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.

NEW ISSUE **NOT RATED**

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

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

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

$7,393,000*
CITY OF LOWRY CROSSING, TEXAS,
(a municipal corporation of the State of Texas located in Collin County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LOWRY TRAILS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 PROJECT)

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

The City of Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2026 (Lowry Trails Public Improvement District Improvement Area #2 Project) (the "Bonds"), are being issued by the City of Lowry Crossing, Texas (the "City"). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of $100,000 of principal amount and any integral multiple of $1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months, and will be payable on each March 15 and September 15, commencing March 15, 2027, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by BOKF, NA, as trustee (the "Trustee"), to DTC as the registered owner thereof. See "BOOK-ENTRY ONLY SYSTEM."

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an ordinance expected to be adopted by the City Council of the City (the "City Council") on July 14, 2026, and an Indenture of Trust, dated as of August 1, 2026 (the "Indenture"), to be entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Bonds will be used to provide funds for (i) paying all or a portion of the Actual Costs of the Improvement Area #2 Projects (as defined herein), (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs (as defined herein), including funding a reserve fund and other costs related to the issuance of the Bonds. See "THE IMPROVEMENT AREA #2 PROJECTS" and "APPENDIX A — Form of Indenture."

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by a first lien on, security interest in and pledge of the Trust Estate, consisting primarily of the Pledged Revenues, which consist primarily of Assessments (as defined herein) expected to be levied against assessable properties in Improvement Area #2 of Lowry Trails Public Improvement District (the "District") in accordance with a Service and Assessment Plan, all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. See "SECURITY FOR THE BONDS."

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

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

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

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter, subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Norton Rose Fulbright US LLP, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See "APPENDIX C — Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the Underwriter by its counsel, Greenberg Traurig, LLP, for the Developer by its counsel, Winstead PC, and for the City by the City Attorney. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about August 11, 2026 (the "Closing Date").

FMSbonds, Inc.

* Preliminary; subject to change.

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

CUSIP Prefix: _____[(a)]

$7,393,000*
CITY OF LOWRY CROSSING, TEXAS,
(a municipal corporation of the State of Texas located in Collin County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LOWRY TRAILS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 PROJECT)

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

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

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

* *Preliminary; subject to change.*

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

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

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

CITY OF LOWRY CROSSING, TEXAS
CITY COUNCIL

Council	Term Expires (November)
Pat Kelly, Mayor	2027
Eusebio Trujillo III	2027
Chris Madrid, Treasurer	2027
Scott Pitchure	2026
Tammy Hodges, Mayor Pro Tem	2027
Agur Rios	2026
Cindy Cash	2026
Ollie Simpson	2026
Muhaned Hijazen	2027

CITY ADMINISTRATOR & CITY SECRETARY
Janis Cable

CITY TREASURER
Chris Madrid

ADMINISTRATOR
P3Works, LLC

FINANCIAL ADVISOR TO THE CITY
Hilltop Securities Inc.

BOND COUNSEL
Norton Rose Fulbright US LLP

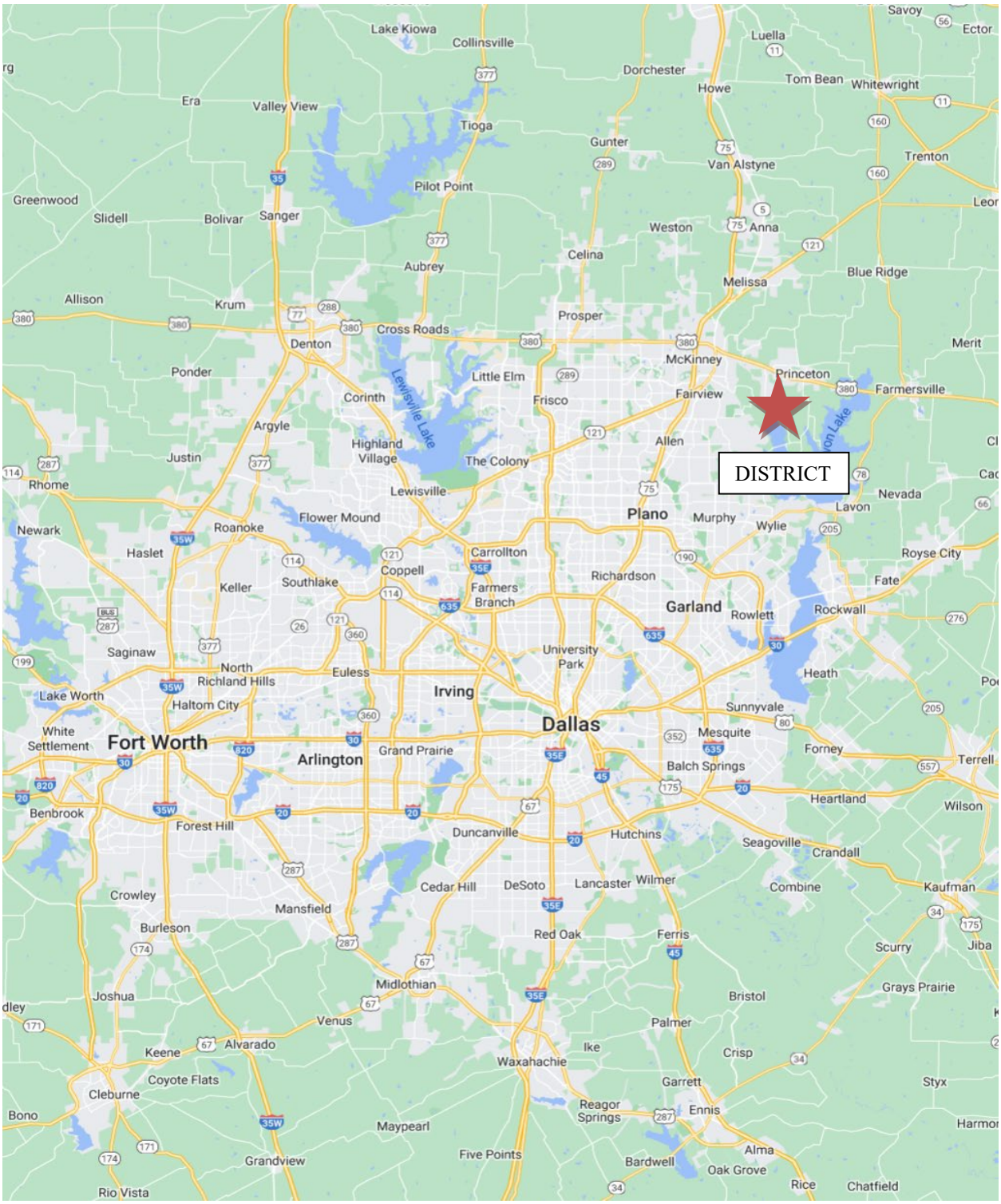
UNDERWRITER'S COUNSEL
Greenberg Traurig, LLP

