Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Sections

4(a)(ix) and 4(b)(vi) above, the Landowner shall direct the Dissemination Agent to file a copy of the Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Homebuilder, and such Homebuilder's delivery of an executed Homebuilder Acknowledgment assuming the Landowner's obligations under this Disclosure Agreement as to the property transferred, the Landowner 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 Landowner shall remain obligated with respect to any real property acquired by a Homebuilder until an executed Homebuilder Acknowledgment with respect to such real property is delivered to the Dissemination Agent, the Administrator, the Issuer, and the MSRB, in accordance with this Section 6(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Landowner shall not be liable for the acts or omissions of such Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Landowner shall use commercially reasonable efforts to require that any Homebuilder comply with obligations of this Section 6 with respect to any subsequent transfers by such Homebuilder to any individual or entity meeting the definition of a "Homebuilder" in the future, including the requirement, pursuant to Section 4(b)(vi) above, to direct the Dissemination Agent to file a copy of the Homebuilder Acknowledgment with the MSRB, in accordance with Section 4(e) above.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of the Landowner under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) the date when (x) all of the Improvement Area #2 Improvements, the Initial Major Improvements, and the Additional Major Improvements are complete, (y) the Landowner no longer owns at least 59 single family residential lots within Improvement Area #2, and (z) the Landowner is not reporting on behalf of any Homebuilder.

(b) The reporting obligations of a Homebuilder under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) the date when the Homebuilder, including its Affiliates and/or successors and assigns, collectively, has sold at least 90% of its contracted lots within Improvement Area #2.

(c) 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) or (b) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, of the termination of the applicable Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and 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.

(d) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) and (b), if any, of this Section 7 and any Termination Notice required by subsection (c) 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 Landowner, any Person that has executed a Landowner Acknowledgement pursuant to Section 5 hereof, or any Homebuilder that has executed a Homebuilder Acknowledgment pursuant to Section 6 hereof in carrying out their obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' notice to the Issuer, the Landowner, and the Administrator; provided, however, that if the Issuer is the Dissemination Agent, the Issuer may not resign without first appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each of the Landowner, any Person that has executed a Landowner Acknowledgement pursuant to Section 5 hereof, or any Homebuilder that has executed a Homebuilder Acknowledgment pursuant to Section 6 hereof of any change in the identity of the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Landowner, 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 Landowner or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Landowner or any Homebuilder, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Landowner. The Landowner shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver

entered into in accordance with this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Landowner or any Homebuilder from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If the Landowner or Homebuilder chooses to include any information in any Quarterly Report or notice of occurrence of a Landowner Listed Event or Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, the Landowner or the Homebuilder, as applicable, shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Landowner Listed Event or Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Landowner or Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided hereunder.

SECTION 12. Default. In the event of a failure of any Reporting Party or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction, the Dissemination Agent shall, take such actions as may be necessary and appropriate to cause the Reporting Party and/or the Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of a Reporting Party or the Administrator to comply with this Disclosure Agreement shall be an action in mandamus or specific performance. A default under this Disclosure Agreement 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 a Reporting Party of its obligations under this Disclosure Agreement shall not be deemed a default by any other Reporting Party of such Reporting Party's obligations under this Disclosure Agreement.

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 any Reporting Party and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Landowner 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 Landowner against the Dissemination Agent. The obligations of the Landowner 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 Landowner 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 Landowner against the Administrator. The obligations of the Landowner 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 Landowner, 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 LANDOWNER, OR ANY 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 HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED

TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 12 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of the Landowner, any Homebuilder, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future officer, agent, or employee of the Landowner, any Homebuilder, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder, or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act, or action, or part thereof, is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. 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 Improvement Area #2, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 19. Notice. Any written notice required to be given or made hereunder among or between any of the Parties and/or Participating Underwriter, shall be given or made by e-mail, 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 Homebuilder to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such party or Homebuilder under this Disclosure Agreement.

If to Landowner:	c/o Tellus Group LLC Attn: David Blom 130 N. Preston Road, Suite 130 Prosper, Texas 75078 E-mail: dblom@tellusgroupllc.com
With a copy to:	Shupe Ventura PLLC Attn: Misty Ventura 9406 Biscayne Blvd. Dallas, Texas 75218 E-mail: misty.ventura@svlandlaw.com
If to the Dissemination Agent:	HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. 717 N. Harwood St., Suite 3400 Dallas, Texas 75201 E-mail: tanya.calvit@hilltopsecurities.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:	MuniCap, Inc. 2865 Guilford Road, Suite 210 Columbus, MD 76201 E-mail: keenan.rice@municap.com
If to the Issuer:	City of Celina, Texas Attn: City Manager's Office 142 N. Ohio St. Celina, Texas 75009-6201 E-mail: kstovall@celina-tx.gov
If to Participating Underwriter:	FMSbonds, Inc. 5 Cowboys Way, Suite 300-25 Frisco, Texas 75034 E-mail: Tdavenport@fmsbonds.com

SECTION 20. Term of Disclosure Agreement. Except for surviving indemnities of the parties to this Disclosure Agreement, this Disclosure Agreement terminates on the earlier of (i) the first date on which none of the Bonds remain Outstanding, and (ii) the first date on which the reporting

obligations of all Reporting Parties have terminated in accordance with the terms of Section 7 of this Disclosure Agreement.

SECTION 21. 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 Improvement Area #2, for the fees and expenses for its services rendered in accordance with 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 Landowner, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.,
Dissemination Agent

By: _____
Authorized Officer

LANDOWNER:

Tellus Texas I, LLC, a Texas limited liability company

By: Tellus-Celina, LLC, a Texas limited liability company, its Manager

By: _____
David R. Blom, its Manager

MUNICAP, INC.,
Administrator

By:_____
Name:_____
Title:_____

EXHIBIT A

CITY OF CELINA, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(MOSAIC PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2B PROJECT)

LANDOWNER QUARTERLY REPORT
[*INSERT QUARTERLY ENDING DATE*]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: _____
Email: _____
City: _____
Telephone: _____
Contact Person: _____

I. Expenditures Paid from Accounts under Indenture

Total budgeted costs for Improvement Area #2 Projects: $_____

Total budgeted costs for Improvement Area #2 Projects payable from proceeds of the Bonds: $_____

Of the total budgeted costs for Improvement Area #2 Projects payable from proceeds of the Bonds, actual costs drawn from the Improvement Area #2 Projects Account: $_____

II. Status of Improvement Area #2 Projects

Projected/actual completion date of the Improvement Area #2 Projects

1. Actual/Expected date of completion of the Improvement Area #2 Projects: _____
2. If applicable, explanation of any delay/change in projected completion date since last Quarterly Report was filed: _____

III. Unit Mix in Improvement Area #2

Product Type	Number of Units
25’	
40’	
50’	
60’	
70’	

IV. Lot Status in Improvement Area #2

Of the 591 lots in Improvement Area #2, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 591
2. Planned lots as of the date of this Quarterly Report: _____
3. Lots developed: _____
4. Expected completion date of all lots in Improvement Area #1 (if incomplete): _____

V. Ownership of Lots/Units in Improvement Area #2

PLANNED LOTS IN IMPROVEMENT AREA #2: 591

Of the 591 lots in Improvement Area #2:

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. Number of lots owned by [*insert name of Homebuilder*]: _____[2]
    b. Number of lots owned by [*insert name of Homebuilder*]: _____
4. Number of units owned by homeowners: _____

VI. Home Sales Information in Improvement Area #2

PLANNED HOMES IN IMPROVEMENT AREA #2: 591

Of the 591 homes planned for Improvement Area #2:

1. How many total building permits were issued **during the current quarter**? _____
    a. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____[2]
    b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____[2]

[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.

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. Amenities

TOTAL [EXPECTED/ACTUAL] COSTS OF AMENITIES: $_____

Of the $_____ [expected/actual] costs of the Amenities:

1. Amount spent as of Quarterly Ending Date: $_____
2. [Actual/Expected] completion date of Amenities: _____

VIII. Material Changes

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

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,

[3] Include a line item for each individual Homebuilder.

provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgement pursuant to the Disclosure Agreement?

5. **Reserved.**

6. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.

7. **Other** – Provide any other material information that should be disclosed.

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]

[DATE]

Name of Issuer:	City of Celina, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Mosaic Public Improvement District Improvement Area #2B Project) (the "Bonds")
CUSIP Numbers:	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Landowner[4]"] ["Homebuilder"]) has not provided the [Quarterly Information][Quarterly Report] for the period ending on [*Insert Quarterly Ending Date*] with respect to the Bonds as required by the Continuing Disclosure Agreement of Landowner, dated as of June 1, 2026, related to such Bonds, by and among Tellus Texas I, LLC, a Texas limited liability company (the "Landowner"), MuniCap, Inc., as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent. The [Landowner][Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.,
on behalf of the Landowner,
as Dissemination Agent

By: _____

Title: _____

cc: City of Celina, Texas

[4] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer:	City of Celina, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Mosaic Public Improvement District Improvement Area #2B Project) (the "Bonds")
CUSIP Numbers.	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.
717 N. Harwood St., Suite 3400
Dallas, Texas 75201

City of Celina, Texas
142 N. Ohio St.
Celina, Texas 75009

Tellus Texas I, LLC
222 West Las Colinas Boulevard, Suite 1650E
Irving, Texas 75039

[Homebuilder]

NOTICE IS HEREBY GIVEN that that _____, a _____ (the ["Landowner[1]"] ["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 Landowner dated as of June 1, 2026, related to such Bonds, by and among Tellus Texas I, LLC, a Texas limited liability company (the "Landowner"), MuniCap, Inc., as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent.

Dated: _____

MuniCap, Inc.
on behalf of the [Landowner] [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 Celina, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Mosaic Public Improvement District Improvement Area #2B Project)
CUSIP Numbers:	[insert CUSIP Numbers]
Quarterly Ending Date:	_____, 20__

Re: Quarterly Report for Mosaic Public Improvement District – Improvement Area #2

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Landowner, dated as of June 1, 2026, related to the captioned Bonds by and among Tellus Texas I, LLC, a Texas limited liability company [1] (the "Landowner"), MuniCap, Inc., as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent, this letter constitutes the certificate stating that the Quarterly Information, provided by [Landowner][_____, as a "Homebuilder"], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Landowner][Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Landowner][Homebuilder]. Any and all Quarterly Information, provided by the [Landowner][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.

Tellus Texas I, LLC, a Texas limited liability company

By: Tellus-Celina, LLC, a Texas limited liability company, its Manager

By: _____
[David R. Blom, its Manager]

[OR

Homebuilder
(as Homebuilder)
By:_____
Title: _____]

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF LANDOWNER REPORTING OBLIGATIONS

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Mosaic Public Improvement District – Improvement Area #2 – Continuing Disclosure Obligation

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 20__, you have been assigned and have assumed the obligations, requirements, or covenants to construct one or more of the Improvement Area #2 Improvements, Additional Major Improvements, or Amenities (as those terms are defined in the Disclosure Agreement of Landowner (as defined herein) within Improvement Area #2 of the Mosaic Public Improvement District (the "District").

Pursuant to Section 2 of the Continuing Disclosure Agreement of Landowner (the "Disclosure Agreement of Landowner") by and among Tellus Texas I, LLC, a Texas limited liability company (the "Landowner"), MuniCap, Inc. (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the "Dissemination Agent"), with respect to the "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Mosaic Public Improvement District Improvement Area #2 Project)," any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #2 Projects or Amenities is defined as a Landowner.

As a Landowner, pursuant to Section 5 of the Disclosure Agreement of Landowner, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Landowner for the property which is owned as detailed in the Disclosure Agreement of Landowner, which is included herewith.

Sincerely,

Tellus Texas I, LLC, a Texas limited liability company

By: Tellus-Celina, LLC,
a Texas limited liability company,
its Manager

By:
_____
David R. Blom, its Manager

Acknowledged by:

[INSERT ASSIGNEE NAME]

By:_____
Title:_____

EXHIBIT F

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF HOMEBUILDER REPORTING OBLIGATIONS

[DATE]

[INSERT HOMEBUILDER CONTACT INFORMATION]

Re: Mosaic Public Improvement District – Improvement Area #2 – Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you have not sold at least 90% of the lots for which you have a contract to purchase within Improvement Area #2 of Mosaic Public Improvement District (the "District"). Pursuant to Section 6 of the Continuing Disclosure Agreement of Landowner related to the bonds described below (the "Disclosure Agreement of Landowner") by and among Tellus Texas I, LLC, a Texas limited liability company (the "Landowner"), MuniCap, Inc. (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the "Dissemination Agent"), with respect to the "City of Celina, Texas, Special Assessment Revenue Bonds, Series 2026 (Mosaic Public Improvement District Improvement Area #2B Project)," the Landowner may cause any Homebuilder that has not sold at least 90% of its contracted lots within Improvement Area #2 of the District to acknowledge and assume the reporting obligations under subsections 3(d) and 4(b) of the Disclosure Agreement of Landowner for the property which is owned as detailed in the Disclosure Agreement of Landowner, which is included herewith.

Sincerely,

Tellus Texas I, LLC, a Texas limited liability company

By: Tellus-Celina, LLC,
a Texas limited liability company,
its Manager

By:
_____
David R. Blom, its Manager

Acknowledged by:
[INSERT ASSIGNEE NAME]

By:_____
Title:_____

APPENDIX F

DEVELOPMENT AGREEMENT

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Denton County
Juli Luke
County Clerk

Instrument Number: 137879

ERecordings-RP

AGREEMENT

Recorded On: July 30, 2021 01:37 PM

Number of Pages: 33

" Examined and Charged as Follows: "

Total Recording: $154.00

********** **THIS PAGE IS PART OF THE INSTRUMENT** **********
Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number:	137879
Receipt Number:	20210730000520
Recorded Date/Time:	July 30, 2021 01:37 PM
User:	Darcey B
Station:	Station 21

Record and Return To:

eRecording Partners

STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke
County Clerk
Denton County, TX

DEVELOPMENT RESTRICTION AGREEMENT AND PARTIAL ASSIGNMENT OF DEVELOPMENT AGREEMENT OBLIGATIONS

77110056541N

This **DEVELOPMENT RESTRICTION AGREEMENT AND PARTIAL ASSIGNMENT OF DEVELOPMENT AGREEMENT OBLIGATIONS** (this "**Agreement**") is made as of the 30th day of July, 2021 (the "**Effective Date**"), by **MERRITT/THORNTON FARM PARTNERSHIP, L.P.**, a Texas limited partnership (the "**Merritt Partnership**"), **JAMES H. MERRITT, III, W. KEITH THORNTON, MARGARET M. THORNTON**, and **SUSANNA PARKER** (collectively with Merritt Partnership, the "**Merritt Owners**"), and **TELLUS TEXAS I, LLC**, a Texas limited liability company ("**Tellus**"). Each of the above-named individuals and entities may be generally referred to herein as a "Party" and collectively as the "Parties."

RECITALS:

A. The Merritt Owners are the owners of certain real property located in Denton County, Texas which is described on **Exhibit A** attached hereto and made a part hereof for all purposes (the "**Development Parcel**").

B. The Development Parcel is subject to that certain Development Agreement dated June 8, 2021 by and between the Merritt Owners and the City of Celina, Texas (the "**City**") and recorded as Instrument No. 130140 in the Official Records of Denton County, Texas (the "**Development Agreement**").

C. As of the Effective Date, Merritt Partnership is conveying to Tellus a portion of the Development Parcel more-specifically described on **Exhibit B** attached hereto and incorporated herein by reference (the "**Tellus Parcel**"), and the remaining portion of the Development Parcel, less the Tellus Parcel, may hereinafter be referred to as the "**Merritt Parcel**." The Tellus Parcel and Merritt Parcel may be generally referred to herein as a "Parcel" and collectively as the "Parcels."

D. In conjunction with their use and development of the Tellus Parcel and the Merritt Parcel, the Parties desire to execute and record this Agreement, pursuant to which (i) The Merritt Owners partially assign to Tellus certain obligations relating to the Development Parcel set forth in the Development Agreement, (ii) Tellus assumes from the Merritt Owners such obligations and (iii) the Parties establish certain covenants and restrictions relating to the Tellus Parcel and Merritt Parcel that are not otherwise expressly set forth in the Development Agreement.

NOW, THEREFORE, the Parties hereby each agree that the Tellus Parcel and Merritt Parcel will be transferred, conveyed, owned, developed, maintained and operated subject to and in accordance with the following covenants, conditions, and restrictions hereinafter set forth:

1. **Defined Terms**. All terms used herein with their initial letter capitalized will have the meanings ascribed thereto in the Development Agreement.

2. **Infrastructure Improvement Obligations**. The Merritt Owners hereby assign to Tellus, and Tellus hereby assumes from the Merritt Owners, those certain obligations relating to infrastructure improvements required to be constructed and installed under the Development Agreement, which obligations are more-specifically described and demarcated on **Exhibit C** attached hereto for reference (the "**Tellus Infrastructure Improvements**"). The owner of the Merritt Parcel shall complete, at their sole

cost and expense, those infrastructure improvements required to be completed by the owner of the Merritt Parcel under the Development Agreement other than the Tellus Development Obligations (as defined below) (collectively, the "**Merritt Infrastructure Improvements**"), in accordance with the terms of the Development Agreement, and Tellus shall complete, at its sole cost and expense, all of (a) those obligations that run with the land and relate solely to the development of the Tellus Parcel, (b) the Tellus Infrastructure Improvements and (c) any other obligations agreed in writing with Tellus to be performed by Tellus (collectively, the "**Tellus Development Obligations**"), in accordance with the terms of the Development Agreement. For the avoidance of doubt, (i) Merritt Owner shall be responsible for the costs of any dedications of the Merritt Parcel, or portions thereof, including any Open Space Improvements thereon; and (ii) Tellus Owner shall be responsible the costs of any dedications of the Tellus Parcel, or portions thereof, including any Open Space Improvements thereon or other dedications required from the Tellus Parcel pursuant to the Development Agreement.

3. **Development Restrictions**.

(a) Restriction on Commercial Development. No portion of the Tellus Parcel may be used for the construction or development of commercial improvements pursuant to the terms of the Development Agreement, and all entitlements and rights permitting the construction of commercial improvements shall solely benefit the Merritt Parcel and the owner(s) thereof. Notwithstanding the foregoing, in no event will the construction and development of single-family or townhome residential units for sale and amenities, infrastructure, and other improvements in connection with such single-family and townhome residential development be considered the construction or development of "commercial improvements" pursuant to this Section 3(a).

(b) Multifamily Development. Up to three hundred fifty (350) MF-0, MF-2, and/or MF-3 units (collectively, the "**Permitted Multifamily Units**") may be developed on the Merritt Parcel pursuant to the Development Agreement. In the event that any MF-0, MF-2, and/or MF-3 units in excess of the Permitted Multifamily Units are permitted pursuant to the Development Agreement, then the Tellus Parcel may be used for the development and construction of such additional units.

(c) Single-Family Development.

1. In no event may the Merritt Parcel be developed to include more than one thousand (1,000) single-family residential units, and in any event the single-family homes constructed and developed on the Merritt Parcel must comply with the following minimum and maximum percentage requirements:

i. **Townhomes** – 0% of the total single-family units on the Merritt Parcel.

ii. **40-foot lots** – Not to exceed 15.0% of the total single-family units on the Merritt Parcel.

iii. **50-foot lots** – Not to exceed 30.0% of the total single-family units on the Merritt Parcel.

iv. **60-foot lots** – Not to be less than 25.0% of the total single-family units on the Merritt Parcel.

v. **70-foot lots** – Not to be less than 15.0% of the total single-family units on the Merritt Parcel.

2. . In no event may the Tellus Parcel be developed to include more than two thousand (2,000) single-family residential units, and in any event the single-family homes constructed and developed on the Tellus Parcel must comply with the following minimum and maximum percentage requirements:

i. **Townhomes** – Not to exceed 12.5% of the total single-family units on the Tellus Parcel.

ii. **40-foot lots** – Not to exceed 22.5% of the total single-family units on the Tellus Parcel.

iii. **50-foot lots** – Not to exceed 30.0% of the total single-family units on the Tellus Parcel.

iv. **60-foot lots** – Not to be less than 25.0% of the total single-family units on the Tellus Parcel.

v. **70-foot lots** – Not to be less than 8.0% of the total single-family units on the Tellus Parcel.

(d) Development Credits. Tellus will be entitled to receive and retain any rebates for water capital fees and park capital recovery fees referenced in the Development Agreement for any qualified off-site water and park improvements constructed by Tellus pursuant to the terms of the Development Agreement. Notwithstanding the foregoing, the Merritt Owners shall be entitled to receive and/or retain their share of any rebates for water capital fees and park capital recovery fees referenced in the Development Agreement for any qualified off-site water and park improvements in the event that the Merritt Owners pay for, contribute to, or reimburse Tellus for the costs thereof.

(e) Water and Sewer Improvements. If the Merritt Owners (or the then-current owner of Merritt Parcel) elects, in its sole discretion or if owner of the Merritt Parcel is required pursuant to the Development Agreement to construct the water and sewer connections required to serve any multifamily development constructed on the Merritt Parcel, as such water and sewer connections are described on **Exhibit D** (collectively, the "**Water and Sewer Connections**"), then (i) the owner of the Merritt Parcel will be responsible for constructing all such Water and Sewer Connections at such party's sole cost and expense, and (ii) the owner of the Tellus Parcel will provide easements for these water and sewer connections that may be reasonably requested by the owner of the Merritt Parcel over and across the Merritt Parcel. Tellus (or the then-current owner of the Merritt Parcel) shall have the right and option to utilize and tap into the Water and Sewer Connections to serve and benefit the Tellus Parcel after the Water and Sewer Connections are constructed and installed by the owner of the Merritt Parcel, provided that prior to tapping into the Water and Sewer Connections, the owner of the Tellus Parcel will be required to reimburse the owner of the Merritt Parcel for a portion of the actual costs and expenses to construct and install the Water and Sewer Connections equal to the Tellus Utility Share (hereinafter defined) of such costs and expenses, as evidenced by paid invoices for the Water and Sewer Connections (unless the costs for such improvements are otherwise paid for through a PID that includes the Development Parcel). "**Tellus Utility Share**" is seventy percent (70%). If the owner of the Merritt Parcel has not yet commenced construction of the Water and Sewer Connections, Tellus (or the then-current owner of the Tellus Parcel) shall have the right and option to elect to construct the Water and Sewer Connections and the owner of the Merritt Parcel shall have the right and option to thereafter utilize and tap into the Water and Sewer Connections to serve and benefit the Merritt Parcel after the Water and Sewer Connections have been constructed and installed by the owner of the Tellus Parcel, provided that prior to tapping into the Water and Sewer Connections to serve the

Merritt Parcel, the owner of the Merritt Parcel will be will be required to reimburse Tellus for a portion of Tellus' actual costs and expenses to construct and install the Water and Sewer Connections equal to the Merritt Utility Share (hereinafter defined) of such costs and expenses, as evidenced by Tellus' paid invoices for the Water and Sewer Connections (unless the costs for such improvements are otherwise paid for through a PID that includes the Development Parcel). "**Merritt Utility Share**" is thirty percent (30%).

4. Default and Remedies.

(a) Legal Action Generally. If any Party (each a "**Defaulting Party**") breaches (or allows any occupant or other permittee of such Party's Parcel to breach) any provision of this Agreement, then any other Parties may institute legal action against the Defaulting Party for damages or any other remedy provided by law. All remedies herein or at law will be cumulative and not inclusive. As used herein, any reference to rights or remedies "at law" or "under applicable law" will also include any rights or remedies "in equity."

(b) Injunctive and Declaratory Relief. In the event of any violation or threatened violation by any Defaulting Party (or by any occupant of such Defaulting Party's Parcel) of any of the terms, covenants, conditions, and restrictions herein contained, in addition to any other remedies provided for in this Agreement, any Party will have the right to enjoin such violation or threatened violation and to bring an action for declaratory relief in a court of competent jurisdiction.

(c) Attorneys' Fees. In the event of any action for a breach of or to enforce any provision or right hereunder, the non-prevailing party in such action must pay to the prevailing party all costs and expenses, expressly including, but not limited to, reasonable attorneys' fees and costs incurred by the successful party in connection with such action, including without limitation all fees and costs incurred on any appeal from such action or proceeding.

(d) No Termination. It is expressly agreed that no breach of this Agreement will entitle any Party to cancel, rescind, or otherwise terminate this Agreement, and such limitations will not affect in any manner any of the rights or remedies which the Parties may have by reason of any breach of this Agreement.

(e) No Waiver. No waiver of any default by any Party shall be implied from any omission by any Party to take any action in respect of such default if such default continues or is repeated. No express written waiver of any default shall affect any default or cover any period of time other than the default and period of time specified in such express waiver. One or more written waivers of any default in the performance of any term, provision or covenant contained in this Agreement shall not be deemed to be a waiver of any subsequent default in the performance of the same term, provision or covenant or any other term, provision or covenant contained in this Agreement. The consent or approval by any Party to or of any act or request by any other Party requiring consent or approval shall not be deemed to waive or render unnecessary the consent to or approval of any subsequent or similar acts or requests.

5. Tellus Indemnity.

(a) TELLUS AND ITS SUCCESSORS AND ASSIGNS SHALL INDEMNIFY AND HOLD HARMLESS THE MERRITT OWNERS AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS (EACH AN "**INDEMNIFIED PARTY**"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY TELLUS; (II) THE NEGLIGENT DESIGN, ENGINEERING AND/OR CONSTRUCTION BY TELLUS OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY TELLUS OF ANY OF THE TELLUS INFRASTRUCTURE IMPROVEMENTS; (III) TELLUS' NONPAYMENT UNDER CONTRACTS *BETWEEN* TELLUS AND ITS CONSULTANTS,

ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION AND/OR CONSTRUCTION OF THE TELLUS INFRASTRUCTURE IMPROVEMENTS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY TELLUS OR ITS AGENTS TO CONSTRUCT THE TELLUS INFRASTRUCTURE IMPROVEMENTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO TELLUS' RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES, AND/OR TRUSTEES, REGARDING OR RELATED TO THE TELLUS INFRASTRUCTURE IMPROVEMENTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE TELLUS INFRASTRUCTURE IMPROVEMENTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "**CLAIMS**"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OR SOLE NEGLIGENCE OF ANY INDEMNIFIED PARTY, TELLUS IS EXPRESSLY REQUIRED TO DEFEND MERRITT OWNERS AGAINST ALL SUCH CLAIMS, AND MERRITT OWNERS IS REQUIRED TO REASONABLY COOPERATE AND ASSIST TELLUS IN PROVIDING SUCH DEFENSE.

(b) IN ITS REASONABLE DISCRETION, MERRITT OWNERS SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY TELLUS IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY MERRITT OWNERS IN WRITING, THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF TELLUS' OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF TELLUS' OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES PURSUANT TO THIS AGREEMENT. TELLUS SHALL RETAIN MERRITT OWNERS APPROVED DEFENSE COUNSEL WITHIN SEVEN BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF TELLUS FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON THEIR OWN BEHALF, AND TELLUS SHALL BE LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES. MERRITT OWNERS AGREE, UNLESS ADVISED BY DEFENSE COUNSEL TO THE CONTRARY, TO ASSERT ANY AVAILABLE AFFIRMATIVE DEFENSES TO THEM.

(c) THIS SECTION 5 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

(d) THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION AND THE EXPRESS NEGLIGENCE TEXT COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT, AND IS VALID AND ENFORCEABLE AGAINST TELLUS AND ITS SUCCESSORS AND ASSIGNS.

6. Merritt Owners Indemnity

(a) THE MERRITT OWNERS AND THEIR SUCCESSORS AND ASSIGNS SHALL INDEMNIFY AND HOLD HARMLESS TELLUS AND ITS RESPECTIVE SUCCESSORS AND ASSIGNS (EACH A "**TELLUS INDEMNIFIED PARTY**"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE MERRITT OWNERS; (II) THE NEGLIGENT DESIGN, ENGINEERING AND/OR CONSTRUCTION BY THE MERRITT OWNERS OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE MERRITT OWNERS OF ANY OF THE MERRITT INFRASTRUCTURE IMPROVEMENTS; (III) THE MERRITT OWNERS' NONPAYMENT UNDER CONTRACTS *BETWEEN* THE MERRITT OWNERS AND THEIR CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION AND/OR CONSTRUCTION OF THE MERRITT INFRASTRUCTURE IMPROVEMENTS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE MERRITT OWNERS OR THEIR AGENTS TO CONSTRUCT THE MERRITT INFRASTRUCTURE IMPROVEMENTS; OR (V) ANY CLAIMS AND

SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO THE MERRITT OWNERS' RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES, AND/OR TRUSTEES, REGARDING OR RELATED TO THE MERRITT INFRASTRUCTURE IMPROVEMENTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE MERRITT INFRASTRUCTURE IMPROVEMENTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "**MERRITT CLAIMS**"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OR SOLE NEGLIGENCE OF ANY TELLUS INDEMNIFIED PARTY, THE MERRITT OWNERS ARE EXPRESSLY REQUIRED TO DEFEND TELLUS AGAINST ALL SUCH CLAIMS, AND TELLUS IS REQUIRED TO REASONABLY COOPERATE AND ASSIST THE MERRITT OWNERS IN PROVIDING SUCH DEFENSE.