For additional information regarding the City, please contact:

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City Administrator & Secretary
City of Lowry Crossing, Texas
1405 S. Bridgefarmer Road
Lowry Crossing, Texas 75069
(972) 542-8678

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

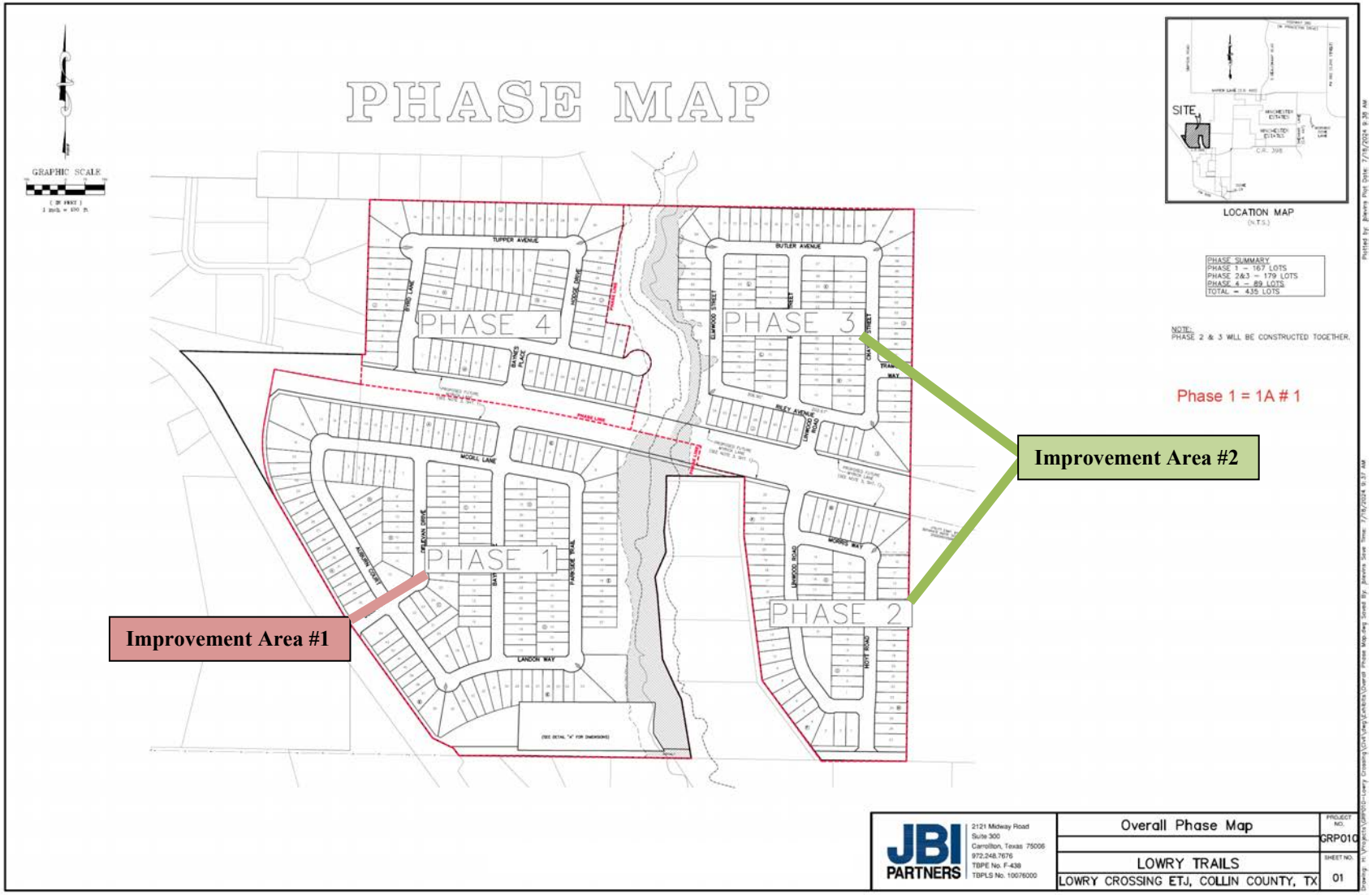
REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP OF THE DISTRICT



MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREA #1, IMPROVEMENT AREA #2 AND FUTURE IMPROVEMENT AREA



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

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

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

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

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

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE

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

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

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

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PRELIMINARY LIMITED OFFERING MEMORANDUM

**$7,393,000*
CITY OF LOWRY CROSSING, TEXAS,
(a municipal corporation of the State of Texas located in Collin County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LOWRY TRAILS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 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 Lowry Crossing, Texas (the "City") of its $7,393,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2026 (Lowry Trails Public Improvement District Improvement Area #2 Project) (the "Bonds").

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

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), the ordinance authorizing the issuance of the Bonds expected to be enacted by the City Council of the City (the "City Council") on July 14, 2026 (the "Bond Ordinance"), and an Indenture of Trust, dated as of August 1, 2026 (the "Indenture"), to be entered into by and between the City and BOKF, NA, as Trustee (the "Trustee"). The Bonds will be secured by assessments ("Assessments") expected to be levied against assessable property located within Improvement Area #2 (as defined herein) (the "Assessed Property") of the Lowry Trails Public Improvement District (the "District") pursuant to an ordinance expected to be enacted by the City Council on July 14, 2026 (the "Assessment Ordinance"). The City created the District pursuant to Resolution No. 129 adopted by the City Council on May 14, 2024 (the "Creation Resolution").

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

Set forth herein are brief descriptions of the City, the District, the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Improvement Area #2 Construction, Funding and Acquisition Agreement (as defined herein), the Development Agreement between the City and GRBK Edgewood, LLC, a Texas limited liability company (the "Developer"), effective May 9, 2023, as amended by the First Amendment to Development Agreement effective as of April 23, 2024 between the City and the Developer (the "Development Agreement"), and P3Works, LLC (the "Administrator"), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds,

* *Preliminary; subject to change.*

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

PLAN OF FINANCE

The District

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #2 Projects (as defined herein), authorized by the PID Act and approved by the City Council that confer a special benefit on the District.

The boundaries of the District are shown in the "MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREA #1, IMPROVEMENT AREA #2 AND FUTURE IMPROVEMENT AREA" on page v. The District is located partially within the corporate limits and partially within the extraterritorial jurisdiction of the City and is not expected to be fully annexed into the corporate limits of the City.

Development Plan and Plan of Finance

The District is composed of approximately 98.406 acres which are being developed as a master-planned residential development expected to contain approximately 431 40' single-family residential lots at buildout (the "Development"). The area shown as Phase 1 on the "MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREA #1, IMPROVEMENT AREA #2, AND FUTURE IMPROVEMENT AREA" on page v is referred to herein as "Improvement Area #1." The areas shown as Phase 2 and Phase 3 on the "MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREA #1, IMPROVEMENT AREA #2 AND FUTURE IMPROVEMENT AREA" on page v are referred to herein as "Improvement Area #2." The area shown as Phase 4 on the "MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREA #1, IMPROVEMENT AREA #2 AND FUTURE IMPROVEMENT AREA" on page v is referred to herein as the "Future Improvement Area," which is synonymous with the "Remainder Area" described in the Service and Assessment Plan.

The Developer is developing the District in distinct areas, which development began with development of the infrastructure to serve Improvement Area #1 of the District (the "Improvement Area #1 Improvements") and certain water and sanitary sewer improvements benefitting the entire District (the "Major Improvements"). Development is continuing with the development of local infrastructure to serve Improvement Area #2. See "THE DEVELOPMENT — General Development Plan."

The Developer purchased the property in the District in two separate purchases. The Developer purchased 94.982 acres from 111 Bluebonnet I LLC on May 24, 2025, at a purchase price of $12,000,000 and purchased 5.692 acres from the Nina Ruth McGill Revocable Living Trust on February 9, 2024 at a purchase price of $500,000. The purchase of the property was financed by internal corporate cash available to the Developer. See "THE DEVELOPER – History and Financing of the District."

Improvement Area #2 of the District includes approximately 39.288 acres, located within the extraterritorial jurisdiction of the City, and consists of 175 40' lots, which are being completed in separate phases. Phase 2 contains 69 lots and Phase 3 contains 106 lots. The Developer is constructing (i) certain street, water, storm drainage, and sanitary sewer improvements that will benefit only Improvement Area #2 of the District and expending certain soft costs related thereto (the "Improvement Area #2 Improvements") and (ii) certain additional sanitary sewer improvements that benefit Improvement Area #2 and the Future Improvement Area (the "Shared Improvements"). The Improvement Area #2 Improvements and the portions of the Major Improvements and Shared Improvements benefitting Improvement Area #2 are collectively referred to herein as the "Improvement Area #2 Projects." The Developer began construction of the Improvement Area #2 Improvements in June 2025. The Improvement Area #2 Improvements benefitting Phase 2 are expected to be completed in July 2026. The Improvement Area #2

Improvements benefitting Phase 3 are expected to be completed by the end of June 2026. The total expected cost of the Improvement Area #2 Projects (exclusive of any costs of issuance of the Bonds) is approximately $7,183,824. As of May 15, 2026, the Developer has expended $4,885,748 on the Improvement Area #2 Improvements, $96,795 on the Shared Improvements (a portion of which is allocable to Improvement Area #2), and $4,053,499 on the costs of the Major Improvements (a portion of which is allocable to Improvement Area #2), which expenditures were financed with corporate cash available to the Developer as described under "THE DEVELOPER – History and Financing of the District."

The City will pay a portion of the project costs for the Improvement Area #2 Projects from proceeds of the Bonds. The Developer will submit payment requests for costs actually incurred in developing and constructing the Improvement Area #2 Projects and be paid in accordance with the Indenture and the Lowry Trails Public Improvement District Improvement Area #2 Construction, Funding and Acquisition Agreement (the "Improvement Area #2 Construction, Funding and Acquisition Agreement"). See "THE IMPROVEMENT AREA #2 PROJECTS – General" and "THE DEVELOPMENT – Development Plan and Status of Development in Improvement Area #2."

The City expects to issue a series of bonds (the "Future Improvement Area Bonds") to finance the cost of (i) local improvements benefitting the Future Improvement Area and (ii) the Future Improvement Area's allocable share of the Major Improvements and the Shared Improvements. The estimated costs of the local improvements benefitting the Future Improvement Area of the District will be determined at the same time the Future Improvement Area is developed, and the Service and Assessment Plan will be updated to identify the improvements to be constructed within the Future Improvement Area and financed by the 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 Future Improvement Area of the District. The Developer anticipates that the Future Improvement Area Bonds will be issued in 2027. See "THE DEVELOPMENT – Future Improvement Area Bonds."

Homebuilder in Improvement Area #2

It is expected that all homes in Improvement Area #2 will be constructed by the Developer's homebuilder, Trophy Signature Homes (TSHH, LLC, a Texas limited liability company) ("Trophy"). The Developer and Trophy are both wholly owned subsidiaries of Green Brick Partners, Inc., a publicly traded Delaware corporation ("Green Brick"). The Developer expects to transfer all lots in Phase 2 of Improvement Area #2 to Trophy in July 2026 and for Trophy to begin home construction in Phase 2 of Improvement Area #2 in October 2026. The Developer expects to transfer all lots in Phase 3 of Improvement Area #2 to Trophy in July 2026, and for Trophy to begin home construction in Phase 3 of Improvement Area #2 in December 2026. The Developer expects the first home closings in Improvement Area #2 to occur in Q1 2027.