(b) IN ITS REASONABLE DISCRETION, TELLUS SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY THE MERRITT OWNERS IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE TELLUS INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY TELLUS IN WRITING, THE TELLUS INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, TELLUS INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY A TELLUS INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF THE MERRITT OWNERS' OBLIGATION TO DEFEND TELLUS INDEMNIFIED PARTIES OR AS A WAIVER OF THE MERRITT OWNERS' OBLIGATION TO INDEMNIFY TELLUS INDEMNIFIED PARTIES PURSUANT TO THIS AGREEMENT. THE MERRITT OWNERS SHALL RETAIN TELLUS' APPROVED DEFENSE COUNSEL WITHIN SEVEN BUSINESS DAYS OF WRITTEN NOTICE FROM A TELLUS INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF THE MERRITT OWNERS FAIL TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, TELLUS INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON THEIR OWN BEHALF, AND THE MERRITT OWNERS SHALL BE LIABLE FOR ALL REASONABLE COSTS INCURRED BY TELLUS INDEMNIFIED PARTIES. TELLUS AGREES, UNLESS ADVISED BY DEFENSE COUNSEL TO THE CONTRARY, TO ASSERT ANY AVAILABLE AFFIRMATIVE DEFENSES TO ITSELF.

(c) THIS SECTION 6 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

(d) THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION AND THE EXPRESS NEGLIGENCE TEXT COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT, AND IS VALID AND ENFORCEABLE AGAINST THE OWNER(S) OF THE MERRITT PARCEL AND THEIR SUCCESSORS AND ASSIGNS.

7. Notices. Any notice, payment, demand, offer, or communication required or permitted to be given by any provision of this Agreement will be deemed to have been sufficiently given or served for all purposes if sent by registered or certified mail (return receipt requested), postage and charges prepaid, or by Federal Express or other reputable overnight delivery service, addressed as follows:

To Tellus:

Tellus Texas I, LP
130 N. Preston Road, Suite 130
Prosper, Texas. 75078
Attn: D. Craig Martin

With a copy to:

Tellus Texas I, LP
130 N. Preston Road, Suite 130
Prosper, Texas. 75078
Attn: Chris Simek

With a copy to:

Jackson Walker
2323 Ross Ave., Suite 600
Dallas, Texas 75201
Attn: George C. Dunlap, Jr.

To Merritt Owners:

Merritt/Thornton Farm Partnership, L.P.
5524 Eden Drive
Dallas, Texas 75220
Attn: Margaret Thornton

With a copy to:

Robert Gunby
5826 Azalea Lane
Dallas, Texas 75230

With a copy to:

Liechty, McGinnis, Berryman & Bowen, LLP
11910 Greenville Avenue, Suite 400
Dallas, Texas 75243
Attn: Kristy Bowen, Esq.

Any such notice will be deemed to be given on the first date on which it is received or receipt thereof is refused. Notwithstanding anything herein to the contrary, notice to the Merritt Partnership will constitute written notice to all of the Merritt Owners until such time as Tellus receives written notice in accordance with this Agreement providing the notice address for any new owner of the Merritt Parcel, in which event copies of all notices to be delivered to the Merritt Owners and/or the owner of the Merritt Parcel pursuant to this Agreement shall also be delivered to such identified party.

8. Miscellaneous.

(a) Effect on Third Parties. The rights, privileges, or immunities conferred hereunder are for the benefit of the Parties and the owners of the Parcels, and not for any third party

(b) No Partnership. Neither this Agreement nor any acts of the Parties will be deemed or construed by the parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between any of the Parties.

(c) Entire Agreement. This Agreement and the exhibits hereto contain all the representations and the entire agreement between the Parties with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are superseded in total by this Agreement and exhibits hereto.

The provisions of this Agreement will be construed as a whole according to their common meaning and not strictly for or against any Party.

(d) Modifications. No modification, waiver, amendment, discharge, or change of this Agreement will be valid unless the same is in writing and signed by the Parties. Any change, modification, amendment or rescission which is made without the written consent of the Parties will be null and void and of no effect.

(e) Binding Effect. All of the covenants, conditions, easements, and restrictions contained herein shall attach to and run with the Tellus Parcel and the Merritt Parcel, and shall, except as otherwise set forth herein, benefit or be binding upon the successors and assigns of the respective owners; provided, however, that, such covenants, conditions, easements and restrictions shall be binding upon, enforceable against, and enforceable by the owner of each Parcel only with respect to the respective successive periods in with respect to obligations which accrue during each owner's respective period of ownership.

(f) Governing Law. This Agreement and the rights and obligations hereunder shall be interpreted, construed, and enforced in accordance with the laws of the State of Texas, without regard to its conflicts of law provisions.

(g) Captions. Section titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provisions hereof.

(h) Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed to be an original agreement, and all of which shall constitute one Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXECUTED AND DELIVERED to be effective as of the Effective Date.

MERRITT PARTNERSHIP:

MERRITT/THORNTON FARM PARTNERSHIP, L.P.,
a Texas limited partnership

By: **MERRITT/THORNTON MANAGEMENT COMPANY, L.L.C,**
a Texas limited liability company
its general partner

By: Margaret M. Thornton
Name: Margaret M. Thornton
Title: Manager

STATE OF TEXAS §
§
COUNTY OF ~~COLLIN~~ Dallas §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, on July 29, 2021, personally appeared Margaret M. Thornton, the Manager of Merritt/Thornton Management Company, L.L.C., a Texas limited liability company, the general partner of Merritt/Thornton Farm Partnership, L.P., a Texas limited partnership, and acknowledged that he executed the foregoing document on behalf of said limited partnership.

Notary Identification Number:
1234 2039

Monica Smith
Notary Public in and for the State of Texas

My Commission Expires:
6.1.25

Monica Smith
Printed Name of Notary

MONICA SMITH
Notary ID #12342039
My Commission Expires
June 1, 2025

MERRITT OWNER:

James H. Merritt, III

STATE OF TEXAS §
DaMas §
COUNTY OF ~~COLLIN~~ §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, on July 29, 2021, personally appeared James H. Merritt, III and executed the foregoing document.

Notary Identification Number:
1234 2039

Notary Public in and for the State of Texas

My Commission Expires:
6.1.25

Monica Smith
Printed Name of Notary

MONICA SMITH
Notary ID #12342039
My Commission Expires
June 1, 2025

MERRITT OWNER:

W. Keith Thornton

STATE OF TEXAS §
§
COUNTY OF ~~COLLIN~~ Dallas §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, on July 29, 2021, personally appeared W. Keith Thornton and executed the foregoing document.

Notary Identification Number:
12342039

Notary Public in and for the State of Texas

My Commission Expires:
6·1·25

Monica Smith
Printed Name of Notary

MONICA SMITH
Notary ID #12342039
My Commission Expires
June 1, 2025

Signature Page to Development Restriction Agreement

MERRITT OWNER:

Margaret M. Thornton

Margaret M. Thornton

STATE OF TEXAS §
§
COUNTY OF ~~COLLIN~~ Dallas §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, on July 29, 2021, personally appeared Margaret M. Thornton and executed the foregoing document.

Notary Identification Number:
12342039

Monica Smith
Notary Public in and for the State of Texas

Monica Smith
Printed Name of Notary

My Commission Expires:
6.1.25

MONICA SMITH
Notary ID #12342039
My Commission Expires
June 1, 2025

MERRITT OWNER:

Susanna Parker

Susanna Parker

STATE OF TEXAS §
Dallas §
COUNTY OF ~~COLLIN~~ §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, on July 29th, 2021, personally appeared Susanna Parker and executed the foregoing document.

Notary Identification Number:
1234 2039

Notary Public in and for the State of Texas

Monica Smith

My Commission Expires:
6.1.25

Printed Name of Notary

MONICA SMITH
Notary ID #12342039
My Commission Expires
June 1, 2025

EXECUTED AND DELIVERED to be effective as of the Effective Date.

TELLUS:

TELLUS TEXAS I LLC,
a Texas limited liability company

By: Tellus-Celina, LLC,
a Texas limited liability company,
its Manager

By: _____
D. Craig Martin, Manager

STATE OF TEXAS §
§
COUNTY OF COLLIN §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, on July 30, 2021, personally appeared D. Craig Martin, Manager of Tellus-Celina, LLC, a Texas limited liability company and the Manager of TELLUS TEXAS I LLC, a Texas limited liability company and acknowledged that he executed the foregoing document on behalf of said limited liability companies.

_____
Notary Public in and for the State of Texas

MELISSA BRYSON
Notary Public, State of Texas
Comm. Expires 09-09-2023
Notary ID 132163031

EXHIBIT A
DEVELOPMENT PARCEL

Tract A

BEING a tract of land located in the C. COPENHAVER SURVEY, ABSTRACT NO. 253, the JOHN MORTON SURVEY, ABSTRACT NO. 791, the JOHN M. McKIM SURVEY, ABSTRACT NO. 889, the ANTHONY PHILLIPS SURVEY, ABSTRACT NO. 1028 and the A. THOMASON SURVEY, ABSTRACT NO. 1265, Denton County, Texas and being all of a tract of land described in Deed to Merritt/Thornton Farm Partnership, L.P. recorded in Document No. 99-096579, Deed Records, Denton County, Texas and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod found in the South line of a tract of land described in Deed to Sangani Properties LTD, recorded in Document No. 2004-35477, Deed Records, Denton County, Texas at the Northwest corner of said Merritt/Thornton tract and the Northeast corner of a tract of land described in Deed to Land Advisors, Ltd., recorded in Document No. 2006-28565, Deed Records, Denton County, Texas;

THENCE North 89 degrees 13 minutes 47 seconds East, along the North line of said Merritt/Thornton tract, a distance of 1,501.71 feet to a 1 inch iron pipe found at the Southeast corner of a tract of land described in Deed to Don F. Kendall, recorded in Volume 507, Page 392, Deed Records, Denton County, Texas and the Southwest corner of a tract of land described in Deed to Arthur R. Teasedale, recorded in Volume 1219, Page 998, Deed Records, Denton County, Texas;

THENCE North 89 degrees 06 minutes 09 seconds East, continuing along the North line of said Merritt/Thornton tract, a distance of 2,842.45 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for the Northeast corner of said Merritt/Thornton tract, said point being South 89 degrees 06 minutes 09 seconds West, 1720.11 feet from the Southeast corner of a tract of land described in Deed to Royce G. Allen, recorded in Volume 2097, Page 310, Deed Records, Denton County, Texas;

THENCE South 00 degrees 29 minutes 21 seconds West, a distance of 3,416.82 feet to a 1/2 inch iron rod found at the Southwest corner of a tract of land described as Tract One in Deed to County Corners Partners LP, recorded in Document No. 2004-82310, Deed Records, Denton County, Texas;

THENCE North 89 degrees 28 minutes 44 seconds East, a distance of 1,738.53 feet to a 1 inch iron pipe found at the Southeast corner of said Tract One and the Southwest corner of a tract of land described in Deed to Celina Investment Partners, Ltd., recorded in Volume 5916, Page 862,

Deed Records, Collin County, Texas and the Northwest corner of a tract of land described as Tract Two in Deed to County Corners Development LP, recorded in Document No. 2004-82310, Deed Records, Collin County, Texas;

THENCE South 00 degrees 29 minutes 24 seconds West, a distance of 2,451.51 feet to a 5/8 inch iron rod found at the most Easterly Southeast corner of said Merritt/Thornton tract and the Northeast corner of a tract of land described in Deed to Marjorie E. Burnett, recorded in Volume 3062, Page 667, Deed Records, Denton County, Texas;

THENCE South 74 degrees 57 minutes 09 seconds West, a distance of 866.35 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Northwest corner of said Burnett tract and the Northeast corner of a tract of land described in Deed to Leonard McCasland, recorded in Volume 477, Page 434, Deed Records, Denton County, Texas;

THENCE South 89 degrees 07 minutes 59 seconds West, a distance of 776.28 feet to a 1/2 inch iron found at the Northwest corner of said McCasland tract and the Northeast corner of a tract of land described in Deed to RH Two LP, recorded in Document No. 2004-86307, Deed Records, Denton County, Texas;

THENCE South 89 degrees 09 minutes 48 seconds West, a distance of 1,548.77 feet to a PK nail found at the Northwest corner of said RH Two LP tract and the Northeast corner of a tract of land described in Deed to The Mahard 2003 Partnership, recorded in Document No. 2004-24461, Deed Records, Denton County, Texas;

THENCE South 89 degrees 07 minutes 08 seconds West, along the North line of said Mahard 2003 tract, a distance of 3,174.21 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Southwest corner of said Merritt/Thornton tract and the Southeast corner of a tract of land described in Deed to Bruce Mungiguerra and wife, Eleonore Mungiguerra, recorded in Volume 981, Page 234, Deed Records, Denton County, Texas;

THENCE North 00 degrees 35 minutes 32 seconds West, leaving the North line of said Mahard 2003 tract, a distance of 1,156.81 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

THENCE North 03 degrees 12 minutes 09 seconds West, a distance of 225.36 feet to a 1/2 inch iron rod found in the South line of a tract of land described in Deed to Robert Warren and Tracy Glover, recorded in Document No. 94-0091385, Deed Records, Denton County, Texas and at the Northeast corner of said Mungiguerra tract;

THENCE North 01 degrees 49 minutes 22 seconds West, along the South line of said Warren and Glover tract, a distance of 105.75 feet to a fence corner post found for corner;

THENCE North 64 degrees 25 minutes 33 seconds East, continuing along the South line of said Warren and Glover tract, a distance of 414.33 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the most Easterly Southeast corner of said Warren and Glover tract;

THENCE North 00 degrees 43 minutes 47 seconds West, a distance of 828.43 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Northeast corner of said Warren and Glover tract and the Southeast corner of Lot 4 of SMILEY ACRES, an Addition to Denton County, Texas according to the Plat thereof recorded in Cabinet D, Page 324, Plat Records, Denton County, Texas;

THENCE North 00 degrees 01 minutes 44 seconds West, along the East line of said Addition, a distance of 1,022.40 feet to a 1/2 inch iron rod found for corner;

THENCE North 03 degrees 02 minutes 44 seconds West, continuing along the East line of said Addition, a distance of 549.10 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Northeast corner of Lot 3 of said Addition and the Southeast corner of a tract of land described in Deed to Kenneth Earl Hancock, recorded in Volume 990, Page 29, Deed Records, Denton County, Texas;

THENCE North 02 degrees 58 minutes 07 seconds West, a distance of 686.67 feet to a 1/2 inch iron rod found at the Northeast corner of said Hancock tract and the Southeast corner of a tract of land described in Deed to James Merritt, III, recorded in Document No. 95-0068384, Deed Records, Denton County, Texas;

THENCE North 02 degrees 49 minutes 58 seconds West, a distance of 123.89 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

THENCE North 01 degrees 52 minutes 08 seconds East, a distance of 567.00 feet to a 1/2 inch iron pipe found at the Northeast corner of said James Merritt tract and the Southeast corner of said Land Advisors tract;

THENCE North 01 degrees 49 minutes 48 seconds East, a distance of 654.45 feet to the **POINT OF BEGINNING** and containing 718.503 acres of land, more or less.

Tract B

BEING a tract of land located in the JOHN MORTON SURVEY, ABSTRACT NO. 791, Denton County, Texas and being a part of a tract of land described in Deed to James Merritt III, recorded in Document Number 95-0068384, Deed Records, Denton County, Texas and being more particularly described as follows:

BEGINNING at a 3/8 inch iron rod found in Smiley Road at the Northwest corner of said James Merritt tract and at the Southwest corner of a tract of land described in Deed to Land Advisors, LTD , recorded in Document Number 2006-28565, Deed Records, Denton County, Texas;

THENCE North 89 degrees 53 minutes 30 seconds East, a distance of 1,903.70 feet to a 1/2 inch iron pipe found at Northeast corner of said James Merritt tract and the Southeast corner of said Land Advisors tract;

THENCE South 01 degrees 52 minutes 08 seconds West, along the East line of said James Merritt tract, a distance of 567.00 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

THENCE South 02 degrees 49 minutes 58 seconds East, continuing along said East line, a distance of 123.89 feet to a 1/2 inch iron rod found in the West line of a tract of land described in Deed to Merritt/Thornton Farm Partnership, L.P., recorded in Document Number 99-096579, Deed Records, Denton County, Texas at the Southeast corner of said James Merritt tract;

THENCE South 89 degrees 53 minutes 38 seconds West, leaving said East line, a distance of 1,889.96 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" found at the Southwest corner of said James Merritt tract;

THENCE North 00 degrees 06 minutes 49 seconds West, a distance of 690.33 feet to the **POINT OF BEGINNING** and containing 29.996 acres of land, more or less.

Tract C

BEING a 9.2979 acre tract of land, situated in the JOHN MORTON SURVEY, ABSTRACT NO. 791 in Denton County, Texas and being part of the Tract 3 of the Smiley Acres, an Addition in Denton County, Texas, according to the plat thereof recorded in Cabinet D, Slide 324, Plat Records, Denton County, Texas, same being all of Tract 3; Save and Except a 3.00 acre tract of land conveyed to James Duane Hall and wife, Sheila Rayne Hall by deed recorded in County Clerk's File No. 97-R0034191, Deed Records, Denton County, Texas, more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found at the Northeast corner of said Tract 3, same being the Northeast corner of said Smiley Acres;

THENCE South 02 degrees 46 minutes 46 seconds East, along the East line of said Tract 3 and the East line of said Smiley Acres, a distance of 549.16 feet to a 1/2 inch iron rod found at an angle point in said Smiley Acres Addition East line;

THENCE South 00 degrees 13 minutes 09 seconds East, continuing along said East line of said Tract 3 and said East line of said Smiley Acres, a distance of 315.85 feet to a 5/8 inch iron rod set with yellow cap stamped DC & A RPLS 5299 at the Northeast corner of said Hall tract;

THENCE South 89 degrees 46 minutes 47 seconds West, along the North line of said Hall tract, a distance of 477.71 feet to a 1/2 inch iron rod found at the Northwest corner of said Hall tract on the West line of said Tract 3 and the East right of way line of Old Diary Farm Road, (60 foot right of way);

THENCE North 00 degrees 01 minute 30 seconds East, along said Tract 3 West line and along said Old Diary Farm Road East right of way line, passing an 1/2 inch iron rod found at the Northeast corner of said Old Diary Farm Road and the Southeast corner of Tract 2 of said Smiley Acres, at a distance of 444.33 feet and continuing along said Tract 3 and said Tract 2 common line, a total distance of 866.33 feet to a 1/2 inch iron pipe found at the Northwest corner of said Tract 3 and the Northeast corner of said Tract 2 on the North line of said Smiley Acres;

THENCE South 89 degrees 59 minutes 00 seconds East, along the North line of said Tract 3 and the North line of said Smiley Acres, a distance of 449.49 feet to the **POINT OF BEGINNING** and containing 405,058.39 square feet or 9.2989 acres of land, more or less

EXHIBIT B
TELLUS PARCEL

TRACT 1:

BEING A TRACT OF LAND LOCATED IN THE C. COPENHAVER SURVEY, ABSTRACT NO. 253, THE JOHN MORTON SURVEY, ABSTRACT NO. 791, THE JOHN MCKIM SURVEY, ABSTRACT NO. 889, THE ANTHONY PHILLIPS SURVEY, ABSTRACT NO. 1028 AND THE A. THOMASON SURVEY, ABSTRACT NO. 1265, DENTON COUNTY, TEXAS AND BEING PART OF THOSE TRACTS OF LAND DESCRIBED IN DEEDS TO MERRITT/THORNTON FARM PARTNERSHIP, L.P., RECORDED IN DOCUMENT NO. 99-R0096577, 99-R0096578 AND 99-R0096579, DEED RECORDS, DENTON COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8-INCH IRON ROD FOUND AT A NORTHEASTERLY ELL CORNER OF SAID MERRITT TRACT AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A RIGHT-OF-WAY DEED TO THE CITY OF CELINA, RECORDED IN DOCUMENT NO. 2008-9821, OFFICIAL RECORDS, DENTON COUNTY, TEXAS (O.R.D.C.T.);

THENCE NORTH 89°28'44" EAST, ALONG THE COMMON LINE OF SAID MERRITT TRACT AND SAID CITY OF CELINA TRACT, A DISTANCE OF 901.73 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 50°28'55", A RADIUS OF 1,160.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 45°43'46" WEST, 989.31 FEET;

THENCE SOUTHWESTERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 1,022.05 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 20°29'18" WEST, A DISTANCE OF 1,113.94 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER AT THE BEGINNING OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 68°42'59", A RADIUS OF 1,340.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 54°50'48" WEST, 1,512.50 FEET;

THENCE SOUTHWESTERLY, ALONG SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 1,607.10 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 89°12'19" WEST, A DISTANCE OF 3,185.91 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER IN THE WEST LINE OF SAID MERRITT TRACT AND THE EAST LINE OF A TRACT OF LAND DESCRIBED IN A CORRECTION DEED TO FRONTIER MINI STORAGE, LLC, RECORDED IN DOCUMENT NO. 2018-121216, O.R.D.C.T.;

THENCE NORTH 00°35'32" WEST, ALONG THE COMMON LINE OF SAID MERRITT TRACT AND SAID FRONTIER TRACT, A DISTANCE OF 1,053.99 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 03°12'09" WEST, CONTINUING ALONG THE COMMON LINE OF SAID MERRITT TRACT AND SAID FRONTIER TRACT, A DISTANCE OF 225.36 FEET TO A 1/2-INCH

IRON ROD FOUND AT THE EAST COMMON CORNER OF SAID FRONTIER TRACT AND A TRACT OF LAND DESCRIBED IN DEED TO TEEL LAKES LLC;

THENCE NORTH 01°49'22" WEST, ALONG THE COMMON LINE OF SAID MERRITT TRACT AND SAID TEEL LAKES TRACT, A DISTANCE OF 105.75 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 64°25'33" EAST, CONTINUING ALONG THE COMMON LINE OF SAID MERRITT TRACT AND SAID TEEL LAKES TRACT, A DISTANCE OF 414.33 FEET TO A 60D NAIL FOUND FOR CORNER;

THENCE EAST, LEAVING THE COMMON LINE OF SAID MERRITT TRACT AND SAID TEEL LAKES TRACT, A DISTANCE OF 333.20 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 68°47'46" EAST, A DISTANCE OF 401.09 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 79°00'07" EAST, A DISTANCE OF 260.45 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 33°08'43" EAST, A DISTANCE OF 1,522.09 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 50°22'16", A RADIUS OF 125.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 11°46'54" EAST, 106.39 FEET;

THENCE NORTHERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 109.89 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 12°34'43" WEST, A DISTANCE OF 852.77 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 23°25'06" EAST, A DISTANCE OF 85.37 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 09°02'27" EAST, A DISTANCE OF 282.82 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 09°51'05" WEST, A DISTANCE OF 93.26 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 25°30'37" EAST, A DISTANCE OF 76.43 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 37°34'52" EAST, A DISTANCE OF 96.04 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 02°53'57" EAST, A DISTANCE OF 59.63 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 48°56'18" WEST, A DISTANCE OF 73.01 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 20°57'11" EAST, A DISTANCE OF 57.61 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 84°16'56" EAST, A DISTANCE OF 73.49 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 29°38'37" EAST, A DISTANCE OF 196.61 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 22°08'20" EAST, A DISTANCE OF 70.55 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 55°11'49" EAST, A DISTANCE OF 88.12 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 79°40'19" EAST, A DISTANCE OF 56.49 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 70°14'55" EAST, A DISTANCE OF 79.99 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 10°52'35" EAST, A DISTANCE OF 30.16 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 56°12'42" EAST, A DISTANCE OF 264.70 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 79°15'36" EAST, A DISTANCE OF 121.22 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 46°14'16" EAST, A DISTANCE OF 196.10 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 62°02'48" EAST, A DISTANCE OF 211.19 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 43°21'07" EAST, A DISTANCE OF 516.67 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 32°11'04" EAST, A DISTANCE OF 171.63 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 45°50'27" EAST, A DISTANCE OF 68.42 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 86°58'30" EAST, A DISTANCE OF 48.21 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 33°45'27" EAST, A DISTANCE OF 40.01 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 04°37'12" EAST, A DISTANCE OF 46.91 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 54°49'35" EAST, A DISTANCE OF 27.64 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 27°58'56" EAST, A DISTANCE OF 28.59 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 72°13'53" EAST, A DISTANCE OF 79.12 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 65°38'41" EAST, A DISTANCE OF 100.22 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 85°07'17" EAST, A DISTANCE OF 277.74 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 68°12'58" EAST, A DISTANCE OF 65.00 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 84°05'24" EAST, A DISTANCE OF 46.90 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 73°03'20" EAST, A DISTANCE OF 91.25 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 81°08'11" EAST, A DISTANCE OF 72.01 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 26°52'14" EAST, A DISTANCE OF 76.58 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 76°02'39" EAST, A DISTANCE OF 29.69 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 59°43'22" EAST, A DISTANCE OF 35.77 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 75°08'32" EAST, A DISTANCE OF 67.52 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER IN THE EAST LINE OF SAID MERRITT TRACT AND THE WEST LINE OF CREEKS OF LEGACY WEST PHASE 1, AN ADDITION TO THE CITY OF CELINA, DENTON COUNTY, TEXAS ACCORDING TO THE PLAT THEREOF RECORDED IN DOCUMENT NO. 2018-394, O.R.D.C.T.;

THENCE SOUTH 00°29'21" WEST, ALONG THE EAST LINE OF SAID MERRITT TRACT AND THE WEST LINES OF SAID CREEKS OF LEGACY WEST PHASE 1 AND CREEKS OF LEGACY WEST PHASE 2, AN ADDITION TO THE CITY OF CELINA, DENTON COUNTY, TEXAS ACCORDING TO THE PLAT THEREOF RECORDED IN DOCUMENT NO. 2020-80, O.R.D.C.T, AND SAID CITY OF CELINA TRACT RESPECTIVELY, A DISTANCE OF 3,332.35 FEET TO THE POINT OF BEGINNING AND CONTAINING 16,929,031 SQUARE FEET OR 388.637 ACRES OF LAND, MORE OR LESS.

TRACT 2:

BEING A TRACT OF LAND LOCATED IN THE JOHN MCKIM SURVEY, ABSTRACT NO. 889, DENTON COUNTY, TEXAS AND BEING PART OF THOSE TRACTS OF LAND DESCRIBED IN DEEDS TO MERRITT/THORNTON FARM PARTNERSHIP, L.P., RECORDED IN DOCUMENT NO. 99-R0096577, 99-R0096578 AND 99-R0096579, DEED RECORDS, DENTON COUNTY, TEXAS (D.R.D.C.T.) AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2-INCH IRON ROD FOUND IN THE SOUTH LINE OF SAID MERRITT TRACT NEAR THE CENTER OF PARVIN ROAD AT THE NORTH COMMON CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO PROSPER MEADOWS LP, RECORDED IN DOCUMENT NO. 2019-65177, OFFICIAL RECORDS, DENTON COUNTY, TEXAS (O.R.D.C.T.) AND A TRACT OF LAND DESCRIBED IN DEED TO THE LEONARD AND NORMA E. MCCASLAND REVOCABLE LIVING TRUST, RECORDED IN VOLUME 4683, PAGE 1919, D.R.D.C.T.;

THENCE SOUTH 89°07'21" WEST, ALONG THE COMMON LINE OF SAID MERRITT TRACT AND PROSPER MEADOWS LP AND SAID PARVIN ROAD, A DISTANCE OF 1,288.55 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER at the beginning of a non-tangent curve to the left having a central angle of 58°55'50", a radius of 1,460.00 feet and a chord bearing and distance of North 49°57'13" East, 1,436.34 feet;

THENCE NORTHEASTERLY, LEAVING SAID COMMON LINE AND SAID PARVIN ROAD AND ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 1,501.66 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 20°29'18" EAST, A DISTANCE OF 1,113.94 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER AT THE BEGINNING OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 22°07'51", A RADIUS OF 1,040.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 31°33'14" EAST, 399.21 FEET;

THENCE NORTHEASTERLY, ALONG SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 401.71 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE South 25°52'19" East, a distance of 53.86 feet A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 77°40'24" EAST, A DISTANCE OF 199.78 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 55°29'00" EAST, A DISTANCE OF 321.28 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 22°53'19" WEST, A DISTANCE OF 329.02 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 02°13'02" EAST, A DISTANCE OF 532.60 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 17°12'36" WEST, A DISTANCE OF 650.64 FEET TO A POINT FOR CORNER;

THENCE SOUTH 04°16'27" WEST, A DISTANCE OF 267.37 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 00°36'28" EAST, A DISTANCE OF 282.76 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER IN THE COMMON LINE OF SAID MERRITT TRACT AND SAID MCCASLAND REVOCABLE TRUST TRACT NEAR THE CENTER OF SAID PARVIN ROAD;

THENCE SOUTH 89°07'59" WEST, ALONG THE COMMON LINE OF SAID MERRITT TRACT AND SAID MCCASLAND REVOCABLE TRUST TRACT AND SAID PARVIN ROAD, A DISTANCE OF 576.63 FEET TO THE POINT OF BEGINNING AND CONTAINING 1,976,662 SQUARE FEET OR 45.378 ACRES OF LAND, MORE OR LESS.