Prior Bonds

To finance a portion of the costs of the Improvement Area #1 Projects (as defined in the Service and Assessment Plan), the City previously issued its $7,877,000 City of Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2025 (Lowry Trails Public Improvement District Improvement Area #1 Project) (the "Improvement Area #1 Bonds"). The Improvement Area #1 Bonds are secured by separate assessments levied on Improvement Area #1 of the District (the "Improvement Area #1 Assessments"). The Improvement Area #1 Assessments are not pledged to and do not secure the Bonds. The current outstanding principal amount of the Improvement Area #1 Bonds is $7,877,000.

The Bonds

Proceeds of the Bonds will be used primarily to provide funds for (i) paying all or a portion of the Actual Costs of the Improvement Area #2 Projects, (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs including funding a reserve fund and other costs related to the issuance of the Bonds. "Bond Issuance Costs" means the costs associated with issuing the Bonds, including but not limited to, and as applicable, attorney fees, financial advisory fees, consultant fees, initial trustee fees, appraisal fees, printing costs, publication costs, reserve fund requirements, underwriter's discount (including the fee of counsel to the Underwriter), fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of the Bonds. To the extent that a portion of the proceeds of the Bonds

is allocated for the payment of the costs of issuance of the Bonds and less than all of such amount is used to pay such costs, the excess amount may, at the option of the City, be transferred to the Improvement Area #2 Projects Account of the Project Fund or to the Principal and Interest Account of the Bond Fund to pay interest on the Bonds. See "THE IMPROVEMENT AREA #2 PROJECTS," "APPENDIX A – Form of Indenture" and "SOURCES AND USES OF FUNDS."

Payment of the Bonds is secured by a first lien on, security interest in and pledge of the Trust Estate, consisting primarily of the Pledged Revenues, which consist primarily of Assessments expected to be levied against the Assessed Property within Improvement Area #2 of the District, all to the extent and upon the conditions described herein and in the Indenture. See "SECURITY FOR THE BONDS," "ASSESSMENT PROCEDURES" and "APPENDIX A – Form of Indenture."

The Bonds, the Improvement Area #1 Bonds, and any Future Improvement Area Bonds shall never constitute an indebtedness or general obligation of the City, the State of Texas (the "State"), or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds.

The Bonds, Improvement Area #1 Bonds and any Future Improvement Area Bonds issued by the City are separate and distinct issues of securities secured by separate assessments. The Improvement Area #1 Bonds and any Future Improvement Area Bonds to be issued by the City are not offered pursuant to this Limited Offering Memorandum.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter (the "Closing Date") and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on each March 15 and September 15 (each an "Interest Payment Date"), commencing March 15, 2027, until maturity or prior redemption. BOKF, NA is the initial Trustee, Paying Agent and Registrar for the Bonds.

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

Redemption Provisions

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

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

the Bonds to be redeemed pursuant to the Indenture. See "ASSESSMENT PROCEDURES — Prepayment of Assessments" for the definition and description of Prepayments and "APPENDIX A — Form of Indenture."

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

$ Term Bonds Maturing September 15, 20

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

† Stated maturity.

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

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

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

Notice of Redemption. The Trustee shall receive written notice from the City of the City's intention to conduct an optional redemption of Bonds not less than 45 days prior to the date fixed for redemption. Upon written notification by the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds are in book-entry-only form and held by DTC as security depository, references to Owner in the Indenture mean Cede & Co., as nominee for DTC.

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

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

The City has the right to rescind any optional redemption or extraordinary optional redemption 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 and deposited with the Trustee prior to the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall

not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

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

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

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

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

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

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

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

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

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

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

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

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Limited Offering Memorandum. The City and the Underwriter believe

the source of such information to be reliable, but neither the City nor the Underwriter takes responsibility for the accuracy or completeness thereof.

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

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

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

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

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

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

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

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

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

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

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

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

5) The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Improvement Area #2 Projects, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the "Investor Information"). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor's purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for, or in connection with the Investor's decision to purchase the Bonds except for gross negligence, fraud or willful misconduct, to the extent permitted by law. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

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

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

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

SECURITY FOR THE BONDS

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

General

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

The principal of, premium, if any, and interest on the Bonds are secured by a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of the pledged revenues (the "Pledged Revenues"), which consist primarily of Assessments expected to be levied against the assessable parcels or lots within Improvement Area #2 of the District and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. The Indenture refers to the Assessments as the "Improvement Area #2 Assessments" and such term is used interchangeably with the term Assessments under this heading.

In accordance with the PID Act, the City has caused the preparation of a Service and Assessment Plan (as may be amended and supplemented, the "Service and Assessment Plan"), which describes the special benefit received by the property within the District, including Improvement Area #2 of the District, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year (each, an "Annual Service Plan Update"). The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See "APPENDIX B — Form of Service and Assessment Plan."

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Improvement Area #2 Projects by levying 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 of the District, see "ASSESSMENT PROCEDURES" and "APPENDIX B — Form of Service and Assessment Plan."

Pursuant to the Indenture, Pledged Revenues are the sum of (i) the Assessment Revenue, less the Annual Collection Costs (as defined herein); and (ii) any additional revenues that the City may pledge to the payment of Bonds. "Assessment Revenue" means monies collected by or on behalf of the City from any one or more of the following: (i) an Assessment levied against an Assessed Parcel, or Annual Installment payment thereof, including any interest on such Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, and (iii) Foreclosure Proceeds. "Annual Installments" means, with respect to each Assessed Parcel, each annual payment of the Improvement Area #2 Assessments (including both principal of and interest on the Improvement Area #2

Assessments), each of which annual payment includes the Annual Collection Costs and the 0.50% additional interest rate (the "Additional Interest") collected on each annual payment of the Improvement Area #2 Assessments as described in the Indenture and as calculated in the Service and Assessment Plan or in any Annual Service Plan Update. The City will covenant in the Indenture that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be enforced continuously. See "SECURITY FOR THE BONDS — Pledged Revenue Fund," "APPENDIX A — Form of Indenture" and "APPENDIX B — Form of Service and Assessment Plan."

Collection and Deposit of Assessments

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

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

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

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

Unconditional Levy of Assessments

The City will impose Assessments on the property within Improvement Area #2 of the District to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments will be calculated at the rate of interest on the Bonds plus the Additional Interest Rate, calculated on the basis of a 360-day year of twelve 30-day months. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated on or about September 1 and shall be billed on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments will be due when billed on or about October 1, 2026, and will be delinquent if not paid prior to February 1, 2027.