EXHIBIT C
TELLUS INFRASTRUCTURE IMPROVEMENTS

- Water Improvement Obligations – Tellus will construct, at Tellus' sole cost and expense, the water improvements that are described and approximately depicted on **Exhibit C-1** attached hereto, in accordance with the Development Agreement.
- Sewer Improvement Obligations – Tellus will construct, at Tellus' sole cost and expense, the sewer improvements that are described and approximately depicted on **Exhibit C-2** attached hereto, in accordance with the Development Agreement.
- Roadway Improvement Obligations – The obligations to construct the Roadway Improvements described below and approximately depicted on **Exhibit C-3** will be completed as follows:
    - Frontier Parkway Improvements - The obligations to improve Frontier Parkway, as required pursuant to the Development Agreement, will be completed by Tellus at its sole cost and expense in accordance with the terms of the Development Agreement.
    - Legacy Drive Improvement Obligations - The obligations to improve Legacy Drive pursuant to the terms of the Development Agreement will be completed by Tellus at its sole cost and expense (unless the costs for such improvements are otherwise paid for through a PID that includes the Development Parcel) in accordance with the terms of the Development Agreement, and subject to the reimbursement obligation of the owner of the Merritt Parcel set forth below; provided, that if the owner of the Merritt Parcel subsequently develops the portion of Merritt Parcel adjacent to the required improvements of Legacy Drive and such improvements have not been commenced, the owner of the Merritt Parcel will complete such portion of the improvement work of Legacy Drive in accordance with the terms of the Development Agreement, at such owner's sole cost and expense (unless the costs for such improvements are otherwise paid for through a PID that includes the Development Parcel) and subject to the reimbursement obligation of the owner of the Tellus Parcel set forth below. If the portion of the Merritt Parcel adjacent to Legacy Drive is developed after the owner of the Tellus Parcel has completed the improvement work for Legacy Drive adjacent to the Merritt Parcel (the "**Merritt Legacy Drive Area**"), the owner of the Merritt Parcel will reimburse the owner of the Tellus Parcel for the Merritt Legacy Drive Share (hereinafter defined) of the costs and expenses of the owner of the Tellus Parcel to complete the improvements for Legacy Drive in the Merritt Legacy Drive Area (unless the costs for such improvements are otherwise paid for through a PID that includes the Development Parcel and not by the owner of the Tellus Parcel) within thirty (30) days after the owner of the Tellus Parcel delivers copies of invoices reflecting its costs and expenses to complete the Legacy Drive improvements in the Merritt Legacy Drive Area. If the owner of the Merritt Parcel completes the improvement work for Legacy Drive in the Merritt Legacy Drive Area, the owner of the Tellus Parcel shall reimburse the owner of the Merritt Parcel the Tellus Legacy Drive Share (hereinafter defined) of the costs and expenses of the owner of the Merritt Parcel to complete the improvements for Legacy Drive in the Merritt Legacy Drive Area (unless the costs for such improvements are otherwise paid for through a PID that includes the Development Parcel and not by the owner of the Merritt Parcel) within thirty (30) days after the owner of the Merritt Parcel delivers copies of invoices reflecting its costs and expenses to complete the Legacy Drive improvements in the Merritt Legacy Drive Area. As used herein, "**Merritt Legacy Drive Share**" shall be calculated as a percentage based on the number of trips-per-day generated from the Merritt Parcel east of Frontier Parkway relative to the total number of trips-per-day generated from the Merritt Parcel east of Frontier Parkway and the portion of the Tellus

Parcel located east of Frontier Parkway in the aggregate, as determined based on the Legacy Drive Traffic Study (hereinafter defined), and "**Tellus Legacy Drive Share**" shall be calculated as a percentage based on the number of trips-per-day generated from the portion of the Tellus Parcel located east of Frontier Parkway relative to the total number of trips-per-day generated from the Merritt Parcel east of Frontier Parkway and the portion of the Tellus Parcel located east of Frontier Parkway in the aggregate, as determined based on the Legacy Drive Traffic Study. The phrase "**Legacy Drive Traffic Study**" shall mean the traffic study to be completed in connection with the construction of the improvements for Legacy Drive in accordance with the Development Agreement and this provision.

- Old Parvin Road Improvement Obligations – The obligations to improve Old Parvin Road pursuant to the Development Agreement will be completed by Tellus at its sole cost and expense (unless the costs for such improvements are otherwise paid for through a PID that includes the Development Parcel) in accordance with the terms of the Development Agreement, and subject to the reimbursement obligation of the owner of the Merritt Parcel set forth below; provided, that if the owner of the Merritt Parcel subsequently develops the portion of Merritt Parcel adjacent to the required improvements of Old Parvin Road and such improvements have not been commenced, the owner of the Merritt Parcel will complete such portion of the improvement work of Old Parvin Road in accordance with the terms of the Development Agreement, at such owner's sole cost and expense (unless the costs for such improvements are otherwise paid for through a PID that includes the Development Parcel) and subject to the reimbursement obligation of the owner of the Tellus Parcel set forth below. If the portion of the Merritt Parcel adjacent to Old Parvin Road is developed after the owner of the Tellus Parcel has completed the improvement work for Old Parvin Road adjacent to the Merritt Parcel (the "**Merritt Parvin Road Area**"), the owner of the Merritt Parcel will reimburse the owner of the Tellus Parcel for the Merritt Parvin Road Share (hereinafter defined) of the costs and expenses of the owner of the Merritt Parcel to complete the improvements for Old Parvin Road in the Merritt Parvin Road Area (unless the costs for such improvements are otherwise paid for through a PID that includes the Development Parcel and not by the owner of the Tellus Parcel) after the owner of the Tellus Parcel delivers copies of invoices reflecting its costs and expenses to complete the Old Parvin Road improvements in the Merritt Parvin Road Area. If the owner of the Merritt Parcel completes the improvement work for Old Parvin Road in the Merritt Parvin Road Area, the owner of the Tellus Parcel shall reimburse the owner of the Merritt Parcel the Tellus Parvin Road Share (hereinafter defined) of the costs and expenses of the owner of the Merritt Parcel to complete the improvements for Old Parvin Road in the Merritt Parvin Road Area (unless the costs for such improvements are otherwise paid for through a PID that includes the Development Parcel and not by the owner of the Merritt Parcel) within thirty (30) days after the owner of the Merritt Parcel delivers copies of invoices reflecting its costs and expenses to complete the Old Parvin Road improvements in the Merritt Parvin Road Area. As used herein, "**Merritt Parvin Road Share**" shall be calculated as a percentage based on the number of trips-per-day generated from the Merritt Parcel east of Frontier Parkway relative to the total number of trips-per-day generated from Merritt Parcel east of Frontier Parkway and the portion of the Tellus Parcel located east of Frontier Parkway in the aggregate, as determined based on the Parvin Road Traffic Study (hereinafter defined), and "**Tellus Parvin Road Share**" shall be calculated as a percentage based on the number of trips-per-day generated from the portion of the Tellus Parcel located east of Frontier Parkway relative to the total number of trips-per-day generated from the Merritt Parcel east of Frontier Parkway and the portion of the Tellus Parcel located east of Frontier Parkway in the aggregate, as determined based on the Parvin Road Traffic

Study. The phrase "**Parvin Road Traffic Study**" shall mean the traffic study to be completed in connection with the construction of the improvements for Old Parvin Road in accordance with the Development Agreement and this provision.

- Responsibility for Maintenance of Improvements & Landscaping located within the Park Area – If not maintained by the City of Celina, Texas, Tellus shall be responsible for, at its sole cost and expense, the maintenance of all improvements and landscaping located within the park areas located on the Development Parcel in accordance with the Development Agreement, either directly or through a homeowner's association to be formed by Tellus in connection with Tellus' development of the Tellus Parcel, at no cost to the Merritt Owners. The Merritt Owners will provide Tellus with access easements reasonably required by Tellus on and over the Merritt Parcel to permit Tellus to perform such maintenance, and also to expand water and drainage improvements located in the park areas serving the Tellus Parcel upon terms reasonably acceptable to the Merritt Owners. This includes, but is not limited to, temporary construction easements, landscape maintenance easements, public access easements, and drainage maintenance easements on and across the Merritt Parcel, including the park areas, as well as platting separate open space lots in the park areas.

- Internet and Gas Lines – Tellus will install, in accordance with the Development Agreement and any requirements of the City of Celina, Texas, at its sole cost and expense, any high-speed internet infrastructure and gas lines required in connection with its development of the Tellus Parcel. Upon request, the owner of the Tellus Parcel will provide easements for high-speed internet infrastructure and gas line connections that may be reasonably requested by the owner of the Merritt Parcel and at locations that do not interfere, in the reasonable discretion of the owner of the Tellus Parcel, with the then-current or anticipated future development of the Tellus Parcel, permitting the Merritt Parcel to utilize and tap into such infrastructure and lines. Moreover, the owner of the Tellus Parcel shall have the ongoing right to relocate such easements, provided that the relocation of such easements will be at the sole cost and expense of the owner of the Tellus Parcel.

- Notwithstanding anything herein to the contrary, in the event that any costs or expenses for any of the improvements to be completed at Tellus' cost and expense can otherwise be paid for through funds and/or bond proceeds for a PID that includes the Tellus Parcel, then Tellus (or the then-current owner of the Tellus Parcel) may utilize and apply such funds and/or bond proceeds to pay for such costs and expenses, at the discretion of Tellus or the then-current owner of the Tellus Parcel.

EXHIBIT C-1
WATER IMPROVEMENT OBLIGATIONS

Tellus will complete, at its sole cost and expense, the water improvements approximately depicted and described below in accordance with the terms of the Development Agreement.

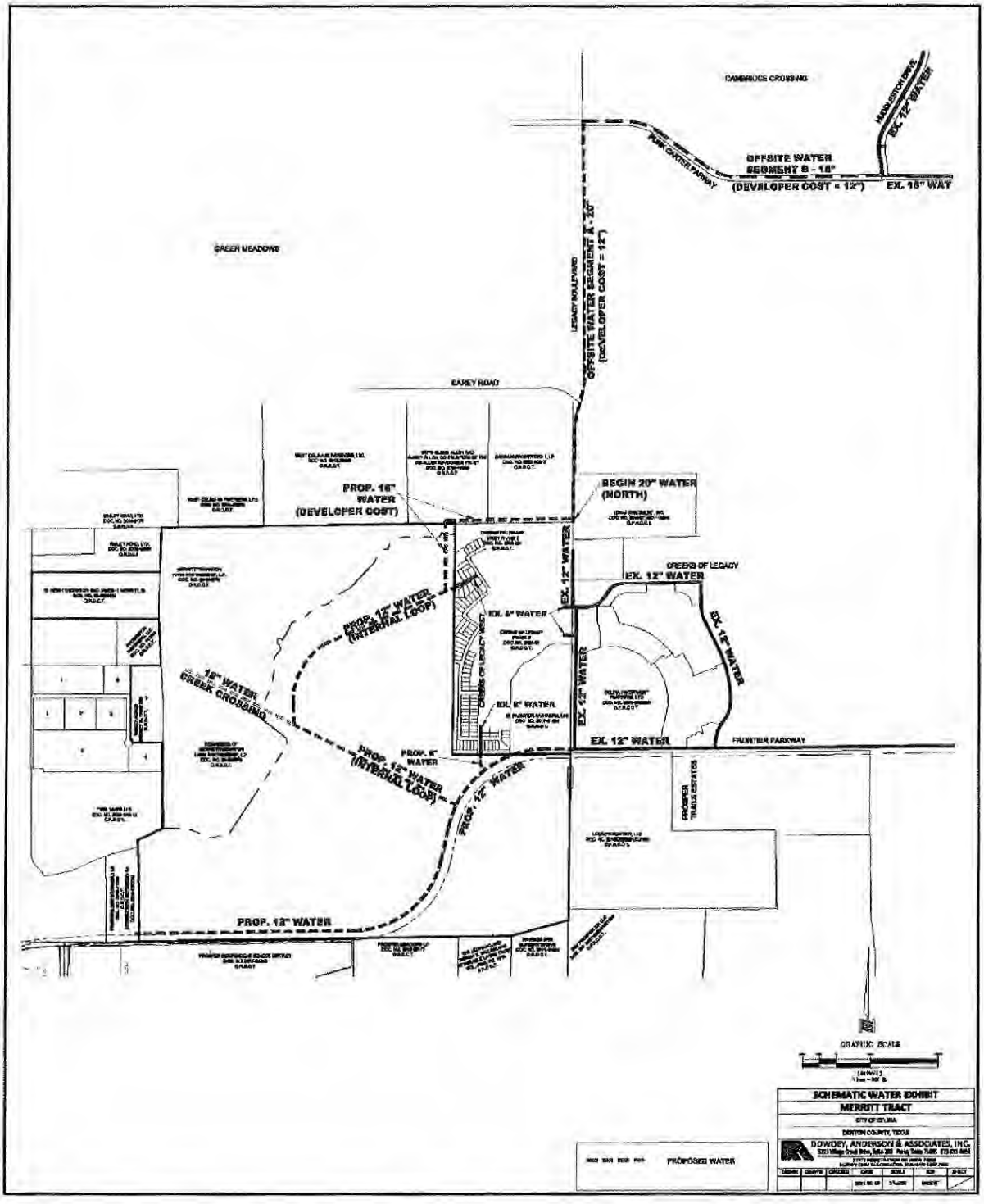


Exhibit C-1 to Development Restriction Agreement

EXHIBIT C-2
SEWER IMPROVEMENT OBLIGATIONS

Tellus will complete, at its sole cost and expense, the sewer improvements approximately depicted and described below in accordance with the terms of the Development Agreement.

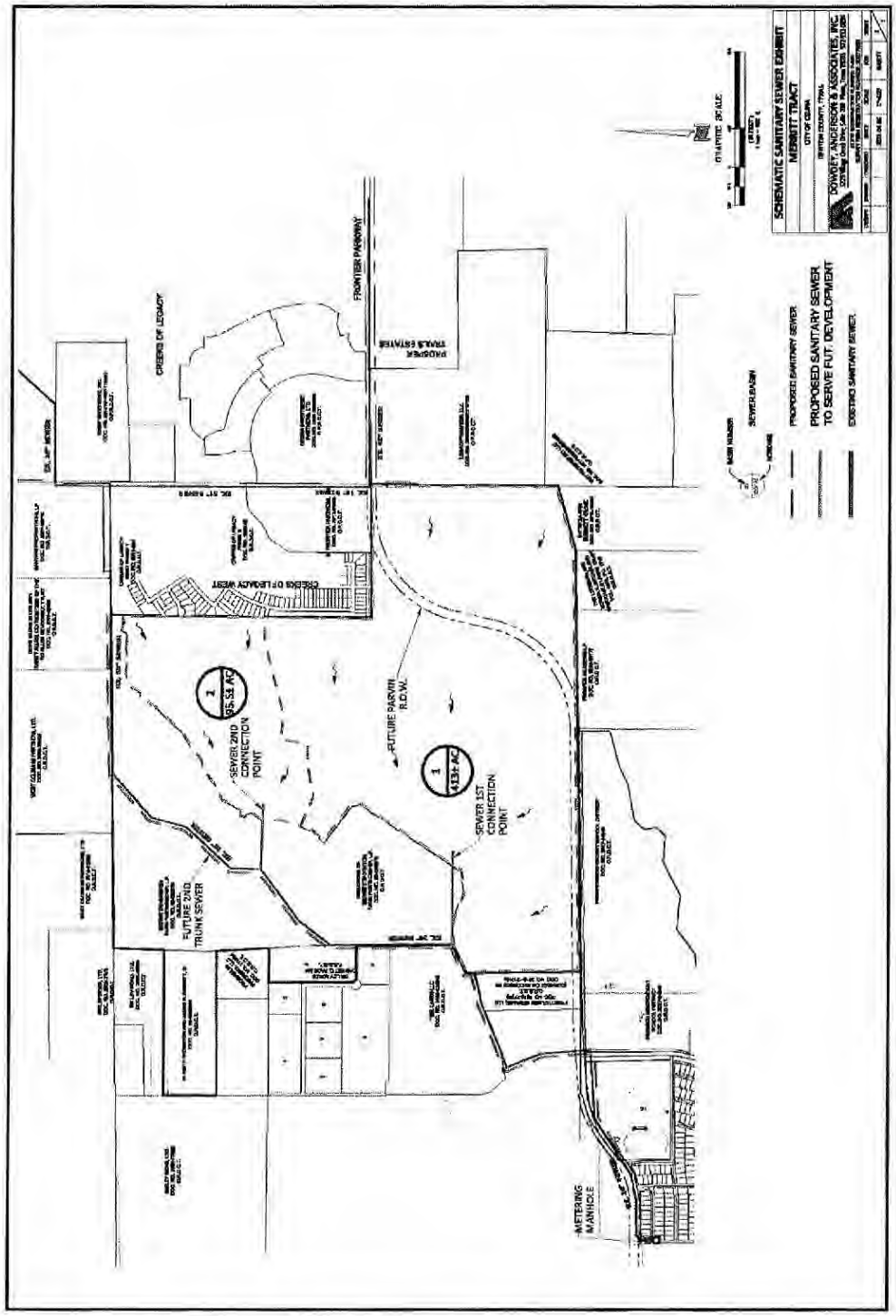
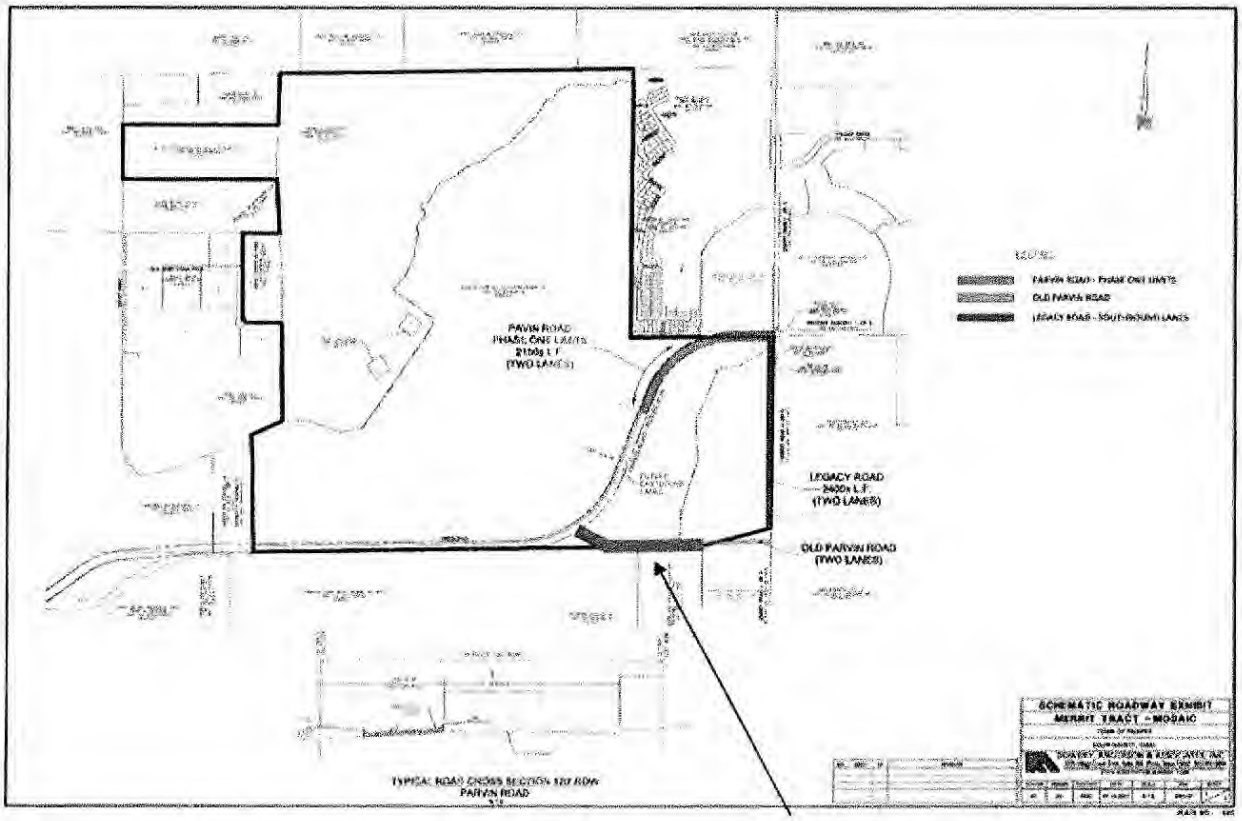


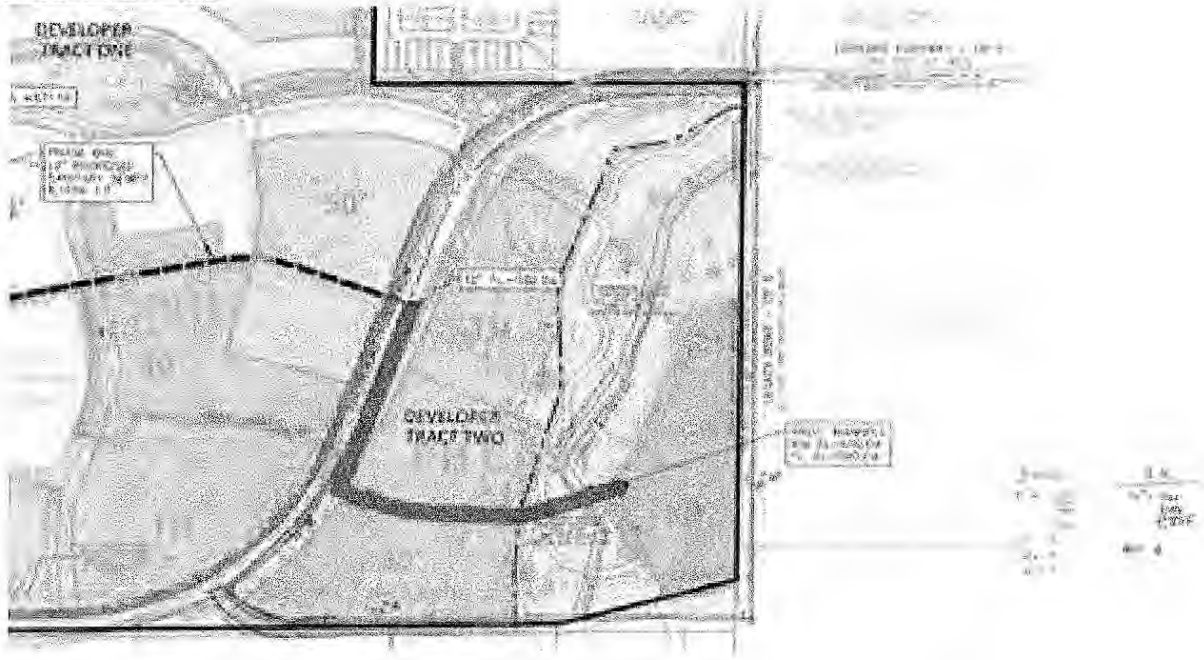
EXHIBIT C-3
DEPICTION OF ROADWAY IMPROVEMENTS



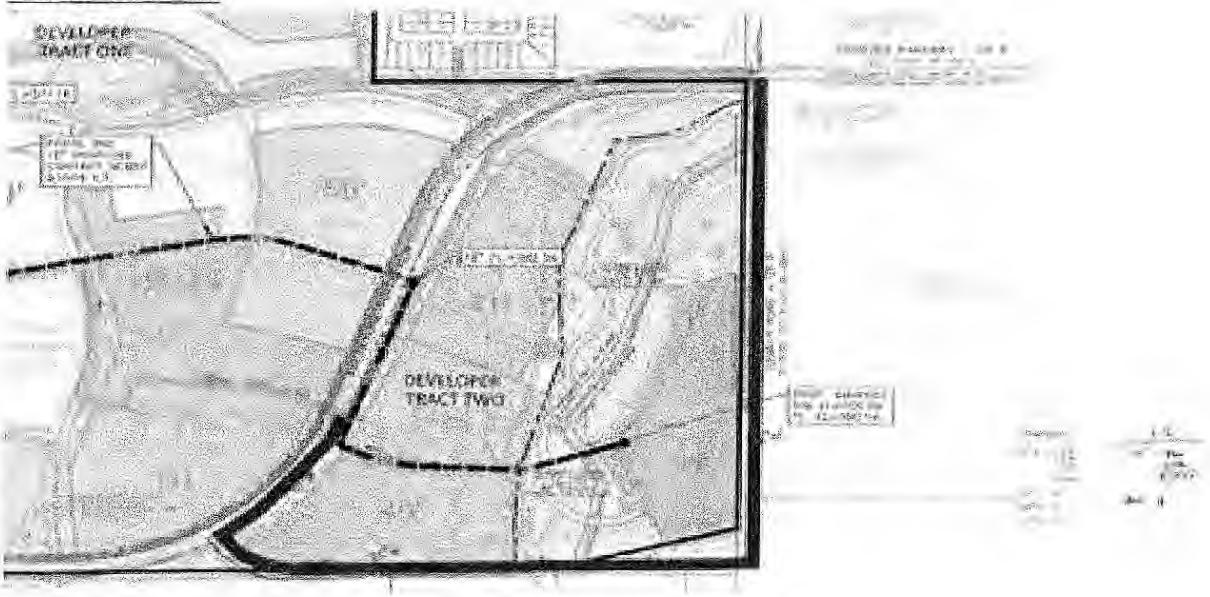
Tellus is responsible for Improving the Section of Old Parvin Road adjacent to Legacy Creek Park.

EXHIBIT D
DEPICTION OF WATER AND SEWER CONNECTION

Sewer Connection



Water Connection



Denton County
Juli Luke
County Clerk

Instrument Number: 130140

ERecordings-RP

AGREEMENT

Recorded On: July 20, 2021 08:12 AM

Number of Pages: 73

" Examined and Charged as Follows: "

Total Recording: $314.00

********** THIS PAGE IS PART OF THE INSTRUMENT **********
Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number:	130140
Receipt Number:	20210719001028
Recorded Date/Time:	July 20, 2021 08:12 AM
User:	Diana P
Station:	Station 37

Record and Return To:

Corporation Service Company

STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke
County Clerk
Denton County, TX

DEVELOPMENT AGREEMENT

This Development Agreement (this "Agreement") is entered into by and between James H. Merritt, III, W. Keith Thornton, Margaret M. Thornton, Susanna Parker, and Merritt/Thornton Farm Partnership, L.P. (each individually and collectively, the "Owner") and the City of Celina (the "City") to be effective on June 8, 2021 (the "Effective Date"). The City and the Owner are each a "Party" and collectively the "Parties." This Agreement amends and replaces in its entirety that certain Development Agreement between the City and Merritt/Thornton Farm Partnership, L.P. dated July 16, 2009, which agreement shall no longer be of any force or effect.

RECITALS

WHEREAS, certain terms used herein are defined in Article I; and

WHEREAS, the City is a home-rule municipality of the State of Texas located within Denton County and Collin County; and

WHEREAS, the Owner and the City (which are sometimes individually referred to as a "Party" and collectively as the "Parties") desire to enter into this Agreement; and

WHEREAS, on the Effective Date, the Owner owns an approximately 757.7979-acre tract of, which lies within the extraterritorial jurisdiction of the City, entirely within Denton County, Texas and is described by metes and bounds on **Exhibit A-1** and depicted in **Exhibit A-2**, (the "Property"); and

WHEREAS, the Owner intends to sell the approximately 433.979-acre portion of the Property described on **Exhibit B-1** and depicted on **Exhibit B-2** to Tellus Texas I, LLC (the "Developer Property"), and to assign all rights, title, interest, and obligations under this Agreement that pertain to the Developer Property to Tellus Texas I, LLC (the "Developer") who, pursuant to such assignment, will become the "Owner" under this Agreement only as it relates to the Developer Property; and

WHEREAS, the Owner intends to retain ownership of the approximately 323.8189-acre remaining portion of the Property that excludes the Developer Property (the "Retained Property") until such time as it is ready to be annexed and developed pursuant to the terms of this Agreement; and

WHEREAS, the Developer intends to develop the Developer Property in accordance with this Agreement in the immediate future; and

WHEREAS, the Parties contemplate the development of the entire Property pursuant to the terms of this Agreement (the "Development"); and

WHEREAS, the Parties intend for this Agreement to establish certain restrictions and to impose certain commitments in connection with the development of the Property; and

WHEREAS, the Parties intend for the Property to be developed in a manner consistent with the City's zoning requirements, building material requirements and building code requirements, except as otherwise provided herein; and

WHEREAS, the Parties intend that the Property will be developed in accordance with the concept plan attached hereto as **Exhibit C** as amended in accordance with this Agreement (the "Concept Plan"), the development standards attached hereto as **Exhibit D** (the "Development Standards"), and the open space exhibit attached herein as **Exhibit E**; and

WHEREAS, the Owner intends to construct and/or make financial contributions to certain onsite and/or offsite public improvements to serve the Development; and

WHEREAS, in consideration of the Owner's agreements contained herein to develop the Property as envisioned by the Parties, and to incentivize the development of the Property, the City has agreed to reduce the capital recovery fees for the development of the Property as specifically set forth in this Agreement; and

WHEREAS, the City holds the certificates of convenience and necessity (the "CCNs") to provide retail water and wastewater service to the Property, and the Parties intend for the City to provide retail water and wastewater service to the Property; and

WHEREAS, the Owner will construct certain onsite infrastructure, including streets and roads; drainage; water, sanitary sewer, and other utility systems; parks, open space, landscaping, and trail systems; and dedicate land for all of the onsite public improvements necessitated by and attributable to the development of the Property (collectively, "Onsite Public Improvements"); and

WHEREAS, Development of the Property will also require Owner to build the Roadway Improvements and the Water Improvements (hereinafter defined); and

WHEREAS, the Onsite Public Improvements, Roadway Improvements Water Improvements and all other authorized improvements pursuant to Section 372.003 of the PID Act that Owner will construct as part of the Development are referred to herein as the "Public Infrastructure"; and

WHEREAS, due to the location and other natural features of the Property, the cost of the Public Infrastructure does not allow for the intended Development in a cost-effective and market-competitive manner without participation by the City; and

WHEREAS, the City has determined that full development of the Property as provided herein will promote local economic development within the City and will stimulate business and commercial activity within the City, which will drive infrastructure investment and job creation, and have a multiplier effect that increases both the City's tax base and utility revenues; and

WHEREAS, the Parties have determined that the Development will increase the quality of housing within the City; and

WHEREAS, the City and the Owner agree that the Development can best proceed pursuant to a development agreement such as this Agreement; and

WHEREAS, the Parties have the authority to enter into this Agreement pursuant to Section 212.171 *et seq* of the Texas Local Government Code; and

WHEREAS, the parties contemplate that Owner will prepare, circulate, execute and return a Petition satisfying all legal requisites for annexation of the Property under Subchapter C-4 of Texas Local Government Code chapter 43, as set forth in Article VI, below.

NOW, THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as follows:

ARTICLE I
GENERAL TERMS AND DEFINITIONS

1.1 Recitals. The recitals to this Agreement are incorporated herein for all purposes.

1.2 Definitions. Unless the context requires otherwise, the following terms shall have the meanings hereinafter set forth:

Agreement is defined in the introductory paragraph.

Bank Qualified Debt Fee is defined in Section 7.3(a).

CCNs mean certificates of convenience and necessity.

City is defined in the introductory paragraph.

City Assignee is defined in Section 9.2.

City Council means the city council of the City.

City Regulation(s) means any ordinance, rule, regulation, standard, policy, order, guideline or other City-adopted or City-enforced requirement, as amended and adopted by the City for uniform application throughout the corporate limits, and as are applicable to the Development.

Claims is defined in Section 4.2(a).

Concept Plan means the concept plan as shown in **Exhibit C**, as amended in accordance with this Agreement.

Developer Property is defined in the recitals.

Development is defined in the recitals.

Owner is defined in the introductory paragraph.

Owner Assignee is defined in Section 9.1(a).

Development is defined in the recitals.

Development Standards means the development standards for the Property, which are set forth on **Exhibit D**.

Effective Date is the date in the introductory paragraph.

End-Buyer is defined in Section 10.1.

Indemnified Party is defined in Section 4.2(a).

Water Improvements is defined in Section 2.1(c) and described in **Exhibit G**.

Onsite Public Improvements is defined in the recitals.

Open Space Improvements is defined in Section 3.7.

Owner is defined in the recitals.

Parties means the Owner and the City.

Party means the Owner or the City.

Petition Property is defined in Section 6.1.

PID means a public improvement district created by the City for the benefit of the Property pursuant to the PID Act.

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

PID Bonds means the assessment revenue bonds secured solely by PID assessments.

PID Projects is defined in Section 7.1(c).

PID Project Costs is defined in Section 7.1(d).

Property is defined in the recitals.

Public Infrastructure is defined in the recitals.

Retained Property is defined in the recitals.

Roadway Improvements is defined in 2.1(b) and described in **Exhibit F**.

ARTICLE II
PUBLIC INFRASTRUCTURE

2.1 Public Infrastructure.

(a) Standards. Except as otherwise expressly provided for in this Agreement, all Public Infrastructure shall be designed, constructed and installed by the Owner in compliance with the

City Regulations. Construction and/or installation of Public Infrastructure shall not begin until complete and accurate plans and specifications have been approved by the City. Each contract for construction of Public Infrastructure shall require a two-year maintenance bond following completion of such Public Infrastructure, which bond shall run in favor of the Party responsible for maintenance of the completed Public Infrastructure. To the extent the Development creates the need for easements or rights-of-way within the Property, they shall be dedicated by the Owner to the City by final plat or separate instrument at no cost to the City, although PID Bond proceeds or other PID assessment revenue may be used to acquire easements and right-of-way. The Public Infrastructure will be installed within easements granted to the City or in the public right-of-way, however utilities must be in an easement separate from the right-of-way.

(b) Right-of-Way and Roadway Improvements.

(1) The Owner shall dedicate to the City, at no cost to the City, right-of-way for the on-site thoroughfares shown on **Exhibit F** in accordance with City's adopted thoroughfare plan. PID Bond proceeds or other PID assessment revenue may be used to acquire right-of-way. Dedication shall occur when the City approves the first final plat for the Developer Property or when the City delivers a written request for dedication to the Owner in accordance with the notice provisions of this Agreement, whichever occurs first.

(2) The Owner shall design and construct the following improvements as depicted on **Exhibit F** (the "Roadway Improvements"): (i) a two-lane concrete portion of phase 1 of Parvin Road that is approximately 2,150 linear feet, to be constructed with the first phase of the development of the Developer Property; (ii) a two-lane concrete portion of Legacy Road, to be constructed in phases when the adjacent portion of the Property is final platted or as needed to meet access requirements in the City Regulations; and (iii) a two-lane section of Old Parvin Road, which is a collector, in accordance with the street section details shown on **Exhibit F**, to be constructed in phases when the adjacent portion of the Property is final platted or as needed to meet access requirements in the City Regulations. The improvements to Parvin Road referenced above shall be constructed in accordance with Texas Department of Transportation design requirements for the road project, which shall control in the event of a conflict with the street section details on **Exhibit F**. Legacy Road shall be constructed in accordance with the same street section detail that applies to Parvin Road, as shown on **Exhibit F**. With the exception of the Roadway Improvements, the Owner shall not be required to construct or fund any thoroughfare improvements.

(3) The City agrees that the collector road shown on **Exhibit F-1** will not be built, and will not be required to be constructed or funded by the Owner, notwithstanding anything shown on the City's current or future master thoroughfare plan.

(c) Water Infrastructure. The Owner shall design and construct the proposed water improvements depicted on **Exhibit G** (the "Water Improvements"). The off-site Water Improvements shown on **Exhibit G** shall commence prior to the issuance of the 250th building permit for a dwelling unit within the Property. All other Water Improvements shall be constructed in phases as needed. The Owner shall not be required to construct any water line that exceeds 18 inches in size on Legacy Drive and 12 inches in size on Punk Carter Parkway unless the City

funds the costs associated with increasing the line size. The Owner shall not be required to construct any off-site water improvements not shown on **Exhibit G**.

(d) Wastewater Infrastructure. The Owner shall connect to the City's wastewater system as shown on **Exhibit H**. The Owner shall not be required to construct any wastewater line that exceeds 12 inches in size unless the City funds the costs associated with increasing the line size above 12 inches. The Owner shall not be required to construct any off-site wastewater improvements.

2.2 Inspections, Acceptance of Public Infrastructure.

(a) Roadway and Storm Infrastructure. The City shall have the right to inspect, at any time, the construction of all roadway and storm water Public Infrastructure, and any related Public Infrastructure necessary to support the proposed development within the Property, which shall be inspected, designed and constructed in compliance with all statutory and regulatory requirements, including design and construction criteria, and the City Regulations.

(b) Water and Wastewater Infrastructure. The City shall have the right to inspect the construction of all water and wastewater Public Infrastructure at any time, which water and wastewater shall be inspected, designed and constructed in compliance with all statutory and regulatory requirements, including design and construction criteria, and the City Regulations. The timing of construction of the various components of the water and wastewater Public Infrastructure shall be as required by the City Regulations unless otherwise provided in this Agreement.

(c) No Release. The City's inspections shall not release the Owner from its responsibility to construct, or ensure the construction of, adequate Public Infrastructure in accordance with approved engineering plans, construction plans, and other approved plans related to the Development provided the City satisfies its obligations under this Agreement.

(d) City Owned. From and after the inspection and acceptance by the City of the water, wastewater, drainage, and roadway Public Infrastructure and any other dedications required under this Agreement, such improvements and dedications shall be owned by the City.

(e) Approval of Plats/Plans. Approval of plats, permits, plans, designs or specifications by the City shall be in accordance with the City Regulations. Approval by the City, the City's engineer or other City employee or representative of any plats, permits, plans, designs or specifications submitted pursuant to this Agreement or pursuant to the City Regulations shall not constitute or be deemed to be a release of the responsibility and liability of the Owner, his engineer, employees, officers or agents for the accuracy and competency of their design and specifications. Further, any such approvals shall not be deemed to be an assumption of such responsibility and liability by the City for any defect in the design and specifications prepared by the Owner or the Owner's engineer, or engineer's officers, agents, servants, or employees, it being the intent of the parties that approval by the City's engineer signifies the City's approval on only the general design concept of the improvements to be constructed. All plats and plans of the Owner related to the Property shall meet the requirements of the applicable City Regulations.

2.3 Eminent Domain. The Owner agrees to use commercially reasonable efforts to obtain all third-party rights-of-way, consents, or easements, required for the off-site Water

Improvements (collectively, the "Easements "). If, however, the Owner is unable to obtain one or more of the Easements within sixty (60) days of commencing efforts to obtain the needed easements and right of way, the City agrees to take reasonable steps to secure same (subject to City Council authorization after a finding of public necessity) through the use of the City's power of eminent domain. The Owner shall be responsible for funding all reasonable and necessary legal proceeding/litigation costs, compensation awards or negotiated amounts for the condemned property interest, attorney's fees and related expenses, and appraiser and expert witness fees (collectively, "Eminent Domain Fees") paid or incurred by the City in the exercise of its eminent domain powers and shall escrow with a mutually agreed upon escrow agent the City's reasonably estimated Eminent Domain Fees both in advance of the initiations of each eminent domain proceeding and as funds are needed by the City. Provided that the escrow fund remains appropriately funded in accordance with this Agreement, the City will use all reasonable efforts to expedite such condemnation procedures so that the Easements can be acquired as soon as reasonably practicable. Any unused escrow funds will be refunded to the Owner with thirty (30) days after any condemnation award or settlement becomes final and non-appealable. Nothing in this subsection is intended to constitute a delegation of the police powers or governmental authority of the City, and the City reserves the right, at all times, to control its proceedings in eminent domain.

2.4 Operation and Maintenance.

(a) Upon inspection, approval, and acceptance of the water and wastewater Public Infrastructure or any portion thereof, the City shall maintain and operate the accepted water and wastewater infrastructure or any accepted portion thereof and provide water and wastewater service to the Property.

(b) Upon inspection, approval, and acceptance of the roadway and storm water Public Infrastructure or any portion thereof, the City shall maintain and operate the roadways and storm water infrastructure or any accepted portion thereof.

ARTICLE III
DEVELOPMENT REGULATIONS

3.1 Full Compliance with City Standards.

(a) Development of the Property shall be subject to the applicable City Regulations.

(b) The Parties agree the Concept Plan was created by the Owner for illustrating the boundary, lot mix and general layout of the Development. Any amendment to the Concept Plan shall be considered an amendment to this Agreement and shall replace the attached Concept Plan and become a part of this Agreement. The City Manager of the City may administratively approve any amendments to the Concept Plan that the City Manager deems in his reasonable discretion to be minor in nature. The Concept Plan may also be amended as set forth in the Development Standards attached as **Exhibit D**.

3.2 Plat. The Owner may submit a plat for all or any portion of the Property. Any plat shall be in general conformance with the Concept Plan, including any amendments.

3.3 Vested Rights. This Agreement shall constitute a "permit" under Chapter 245 of the Texas Local Government Code that is deemed filed with the City on the date upon which the last of all of the Parties has approved and duly executed this Agreement. The Owner does not, by entering into this Agreement, waive any rights or obligations arising under Chapter 245 of the Texas Local Government Code. Upon an administratively complete application for a preliminary plat for any portion of the Property, Owner may claim vested rights as to the portion of the Property contained in the preliminary plat based upon ordinances in effect at the time of preliminary plat application, except to the extent such claim would cause the City's building material regulations in the zoning ordinance (as it existed on August 1, 2019) to be inapplicable.

3.4 Building Codes, Fire Codes and Building Materials. *As consideration for the capital recovery fees being reduced and impact fees being waived for the Property, Owner has requested and the Parties agree that* ***Exhibit D****, the City-adopted building codes and local amendments as subsequently amended, the City-adopted fire codes and local amendments as subsequently amended, and the City's building material regulations in the zoning ordinance (as it existed on August 1, 2019) and other city ordinances, as subsequently amended, to apply to the Property for forty-five (45) years, and voluntarily agrees to burden the property with their applicability, despite Texas Government Code Chapter 3000, effective September 1, 2019, as it presently exists or may be subsequently amended.*

3.5 Internet and Gas Lines. Simultaneously with the construction of water Public Infrastructure, the Owner shall install, or caused to be installed, within public rights-of-way or public easements high-speed internet infrastructure (either fiber or a future technology approved by the City) and gas lines to the perimeter of each lot. The high-speed internet infrastructure/fiber and gas lines shall be adequately sized to serve the intended use of the lot, with the high-speed internet infrastructure/fiber being capable of transmitting high-speed internet of at least 1 gig per second. Once installed, the Owner shall have no obligation to own, maintain or upgrade such high-speed internet infrastructure or gas lines.

3.6 Amenity Centers. Owner shall construct the amenity centers described on **Exhibit D** and **Exhibit E** according to the timing triggers set forth on **Exhibit E**. Completion of each amenity center by Owner shall be evidenced by a certificate of occupancy from the City.

3.7 Dedications for Public Parks and a School.

(a) Open space and trails shall be developed in phases in accordance with the development standards on **Exhibit D**. The Owner agrees to provide the following (collectively, the "Open Space Improvements"): (i) open space areas and improvements required by **Exhibit D**; (ii) open space areas and improvements depicted on **Exhibit E**; and (iii) additional park and open space land in accordance with a master park plan to be approved by the Director of the Parks Department, which approval shall not be unreasonably withheld or delayed, that make efficient use of open space, floodplains, and non-floodplains and includes amenity items such as trails that are at least 12 feet in width, fitness stations, dog parks, playgrounds, grass sports fields, and other

similar uses and improvements approved by the Director of Planning. Ownership and maintenance requirements for all Open Space Improvements is set forth on **Exhibit E**.

(b) A 10-12 acre site for an elementary school shall be reserved by the Owner. The site may be dedicated or sold to the school district at the Owner's acquisition cost by separate agreement between the school district and the Owner.

ARTICLE IV
DEVELOPMENT PROCESS AND CHARGES

4.1 Capital Recovery Fees.

(a) Residential. Except as specifically described below, the Property shall be subject to those fees and charges due and payable to the City in connection with the Development that are charged pursuant to City Regulations to other developments located in the corporate limits of the City. Notwithstanding the foregoing, no capital recovery fees, including, but not limited to, pro rata fees, impact fees for water, sewer and roadways and other capital recovery fees shall be charged against residential development on the Property other than: (i) park fees in an amount not exceeding $1,500 per residential dwelling unit, unless the Owner agrees in writing to an increase in such park fees; (ii) technology fees in an amount not to exceed $500 per single family attached or detached residential dwelling unit; (iii) roadway capital fees of $3,000 per single family attached or detached residential dwelling unit; (iv) water capital fees of $2,500 per single family attached or detached residential dwelling unit; and (v) wastewater capital fees of $2,500 per single family attached or detached residential dwelling unit. Roadway, water, and wastewater capital fees shall each escalate by an additional $500 per single family attached or detached residential dwelling unit upon reaching the eight-year anniversary of the Effective Date and then every fifth anniversary of the first escalation thereafter. In no event shall any roadway, water, or wastewater capital fee charged under this Section 4.1(a) exceed then applicable roadway, water, or wastewater impact fees charged by the City for property located in the city limits. All capital recovery fees under this Section 4.1(a) will be due and payable at the time building permits are issued.

(b) Multi-Family. Assuming Owner is in compliance with the requirements of Sections 2.1(b) and 3.7(a), for each multi-family unit constructed on the tract adjacent to Legacy Road and labeled as "flex tract 2" on the Concept Plan the City agrees to waive roadway impact fees and to reduce the park fee by five hundred dollars ($500) per unit.

(c) Open Space and Trails. Other than the open space and Open Space Improvements required by Section 3.7, no park land dedication or construction of park improvements shall be required.

(d) Reimbursement of Park Fees. The City agrees to reimburse 50 percent of the park capital recovery fees collected pursuant to Section 4.1(a) to the Owner to reimburse the Owner for the actual cost of the publicly owned and maintained Open Space Improvements as provided under Section 3.7 and depicted in **Exhibit E**, excluding trails the Owner is required to construct per the terms of this Agreement. Such reimbursement payments will be made by the City to the Owner once each calendar quarter on March 31st, June 30th, September 30th and December 31st of each year starting the first calendar quarter after the completion of any of the improvements referenced in this subsection (c).

(e) Homestead. The City agrees to waive water meter fees and any other water connection fees for the Homestead Residences (as defined in the Development Regulations) located within the homestead tract described on **Exhibit J** (the "Homestead Tract").

4.2 INDEMNIFICATION AND HOLD HARMLESS.

(a) THE OWNER AND ITS SUCCESSORS AND ASSIGNS SHALL INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN "INDEMNIFIED PARTY"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE OWNER; (II) THE NEGLIGENT DESIGN, ENGINEERING AND/OR CONSTRUCTION BY THE OWNER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE OWNER OF ANY OF THE PUBLIC INFRASTRUCTURE ACQUIRED FROM THE OWNER HEREUNDER; (III) THE OWNER'S NONPAYMENT UNDER CONTRACTS BETWEEN THE OWNER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION AND/OR CONSTRUCTION OF THE PUBLIC INFRASTRUCTURE; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE OWNER OR ITS AGENTS TO CONSTRUCT THE PUBLIC INFRASTRUCTURE; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO OWNER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES, AND/OR TRUSTEES, REGARDING OR RELATED TO THE PUBLIC INFRASTRUCTURE OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE PUBLIC INFRASTRUCTURE, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OR SOLE NEGLIGENCE OF ANY INDEMNIFIED PARTY. OWNER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST OWNER IN PROVIDING SUCH DEFENSE.

(b) IN ITS REASONABLE DISCRETION, CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY OWNER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF OWNER'S OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF OWNER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES PURSUANT TO THIS AGREEMENT. OWNER SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF OWNER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON THEIR OWN BEHALF, AND OWNER SHALL BE LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES. THE CITY AGREES, UNLESS ADVISED BY DEFENSE COUNCIL TO THE CONTRARY, TO ASSERT ITS

IMMUNITY FROM LIABILITY AND IMMUNITY FROM SUIT AND/OR OTHER AVAILABLE AFFIRMATIVE DEFENSES

(c) THIS SECTION 4.2 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

(d) THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION AND THE EXPRESS NEGLIGENCE TEXT COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT, AND IS VALID AND ENFORCEABLE AGAINST THE OWNER.

4.3 THE OWNER'S ACKNOWLEDGEMENT OF THE CITY'S COMPLIANCE WITH FEDERAL AND STATE CONSTITUTIONS, STATUTES AND CASE LAW AND FEDERAL, STATE AND LOCAL ORDINANCES, RULES AND REGULATIONS/OWNERS' WAIVER AND RELEASE OF CLAIMS FOR OBLIGATIONS EXPRESSLY SET FORTH IN THIS AGREEMENT.

(a) THE OWNER ACKNOWLEDGES AND AGREES THAT, PROVIDED THERE ARE NO CITY DEFAULTS UNDER THIS AGREEMENT:

(I) THE PUBLIC INFRASTRUCTURE EXPRESSLY SET FORTH IN THIS AGREEMENT TO BE CONSTRUCTED UNDER THIS AGREEMENT, AND THE FEES TO BE IMPOSED BY THE CITY PURSUANT TO THIS AGREEMENT, REGARDING THE PROPERTY, IN WHOLE OR IN PART, DO NOT CONSTITUTE A:

(A) TAKING UNDER THE TEXAS OR UNITED STATES CONSTITUTION;

(B) VIOLATION OF THE TEXAS LOCAL GOVERNMENT CODE, AS IT EXISTS OR MAY BE AMENDED; AND/OR

(C) NUISANCE.

(II) THE AMOUNT OF THE OWNER'S FINANCIAL AND INFRASTRUCTURE CONTRIBUTION FOR THE PUBLIC INFRASTRUCTURE EXPRESSLY SET FORTH IN THIS AGREEMENT IS ROUGHLY PROPORTIONAL TO THE DEMAND THAT THE OWNER'S ANTICIPATED IMPROVEMENTS AND OWNER'S DEVELOPMENT OF THE PROPERTY PLACES ON THE CITY'S INFRASTRUCTURE.

(III) THE OWNER HEREBY AGREES, STIPULATES AND ACKNOWLEDGES THAT: (A) ANY PROPERTY WHICH IT CONVEYS TO THE CITY OR ACQUIRES FOR THE CITY PURSUANT TO THIS AGREEMENT IS ROUGHLY PROPORTIONAL TO THE BENEFIT RECEIVED BY THE OWNER FOR SUCH LAND, AND THE OWNER HEREBY WAIVES ANY CLAIM THEREFOR THAT IT MAY HAVE; AND (B) ALL PREREQUISITES TO SUCH DETERMINATION OF ROUGH PROPORTIONALITY HAVE BEEN MET, AND ANY VALUE RECEIVED BY THE CITY RELATIVE TO SAID CONVEYANCE IS RELATED BOTH IN NATURE AND EXTENT TO THE IMPACT OF THE DEVELOPMENT OF THE PROPERTY ON THE CITY'S INFRASTRUCTURE. THE OWNER FURTHER AGREES TO WAIVE AND RELEASE ALL CLAIMS IT MAY HAVE AGAINST THE CITY UNDER THIS AGREEMENT RELATED TO ANY AND ALL: (A) CLAIMS OR CAUSES OF ACTION BASED ON ILLEGAL OR EXCESSIVE EXACTIONS; AND (B) ROUGH PROPORTIONALITY AND INDIVIDUAL DETERMINATION REQUIREMENTS MANDATED BY THE UNITED STATES SUPREME COURT IN *DOLAN V. CITY OF TIGARD*, 512

U.S. 374 (1994), AND ITS PROGENY, AS WELL AS ANY OTHER REQUIREMENTS OF A NEXUS BETWEEN DEVELOPMENT CONDITIONS AND THE PROJECTED IMPACT OF THE PUBLIC INFRASTRUCTURE.

(b) NOTHING IN THIS AGREEMENT, INCLUDING THIS SECTION 4.3, WAIVES (AND OWNER EXPRESSLY RESERVES) ANY RIGHT THE OWNER MAY NOW OR HEREAFTER HAVE WITH RESPECT TO ANY CLAIM THAT THE APPLICATION OF AMENDMENTS TO THE CITY REGULATIONS, ENACTED AFTER THE EFFECTIVE DATE, TO THE PROPERTY VIOLATES ANY STATE OR FEDERAL LAW, SO LONG AS SUCH CLAIM DOES NOT RELATE TO ANY EXPRESS OBLIGATION OF OWNER SET FORTH IN THIS AGREEMENT.

(C) THIS SECTION 4.3 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

ARTICLE V
TERM

The term of this Agreement shall be for a period of thirty (30) years after the Effective Date, except that **Exhibit D** and Section 3.4, plus all provisions of this Agreement related to **Exhibit D** and Section 3.4 shall have a term of forty-five (45) years. The Parties may extend the term of this Agreement if they execute an agreement in writing.

ARTICLE VI
ANNEXATION AND POST-ANNEXATION MATTERS

6.1 Annexation.

(a) Not later than ten days after being requested to do so by the City, Owner agrees to (a) submit a voluntary annexation petition for the Property, or (b) if requested by the City, sign a petition for annexation presented to the Owner by the City that may contain additional acres located outside of the Property (collectively, the "Petition Property"). The Owner agrees to execute and supply any and all instruments and/or other documentation necessary for the City to annex the Property into the City's corporate limits pursuant to the terms of this Agreement. This Agreement constitutes the service plan agreement for providing City services to the Property. If the City is unable to complete the annexation of the Petition Property for any reason, including but not limited to procedural error or legal challenge, the Owner shall execute another voluntary annexation petition for the Petition Property and/or the portion of the Property being annexed pursuant to this Section 6.1(a), within ten (10) days of being requested to do so. The Owner acknowledges and agrees that this Section 6.1 was a material inducement for the City to enter into this Agreement with the Owner and to create a PID. The City acknowledge and agrees creation of the PID and issuance of PID Bonds are a material inducement for the Owner to agree to this Section 6.1 and the Owner to agree to the obligations contained in this Agreement.

(b) Notwithstanding anything to the contrary in Section 6.1(a), the Owner agrees that the City may annex all or any portion of the Retained Property at any time following the fifth anniversary of the Effective Date. For purposes of this Section 6.1(b), the Owner agrees to provide the City with all of the same documents that would be required from the Owner for annexation pursuant to Section 6.1(a).

(c) Notwithstanding anything to the contrary in this Section 6.1, (i) the City agrees that it will not annex the South Park Area, the Homestead tract, or northwesternmost Developer Tract shown on, and described in, **Exhibit J** prior to the 15th anniversary of the Effective Date unless development of such areas commences prior to such 15th anniversary; and (ii) the Owner agrees that, for purposes of Section 6.1(b), the City may annex any portion of the North Park Area shown on **Exhibit J** at the same time of commencement of development of the Retained Property, or when the City annexes all or any portion of the Developer Tract or the Retained Property to the extent necessary to commence or complete construction of the linear park planned in such area. For purposes of this paragraph, commencement of development means obtaining preliminary plat or final plat approval or a building permit for the development of any portion of the South Park Area, the Homestead tract, or northwesternmost Developer Tract other than for the development of the Homestead Residences defined in the Development Regulations.

6.2 Zoning of Property. While the Parties expressly acknowledge that the Property will be voluntarily annexed in accordance with Section 6.1 of this Agreement, the Parties agree that the Concept Plan, the Development Standards, and the applicable provisions of this Agreement memorialize the plan for development of the Property as provided for in Section 212.172 of the Texas Local Government Code and other applicable law. The City shall consider zoning the Property consistent with the Development Standards, Concept Plan, and applicable provisions of this Agreement contemporaneously with the annexation of the Property. Through this Agreement, the Owner expressly consents and agrees to the zoning of the Property consistent with and as contemplated by this section. In the event of a conflict between this Agreement and the zoning of the Property, the Parties agree that this Agreement shall control. The Owner agrees that nothing in this Agreement shall prevent **Exhibit D**, Section 3.4 of this Agreement, and the City Regulations, including but not limited to zoning, from being enforced against an End-Buyer.

ARTICLE VII
INFRASTRUCTURE FINANCING

7.1 PID Financing. The City proposes to create the PID, to fund, in part, the Public Infrastructure that will confer a special benefit upon the Property. As soon as reasonably practicable following a request by the Owner, and provided the City's financial advisor confirms the bonds meet the below requirements and marketable to third party institutional investors, the City agrees to issue PID Bonds, subject to City Council approval.

(a) A PID creation petition for the Property will be submitted by the Owner to the City.