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

There will be no 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 property assessed, superior to all other liens or claims, except liens and claims for State, county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named and runs with the land. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged) and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See "ASSESSMENT PROCEDURES" herein. The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. See "BONDHOLDERS' RISKS – Assessment Limitations."

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

Perfected Security Interest

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Trust Estate provided for in the Indenture, and such pledge is, under current law, valid, effective and perfected from the Closing Date. The City shall cause to be filed all appropriate initial financing statements, if any, to ensure that the Trustee (for the benefit of the Owners of the Bonds) is granted a valid and perfected first priority lien on the entire Trust Estate. Nothing in the Indenture shall obligate the Trustee to file any initial financing statements. Upon the City's timely delivery of a copy of such filed initial financing statement, if any, to the Trustee, the Trustee shall file continuation statements of such initial financing statement(s) in the same jurisdictions as the initial financing statement(s), for such initial financing statements on which it is named as secured party, copies of which have been previously provided to the Trustee. Unless the Trustee is otherwise notified in writing by the City, the Trustee may rely upon the initial financing statements in filing any continuation statements under the Indenture. See "APPENDIX A — Form of Indenture."

Pledged Revenue Fund

The City will create a Pledged Revenue Fund under the Indenture to be held by the Trustee. On or before March 1 of each year while the Bonds are Outstanding and beginning March 1, 2027, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the City shall deposit or cause to be deposited Pledged Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, in accordance with the Indenture, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, as described under "— Reserve Fund" herein, (iv) fourth, to pay Actual Costs of the Improvement Area #2 Projects, and (v) fifth, to pay other costs permitted by the PID Act.

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

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

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

Notwithstanding the provisions described above, the Trustee shall deposit Foreclosure Proceeds (as such are identified in a City Certificate) to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first, to the Reserve Account to restore any transfers from the Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, second, to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, and third, to the Redemption Fund.

After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in an account of the Reserve Fund and the other deposits described above, the City may direct the Trustee, by City Certificate, to apply Improvement Area #2 Assessments for any lawful purposes permitted by the PID Act for which Improvement Area #2 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.

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

Project Fund

Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to either (i) the instructions on the memorandum to be issued by the City's financial advisor (the "Closing Memorandum") as of the Closing Date, (ii) one or more City Certificates or (iii) an executed, completed and accepted Closing Disbursement Request.

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, except as otherwise provided in the Indenture.

Disbursements from the Improvement Area #2 Projects Account of the Project Fund to pay District Formation Costs or other costs related to the creation of the District shall be made by the Trustee pursuant to either (i) the Closing Memorandum, (ii) one or more City Certificates or (iii) an executed, completed, and accepted Closing Disbursement

Request. Disbursements from the Improvement Area #2 Projects Account of the Project Fund to pay all other 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 applicable Certification for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee; provided that the Trustee shall not release funds from the Improvement Area #2 Projects Account in excess of $5,680,355.69* (the "Unrestricted Amount") until such time as the Trustee receives a City Certificate confirming that the Release Restriction (as defined below) has been satisfied (the "Release Certificate"), in accordance with the provisions of the Indenture and the Improvement Area #2 Construction, Funding and Acquisition Agreement. The disbursement of funds from the Improvement Area #2 Projects Account of the Project Fund pursuant to a Closing Disbursement Request or a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Improvement Area #2 Construction, Funding and Acquisition Agreement or as provided in such written direction. Such provisions and procedures related to such disbursements contained in the Improvement Area #2 Construction, Funding and Acquisition Agreement, and no other provisions of the Improvement Area #2 Construction, Funding and Acquisition Agreement, are incorporated by reference and deemed set forth in the Indenture in full.

Moneys in excess of the Unrestricted Amount may be disbursed from the Improvement Area #2 Projects Account of the Project Fund only upon the City's release of 4* certificates of occupancy for homes within Improvement Area #2 of the District (the "Release Restriction"). Until such time as the Release Restriction has been satisfied and the City has submitted a Release Certificate, the City may not approve a Certification for Payment and the Trustee may not disburse funds from the Improvement Area #2 Projects Account of the Project Fund in an amount that would cause the total amount that has been disbursed from the Improvement Area #2 Projects Account of the Project Fund to exceed the Unrestricted Amount. In the event all amounts deposited into the Improvement Area #2 Projects Account of the Project Fund pursuant to the Indenture have not been expended by July 22, 2029, the City, pursuant to a City Certificate, shall direct the Trustee, and provide a copy of such City Certificate to the Developer prior to directing the Trustee, to transfer all funds in excess of the Unrestricted Amount then on deposit in the Improvement Area #2 Projects Account of the Project Fund to the Redemption Fund in order to redeem Bonds pursuant to the Indenture. Following such transfer, the Improvement Area #2 Projects Account of the Project Fund shall be closed.

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 purpose of the Account, the City Representative shall file a City Certificate with the Trustee, and provide a copy of such City Certificate to the Developer prior to filing 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 the purpose of such Account. If such City Certificate is so filed, the amounts identified in the City Certificate on deposit in the Improvement Area #2 Projects Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

In making any determination described under this "Project Fund" heading, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant. The Trustee shall be permitted to rely fully on any Certification for Payment, Release Certificate, City Certificate, or other written direction received pursuant to the Indenture without investigation.

Upon the receipt 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 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 or to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfer,

* *Preliminary; subject to change.*

the Improvement Area #2 Projects Account of the Project Fund shall be closed. If the Improvement Area #2 Projects Account has been closed as provided above and the Costs of Issuance Account of the Project Fund has been closed pursuant to the provisions of the Indenture, the Project Fund shall be closed.