(b) PID funding of certain Public Infrastructure as authorized by the PID Act, including but not limited to local streets, water, sewer and storm drainage improvements and appurtenances providing special benefit to a development phases and/or planning area, will include, to the maximum extent authorized by State law, and only as requested by the Owner, one or more of the following: (i) annual payments by the City to the Owner of PID assessments not pledged to the repayment of PID Bonds; (ii) the issuance by the City of PID Bonds secured by PID assessments and/or other security, with a total overall minimum value to lien ratio of 3 to 1 (unless the City, in its sole discretion approves a lower value to lien ratio) assuming that the Public Infrastructure to be financed by the PID as well as other infrastructure for which completion guarantees have been provided are in place as of the date of valuation; (iii) the issuance by the City of other bonds

secured by PID assessments and/or other security; or (iv) any other method approved by the Parties. The total amount of PID Bonds secured by assessments from the Property shall not exceed the amount stated in the PID creation petition which amount shall not exceed $130,000,000.

(c) The Public Infrastructure to be funded by the PID will be described in the PID Service and Assessment Plan, which Public Infrastructure is described in this Agreement and confers a special benefit on the Property (the "PID Projects").

(d) The total estimated cost of the PID Projects (the "PID Project Costs") will be as stated in the PID Service and Assessment Plan, as amended. The PID Project Costs will include the cost of two-year maintenance bonds for the PID Projects.

(e) The Owner will determine the PID Project Costs, and the City and the Owner will jointly prepare a Service and Assessment Plan for the PID. After the City approves the final PID Project Costs, prepares a proposed assessment roll based thereon, and files the Service and Assessment Plan and proposed assessment roll with the Secretary for the City for public inspection, the City will levy special assessments against the Property.

(f) The City shall review and update the Service and Assessment Plan consistent with the requirements of Section 372.013(b) of the PID Act. As needed for consistency with the updated Service and Assessment Plan and consistent with the requirements of Sections 372.019 and 372.020 of the PID Act, the City shall make supplemental assessments, reassessments or new assessments such that assessments reflect the updated PID Project Costs. Concurrent with the levy of PID assessments and as needed to implement the Service and Assessment Plan, the City and the Owner will enter into a PID reimbursement agreement that provides for the Owner's construction of certain PID Projects and the City's reimbursement to the Owner of certain PID Project Costs.

(g) The City will use its reasonable efforts to issue one or more series of PID Bonds secured, in whole or in part, by assessments levied against benefited property within the PID. PID Bonds may also be secured by any other revenue authorized by the PID Act or other State law and approved by the City Council of the City. The net proceeds from the sale of PID Bonds (i.e., net of costs and expenses of issuance and amounts for debt service reserves and capitalized interest) will be used to pay PID Project Costs. Notwithstanding the foregoing, the obligation of the City to issue PID Bonds is conditioned upon there being a total overall minimum value to lien ratio of 3 to 1 (unless the City, in its sole discretion approves a lower value to lien ratio) assuming that the Public Infrastructure to be financed by the PID as well as other infrastructure for which completion guarantees have been provided are in place as of the date of the Fair Market valuation as determined by an MAI Appraisal and the adequacy of the bond security and the financial obligation of the Owner to pay the amount, if any, by which PID Project Costs exceed the net proceeds from the sale of PID Bonds and the amount, if any, of cost overruns. The City will require the Owner to secure its obligation to pay such deficit by providing a hold back of a portion of the PID Bond proceeds not supported by the total overall 3 to 1 value to lien ratio and/or the deposit of cash to the trust estate for the shortfall. In certain limited circumstances, a performance bond, a letter of credit, or other security acceptable to the City prior to the issuance of the PID Bonds may be considered. The net proceeds from the sale of the PID Bonds will be deposited in and disbursed from a construction fund created and administered pursuant to the indenture under which the PID Bonds are issued.

7.2 Emergency Sirens. In consideration for the City's assistance and cooperation in connection with the issuance by the City of PID Bonds for any part of the Development, the Owner agrees to pay the City, simultaneously (a) with the closing and funding of the first issuance of PID Bonds, a fee in the amount of $55,000, and (b) with the closing and funding of the second issuance of PID Bonds, a fee in the amount of $55,000, to be used by the City to purchase and install two emergency warning sirens.

7.3 Costs for Non-Bank Qualified Bonds.

(a) If in any calendar year the City issues bonds, notes or other obligations as approved by the City Council for any given year in question that would constitute a qualified tax-exempt obligation but for the issuance of the PID Bonds or other bonds, notes or other obligations supporting public improvements for non-City owned development projects or City owned projects financed for a direct benefit to the non-City owned development projects, including either bonds authorized by Texas Tax Code Chapter 311 or bonds authorized by the PID Act, then the Owner shall pay to the City a fee (the "Bank Qualified Debt Fee") to compensate the City for the debt service savings the City would have achieved had the debt issued by the City been able to be classified as a qualified tax-exempt obligation provided that all other Owners or owners benefitting from the City issuing debt are similarly burdened with an obligation to compensate the City. The Bank Qualified Debt Fee of the Owner and all other Owners or owners on whose behalf the City issues debt, will be calculated as follows:

> The net present value (calculated based on the Internal Revenue Service bond yield) of the debt service savings that would have accrued to the City had it been able to issue qualified tax-exempt obligation debt multiplied by a fraction, the numerator of which is the amount of debt issued by the City for any particular owner or Owner (including the Owner, as applicable) and the denominator of which is the total debt issued by the City for the benefit of all owners or Owners (including the Owner, as applicable).

(b) To the extent any Owner(s) or owner(s) (including the Owner, as applicable) has (have) paid the Bank Qualified Debt Fee for any particular calendar year, any such Bank Qualified Debt Fee paid subsequently by a Owner or owner (including the Owner, as applicable) to the City applicable to the same calendar year shall be reimbursed by the City to the Owner(s) or owner(s) (including the Owner, as applicable) as necessary so as to put all Owners and owners so paying for the same calendar year in the required payment proportion as set forth above, said reimbursement to be made by the City within ten (10) business days after its receipt of such subsequent payments of the Bank Qualified Debt Fee.

(c) If in any calendar year the City issues PID Bonds on its own account that exceed the amount that would otherwise qualify the City for the issuance of bank qualified debt, or if the City fails to charge the Bank Qualified Debt Fee to any other Owner or owner on whose behalf the City has issued debt and fails to cure such oversight, then no Bank Qualified Debt Fee shall be due under this provision and if any Bank Qualified Debt Fee had already been paid to the City under this provision, then such Bank Qualified Debt Fee shall be reimbursed promptly to the Owner from lawfully available and otherwise unencumbered funds.

7.4 PID Notices. When selling any of the Property after the PID is created, the Owner shall provide notices in a form required by Section 5.014 of the Texas Property Code, as amended, to anyone who purchases property within the PID notifying the purchaser: (a) that the property is located in the PID; (b) that the City has issued or may issue PID bonds; (c) that the City has levied or may levy PID assessments; (d) of the unpaid reimbursement amount of the PID assessment against the Property; (e) of the estimated annual installments if PID assessments are not paid in full; and (f) of the estimated duration of the PID assessment and annual installments. Further, the Owner shall contractually require builders selling homes to continuously post a notice of the PID assessments in a conspicuous location in each model home and provide an explanation of the PID assessments in written brochures and promotional materials given to each prospective purchaser. This section applies to all owners of all or any portion of the Property.

ARTICLE VIII
EVENTS OF DEFAULT; REMEDIES

8.1 Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given in writing (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time to be determined based on the nature of the alleged failure, but in no event more than 30 days after written notice of the alleged failure has been given). Notwithstanding the foregoing, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured and within such 30-day period gives written notice to the non-defaulting Party of the details of why the cure will take longer than 30 days with a statement of how many days are needed to cure.

8.2 Remedies. If a Party is in default, the aggrieved Party may, at its option and without prejudice to any other right or remedy under this Agreement, seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, or actions for specific performance, mandamus, or injunctive relief. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL ENTITLE THE AGGRIEVED PARTY TO TERMINATE THIS AGREEMENT OR LIMIT THE TERM OF THIS AGREEMENT.

ARTICLE IX
ASSIGNMENT AND ENCUMBRANCE

9.1 Assignment by Owner to Successors.

(a) The Owner has the right (from time to time without the consent of the City, but upon prior written notice to the City) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the Owner under this Agreement, to any person or entity (an "Owner Assignee") that (i) is or will become an owner of any portion of the Property or (ii) is controlled by or under common control by the Owner and becomes an owner of any portion of the Property, provided that the Owner is not in breach of this Agreement at the time of such assignment. A Owner Assignee is considered the "Owner" and a "Party," under this Agreement

for purposes of the obligations, rights, title, and interest assigned to the Owner Assignee. Notice of each proposed assignment to a Owner Assignee shall be provided to the City at least fifteen (15) days prior to the effective date of the assignment, which notice shall include a copy of the proposed assignment document together with the name, address, telephone number, and e-mail address (if available) of a contact person representing the Owner Assignee.

(b) Each assignment shall be in writing executed by the Owner and the Owner Assignee and shall obligate the Owner Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each fully executed assignment to a Owner Assignee shall be provided to all Parties within fifteen (15) days after execution. From and after such assignment, the City agrees to look solely to the Owner Assignee for the performance of all obligations assigned to the Owner Assignee and agrees that the Owner shall be released from subsequently performing the assigned obligations and from any liability that results from the Owner Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the City within 15 days after execution, Owner shall not be released until the City receives such copy of the assignment.

(c) No assignment by Owner shall release Owner from any liability that resulted from an act or omission by Owner that occurred prior to the effective date of the assignment unless the City approves the release in writing.

(d) The Owner shall maintain written records of all assignments made to Owner Assignees, including a copy of each executed assignment and the Owner Assignee's Notice information as required by this Agreement, and, upon written request from another Party, shall provide a copy of such records to the requesting person or entity.

9.2 Assignment by the City. The City has the right (from time to time without the consent of another Party, but upon prior written Notice to each other Party) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the City under this Agreement, to any agency, authority, or political subdivision of the state (a "City Assignee"). Notice of each proposed assignment to a City Assignee shall be provided to each other Party at least 15 days prior to the effective date of the assignment, which Notice shall include a copy of the proposed assignment document together with the name, address, telephone number, and e-mail address of a contact person representing the City Assignee who the other Party may contact for additional information. Each assignment shall be in writing executed by the City and the City Assignee and shall obligate the City Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each fully executed assignment to a City Assignee shall be provided to all Parties within 15 days after execution. From and after such assignment, all Parties agrees to look solely to the City Assignee for the performance of all obligations assigned to the City Assignee and agrees that the City shall be released from subsequently performing the assigned obligations and from any liability that results from the City Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the other Parties within 15 days after execution, the City shall not be released until the other Parties receive such copy of the assignment. No assignment by the City shall release the City from any liability that resulted from an act or omission by the City that occurred prior to the effective date of the assignment unless the other Parties approve the release in writing. The City shall maintain written records of all assignments

made by the City to City Assignees, including a copy of each executed assignment and the City Assignee's Notice information as required by this Agreement, and, upon written request from another Party, shall provide a copy of such records to the requesting person or entity.

9.3 Collateral Assignments. The Owner and Owner Assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of their respective lenders without the consent of, but with prompt written Notice to, the City. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any lender to perform any obligations or incur any liability under this Agreement unless the lender agrees in writing to perform such obligations or incur such liability. Provided the City has been given a copy of the documents creating the lender's interest, including Notice (hereinafter defined) information for the lender, then that lender shall have the right, but not the obligation, to cure any default under this Agreement and shall be given a reasonable time to do so in addition to the cure periods otherwise provided to the defaulting Party by this Agreement; and the City agrees to accept a cure offered by the lender as if offered by the defaulting Party. A lender is not a Party to this Agreement unless this Agreement is amended, with the consent of the lender, to add the lender as a Party. Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a lender, whether judicial or non-judicial. Any purchaser from or successor owner through a lender of any portion of the Property shall be bound by this Agreement and shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all defaults under this Agreement with respect to the acquired portion of the Property have been cured.

9.4 Transfer of Warranties. Any Public Infrastructure that are transferred to the City shall be accompanied by all applicable third-party bonds and warranties related to construction and maintenance of such Public Infrastructure.

9.5 Assignees as Parties. An assignee authorized in accordance with this Agreement and for which notice of assignment has been provided in accordance with this Agreement shall be considered a "Party" for the purposes of this Agreement. With the exception of the End-Buyer of a lot within the Property, any person or entity upon becoming an owner of land or upon obtaining an ownership interest in any part of the Property shall be deemed to be a "Owner" and have all of the obligations of the Owner as set forth in this Agreement and all related documents to the extent of said ownership or ownership interest.

9.6 No Third-Party Beneficiaries. This Agreement only inures to the benefit of, and may only be enforced by, the Parties. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

ARTICLE X
RECORDATION AND ESTOPPEL CERTIFICATES

10.1 Binding Obligations. This Agreement and all amendments hereto (including amendments to the Concept Plan as allowed in this Agreement) and assignments hereof shall be

recorded in the deed records of Denton County. This Agreement binds and constitutes a covenant running with the Property. Upon the Effective Date, this Agreement shall be binding upon the Parties and their successors and assigns permitted by this Agreement and forms a part of any other requirements for Development within the Property. This Agreement, when recorded on or after the Effective Date, shall be binding upon the Parties and their successors and assigns as permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any end-buyer/homebuyer of a fully developed and improved lot (an "End-Buyer") and shall not negate the End-Buyer's obligation to comply with the City's Regulations, including but not limited to zoning ordinances, as they currently exist or may be amended.

10.2 Estoppel Certificates. From time to time upon written request of the Owner, if needed to facilitate a sale of all or a portion of the Property or a loan secured by all or a portion of the Property, the City will execute a written estoppel certificate in a form and substance satisfactory to the City, to its reasonable knowledge and belief, identifying any obligations of the Owner under this Agreement that are in default. The Owner shall pay the City $1,000 at the time of the Owner's request for an estoppel certificate for each request in excess of one per calendar year.

ARTICLE XI
ADDITIONAL PROVISIONS

11.1 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; (c) are legislative findings of the City Council of the City; and (d) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

11.2 Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	Attn: City Manager City of Celina 142 North Ohio Celina, TX 75009 E-mail: jlaumer@celina-tx.gov TEL: (972) 382-2682 FAX: (972) 382-3736
With a copy to:	Attn: Julie Fort

Messer, Fort & McDonald, PLLC
6371 Preston Road, Suite 200
Frisco, Texas 75034
E-mail: Julie@txmunicipallaw.com
TEL: (972) 668-6400

To the Owner:

Attn: Margaret Thornton
Merritt/Thornton Farm Partnership, L.P.
5524 Edlen
Dallas, Texas 75220
Email: peggythornton@aimsleep.com

With a copy to:

Attn: Robert Gunby
5826 Azalea Lane
Dallas, Texas 75230
Email: rgunby@rtcapital.com

With a copy to:

Attn: David R. Blom
Tellus Group LLC
Prosper., Texas 75078
Email: dblom@tellusgroupllc.com

With a copy to:

Attn: Misty Ventura
Shupe Ventura, PLLC
9406 Biscayne Blvd.
Dallas, Texas 75218
E-mail: misty.ventura@svlandlaw.com
TEL: (214) 328-1101

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.

11.3 Interpretation. The Parties acknowledge that each has been actively involved in negotiating this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for nor against any Party, regardless of which Party originally drafted the provision.

11.4 Time. In this Agreement, time is of the essence and compliance with the times for performance herein is required.

11.5 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by official action by the City Council of the City in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. The Owner represents and warrants that this Agreement has been

approved by appropriate action of the Owner, and that the individual executing this Agreement on behalf of the Owner has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions and to the extent provided by law.

11.6 Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties.

11.7 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible and upon mutual agreement of the parties, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

11.8 Applicable Law; Venue. This Agreement is entered into pursuant to, and is to be construed and enforced in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Denton County. Exclusive venue for any action to enforce or construe this Agreement shall be in the Denton County District Court.

11.9 Non-Waiver. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

11.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

11.11 Further Documents. The Parties agree that at any time after execution of this Agreement, they will, upon request of another Party, execute and deliver such further documents and do such further acts and things as the other Party may reasonably request in order to effectuate the terms of this Agreement. This provision shall not be construed as limiting or otherwise hindering the legislative discretion of the City Council seated at the time that this Agreement is executed or any future City Council.

11.12 Exhibits. The following exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A-1 Legal Description of the Property
Exhibit A-2 Depiction of the Property
Exhibit B-1 Legal Description of the Developer Property

Exhibit B-2	Depiction of the Developer Property
Exhibit C	Concept Plan
Exhibit D	Development Standards
Exhibit E	Trails and Open Space Exhibit
Exhibit F	Roadway Improvements
Exhibit F-1	Collector Road Not Required
Exhibit G	Water Improvements
Exhibit H	Wastewater Connections
Exhibit I	Legal Description of the Portion of the Property Located West of Doe Branch
Exhibit J	Annexation Tracts

11.13 Governmental Powers; Waivers of Immunity. By its execution of this Agreement, the City does not waive or surrender any of its respective governmental powers, immunities, or rights except as provided in this section. The Parties acknowledge that the City waives its sovereign immunity as to suit solely for the purpose of adjudicating a claim under this Agreement. This is an agreement for the provision of goods or services to the City under Section 271.151 et seq. of the Texas Local Government Code.

11.14 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within three business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care.

11.15 Amendments. This Agreement cannot be modified, amended, or otherwise varied, except in writing signed by the City and the Owner expressly amending the terms of this Agreement.

11.16 Consideration. This Agreement is executed by the Parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is hereby acknowledged.

[signatures on following pages]

EXECUTED by the City and the Owner on the respective dates stated below after approval of the City Council of the City on ~~April 13,~~ 2021.

Jun 8 V.T.

Date: June 8, 2021

CITY OF CELINA

By: _____
Sean Terry, Mayor

ATTEST:

Vicki Tarrant
Vicki Tarrant, City Secretary

APPROVED AS TO FORM

~~Julie Fort,~~ Attorney for City

THE CITY OF CELINA TEXAS

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on the 8 day of June, 2021, by Sean Terry, the Mayor of the City of Celina, Texas, on behalf of said City.

Vicki J. Tarrant
Notary Public, State of Texas

(SEAL)

VICKI J TARRANT
Notary ID #10304985
My Commission Expires
September 22, 2023

Vicki J Tarrant
Name printed or typed

Commission Expires: 9-22-2023

OWNER:

MERRITT/THORNTON FARM PARTNERSHIP, L.P.,
a Texas limited partnership

By: Margaret M. Thornton
Name: Margaret M. Thornton
Title: Manager

STATE OF TEXAS §
§
COUNTY OF COLLIN §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, on June 14, 2021, personally appeared Margaret M. Thornton, Manager of Merritt/Thornton Farm Partnership, L.P., a Texas limited partnership and acknowledged that he executed the foregoing document on behalf of said limited partnership.

Notary Public in and for the State of ~~Texas~~ South Carolina

ERIN GARNER
My Commission Expires
NOTARY PUBLIC
July 7, 2026
SOUTH CAROLINA

OWNER:

James H. Merritt, III

STATE OF TEXAS §
§
COUNTY OF COLLIN §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, on June 9th, 2021, personally appeared James H. Merritt, III and executed the foregoing document.

Notary Public in and for the State of Texas

MELISSA BRYSON
Notary Public, State of Texas
Comm. Expires 09-09-2023
Notary ID 132163031

OWNER:

W. Keith Thornton

STATE OF TEXAS §
§
COUNTY OF COLLIN §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, on [illegible], 2021, personally appeared W. Keith Thornton and executed the foregoing document.

JOSEPH TASSE
My Notary ID # 130858592
Expires October 11, 2024

Notary Public in and for the State of Texas

OWNER:

Margaret M. Thornton

STATE OF TEXAS §
§
COUNTY OF COLLIN §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, on [illegible], 2021, personally appeared Margaret M. Thornton and executed the foregoing document.

Notary Public in and for the State of Texas

JOSEPH TASSE
My Notary ID # 130838892
Expires October 11, 2024

OWNER:

Susanna Parker

Susanna Parker

STATE OF TEXAS §
§
COUNTY OF COLLIN §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, on June 9th, 2021, personally appeared Susanna Parker and executed the foregoing document.

Melissa Bryson

Notary Public in and for the State of Texas

MELISSA BRYSON
Notary Public, State of Texas
Comm. Expires 09-09-2023
Notary ID 132163031

EXHIBIT A-1
DESCRIPTION OF THE PROPERTY

Tract A

BEING a tract of land located in the C. COPENHAVER SURVEY, ABSTRACT NO. 253, the JOHN MORTON SURVEY, ABSTRACT NO. 791, the JOHN M. McKIM SURVEY, ABSTRACT NO. 889, the ANTHONY PHILLIPS SURVEY, ABSTRACT NO. 1028 and the A. THOMASON SURVEY, ABSTRACT NO. 1285, Denton County, Texas and being all of a tract of land described in Deed to Merritt/Thornton Farm Partnership, L.P., recorded in Document No. 99-096579, Deed Records, Denton County, Texas and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod found in the South line of a tract of land described in Deed to Sangani Properties LTD, recorded in Document No. 2004-35477, Deed Records, Denton County, Texas at the Northwest corner of said Merritt/Thornton tract and the Northeast corner of a tract of land described in Deed to Land Advisors, Ltd., recorded in Document No. 2006-28565, Deed Records, Denton County, Texas;

THENCE North 89 degrees 13 minutes 47 seconds East, along the North line of said Merritt/Thornton tract, a distance of 1,501.71 feet to a 1 inch iron pipe found at the Southeast corner of a tract of land described in Deed to Don F. Kendall, recorded in Volume 507, Page 392, Deed Records, Denton County, Texas and the Southwest corner of a tract of land described in Deed to Arthur R. Teasedale, recorded in Volume 1219, Page 998, Deed Records, Denton County, Texas;

THENCE North 89 degrees 06 minutes 09 seconds East, continuing along the North line of said Merritt/Thornton tract, a distance of 2,842.45 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for the Northeast corner of said Merritt/Thornton tract, said point being South 89 degrees 06 minutes 09 seconds West, 1720.11 feet from the Southeast corner of a tract of land described in Deed to Royce G. Allen, recorded in Volume 2097, Page 310, Deed Records, Denton County, Texas;

THENCE South 00 degrees 29 minutes 21 seconds West, a distance of 3,416.82 feet to a 1/2 inch iron rod found at the Southwest corner of a tract of land described as Tract One in Deed to County Corners Partners LP, recorded in Document No. 2004-82310, Deed Records, Denton County, Texas;

THENCE North 89 degrees 28 minutes 44 seconds East, a distance of 1,738.53 feet to a 1 inch iron pipe found at the Southeast corner of said Tract One and the Southwest corner of a tract of land described in Deed to Celina Investment Partners, Ltd., recorded in Volume 5916, Page 862,

Deed Records, Collin County, Texas and the Northwest corner of a tract of land described as Tract Two in Deed to County Corners Development LP, recorded in Document No. 2004-82310, Deed Records, Collin County, Texas;

THENCE South 00 degrees 29 minutes 24 seconds West, a distance of 2,451.51 feet to a 5/8 inch iron rod found at the most Easterly Southeast corner of said Merritt/Thornton tract and the Northeast corner of a tract of land described in Deed to Marjorie E. Burnett, recorded in Volume 3062, Page 667, Deed Records, Denton County, Texas;

THENCE South 74 degrees 57 minutes 09 seconds West, a distance of 866.35 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Northwest corner of said Burnett tract and the Northeast corner of a tract of land described in Deed to Leonard McCasland, recorded in Volume 477, Page 434, Deed Records, Denton County, Texas;

THENCE South 89 degrees 07 minutes 59 seconds West, a distance of 776.28 feet to a 1/2 inch iron found at the Northwest corner of said McCasland tract and the Northeast corner of a tract of land described in Deed to RH Two LP, recorded in Document No. 2004-86307, Deed Records, Denton County, Texas;

THENCE South 89 degrees 09 minutes 48 seconds West, a distance of 1,548.77 feet to a PK nail found at the Northwest corner of said RH Two LP tract and the Northeast corner of a tract of land described in Deed to The Mahard 2003 Partnership, recorded in Document No. 2004-24461, Deed Records, Denton County, Texas;

THENCE South 89 degrees 07 minutes 08 seconds West, along the North line of said Mahard 2003 tract, a distance of 3,174.21 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Southwest corner of said Merritt/Thornton tract and the Southeast corner of a tract of land described in Deed to Bruce Mungiguerra and wife, Eleonore Mungiguerra, recorded in Volume 981, Page 234, Deed Records, Denton County, Texas;

THENCE North 00 degrees 35 minutes 32 seconds West, leaving the North line of said Mahard 2003 tract, a distance of 1,156.81 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

THENCE North 03 degrees 12 minutes 09 seconds West, a distance of 225.36 feet to a 1/2 inch iron rod found in the South line of a tract of land described in Deed to Robert Warren and Tracy Glover, recorded in Document No. 94-0091385, Deed Records, Denton County, Texas and at the Northeast corner of said Mungiguerra tract;

THENCE North 01 degrees 49 minutes 22 seconds West, along the South line of said Warren and Glover tract, a distance of 105.75 feet to a fence corner post found for corner;

THENCE North 64 degrees 25 minutes 33 seconds East, continuing along the South line of said Warren and Glover tract, a distance of 414.33 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the most Easterly Southeast corner of said Warren and Glover tract,

THENCE North 00 degrees 43 minutes 47 seconds West, a distance of 828.43 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Northeast corner of said Warren and Glover tract and the Southeast corner of Lot 4 of SMILEY ACRES, an Addition to Denton County, Texas according to the Plat thereof recorded in Cabinet D, Page 324, Plat Records, Denton County, Texas;

THENCE North 00 degrees 01 minutes 44 seconds West, along the East line of said Addition, a distance of 1,022.40 feet to a 1/2 inch iron rod found for corner;

THENCE North 03 degrees 02 minutes 44 seconds West, continuing along the East line of said Addition, a distance of 549.10 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Northeast corner of Lot 3 of said Addition and the Southeast corner of a tract of land described in Deed to Kenneth Earl Hancock, recorded in Volume 990, Page 29, Deed Records, Denton County, Texas;

THENCE North 02 degrees 58 minutes 07 seconds West, a distance of 686.67 feet to a 1/2 inch iron rod found at the Northeast corner of said Hancock tract and the Southeast corner of a tract of land described in Deed to James Merritt, III, recorded in Document No. 95-0068384, Deed Records, Denton County, Texas;

THENCE North 02 degrees 49 minutes 58 seconds West, a distance of 123.89 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

THENCE North 01 degrees 52 minutes 08 seconds East, a distance of 567.00 feet to a 1/2 inch iron pipe found at the Northeast corner of said James Merritt tract and the Southeast corner of said Land Advisors tract;

THENCE North 01 degrees 49 minutes 48 seconds East, a distance of 654.45 feet to the **POINT OF BEGINNING** and containing 718.503 acres of land, more or less.

Tract B

BEING a tract of land located in the JOHN MORTON SURVEY, ABSTRACT NO. 791, Denton County, Texas and being a part of a tract of land described in Deed to James Merritt III, recorded in Document Number 95-0068384, Deed Records, Denton County, Texas and being more particularly described as follows:

BEGINNING at a 3/8 inch iron rod found in Smiley Road at the Northwest corner of said James Merritt tract and at the Southwest corner of a tract of land described in Deed to Land Advisors, LTD., recorded in Document Number 2006-28565, Deed Records, Denton County, Texas;

THENCE North 89 degrees 53 minutes 30 seconds East, a distance of 1,903.70 feet to a 1/2 inch iron pipe found at Northeast corner of said James Merritt tract and the Southeast corner of said Land Advisors tract;

THENCE South 01 degrees 52 minutes 08 seconds West, along the East line of said James Merritt tract, a distance of 567.00 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

THENCE South 02 degrees 49 minutes 58 seconds East, continuing along said East line, a distance of 123.89 feet to a 1/2 inch iron rod found in the West line of a tract of land described in Deed to Merritt/Thornton Farm Partnership, L.P., recorded in Document Number 99-096579, Deed Records, Denton County, Texas at the Southeast corner of said James Merritt tract;

THENCE South 89 degrees 53 minutes 38 seconds West, leaving said East line, a distance of 1,889.96 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" found at the Southwest corner of said James Merritt tract;

THENCE North 00 degrees 06 minutes 49 seconds West, a distance of 690.33 feet to the **POINT OF BEGINNING** and containing 29.996 acres of land, more or less.