Not later than six months following the Closing Date, or upon an earlier determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred first to the Improvement Area #2 Projects Account of the Project Fund and used to pay Actual Costs or if no Actual Costs remain to be funded, then to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

Reserve Fund

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

Pursuant to the Indenture, an Additional Interest Reserve Account will be created within the Reserve Fund and held by the Trustee for the benefit of the Bonds. The Trustee, if needed, will transfer from the Pledged Revenue Fund to the Additional Interest Reserve Account on March 15 and September 15 of each year, commencing March 15, 2027, an amount equal to the Additional Interest collected, if any, as shown on the Assessment Roll attached to the Service and Assessment Plan or an Annual Service Plan Update, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. The Additional Interest Reserve Requirement is an amount equal to 5.50% of the principal amount of the Outstanding Bonds to be funded from Assessment Revenues to be deposited to the Pledged Revenue Fund and transferred to the Additional Interest Reserve Account. See "APPENDIX B — Form of Service and Assessment Plan."

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

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

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

Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess via online portfolio access. Such excess shall be transferred to the Principal and Interest Account of the Bond Fund to be used for the payment of debt service on the Bonds on the next Interest Payment Date in accordance with the Indenture, unless within 30 days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due for rebatable arbitrage, (ii) to the Improvement Area #2 Projects Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the Closing Date, or (iii) for such other use specified in such City Certificate if the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond.

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

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

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

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

Administrative Fund

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

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

Defeasance

All Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided in the Indenture, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys

deposited with the Trustee for such purpose, shall be sufficient to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant or other qualified third-party selected by the City verifying the sufficiency of the moneys and/or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Bonds to become due on the Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency then publishing a rating on the Bonds that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee as described in this paragraph nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

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

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

Events of Default

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

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

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

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

Remedies in Event of Default

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

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

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under the Indenture, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

Whenever moneys are to be applied pursuant to the Indenture, irrespective of 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 then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for 90 days after such notice failed or refused to exercise the powers granted in the Indenture, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least a majority of the aggregate principal amount of the Bonds

then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his, or their action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Indenture and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy under the Indenture.

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

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

Application of Revenues and Other Moneys After Event of Default

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

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

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

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

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

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

Investment or Deposit of Funds

Money in any Fund or Account established pursuant to the Indenture shall be invested by the Trustee, as directed by the City pursuant to a City Certificate, filed with the Trustee at least two days in advance of the making of such investment. The money in any Fund or Account shall be invested in time deposits or certificates of deposit

secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the PFIA, or any successor law, as in effect from time to time, including funds for which the Trustee and/or its affiliates provide investment advisory or other management services; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investments 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 sentences, amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in the Indenture) on the Bonds, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond. Investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds or Accounts may be invested in common investments of the kind described above, or in a common pool of such 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 investments or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions, which may include electronic direction, with respect to investments of funds, the Trustee is hereby directed to invest and re-invest cash balances in Cavanal Hill Government Securities Fund (CUSIP 14956P836, APCXX) as standing instructions; provided, however, that money required to be expended from any Fund or Account will be available at the proper time or times.

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

Against Encumbrances

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

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

Additional Obligations or Other Liens

The City reserves the right, subject to the provisions contained in the Indenture, to issue 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 Improvement Area #2 Assessments securing the Bonds, levied against property within Improvement Area #2 of the District 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.

The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State. Other than Refunding Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to

be or omit to be done any matter or things whatsoever whereby the lien of the Indenture or the priority thereof might or could be lost or impaired.

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

Notwithstanding anything to the contrary herein, Refunding Bonds or subordinate obligations described above may not be issued by the City unless: (1) the principal (including sinking fund installments) of such Refunding Bonds or subordinate obligations are scheduled to mature on September 15 of the years in which principal is scheduled to mature, and (2) the interest on such Refunding Bonds or subordinate obligations must be scheduled to be paid on March 15 and September 15 of the years in which interest is scheduled to be paid.

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DEBT SERVICE REQUIREMENTS

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

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

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SOURCES AND USES OF FUNDS

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

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

(1) The Trustee shall not release funds from the Improvement Area #2 Projects Account in excess of $5,680,355.69* until such time as the Trustee receives a City Certificate confirming that the Release Restriction has been satisfied. See "SECURITY FOR THE BONDS – Project Fund."

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

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* *Preliminary; subject to change.*

OVERLAPPING TAXES AND DEBT

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 levied by the City.

The District is located partially within the corporate limits and partially within the extraterritorial jurisdiction of the City and is not expected to be annexed pursuant to the terms of the Development Agreement. All of the land in Improvement Area #2 is within the extraterritorial jurisdiction of the City. Accordingly, it is not expected that the City will levy any ad valorem taxes on the land within Improvement Area #2. Collin County, Texas (the "County"), Collin Community College District, and the Princeton Independent School District 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 special assessments levied by such other taxing authorities.

The City has also created the O&M PID (as defined herein) as described under "OVERLAPPING TAXES AND DEBT – O&M PID Assessments," in which the City will levy an operations and maintenance assessment (the "O&M PID Assessments") for the Supplemental Services (as defined herein).

The following tables reflect the estimated overlapping ad valorem tax rates and overlapping indebtedness payable from ad valorem taxes with respect to property within Improvement Area #2 of the District, as well as City debt secured by the Assessments, after delivery of the Bonds.

OVERLAPPING TAX RATES

Taxing Entity	Tax Year 2025 Ad Valorem Tax Rate[1]
Collin County, Texas	$0.149343
Collin Community College District	0.081220
Princeton Independent School District	1.207200
Total Existing Tax Rate	$1.437763
Estimated Average Annual Installment of Assessments in Improvement Area #2 of the District as a tax rate equivalent per Parcel[2]	$1.179496
Estimated annual installment of the O&M PID Assessments as a tax rate equivalent per Parcel[2]	$0.073400
Estimated Total Tax Rate and Average Annual Installment in Improvement Area #2 of the District as a tax rate equivalent per Parcel[2]	**$2.690659**

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

(2) *Preliminary, subject to change.* Source: P3Works, LLC. Estimated tax rate equivalent of the annual installments of O&M PID Assessments is based on the maximum equivalent tax rate of the O&M PID Assessments of $0.0734 per $100.00 of taxable assessed value pursuant to the Development Agreement. O&M PID Assessments are expected to be levied in Improvement Area #2 in the future. See "– O&M PID Assessments" below and "APPENDIX B – Form of Service and Assessment Plan."

Source: Collin Central Appraisal District and the City.

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OVERLAPPING DEBT

Taxing or Assessing Entity	Gross Outstanding Debt as of 6/1/2026	Estimated Percentage Applicable[1]	Direct and Estimated Overlapping Debt
The City (Assessments - The Bonds) [2]	$ 7,393,000	100.000%	$7,393,000
Collin County, Texas	910,405,000	0.005%	48,814
Collin Community College District	438,250,000	0.006%	25,128
Princeton Independent School District	661,274,480	0.236%	1,559,863
TOTAL[2], [3]	$2,017,322,480		$9,026,804

[1] Based on the discounted income approach value in the Appraisal (as defined herein) for Improvement Area #2 of the District and on the Tax Year 2025 Net Taxable Assessed Valuations for the taxing entities.

[2] *Preliminary, subject to change.*

[3] Totals may not sum due to rounding.

Source: Municipal Advisory Council of Texas

O&M PID Assessments

The City formed the Lowry Trails Operation and Maintenance Public Improvement District (the "O&M PID") on July 8, 2025, which includes the property within the District. In addition to the Assessments for the capital improvements financed through the District, the City has levied (with respect to Improvement Area #1) or expects that it will levy the O&M PID Assessments on the property in the O&M PID, including Improvement Area #2, pursuant to the Lowry Trails Operation and Maintenance Public Improvement District Operations and Maintenance Service and Assessment Plan (the "O&M SAP"). The O&M PID Assessments shall be used to finance the annual costs to operate and maintain the street and roadway improvements that benefit the property within the O&M PID constructed or financed by the Developer and maintained by the City (the "Supplemental Services"). The City expects to levy the O&M PID Assessments on Improvement Area #2 upon dedication of the street and roadway Improvement Area #2 Projects to the City. The expected tax equivalent rate of the O&M PID Assessments is $0.0734* per $100.00 of taxable assessed value, which rate is subject to change based on the actual costs of the Supplemental Services as described in the O&M SAP; provided, however, the maximum equivalent tax rate of the O&M PID Assessments is $0.0734 per $100.00 of taxable assessed value pursuant to the Development Agreement. **The O&M PID Assessments, when levied, will not be pledged to, and will not be security for, the Bonds.**

Homeowners' Association

In addition to the Assessments described above, the Developer anticipates that each lot owner in Improvement Area #2 of the District will pay a maintenance and operation fee and/or a property owner's association fee annually to a homeowners' association (the "HOA"). The expected annual HOA fee is $650 per year.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determined to defray a portion of the costs of the Improvement Area #2 Projects through Assessments, it adopted a resolution generally describing the Improvement Area #2 Projects and the land within Improvement Area #2 of the District to be subject to Assessments to pay the cost therefor. The City has caused an assessment roll to be prepared (the "Assessment Roll"), which Assessment Roll shows the land within Improvement Area #2 of the District to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll was or will be filed with the City Secretary and made available for public inspection. Statutory notice was or will be given to the owners of the property

* *Preliminary; subject to change.*

to be assessed and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #2 Projects and funding a portion of the same with Assessments. The City expects to levy the Assessments and adopt the Assessment Ordinance immediately prior to adopting the Bond Ordinance. After such adoption, the Assessments will become legal, valid and binding liens upon the property against which the Assessments have been made.

Under the PID Act, the Actual Costs of the Improvement Area #2 Projects may be assessed by the City against the assessable property in Improvement Area #2 of the District 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 the District, including land in Improvement Area #2, is set forth in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX B — Form of Service and Assessment Plan."

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property as a result of the Improvement Area #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 special benefit of the Improvement Area #2 Projects to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Improvement Area #2 Projects are being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues, including the Assessment Revenues. As set forth in the Service and Assessment Plan, the City Council has determined that the Actual Costs associated with the Major Improvements shall be allocated based upon Estimated Buildout Value. Improvement Area #1 was allocated 38.39% of the costs of the Major Improvements and the remaining 61.61% of the Major Improvements costs were apportioned to Improvement Area #2 and the Future Improvement Area, to be further allocated based on the Estimated Buildout Value of each newly assessed property at the time of levy of the applicable assessments. Based on the Estimated Buildout Value of Improvement Area #2, Improvement Area #2 is allocated 40.84% of the Major Improvements costs. In addition, the City Council has determined that the Actual Costs associated with the Shared Improvements shall be allocated to Improvement Area #2 and the Future Improvement Area based upon Estimated Buildout Value. Based on the Estimated Buildout Value of Improvement Area #2, Improvement Area #2 is allocated 66.29% of the Actual Costs of the Shared Improvements. The City Council has further determined that the Actual Costs associated with the Improvement Area #2 Authorized Improvements (as defined herein) will be allocated to each Assessed Property pro rata based on the Estimated Buildout Value of each Assessed Property to the Estimated Buildout Value of all Assessed Property.

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

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VALUE TO LIEN ANALYSIS, ASSESSMENT ALLOCATION, EQUIVALENT TAX RATE AND LEVERAGE PER UNIT IN IMPROVEMENT AREA #2 OF THE DISTRICT*

Lot type	Planned No. of Units	Estimated Finished lot Value per unit(1)	Projected Average Home Value per unit(2)	Total Maximum Assessment per unit	Average Annual Installment of Total Assessment per unit	Tax Rate Equivalent of Average Annual Installment of Assessment (per $100 Home Value)	Estimated Ratio of Estimated Lot Value to Assessment	Estimated Ratio of Projected Average Home Value to Assessment
40’	175	$80,000	$315,000	$42,245.71	$3,715.41	$1.1795	1.89	7.46
Total	175							

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

(1) Estimated value of finished lots based on retail lot value provided in the Appraisal. See “APPRAISAL” and “APPENDIX E – Appraisal.”
(2) Estimated value provided by the Developer.

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* *Preliminary; subject to change.*

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

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on parcels similarly situated within Improvement Area #2 of the District. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers within the District. See "APPENDIX B — Form of Service and Assessment Plan."

Collection and Enforcement of Assessment Amounts

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

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

In the Indenture, the City will covenant, agree and warrant that, for so long as any Bonds are Outstanding, and amounts are due the Developer to pay it for its funds it has contributed to pay costs of the Improvement Area #2 Projects, that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

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

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

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

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

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

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

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

Assessment Amounts

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

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

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Assessments shall be initially allocated to the Parcels consisting of the Assessed Property based on the ratio of estimated build-out value of each Assessed Property in Improvement Area #2 to estimated build-out value of all Assessed Properties in Improvement Area #2.