Tract C

BEING a 9.2979 acre tract of land, situated in the JOHN MORTON SURVEY, ABSTRACT NO. 791 in Denton County, Texas and being part of the Tract 3 of the Smiley Acres, an Addition in Denton County, Texas, according to the plat thereof recorded in Cabinet D, Slide 324, Plat Records, Denton County, Texas, same being all of Tract 3; Save and Except a 3.00 acre tract of land conveyed to James Duane Hall and wife, Sheila Rayne Hall by deed recorded in County Clerk's File No. 97-R0034191, Deed Records, Denton County, Texas, more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found at the Northeast corner of said Tract 3, same being the Northeast corner of said Smiley Acres;

THENCE South 02 degrees 46 minutes 46 seconds East, along the East line of said Tract 3 and the East line of said Smiley Acres, a distance of 549.16 feet to a 1/2 inch iron rod found at an angle point in said Smiley Acres Addition East line;

THENCE South 00 degrees 13 minutes 09 seconds East, continuing along said East line of said Tract 3 and said East line of said Smiley Acres, a distance of 315.85 feet to a 5/8 inch iron rod set with yellow cap stamped DC & A RPLS 5299 at the Northeast corner of said Hall tract;

THENCE South 89 degrees 46 minutes 47 seconds West, along the North line of said Hall tract, a distance of 477.71 feet to a 1/2 inch iron rod found at the Northwest corner of said Hall tract on the West line of said Tract 3 and the East right of way line of Old Diary Farm Road, (60 foot right of way);

THENCE North 00 degrees 01 minute 30 seconds East, along said Tract 3 West line and along said Old Diary Farm Road East right of way line, passing an 1/2 inch iron rod found at the Northeast corner of said Old Diary Farm Road and the Southeast corner of Tract 2 of said Smiley Acres, at a distance of 444.33 feet and continuing along said Tract 3 and said Tract 2 common line, a total distance of 866.33 feet to a 1/2 inch iron pipe found at the Northwest corner of said Tract 3 and the Northeast corner of said Tract 2 on the North line of said Smiley Acres;

THENCE South 89 degrees 59 minutes 00 seconds East, along the North line of said Tract 3 and the North line of said Smiley Acres, a distance of 449.49 feet to the **POINT OF BEGINNING** and containing 405,058.39 square feet or 9.2989 acres of land, more or less.

EXHIBIT A-2
DEPICTION OF THE PROPERTY

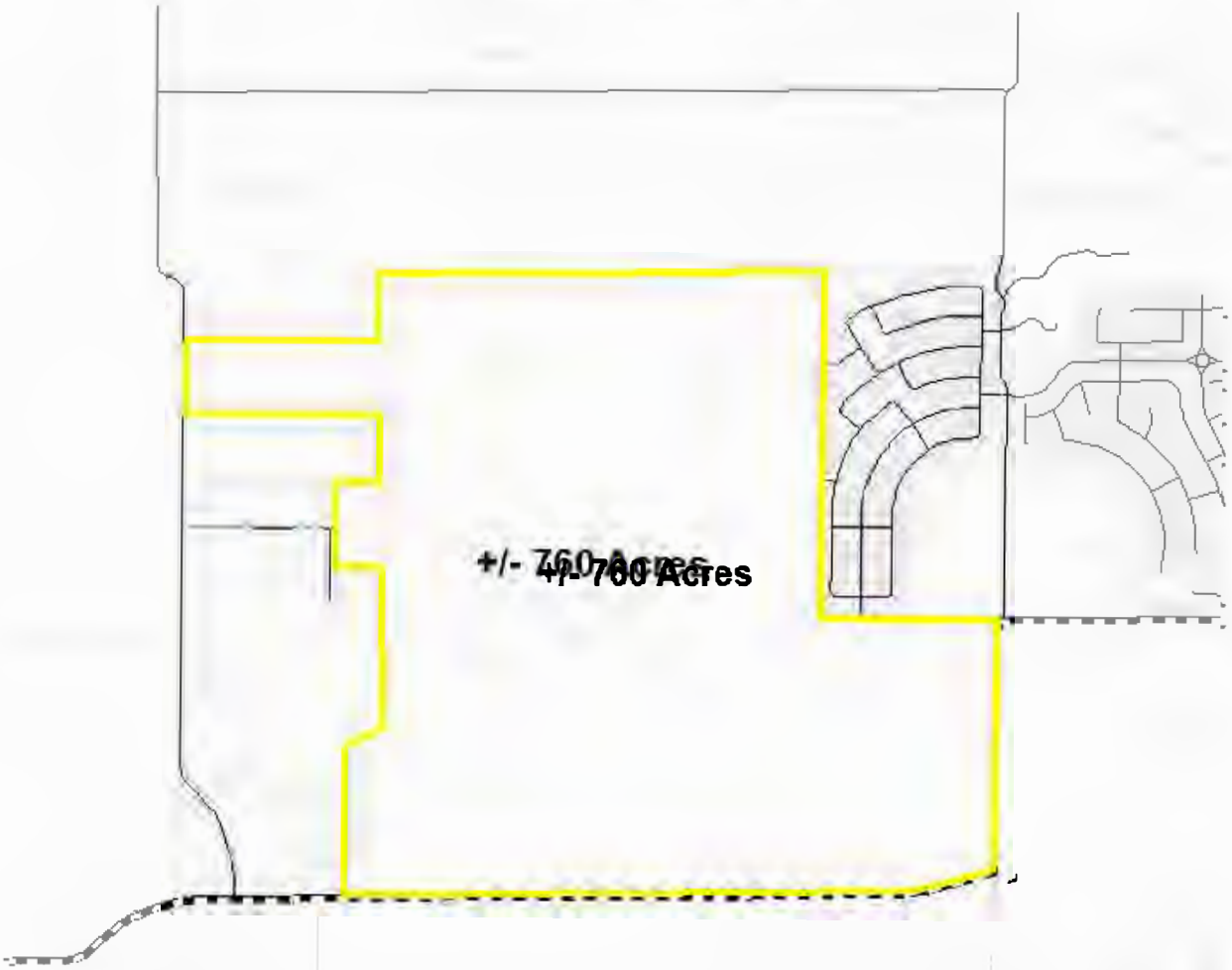


EXHIBIT B-1
DESCRIPTION OF THE DEVELOPER PROPERTY

The Developer Property consists of the following tracts described below: Tract 1 - 388.610 acres piece and Tract 2 – 45.369 acres (totaling 433.979 acres).

TRACT 1

BEING A TRACT OF LAND LOCATED IN THE C. COPENHAVER SURVEY, ABSTRACT NO. 253, THE JOHN MORTON SURVEY, ABSTRACT NO. 791, THE JOHN MCKIM SURVEY, ABSTRACT NO. 889, THE ANTHONY PHILLIPS SURVEY, ABSTRACT NO. 1028 AND THE A. THOMASON SURVEY, ABSTRACT NO. 1265, DENTON COUNTY, TEXAS AND BEING PART OF A TRACT OF LAND DESCRIBED IN DEED TO MERRITT/THORNTON FARM PARTNERSHIP, L.P., RECORDED IN DOCUMENT NO. 99-096579, DEED RECORDS, DENTON COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2-INCH IRON ROD FOUND AT A NORTHEASTERLY ELL CORNER OF SAID MERRITT TRACT AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A RIGHT-OF-WAY DEED TO THE CITY OF CELINA, RECORDED IN DOCUMENT NO. 2008-9821, OFFICIAL RECORDS, DENTON COUNTY, TEXAS (O.R.D.C.T.);

THENCE NORTH 89°28'44" EAST, ALONG THE COMMON LINE OF SAID MERRITT TRACT AND SAID CITY OF CELINA TRACT, A DISTANCE OF 894.91 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 50°04'24", A RADIUS OF 1,160.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 45°31'30" WEST, 981.82 FEET;

THENCE SOUTHWESTERLY, LEAVING SAID COMMON LINE AND ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 1,013.78 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 20°29'18" WEST, A DISTANCE OF 1,116.79 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER AT THE BEGINNING OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 68°42'59", A RADIUS OF 1,340.00 FEET AND A CHORD BEARING AND DISTANCE OF SOUTH 54°50'48" WEST, 1,512.50 FEET;

THENCE SOUTHWESTERLY, ALONG SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 1,607.10 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 89°12'19" WEST, A DISTANCE OF 3,185.91 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER IN THE WEST LINE OF SAID MERRITT TRACT AND THE EAST LINE OF A TRACT OF LAND DESCRIBED IN A CORRECTION DEED TO FRONTIER MINI STORAGE, LLC, RECORDED IN DOCUMENT NO. 2018-121216, O.R.D.C.T.;

THENCE NORTH 00°35'32" WEST, ALONG THE COMMON LINE OF SAID MERRITT TRACT AND SAID FRONTIER TRACT, A DISTANCE OF 1,053.99 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 03°12'09" WEST, CONTINUING ALONG THE COMMON LINE OF SAID MERRITT TRACT AND SAID FRONTIER TRACT, A DISTANCE OF 225.36 FEET TO A 1/2-INCH IRON ROD FOUND AT THE EAST COMMON CORNER OF SAID FRONTIER TRACT AND A TRACT OF LAND DESCRIBED IN DEED TO TEEL LAKES LLC;

THENCE NORTH 01°49'22" WEST, ALONG THE COMMON LINE OF SAID MERRITT TRACT AND SAID TEEL LAKES TRACT, A DISTANCE OF 105.75 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 64°25'33" EAST, CONTINUING ALONG THE COMMON LINE OF SAID MERRITT TRACT AND SAID TEEL LAKES TRACT, A DISTANCE OF 414.33 FEET TO A 60D NAIL FOUND FOR CORNER;

THENCE EAST, LEAVING THE COMMON LINE OF SAID MERRITT TRACT AND SAID TEEL LAKES TRACT, A DISTANCE OF 333.20 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 68°47'46" EAST, A DISTANCE OF 401.09 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 79°00'07" EAST, A DISTANCE OF 260.45 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 33°08'43" EAST, A DISTANCE OF 1,522.09 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 50°22'16", A RADIUS OF 125.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 11°46'54" EAST, 106.39 FEET;

THENCE NORTHERLY, ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 109.89 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 12°34'43" WEST, A DISTANCE OF 852.77 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 23°25'06" EAST, A DISTANCE OF 85.37 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 09°02'27" EAST, A DISTANCE OF 282.82 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 09°51'05" WEST, A DISTANCE OF 93.26 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 25°30'37" EAST, A DISTANCE OF 76.43 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 37°34'52" EAST, A DISTANCE OF 96.04 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 02°53'57" EAST, A DISTANCE OF 59.63 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 48°56'18" WEST, A DISTANCE OF 73.01 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 20°57'11" EAST, A DISTANCE OF 57.61 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 84°16'56" EAST, A DISTANCE OF 73.49 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 29°38'37" EAST, A DISTANCE OF 196.61 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 22°08'20" EAST, A DISTANCE OF 70.55 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 55°11'49" EAST, A DISTANCE OF 88.12 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 79°40'19" EAST, A DISTANCE OF 56.49 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 70°14'55" EAST, A DISTANCE OF 79.99 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 10°52'35" EAST, A DISTANCE OF 30.16 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 56°12'42" EAST, A DISTANCE OF 264.70 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 79°15'36" EAST, A DISTANCE OF 121.22 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 46°14'16" EAST, A DISTANCE OF 196.10 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 62°02'48" EAST, A DISTANCE OF 211.19 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 43°21'07" EAST, A DISTANCE OF 516.67 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 32°11'04" EAST, A DISTANCE OF 171.63 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 45°50'27" EAST, A DISTANCE OF 68.42 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 86°58'30" EAST, A DISTANCE OF 48.21 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 33°45'27" EAST, A DISTANCE OF 40.01 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 04°37'12" EAST, A DISTANCE OF 46.91 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 54°49'35" EAST, A DISTANCE OF 27.64 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 27°58'56" EAST, A DISTANCE OF 28.59 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 72°13'53" EAST, A DISTANCE OF 79.12 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 65°38'41" EAST, A DISTANCE OF 100.22 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 85°07'17" EAST, A DISTANCE OF 277.74 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 68°12'58" EAST, A DISTANCE OF 65.00 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 84°05'24" EAST, A DISTANCE OF 46.90 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 73°03'20" EAST, A DISTANCE OF 91.25 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 81°08'11" EAST, A DISTANCE OF 72.01 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 26°52'14" EAST, A DISTANCE OF 76.58 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 76°02'39" EAST, A DISTANCE OF 29.69 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 59°43'22" EAST, A DISTANCE OF 35.77 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 75°08'32" EAST, A DISTANCE OF 67.52 FEET TO A 5/8-INCH IRON ROD WITH A CAP STAMPED "RPLS 5674" SET FOR CORNER IN THE EAST LINE OF SAID MERRITT TRACT AND THE WEST LINE OF CREEKS OF LEGACY WEST PHASE 1, AN ADDITION TO THE CITY OF CELINA, DENTON COUNTY, TEXAS ACCORDING TO THE PLAT THEREOF RECORDED IN DOCUMENT NO. 2018-394, O.R.D.C.T.;

THENCE SOUTH 00°29'21" WEST, ALONG THE EAST LINE OF SAID MERRITT TRACT AND THE WEST LINES OF SAID CREEKS OF LEGACY WEST PHASE 1 AND CREEKS OF LEGACY WEST PHASE 2, AN ADDITION TO THE CITY OF CELINA, DENTON COUNTY, TEXAS ACCORDING TO THE PLAT THEREOF RECORDED IN DOCUMENT NO. 2020-80, O.R.D.C.T, AND SAID CITY OF CELINA TRACT RESPECTIVELY, A DISTANCE OF 3,332.35 FEET TO THE POINT OF BEGINNING AND CONTAINING 16,927,840 SQUARE FEET OR 388.610 ACRES OF LAND, MORE OR LESS.

TRACT 2

BEING A TRACT OF LAND LOCATED IN THE JOHN MCKIM SURVEY, ABSTRACT NO. 889, DENTON COUNTY, TEXAS AND BEING PART OF A TRACT OF LAND DESCRIBED IN DEED TO MERRITT/THORNTON FARM PARTNERSHIP, L.P., RECORDED IN DOCUMENT NO. 99-096579, DEED RECORDS, DENTON COUNTY, TEXAS (D.R.D.C.T.) AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2-INCH IRON ROD FOUND IN THE SOUTH LINE OF SAID MERRITT TRACT NEAR THE CENTER OF PARVIN ROAD AT THE NORTH COMMON CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO PROSPER MEADOWS LP, RECORDED IN DOCUMENT NO. 2019-65177, OFFICIAL RECORDS, DENTON COUNTY, TEXAS (O.R.D.C.T.) AND A TRACT OF LAND DESCRIBED IN DEED TO THE LEONARD AND NORMA E. MCCASLAND REVOCABLE LIVING TRUST, RECORDED IN VOLUME 4683, PAGE 1919, D.R.D.C.T.;

THENCE SOUTH 89°09'48" WEST, ALONG THE COMMON LINE OF SAID MERRITT TRACT AND PROSPER MEADOWS LP AND SAID PARVIN ROAD, A DISTANCE OF 1,283.28 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 58°43'14", A RADIUS OF 1,460.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 49°50'56" EAST, 1,431.68 FEET;

THENCE NORTHEASTERLY, LEAVING SAID COMMON LINE AND SAID PARVIN ROAD AND ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 1,496.31 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE NORTH 20°29'18" EAST, A DISTANCE OF 1,116.79 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER AT THE BEGINNING OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 22°00'32", A RADIUS OF 1,040.00 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 31°29'35" EAST, 397.04 FEET;

THENCE NORTHEASTERLY, ALONG SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 399.49 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 25°52'19" EAST, A DISTANCE OF 55.01 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 77°40'24" EAST, A DISTANCE OF 199.78 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 55°29'00" EAST, A DISTANCE OF 321.28 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 22°53'19" WEST, A DISTANCE OF 329.02 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 02°13'02" EAST, A DISTANCE OF 532.60 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 17°12'36" WEST, A DISTANCE OF 650.64 FEET TO A POINT FOR CORNER;

THENCE SOUTH 04°16'27" WEST, A DISTANCE OF 267.37 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER;

THENCE SOUTH 00°36'28" EAST, A DISTANCE OF 282.76 FEET TO A 5/8-INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "RPLS 5674" SET FOR CORNER IN THE COMMON LINE OF SAID MERRITT TRACT AND SAID MCCASLAND REVOCABLE TRUST TRACT NEAR THE CENTER OF SAID PARVIN ROAD;

THENCE SOUTH 89°07'59" WEST, ALONG THE COMMON LINE OF SAID MERRITT TRACT AND SAID MCCASLAND REVOCABLE TRUST TRACT AND SAID PARVIN ROAD, A DISTANCE OF 576.63 FEET TO THE POINT OF BEGINNING AND CONTAINING 1,976,291 SQUARE FEET OR 45.369 ACRES OF LAND, MORE OR LESS.

EXHIBIT B-2
DEPICTION OF THE DEVELOPER PROPERTY

The Developer Property consists of the following tracts described below: Tract 1 - 388.610 acres piece and Tract 2 – 45.369 acres (totaling 433.979 acres).

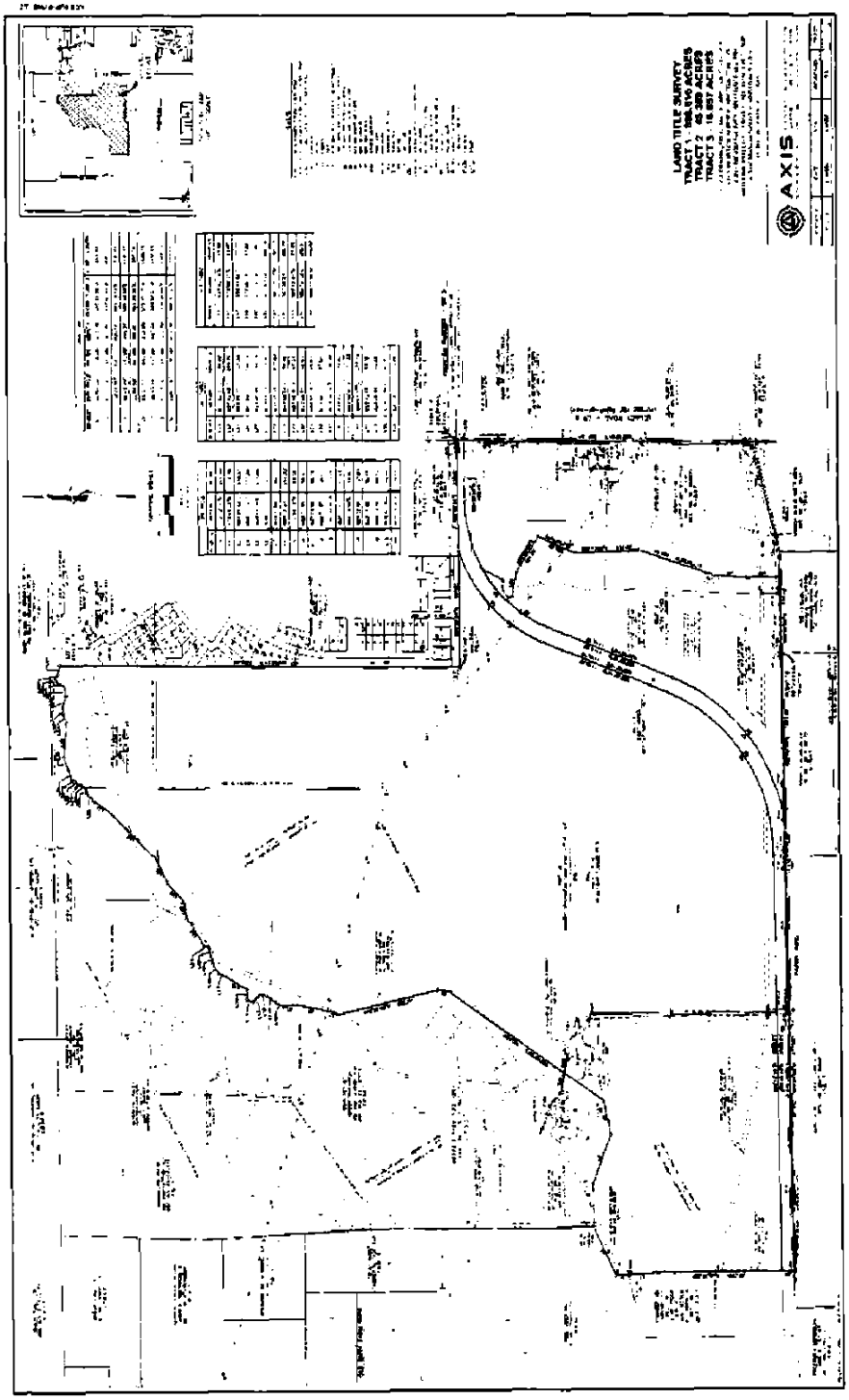


EXHIBIT C
CONCEPT PLAN

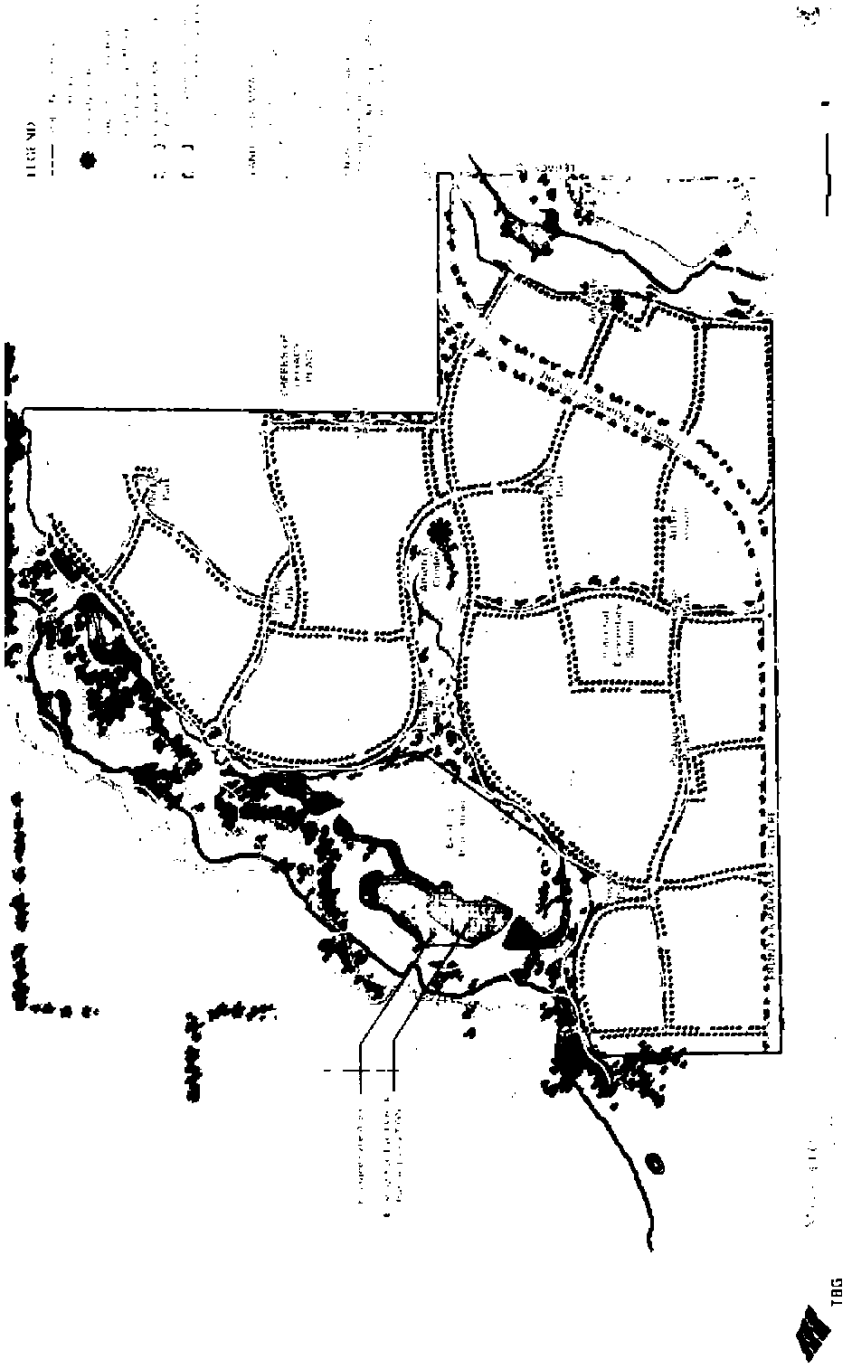


EXHIBIT D
DEVELOPMENT STANDARDS

In the event of any conflict between the City Regulations and the development standards on this **Exhibit D**, the development standards on this **Exhibit D** shall control.

Concept Plan

The subject property shall generally develop per the attached Concept Plan. The Concept Plan displays the general location and configuration of land uses, arterials, and other area features. Minor modifications due to the final engineering and design of the project (including changes to street layouts), and minor changes to the boundaries and configuration of each land use area, amenity center, and park shown on the original Concept Plan, are permitted at the time of platting and shall be administratively approved by the Director of Development Services if such modifications otherwise comply with these Development Standards. All other modifications to the original Concept Plan, such as major relocations of land uses, shall require a revision to the governing Planned Development district zoning.

Architecture

The subject property is an architecturally, historically, and culturally significant tract of land that is meaningfully located along a principal regional waterway and along a regionally significant east-west thoroughfare. Except as otherwise provided on this **Exhibit D**, the City's building material regulations in the zoning ordinance shall apply.

Open Space

The vision for the community includes extensive open space and activation of the floodplain areas with concrete trails and single-loaded streets that preserve the public view of the natural beauty. Below are the required elements:

1. Minimum 12-foot wide concrete trails along the creek, including trail heads and a pedestrian bridge to the western tract, in conformance with the Master Parks & Trails Plans.
2. One large amenity center including, at a minimum, an amenity center building, a swimming pool, bathrooms, a playground, and an open recreation area.
3. A second amenity center on the east side of Frontier Parkway including, at a minimum, an amenity center building, bathrooms, a playground, and an open recreation area. If the portion of the Property located on the east side of Frontier Parkway is developed with all single family, the second amenity center shall include a swimming pool.
4. A third amenity center on the western side of Doe Branch including, at a minimum, an amenity center building, a swimming pool, bathrooms, a playground, and an open recreation area.
5. Incorporation of open space in alignment with the Neighborhood Vision Book through use of pocket parks and activated open space throughout the community, as shown on the Concept Plan.
6. Connectivity and access to the creek views are a basis for many of the regulations within this Planned Development. Although minor adjustments to the lot layouts and street patterns shown on the Concept Plan are allowed, including allowing siding and backing of some lots to the creek, any material increase in the number of homes that either back or side onto the creek in a linear pattern would be considered a major amendment to the Concept Plan that would require a PD amendment.

Zoning

The project shall abide by all City regulations, and as may be amended, except as follows:

1. **Flex Tracts 1 (Single Family, Multi-family, and Build to Rent)**

The tracts shown on the Concept Plan for "SF, MF, and Build to Rent" shall be developed in accordance with one or more of the following zoning district regulations, and may be developed with any use permitted in any of the following zoning districts: SF-R (single family residential, detached), SF-A (single family residential, attached), MF-0 (Horizontal multi-family), MF-2 (Urban Edge multi-family), and MF-3 (Urban Living multi-family). These tracts shall include outdoor amenitization of the adjacent floodplain areas.

A maximum of 200 single family dwelling units are permitted within the Flex Tracts. Such units may be attached or detached. Detached dwelling units shall be located on a lot with a minimum of 40 feet in width. Alleys are required abutting single family attached and detached lots less than 50 feet in width.

A maximum of 600 multi-family dwelling units are permitted in Flex Tract 1 and Flex Tract 2 combined, and shall be developed per the regulations of the, MF-0, MF-2 or MF-3 districts. A maximum of 1 complex up to 200 horizontal multi-family dwelling units (MF-0) (also commonly referred to as single-family build to rent) are permitted in Flex Tract 1 and Flex Tract 2 combined, and shall be counted towards the maximum of 600 multi-family dwelling units in Flex Tract 1 and Flex Tract 2 combined. The limitations in this paragraph also apply to the flex tract described in Section 2 below.

2. **Flex Tract 2 (Multi-family or Build to Rent)**

The tract shown on the Concept Plan for "MF or Build to Rent" shall be developed in accordance with one or more of the following zoning district regulations, and may be developed with any use permitted in any of the following zoning districts: MF-0 (Horizontal multi-family), MF-2 (Urban Edge multi-family), and MF-3 (Urban Living multi-family). These tracts shall include outdoor amenitization of the adjacent floodplain areas. These tracts shall be subject to the unit count limitations on multi-family dwelling units and horizontal multi-family dwelling units set forth in Section 1 above. The minimum parking requirement shall not require more than an average of 1.5 parking spaces per unit within a single multi-family development. The City Manager or his or her designee, in his or her sole discretion, may approve the use of hardy board material in place of stone or stucco on the front facades of a multi-family development at the time of project submittal if the proposed use of hardy board demonstrates high quality.

3. **Retail, Garden Office and Other Similar Non-Residential Uses**

The tract shown on the Concept Plan for "Retail, Garden Office, and Other Similar Non-Residential Uses" shall be developed in accordance with the "C" zoning district regulations, and may be developed with any use permitted in the "C" zoning district.

4. **Single Family Residential and School Site**

Tracts shown on the Concept Plan for "Single Family Residential" and "School" shall be developed in accordance with the SF-R zoning district regulations, and may be developed with any use permitted in the SF-R zoning district, including, but not limited to, amenity centers and schools. Amenity centers shall comply with the SF-R zoning district

regulations, as modified by this Section 4. In addition, single family attached uses (townhomes) are permitted in accordance with the SF-A zoning district regulations, as modified by this Section 4.

a. The total single family lot count on the "Single Family Residential" and "School" tracts shall not exceed 3,000 lots. The below lot mix shall govern the "Single Family Residential" area of the development and be calculated based upon the total lot count (not the lot cap figure of 3,000):

	Lot Type A	Lot Type B	Lot Type C	Lot Type D	Lot Type E
Min. Width	40'	50'	60'	70'	Townhomes
Lot % (Min/Max)	(0/20)	(0/30)	(20/0)	(10/0)	(0/10)

b. Any single family detached or attached lot less than 50 feet in width shall be alley served.

c. Architectural flexibility shall be provided for roof pitches that vary from the SF-R district and SF-A requirements, as applicable. Modern color schemes (specifically white) shall be permitted. Incorporation of stucco as an exterior building material shall be permitted, so long as the front facade's materials remain primarily brick/stone, except that homes with a Mediterranean or modern architectural design may be constructed 100 percent of stucco.

5. Homestead

The Homestead Tract is envisioned to remain preserved. However, if the Homestead Tract is redeveloped, it may be developed under any of the single family detached standards for other tracts set forth above. The City agrees to the development of a maximum of six single family residences within the Homestead Tract (the "Homestead Residences") without it qualifying as redevelopment.

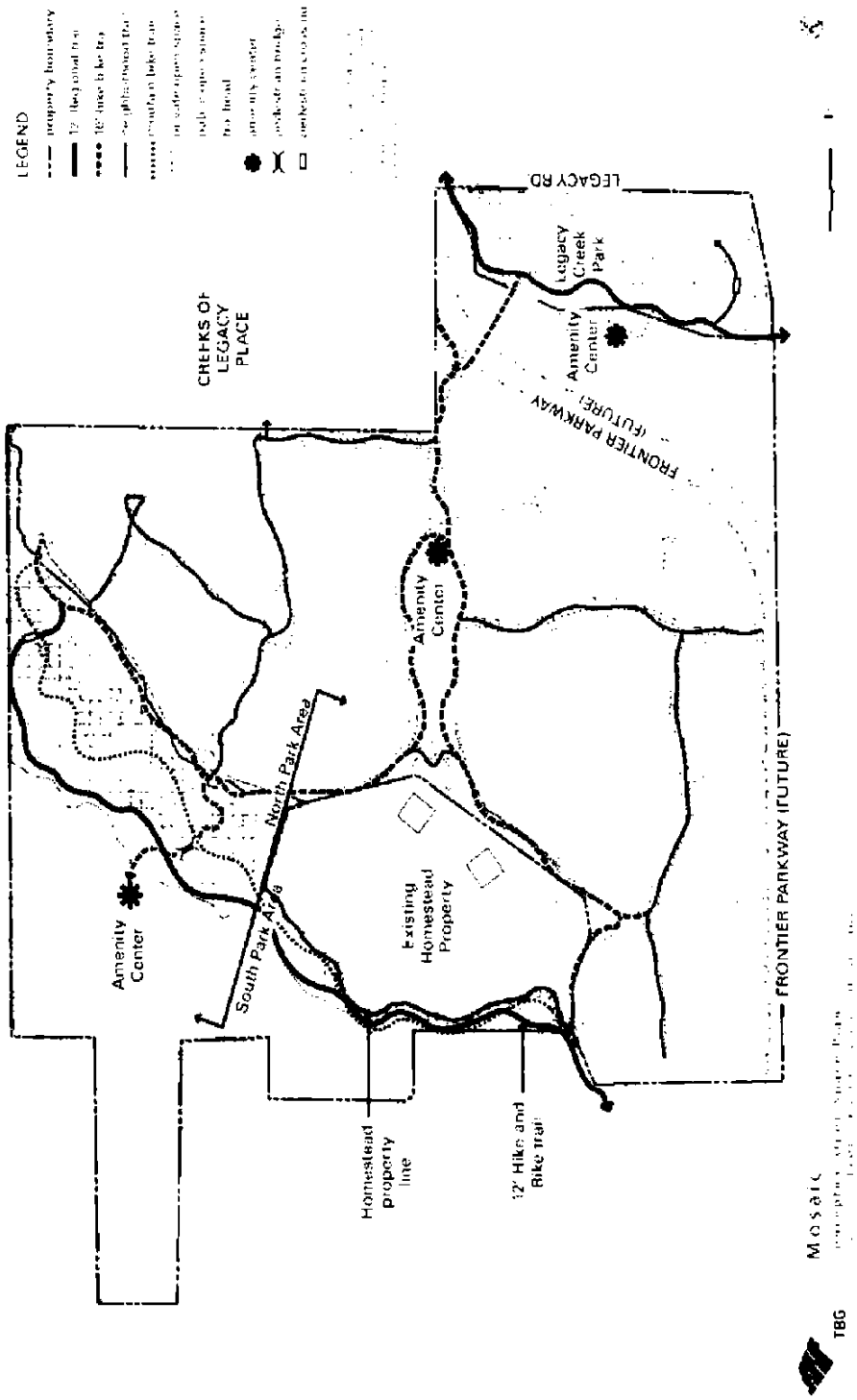
6. Retained Property

In addition to the other uses and development permitted on the Retained Property pursuant to the terms of this Agreement, the Owner may do the following on the Retained Property subject only to applicable state regulations and Denton County regulations:

- Water wells may be drilled on the Retained Property, and well water may be used for irrigation and other agricultural purposes, as well as for household/domestic use in the case of the Homestead Residences.
- A maximum of four homes (in addition to the two existing homes) may be constructed on the Retained Property pursuant to this Section 6. A minimum one-acre platted lot is required for each home.
- Agricultural uses, including modification of existing agricultural buildings as well as construction of new agricultural buildings and recreational buildings (or additions to existing buildings), are permitted.

If required, platting shall be in accordance with the subdivision and platting regulations applicable to the entire Property. The Owner may tap into the Public Infrastructure described in this Agreement to serve the six existing and proposed single family residences described in this Section 6.

EXHIBIT E
TRAILS AND OPEN SPACE IMPROVEMENTS



Public Parks and Private Amenity Triggers

Item No.	Description	Construction Start	Public / Private Ownership and Maintenance
1	1st (Central) Amenity Center	Prior to 100th Building Permit West of Frontier and East of Doe Branch	Private
2	2nd (Eastern) Amenity Center	Prior to the 100th Building Permit East of Frontier	Private
3	3rd (Western) Amenity Center	Prior to the 100th Building Permit West of Doe Branch	Private
4	Legacy Creek Park Area	Prior to the 150th Building Permit East of Frontier	Public
5	Legacy Creek Park Area 12FT Trail	Prior to the 150th Building Permit East of Frontier	Public
6	North Park Area (Doe Branch)	Prior to 250th Building Permit West of Frontier and East of Doe Branch	Public
7	North Park Area 12FT Trail	Prior to 250th Building Permit West of Frontier and East of Doe Branch	Public
8	North Park Area Pedestrian Bridge	Prior to 300th Building Permit West of Frontier and East of Doe Branch	Public
9	South Park Area (Doe Branch)	Prior to the 125th Building Permit West of Doe Branch	Public
10	South Park Area 12FT Trail	Prior to the 125th Building Permit West of Doe Branch	Public
	Internal Pocket & Linear Parks	On or before the date of substantial completion of the immediately adjacent Phase	Privately owned and maintained with public access to trails

Note: Public Parks will be detailed in a Mosaic Master Parks Plan, to be created, that makes efficient use of open space, flood plains, and non-flood plains. For purposes of the provisions in the table above, the property located west of Doe Branch is described on **Exhibit I** of this Agreement.

EXHIBIT F
ROADWAY IMPROVEMENTS

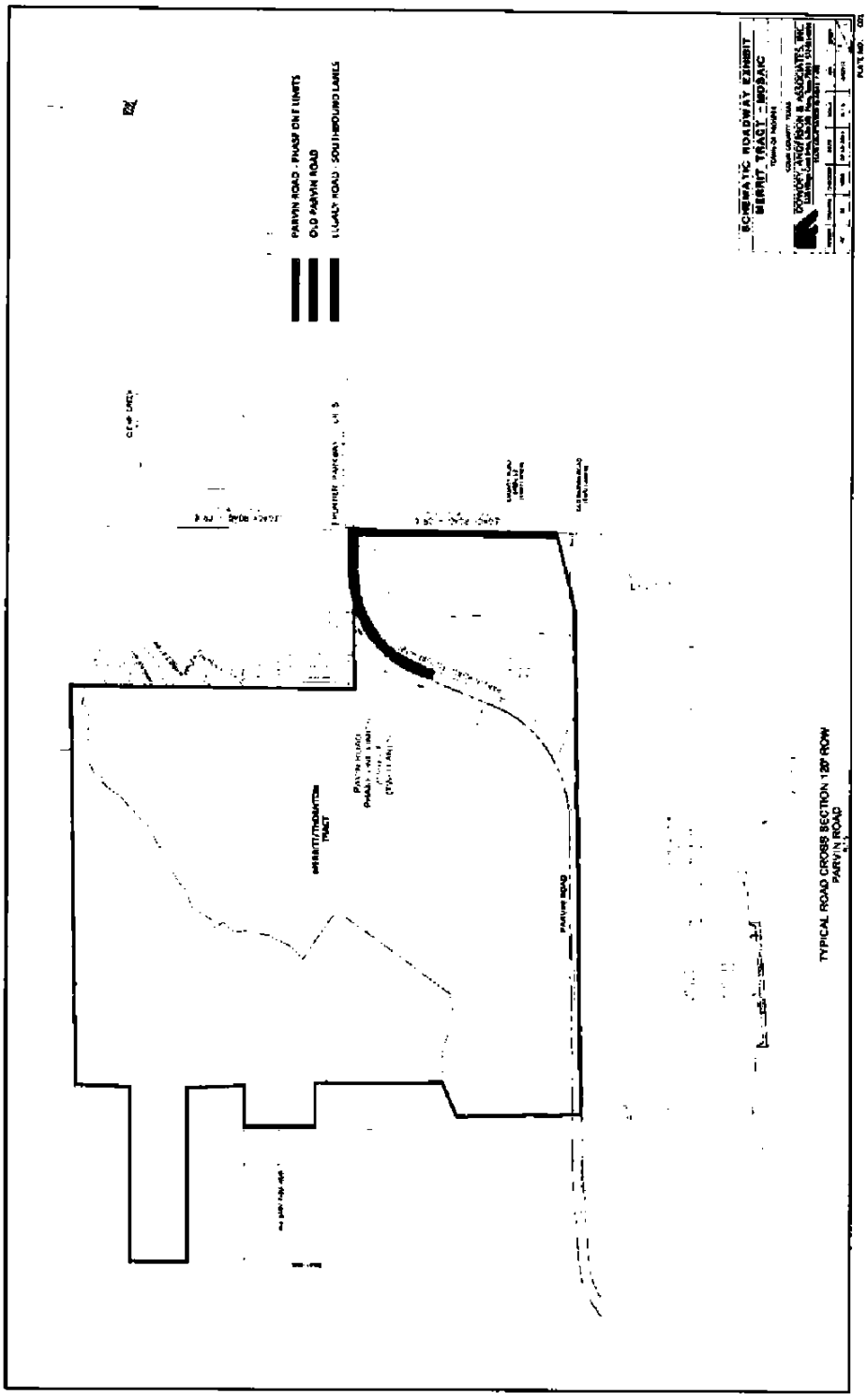


EXHIBIT F-1
COLLECTOR ROAD NOT REQUIRED

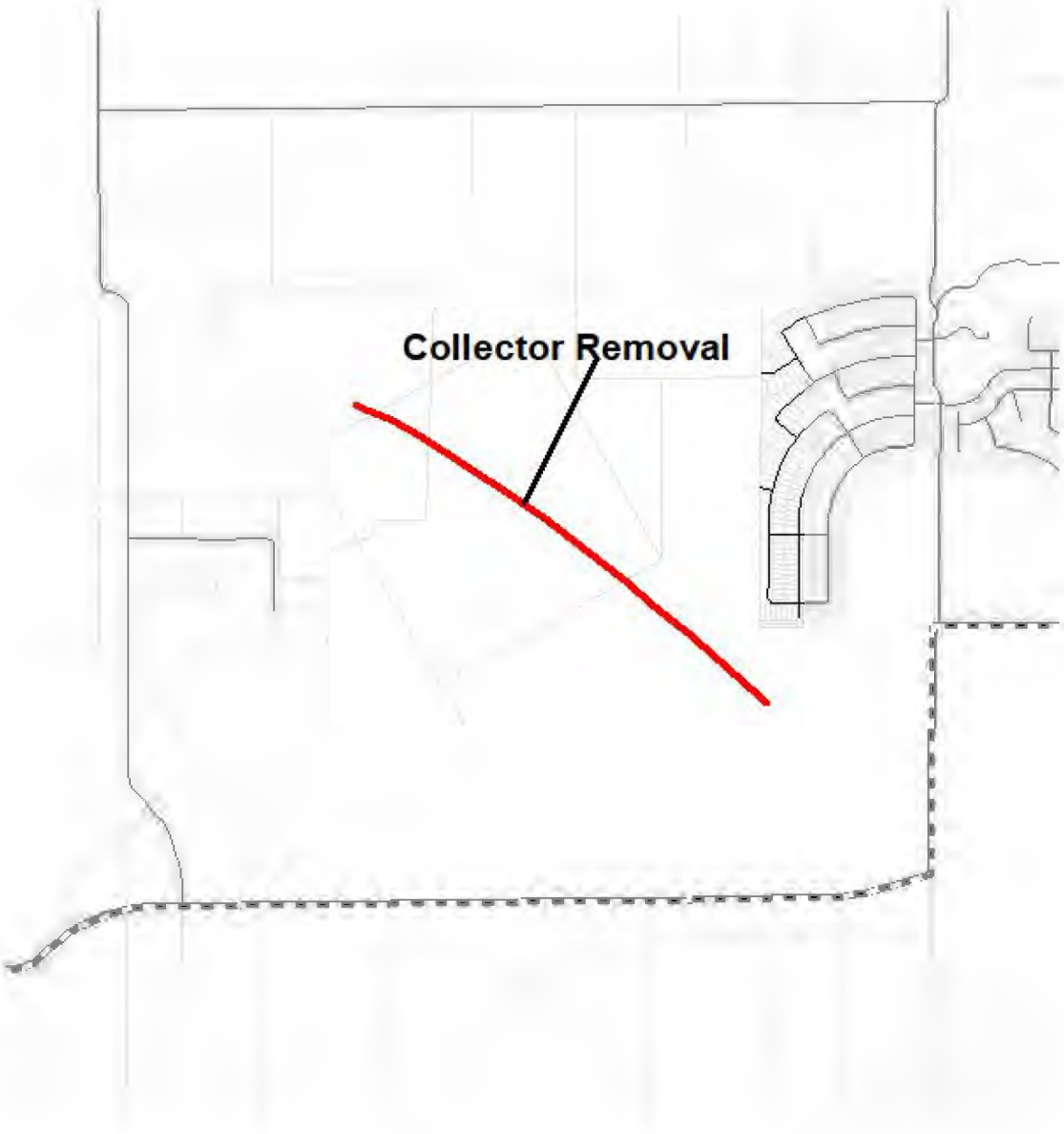


EXHIBIT G
WATER IMPROVEMENTS

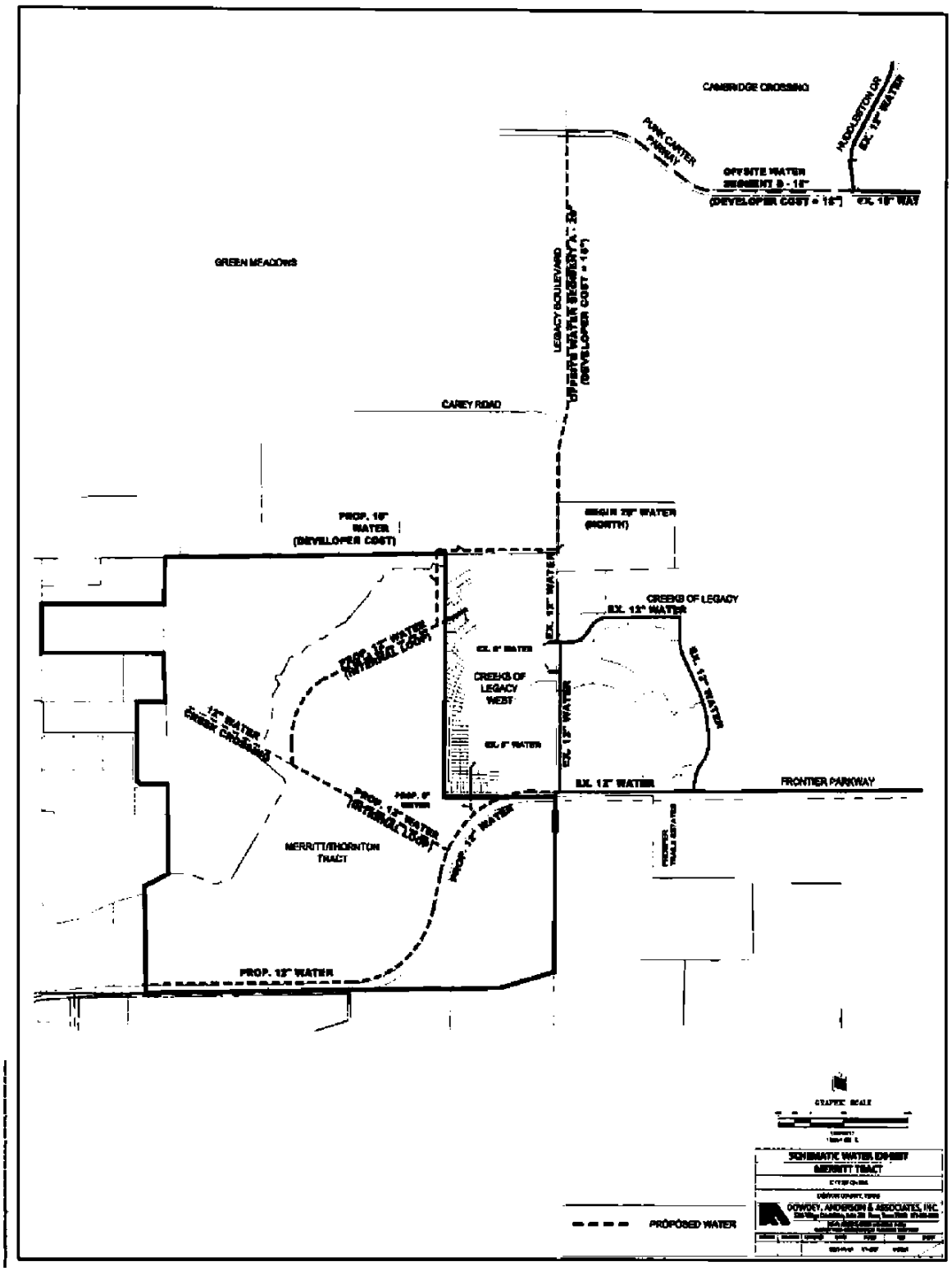


EXHIBIT H
WASTEWATER CONNECTIONS

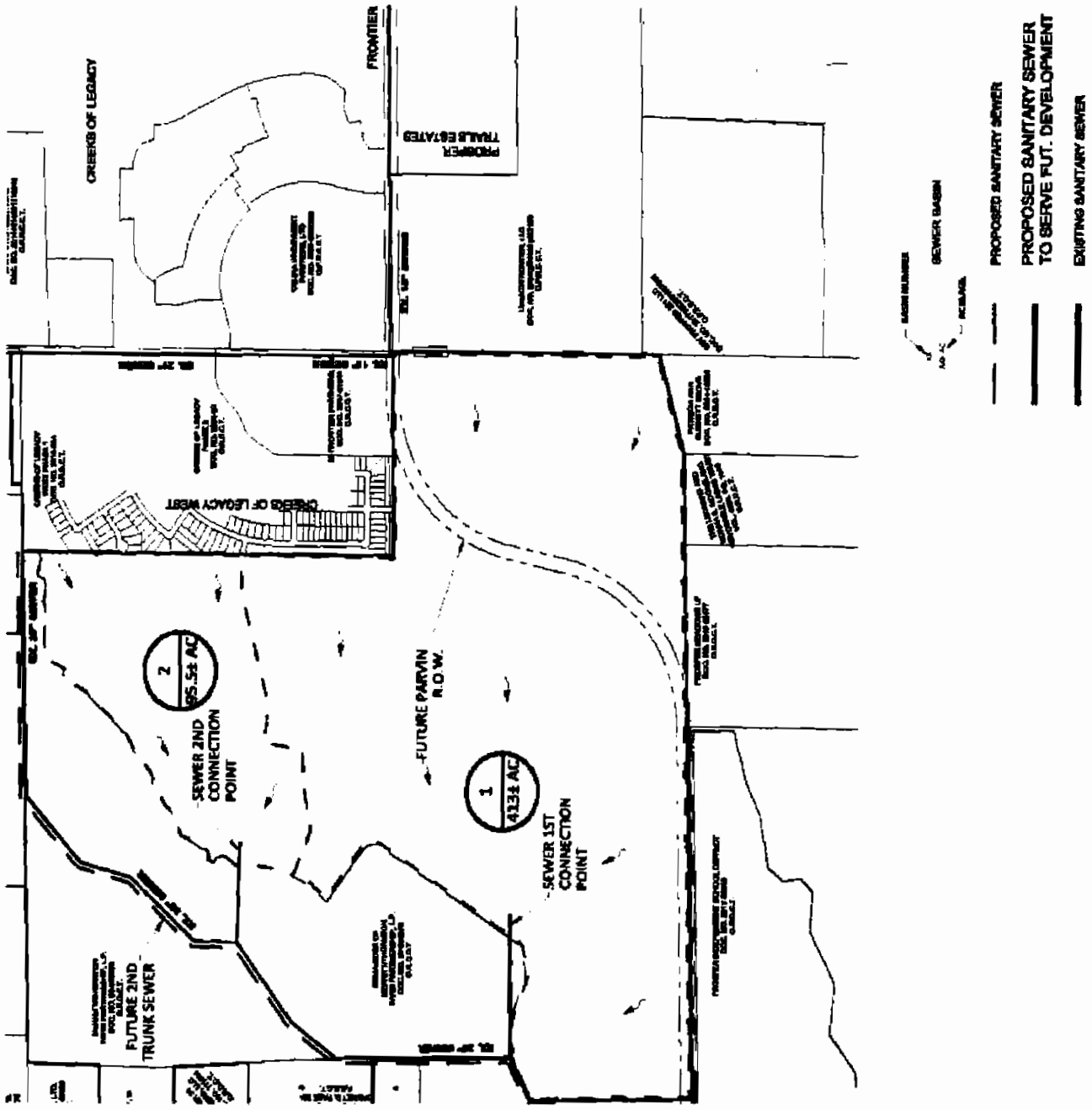


EXHIBIT I
LEGAL DESCRIPTION OF THE PORTION OF THE PROPERTY LOCATED WEST OF DOE BRANCH

107.890 ACRE

BEING a tract of land in the C. COPENHAVER SURVEY, ABSTRACT NO. 253, the JOHN MORTON SURVEY, ABSTRACT NO. 791 and the ANTHONY PHILLIPS SURVEY, ABSTRACT NO. 1028, Denton County, Texas and being part of that tract of land conveyed in Deed to Merritt/Thornton Farm Partnership, L.P., according to the document of record filed in Document Number 99-096579, Deed Records, Denton County, Texas, and all of that tract of land conveyed in Deed to W. Keith Thornton and James H. Merritt, III, according to the document of record filed in Document number 95-0068384, Deed Records, Denton County, Texas, and being all of Lot 3, SMILEY ACRES, an Addition to the City of Celina, Denton County, Texas, according to the Plat of record filed in Cabinet D, Page 324, Plat Records, Denton County, Texas, and conveyed in Deed to Merritt/Thornton Farm Partnership, L.P., according to the document of a record filed in Document Number 2007-42787, Deed Records, Denton County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8" iron rod found in the south line of that tract of land conveyed in Deed to Smiley Road, Ltd., according to the document of record filed in Document Number 2006-2173, Official Records, Denton County, Texas, for the common northwest corner of said Merritt/Thornton Farm Partnership, L.P. tract (Document Number 99-096579) and the northeast corner of that tract of land conveyed in Deed to Smiley Road, Ltd., according to the document of record file din Document Number 2006-45938, Official Records, Denton County, Texas;

THENCE N 89° 13' 47" E, partially with the common north line of said Merritt/Thornton Farm Partnership, L.P. tract and the south line of said Smiley Road, Ltd. (Document Number 2006-2173) and the south line of that tract of land conveyed in Deed to West Celina 86 Partners, Ltd., according to the document of record filed in Document Number2015-23235, Official Records, Denton County, Texas, a distance of 1,501.71 feet to a 1" iron pipe found;

THENCE N 89° 06' 09" E, continuing with said common line, a distance of 521.31 feet;

THENCE Leaving said common line, over and across said Merritt/Thornton Farm Partnership, L.P. tract, the following courses and distances:

S 59° 03' 23" W, a distance of 37.29 feet;

S 38° 59' 30" W, a distance of 189.50 feet;

S 25° 20' 08" W, a distance of 35.09 feet;

S 13° 31' 17" W, a distance of 38.37 feet;

S 10° 45' 08" W, a distance of 151.50 feet;

S 67° 39' 26" W, a distance of 79.66 feet;

S 45° 40' 12" W, a distance of 60.35 feet;

S 71° 06' 01" W, a distance of 54.94 feet;

S 35° 51' 14" W, a distance of 36.34 feet;

S 01° 26' 06" E, a distance of 40.66 feet;

S 33° 16' 16" E, a distance of 75.38 feet;

S 16° 21' 04" W, a distance of 77.72 feet;

S 26° 40' 43" W, a distance of 93.49 feet;

S 34° 24' 13" W, a distance of 53.69 feet;

S 58° 27' 28" W, a distance of 50.09 feet;

S 69° 57' 18" W, a distance of 152.06 feet;

S 39° 18' 24" W, a distance of 84.57 feet;

S 61° 28' 34" W, a distance of 56.52 feet;

N 78° 23' 21" W, a distance of 41.08 feet;

S 51° 32' 59" W, a distance of 29.32 feet;

S 39° 29' 09" E, a distance of 102.47 feet;

S 12° 58' 16" E, a distance of 43.29 feet;

S 20° 12' 01" W, a distance of 30.10 feet;

S 45° 09' 28" W, a distance of 46.65 feet;

S 74° 19' 08" W, a distance of 37.25 feet;

N 70° 14' 59" W, a distance of 38.28 feet;

N 44° 03' 07" W, a distance of 34.35 feet;

S 64° 24' 36" W, a distance of 26.70 feet;

S 13° 08' 36" W, a distance of 53.15 feet;

S 47° 04' 12" W, a distance of 49.02 feet;

S 08° 21' 46" W, a distance of 140.65 feet;

S 45° 55' 48" W, a distance of 99.73 feet;

S 16° 16' 59" W, a distance of 221.10 feet;

S 65° 51' 34" W, a distance of 70.95 feet;

S 35° 02' 18" W, a distance of 54.83 feet;

S 28° 56' 45" E, a distance of 92.56 feet;

S 06° 35' 09" W, a distance of 68.64 feet;

S 52° 33' 00" W, a distance of 15.68 feet;

S 41° 38' 20" W, a distance of 160.93 feet;

S 58° 37' 19" W, a distance of 287.98 feet;

S 40° 24' 32" W, a distance of 188.62 feet;

S 59° 00' 32" W, a distance of 70.76 feet;

S 24° 39' 29" W, a distance of 480.57 feet;

S 65° 20' 07" W, a distance of 104.94 feet to a point in the common west line of the above mentioned Merritt/Thornton Farm Partnership, L.P. tract and the east line of the above mentioned Lot 3;

THENCE S 00° 01' 44" E, with said common line, a distance of 96.41 feet to a point for the common southeast corner of said Lot 3 and the northwest corner of that tract of land conveyed in Deed to James Duane Hall and wife, Sheila Rayne Hall, according to the document of record filed in Document Number 97-0034191, Deed Records, Denton County, Texas;

THENCE S 89° 54' 17" W, with the south line of said Lot 3, a distance of 477.13 feet to a point in the east line of Old Dairy Farm Road, a 60' right-of-way for the common southwest corner of said Lot 3 and the northwest corner of said James Duane Hall and wife, Sheila Rayne Hall tract;

THENCE N 00° 06' 35" W, with the west line of said Lot 3, a distance of 864.36 feet to a point in the south line of that tract of land conveyed in Deed to Prosper 30 Partners, LLC, according to the document of record filed in Document Number 111804, Official Records, Denton County, Texas, for the common northwest corner of said Lot 3 and the northeast corner of Lot 2 of the above mentioned SMILEY ACRES Addition;

THENCE N 89° 54' 16" E, with the north line of said Lot 3, a distance of 449.45 feet to a point in the west line of the above mentioned Merritt/Thornton Farm Partners, L.P. tract, for the common northeast corner of said Lot 3 and the southeast corner of said Prosper 30 Partners, LLC tract;

THENCE N 02° 58' 07" W, with said west line, a distance of 686.67 feet to a 1/2" iron rod found for the common southeast corner of the above mentioned W. Keith Thornton and James H. Merritt, III and the northeast corner of said Prosper 30 Partners, LLC tract;

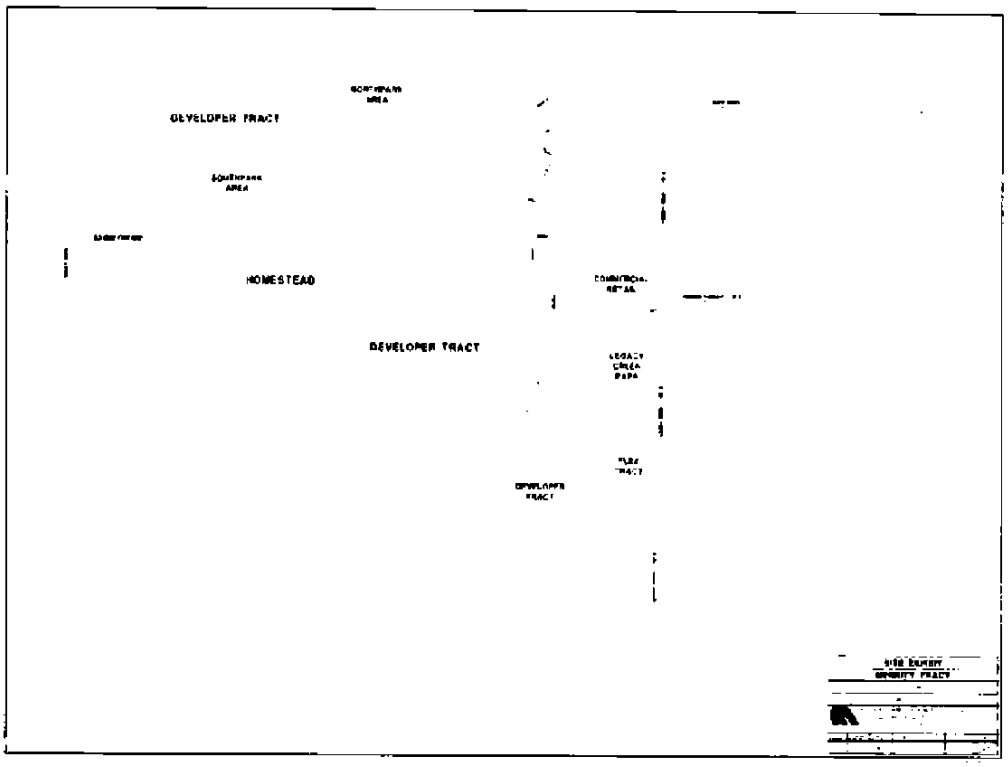
THENCE S 89° 53' 38" W, with the south line of said W. Keith Thornton and James H. Merritt, III tract, a distance of 1,889.96 feet to a point in the east line of that tract of land conveyed in Deed to Smiley Road, Ltd., according to the document of record filed in Document Number 2005-77986, Deed Records, Denton County, Texas, for the common southwest corner of said W. Keith Thornton and James H. Merritt, III tract and the northwest corner of that tract of land conveyed in Deed to Claude Wayne Adams, according to the document of record filed in Volume 990, Page 32, Deed Records, Denton County, Texas;

THENCE N 00° 06' 49" W, with the west line of said W. Keith Thornton and James H. Merritt, III tract , a distance of 690.33 feet to a point for the common northwest corner of said W. Keith Thornton and James H. Merritt, III tract and the southwest corner of that tract of land conveyed in Deed to Smiley Road, Ltd. according to the document of record filed in Document Number 2006-45938, Official Records, Denton County, Texas;

THENCE N 89° 53' 30" E, with the north line of said W. Keith Thornton and James H. Merritt, III, a distance of 1,903.70 feet to a 1/2" iron pipe found in the west line of said Merritt/Thornton Farm Partners, L.P. tract, for the common northeast corner of said W. Keith Thornton and James H. Merritt, III tract and the southeast corner of said Smiley Road, Ltd. tract;

THENCE N 01° 49' 48" E, with said west line, a distance of 654.45 feet to the **POINT OF BEGINNING**, and containing 107.890 acres of land, more or less.

EXHIBIT J
ANNEXATION TRACTS



Homestead Tract
Legal Description
72.819 ACRES

BEING a tract of land in the C. COPENHAVER SURVEY, ABSTRACT NO. 253, the JOHN M. McKIM SURVEY, ABSTRACT NO. 889 and the ANTHONY PHILLIPS SURVEY, ABSTRACT NO. 1028, Denton County, Texas, and being all of Lots 1 and 2, MERRITT PARK ADDITION, an Addition to the City of Celina, Collin County, Texas, according to the Plat of record filed in Document Number 2013-303, Official Records, Collin County, Texas, and being part of that tract of land conveyed in Deed to Merritt/Thornton Farm Partnership, L.P., according to the document of record filed in Document Number 99-096579, Deed Records, Denton County, Texas, and being more particularly described as follows:

COMMENCING at a point for a common interior ell corner of said Merritt/Thornton Farm Partnership, L.P. tract and the most easterly southeast corner of that tract of land conveyed in Deed to Teel Lakes LLC, according to the document of record filed in Document Number 2009-126512, Official Records, Denton County, Texas, from which a 1/2" iron rod found in the west line of said Merritt/Thornton Farm

Partnership, L.P. tract, for the common most southerly southeast corner of said Teel Lakes, LLC tract and the northeast corner of that tract of land conveyed in Deed to Frontier Mini Storage, LLC, according to the document of record filed in Document Number 2018-77026 (Correction Deed, Document Number 2018-121216), Official Records, Denton County, Texas, bears S 52° 30' 13" W, 467.16 feet;

THENCE Over and across said Merritt/Thornton Farm Partnership, L.P. tract, the following courses and distances:

N 00° 00' 00" E, a distance of 63.68 feet to the **POINT OF BEGINNING** of the tract of land described herein;

N 54° 52' 24" E, a distance of 40.69 feet;

N 32° 26' 23" E, a distance of 70.08 feet;

N 02° 32' 44" W, a distance of 13.69 feet;

N 89° 34' 08" E, a distance of 47.37 feet;

N 68° 41' 04" E, a distance of 49.27 feet;

N 72° 37' 27" E, a distance of 73.57 feet;

N 54° 03' 27" E, a distance of 45.73 feet;

N 09° 19' 17" E, a distance of 32.10 feet;

N 15° 43' 34" W, a distance of 40.22 feet;

N 32° 25' 42" W, a distance of 28.72 feet;

N 40° 58' 09" W, a distance of 69.41 feet;

N 18° 32' 55" W, a distance of 90.82 feet;

N 00° 57' 01" E, a distance of 112.83 feet;

N 16° 47' 39" W, a distance of 74.65 feet;

N 35° 42' 19" W, a distance of 102.42 feet;

N 20° 28' 35" W, a distance of 86.29 feet;

N 10° 48' 26" W, a distance of 82.16 feet;

N 19° 38' 00" W, a distance of 93.54 feet;

N 00° 00' 00" E, a distance of 62.22 feet;

N 39° 10' 53" E, a distance of 34.03 feet;

N 11° 13' 02" E, a distance of 129.62 feet;

N 44° 27' 46" E, a distance of 100.32 feet;

N 15° 23' 43" E, a distance of 44.07 feet;

N 06° 13' 09" E, a distance of 130.16 feet;

N 60° 23' 08" W, a distance of 109.36 feet;

N 06° 46' 51" E, a distance of 140.95 feet;

N 34° 29' 43" E, a distance of 115.46 feet;

N 40° 38' 06" E, a distance of 136.02 feet;

N 86° 44' 10" E, a distance of 215.82 feet;

N 16° 07' 11" E, a distance of 144.61 feet;

N 37° 40' 40" E, a distance of 204.49 feet;

N 57° 39' 24" E, a distance of 121.37 feet;

N 48° 05' 13" E, a distance of 267.21 feet;

N 17° 46' 03" E, a distance of 126.38 feet;

S 70° 22' 42" E, a distance of 652.06 feet;

S 12° 34' 43" E, a distance of 1,028.18 feet to a point at the beginning of a curve to the right having a central angle of 50° 22' 16", a radius of 125.00 feet and a chord bearing and distance of S 11° 46' 54" W, 106.39 feet;

With said curve to the right, an arc distance of 109.89 feet;

S 33° 08' 43" W, a distance of 1522.09 feet;

S 79° 00' 07" W, a distance of 260.45 feet;

N 68° 47' 46" W, a distance of 401.09 feet;

N 90° 00' 00" W, a distance of 312.21 feet to the **POINT OF BEGINNING**, and containing 72.819 acres of land, more or less.

South Park Area
Legal Description
10.636 ACRES

BEING a tract of land in the C. COPENHAVER SURVEY, ABSTRACT NO. 253 and the, ANTHONY PHILLIPS SURVEY, ABSTRACT NO. 1028, Denton County, Texas, and being part of that tract of land conveyed in Deed to Merritt/Thornton Farm Partnership, L.P., according to the document of record filed in Document Number 99-096579, Deed Records, Denton County, Texas, and being more particularly described as follows:

BEGINNING at a point for a common interior ell corner of said Merritt/Thornton Farm Partnership, L.P. tract and the most easterly southeast corner of that tract of land conveyed in Deed to Teel Lakes LLC, according to the document of record filed in Document Number 2009-126512, Official Records, Denton County, Texas, from which a 1/2" iron rod found in the west line of said Merritt/Thornton Farm Partnership, L.P. tract, for the common most southerly southeast corner of said Teel Lakes, LLC tract and the northeast corner of that tract of land conveyed in Deed to Frontier Mini Storage, LLC, according to the document of record filed in Document Number 2018-77026 (Correction Deed, Document Number 2018-121216), Official Records, Denton County, Texas, bears S 52° 30' 13" W, 467.16 feet;

THENCE N 00° 43' 47" W, with the common line of said Merritt/Thornton Farm Partnership, L.P. and said Teel Lakes LLC tract, a distance of 828.43 feet to a point for the common northeast corner of said Teel Lakes LLC tract and the southeast corner of Lot 4, SMILEY ACRES, an Addition to the City of Celina, Collin County, Texas, according to the Plat of record filed in Cabinet D, Page 324, Plat Records, Denton County, Texas;

THENCE N 00° 01' 44" W, with the common line of said Merritt/Thornton Farm Partnership, L.P. tract and said SMILEY ACRES Addition, a distance of 802.82 feet;

THENCE Leaving said common line, over and across said Merritt/Thornton Farm Partnership, L.P. tract, the following courses and distances:

N 65° 20' 07" E, a distance of 104.94 feet;

N 24° 39' 29" E, a distance of 480.57 feet;

N 59° 00' 32" E, a distance of 70.76 feet;

N 40° 24' 32" E, a distance of 188.62 feet;

N 58° 37' 19" E, a distance of 287.98 feet;

N 41° 38' 20" E, a distance of 160.93 feet;

S 70° 22' 42" E, a distance of 167.75 feet;

S 17° 46' 03" W, a distance of 126.38 feet;

S 48° 05' 13" W, a distance of 267.21 feet;

S 57° 39' 24" W, a distance of 121.37 feet;

S 37° 40' 40" W, a distance of 204.49 feet;

S 16° 07' 11" W, a distance of 144.61 feet;

S 86° 44' 10" W, a distance of 215.82 feet;

S 40° 38' 06" W, a distance of 136.02 feet;

S 34° 29' 43" W, a distance of 115.46 feet;

S 06° 46' 51" W, a distance of 140.95 feet;

S 60° 23' 08" E, a distance of 109.36 feet;

S 06° 13' 09" W, a distance of 130.16 feet;

S 15° 23' 43" W, a distance of 44.07 feet;

S 44° 27' 46" W, a distance of 100.32 feet;

S 11° 13' 02" W, a distance of 129.62 feet;

S 39° 10' 53" W, a distance of 34.03 feet;

S 00° 00' 00" W, a distance of 62.22 feet;

S 19° 38' 00" E, a distance of 93.54 feet;

S 10° 48' 26" E, a distance of 82.16 feet;

S 20° 28' 35" E, a distance of 86.29 feet;

S 35° 42' 19" E, a distance of 102.42 feet;

S 16° 47' 39" E, a distance of 74.65 feet;

S 00° 57' 01" W, a distance of 112.83 feet;

S 18° 32' 55" E, a distance of 90.82 feet;

S 40° 58' 09" E, a distance of 69.41 feet;

S 32° 25' 42" E, a distance of 28.72 feet;

S 15° 43' 34" E, a distance of 40.22 feet;

S 09° 19' 17" W, a distance of 32.10 feet;

S 54° 03' 27" W, a distance of 45.73 feet;

S 72° 37' 27" W, a distance of 73.57 feet;

S 68° 41' 04" W, a distance of 49.27 feet;

S 89° 34' 08" W, a distance of 47.37 feet;

S 02° 32' 44" E, a distance of 13.69 feet;

S 32° 26' 23" W, a distance of 70.08 feet;

S 54° 52' 24" W, a distance of 40.69 feet;

S 00° 00' 00" W, a distance of 63.68 feet;

N 90° 00' 00" W, a distance of 20.99 feet to the **POINT OF BEGINNING**, and containing 10.636 acres of land, more or less.

North Park Area
Legal Description
59.903 ACRES

BEING a tract of land in the JOHN MORTON SURVEY, ABSTRACT NO. 791, the ANTHONY PHILLIPS SURVEY, ABSTRACT NO. 1028 and the A. THOMASON SURVEY, ABSTRACT NO. 1265, Denton County, Texas, and being part of that tract of land conveyed in Deed to Merritt/Thornton Farm Partnership, L.P., according to the document of record filed in Document Number 99-096579, Deed Records, Denton County, Texas, and being more particularly described as follows:

BEGINNING at a point in the south line of that tract of land conveyed in Deed to The RG Allen Revocable Trust, according to the document of record filed in Document Number 2015-46639, Official Records, Denton County, Texas, for the common northeast corner of said Merritt/Thornton Farm Partnership, L.P. tract and the northwest corner of CREEKS OF LEGACY WEST PHASE 1, an Addition to the City of Celina, Denton County, Texas, according to the Plat of record filed in Document Number 2018-394, Official Records, Denton County, Texas;

THENCE S 00° 29' 21" W, with the east line of said Merritt/Thornton Farm Partnership, L.P. tract, a distance of 84.47 feet;

THENCE Leaving said east line, over and across said Merritt/Thornton Farm Partnership, L.P. tract, the following courses and distances:

N 75° 08' 32" W, a distance of 67.52 feet;

N 59° 43' 22" W, a distance of 35.77 feet;

S 76° 02' 39" W, a distance of 29.69 feet;

S 26° 52' 14" W, a distance of 76.58 feet;

S 81° 08' 11" W, a distance of 72.01 feet;

N 73° 03' 20" W, a distance of 91.25 feet;

S 84° 05' 24" W, a distance of 46.90 feet;

S 68° 12' 58" W, a distance of 65.00 feet;

N 85° 07' 17" W, a distance of 277.74 feet;

S 65° 38' 41" W, a distance of 100.22 feet;

S 72° 13' 53" W, a distance of 79.12 feet;

S 27° 58' 56" W, a distance of 28.59 feet;

S 54° 49' 35" W, a distance of 27.64 feet;

S 04° 37' 12" W, a distance of 46.91 feet;

S 33° 45' 27" W, a distance of 40.01 feet;

S 86° 58' 30" W, a distance of 48.21 feet;

S 45° 50' 27" W, a distance of 68.42 feet;

S 32° 11' 04" W, a distance of 171.63 feet;

S 43° 21' 07" W, a distance of 516.67 feet;

S 62° 02' 48" W, a distance of 211.19 feet;

S 46° 14' 16" W, a distance of 196.10 feet;

S 79° 15' 36" W, a distance of 121.22 feet;

S 56° 12' 42" W, a distance of 264.70 feet;

S 10° 52' 35" W, a distance of 30.16 feet;

S 70° 14' 55" W, a distance of 79.99 feet;

S 79° 40' 19" W, a distance of 56.49 feet;

S 55° 11' 49" W, a distance of 88.12 feet;

S 22° 08' 20" W, a distance of 70.55 feet;

S 29° 38' 37" W, a distance of 196.61 feet;

N 84° 16' 56" W, a distance of 73.49 feet;

S 20° 57' 11" W, a distance of 57.61 feet;

S 48° 56' 18" E, a distance of 73.01 feet;

S 02° 53' 57" W, a distance of 59.63 feet;

S 37° 34' 52" W, a distance of 96.04 feet;

S 25° 30' 37" W, a distance of 76.43 feet;

S 09° 51' 05" E, a distance of 93.26 feet;

S 09° 02' 27" W, a distance of 282.82 feet;

S 23° 25' 06" W, a distance of 85.37 feet;

N 12° 34' 43" W, a distance of 175.42 feet;

N 70° 22' 42" W, a distance of 819.82 feet;

N 52° 33' 00" E, a distance of 15.68 feet;

N 06° 35' 09" E, a distance of 68.64 feet;

N 28° 56' 45" W, a distance of 92.56 feet;

N 35° 02' 18" E, a distance of 54.83 feet;

N 65° 51' 34" E, a distance of 70.95 feet;

N 16° 16' 59" E, a distance of 221.10 feet;

N 45° 55' 48" E, a distance of 99.73 feet;

N 08° 21' 46" E, a distance of 140.65 feet;

N 47° 04' 12" E, a distance of 49.02 feet;

N 13° 08' 36" E, a distance of 53.15 feet;

N 64° 24' 36" E, a distance of 26.70 feet;

S 44° 03' 07" E, a distance of 34.35 feet;

S 70° 14' 59" E, a distance of 38.28 feet;

N 74° 19' 08" E, a distance of 37.25 feet;

N 45° 09' 28" E, a distance of 46.65 feet;

N 20° 12' 01" E, a distance of 30.10 feet;

N 12° 58' 16" W, a distance of 43.29 feet;

N 39° 29' 09" W, a distance of 102.47 feet;

N 51° 32' 59" E, a distance of 29.32 feet;

S 78° 23' 21" E, a distance of 41.08 feet;

N 61° 28' 34" E, a distance of 56.52 feet;

N 39° 18' 24" E, a distance of 84.57 feet;

N 69° 57' 18" E, a distance of 152.06 feet;

N 58° 27' 28" E, a distance of 50.09 feet;

N 34° 24' 13" E, a distance of 53.69 feet;

N 26° 40' 43" E, a distance of 93.49 feet;

N 16° 21' 04" E, a distance of 77.72 feet;

N 33° 16' 16" W, a distance of 75.38 feet;

N 01° 26' 06" W, a distance of 40.66 feet;

N 35° 51' 14" E, a distance of 36.34 feet;

N 71° 06' 01" E, a distance of 54.94 feet;

N 45° 40' 12" E, a distance of 60.35 feet;

N 67° 39' 26" E, a distance of 79.66 feet;

N 10° 45' 08" E, a distance of 151.50 feet;

N 13° 31' 17" E, a distance of 38.37 feet;

N 25° 20' 08" E, a distance of 35.09 feet;

N 38° 59' 30" E, a distance of 189.50 feet;

N 59° 03' 23" E, a distance of 37.29 feet to a point in the common north line of said Merritt/Thornton Farm Partnership, L.P. tract and the south line of that tract of land conveyed in Deed to West Celina 86 Partners, Ltd., according to the document of record filed in Document Number 2015-23235, Official Records, Denton County, Texas;

THENCE N 89° 06' 09" E, with said north line, a distance of 2,321.13 feet to the **POINT OF BEGINNING**, and containing 59.903 acres of land, more or less.

Northwesternmost Developer Tract
Legal Description
107.890 ACRE

BEING a tract of land in the C. COPENHAVER SURVEY, ABSTRACT NO. 253, the JOHN MORTON SURVEY, ABSTRACT NO. 791 and the ANTHONY PHILLIPS SURVEY, ABSTRACT NO. 1028, Denton County, Texas and being part of that tract of land conveyed in Deed to Merritt/Thornton Farm Partnership, L.P., according to the document of record filed in Document Number 99-096579, Deed Records, Denton County, Texas, and all of that tract of land conveyed in Deed to W. Keith Thornton and James H. Merritt, III, according to the document of record filed in Document number 95-0068384, Deed Records, Denton County, Texas, and being all of Lot 3, SMILEY ACRES, an Addition to the City of Celina, Denton County, Texas, according to the Plat of record filed in Cabinet D, Page 324, Plat Records, Denton County, Texas, and conveyed in Deed to Merritt/Thornton Farm Partnership, L.P., according to the document of a record filed in Document Number 2007-42787, Deed Records, Denton County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8" iron rod found in the south line of that tract of land conveyed in Deed to Smiley Road, Ltd., according to the document of record filed in Document Number 2006-2173, Official Records, Denton County, Texas, for the common northwest corner of said Merritt/Thornton Farm Partnership, L.P. tract (Document Number 99-096579) and the northeast corner of that tract of land conveyed in Deed to

Smiley Road, Ltd., according to the document of record file din Document Number 2006-45938, Official Records, Denton County, Texas;

THENCE N 89° 13' 47" E, partially with the common north line of said Merritt/Thornton Farm Partnership, L.P. tract and the south line of said Smiley Road, Ltd. (Document Number 2006-2173) and the south line of that tract of land conveyed in Deed to West Celina 86 Partners, Ltd., according to the document of record filed in Document Number2015-23235, Official Records, Denton County, Texas, a distance of 1,501.71 feet to a 1" iron pipe found;

THENCE N 89° 06' 09" E, continuing with said common line, a distance of 521.31 feet;

THENCE Leaving said common line, over and across said Merritt/Thornton Farm Partnership, L.P. tract, the following courses and distances:

S 59° 03' 23" W, a distance of 37.29 feet;

S 38° 59' 30" W, a distance of 189.50 feet;

S 25° 20' 08" W, a distance of 35.09 feet;

S 13° 31' 17" W, a distance of 38.37 feet;

S 10° 45' 08" W, a distance of 151.50 feet;

S 67° 39' 26" W, a distance of 79.66 feet;

S 45° 40' 12" W, a distance of 60.35 feet;

S 71° 06' 01" W, a distance of 54.94 feet;

S 35° 51' 14" W, a distance of 36.34 feet;

S 01° 26' 06" E, a distance of 40.66 feet;

S 33° 16' 16" E, a distance of 75.38 feet;

S 16° 21' 04" W, a distance of 77.72 feet;

S 26° 40' 43" W, a distance of 93.49 feet;

S 34° 24' 13" W, a distance of 53.69 feet;

S 58° 27' 28" W, a distance of 50.09 feet;

S 69° 57' 18" W, a distance of 152.06 feet;

S 39° 18' 24" W, a distance of 84.57 feet;

S 61° 28' 34" W, a distance of 56.52 feet;

N 78° 23' 21" W, a distance of 41.08 feet;

S 51° 32' 59" W, a distance of 29.32 feet;

S 39° 29' 09" E, a distance of 102.47 feet;

S 12° 58' 16" E, a distance of 43.29 feet;

S 20° 12' 01" W, a distance of 30.10 feet;

S 45° 09' 28" W, a distance of 46.65 feet;

S 74° 19' 08" W, a distance of 37.25 feet;

N 70° 14' 59" W, a distance of 38.28 feet;

N 44° 03' 07" W, a distance of 34.35 feet;

S 64° 24' 36" W, a distance of 26.70 feet;

S 13° 08' 36" W, a distance of 53.15 feet;

S 47° 04' 12" W, a distance of 49.02 feet;

S 08° 21' 46" W, a distance of 140.65 feet;

S 45° 55' 48" W, a distance of 99.73 feet;

S 16° 16' 59" W, a distance of 221.10 feet;

S 65° 51' 34" W, a distance of 70.95 feet;

S 35° 02' 18" W, a distance of 54.83 feet;

S 28° 56' 45" E, a distance of 92.56 feet;

S 06° 35' 09" W, a distance of 68.64 feet;

S 52° 33' 00" W, a distance of 15.68 feet;

S 41° 38' 20" W, a distance of 160.93 feet;

S 58° 37' 19" W, a distance of 287.98 feet;

S 40° 24' 32" W, a distance of 188.62 feet;

S 59° 00' 32" W, a distance of 70.76 feet;

S 24° 39' 29" W, a distance of 480.57 feet;

S 65° 20' 07" W, a distance of 104.94 feet to a point in the common west line of the above mentioned Merritt/Thornton Farm Partnership, L.P. tract and the east line of the above mentioned Lot 3;

THENCE S 00° 01' 44" E, with said common line, a distance of 96.41 feet to a point for the common southeast corner of said Lot 3 and the northwest corner of that tract of land conveyed in Deed to James Duane Hall and wife, Sheila Rayne Hall, according to the document of record filed in Document Number 97-0034191, Deed Records, Denton County, Texas;

THENCE S 89° 54' 17" W, with the south line of said Lot 3, a distance of 477.13 feet to a point in the east line of Old Dairy Farm Road, a 60' right-of-way for the common southwest corner of said Lot 3 and the northwest corner of said James Duane Hall and wife, Sheila Rayne Hall tract;

THENCE N 00° 06' 35" W, with the west line of said Lot 3, a distance of 864.36 feet to a point in the south line of that tract of land conveyed in Deed to Prosper 30 Partners, LLC, according to the document of record filed in Document Number 111804, Official Records, Denton County, Texas, for the common northwest corner of said Lot 3 and the northeast corner of Lot 2 of the above mentioned SMILEY ACRES Addition;

THENCE N 89° 54' 16" E, with the north line of said Lot 3, a distance of 449.45 feet to a point in the west line of the above mentioned Merritt/Thornton Farm Partners, L.P. tract, for the common northeast corner of said Lot 3 and the southeast corner of said Prosper 30 Partners, LLC tract;

THENCE N 02° 58' 07" W, with said west line, a distance of 686.67 feet to a 1/2" iron rod found for the common southeast corner of the above mentioned W. Keith Thornton and James H. Merritt, III and the northeast corner of said Prosper 30 Partners, LLC tract;

THENCE S 89° 53' 38" W, with the south line of said W. Keith Thornton and James H. Merritt, III tract, a distance of 1,889.96 feet to a point in the east line of that tract of land conveyed in Deed to Smiley Road, Ltd., according to the document of record filed in Document Number 2005-77986, Deed Records, Denton County, Texas, for the common southwest corner of said W. Keith Thornton and James H. Merritt, III tract and the northwest corner of that tract of land conveyed in Deed to Claude Wayne Adams, according to the document of record filed in Volume 990, Page 32, Deed Records, Denton County, Texas;

THENCE N 00° 06' 49" W, with the west line of said W. Keith Thornton and James H. Merritt, III tract , a distance of 690.33 feet to a point for the common northwest corner of said W. Keith Thornton and James H. Merritt, III tract and the southwest corner of that tract of land conveyed in Deed to Smiley Road, Ltd. according to the document of record filed in Document Number 2006-45938, Official Records, Denton County, Texas;

THENCE N 89° 53' 30" E, with the north line of said W. Keith Thornton and James H. Merritt, III, a distance of 1,903.70 feet to a 1/2" iron pipe found in the west line of said Merritt/Thornton Farm Partners, L.P. tract, for the common northeast corner of said W. Keith Thornton and James H. Merritt, III tract and the southeast corner of said Smiley Road, Ltd. tract;

THENCE N 01° 49' 48" E, with said west line, a distance of 654.45 feet to the **POINT OF BEGINNING**, and containing 107.890 acres of land, more or less.

APPENDIX G

PHOTOGRAPHS OF THE DEVELOPMENT

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A Community By TELLUS GROUP

MOSAIC

Print #260414156
Date: 04/14/26
Lat/Lon: 33.264376 -96.852323
Order No. 75119
Aerial Photography, Inc. 954-568-0484



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