Division Prior to Recording of Subdivision Plat. Upon the division of any Assessed Property prior to the recording of subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

$A = B \times (C \div D)$

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property

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

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property relying on information from homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property, provided by the Developer. The calculation as confirmed by the City Council shall be conclusive and binding.

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

Upon Subdivision by a Recorded Subdivision Plat. Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided lots based on Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

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

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

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

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each lot created by the recorded subdivision plat. The calculation of the Assessment for a lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the Developer, homebuilders, third party consultants, and/or the official public records of the County regarding the lot. The Estimated Buildout Value for Lot Type 2 is shown in the Service and Assessment Plan and will not change in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive and binding.

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

Upon Consolidation. If two or more Lots or Parcels are consolidated into a single Lot or Parcel, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update immediately following such consolidation. The Assessment for any resulting Lot may not exceed the Maximum Assessment (as defined herein) for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to the Service and Assessment Plan.

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

Prepayment of Assessments

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

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

Mandatory Prepayment of Assessments—Transfer to Exempt Entity. If an Assessed Property or portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel or portion thereof to become Non-Benefited Property, the owner of such Lot, Parcel or portion thereof shall pay to the City the full amount of the applicable Assessment, plus Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to any such conveyance or act, and no such conveyance shall be effective until the City receives such payment. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached to the Service and Assessment Plan.

Mandatory Prepayment if Assessment Exceeds Maximum Assessment. The Service and Assessment Plan establishes a "Maximum Assessment" for each Lot Type in Improvement Area #2 of the District, which Maximum Assessment (i) means, for each Lot, an Assessment equal to the lesser of (1) the amount calculated pursuant to Section VI.A or the Service and Assessment Plan, or (2) for each Lot Type, the amount shown on Exhibit E to the Service and Assessment Plan and (ii) is currently calculated at $42,245.71* for 40' lots in Improvement Area #2. See "APPENDIX B — Form of Service and Assessment Plan."

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City, or cause to be paid to the City, the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property), (the "Remaining Property") following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner of the Remaining Property will remain liable to pay in Annual Installments, or payable as otherwise

* *Preliminary; subject to change.*

provided by this Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the applicable Maximum Assessment, the owner will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed the applicable Maximum Assessment, in which case the Assessment and Annual Installments applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Assessment on the Retained Property. In all instances the Assessment remaining on the Remaining Property shall not exceed the applicable Maximum Assessment.

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

Priority of Lien

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

Foreclosure Proceedings

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

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

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

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

ASSESSMENT AND COLLECTION DATA FOR THE DISTRICT

Collection and Delinquency History in Improvement Area #1 of the District

THE FOLLOWING SECTION SETS FORTH, FOR INFORMATIONAL PURPOSES ONLY, INFORMATION REGARDING COLLECTION HISTORY FOR IMPROVEMENT AREA #1 OF THE DISTRICT RELATING TO THE IMPROVEMENT AREA #1 ASSESSMENTS LEVIED WITHIN IMPROVEMENT AREA #1. THE IMPROVEMENT AREA #1 ASSESSMENTS ARE NOT PLEDGED TO AND WILL NOT BE AVAILABLE FOR PAYMENT OF THE BONDS. No assurances can be made that collection of the Assessments will reflect the historical collection of assessments levied in Improvement Area #1 of the District.

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

COLLECTION AND DELINQUENCY HISTORY OF IMPROVEMENT AREA #1 ASSESSMENTS

Fiscal Year Ending 9/30	Tax Year Billed	Assessment Levied	Delinquent Amount as of 3/1 (following year)	Delinquent Percentage as of 3/1 (following year)	Delinquent Amount as of 9/1 (following year)	Delinquent Percentage as of 9/1 (following year)	Assessments Collected[(1)]
2026	2025	$354,258.77	$0.00	$0.00%	N/A	N/A	$354,258.77

[(1)] Information as of May 1, 2026.
Source: Information from P3Works based upon Collin County Tax Assessor and Collectors' records.

Foreclosure History of Improvement Area #1 Assessments

As of May 1, 2026, there has never been a foreclosure sale of any of the assessed property within Improvement Area #1 of the District for non-payment of Improvement Area #1 Assessments.

Prepayment History of Improvement Area #1 Assessments

As of May 1, 2026, there have been no prepayments of the Improvement Area #1 Assessments.

THE CITY

Background

The City is located in central Collin County, 5 miles east of the City of McKinney and 3 miles west of the City of Princeton ("Princeton"). Access to the City is provided by US Highway 380 on the City's northern boundary and FM546 to the south. The City covers approximately three (3) square miles. Some of the services that the City provides are fire protection through a volunteer fire department, streets, planning and zoning, and general administrative services. The 2020 Census population for the City was 1,720, while the estimated current population is 2,000.

City Government

The City is a Type A General Law City, with an Aldermanic-Mayor form of government. The City Council (Mayor and Aldermen) is responsible for setting priorities that affect the quality of living and character of the City by passing laws (ordinances) and resolutions. The City Administrator's office is responsible for the day-to-day operations of the City. As custodian of the City's records, the City Secretary's office provides notice of and records the proceedings of the City Council, Planning and Zoning Commission and other boards and commissions. The current members of the City Council and their respective expiration of terms of office are set forth on page ii hereof.

Major Employers

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

Employer	Product or Service	Employees
State Farm Insurance	Insurance	14,000
JP Morgan Chase	Financial Services	11,261
Frisco ISD	Education	8,850
Bank of America	Financial Services	6,566
Capital One Finance	Financial Services	5,649
Richardson ISD	Education	5,600
Blue Cross Blue Shield of Texas	Insurance	5,300
Toyota Motor North America, Inc.	Automotive Manufacturing	4,938
Raytheon Intelligence and Space	Aerospace Defense	4,500
University of Texas Dallas	Higher Education	3,971

Source: Collin County 2025 Comprehensive Annual Financial Report

Historical Employment in Collin County

	Average Annual				
	2026[(1)]	2025	2024	2023	2022
Civilian Labor Force	703,317	703,565	691,133	665,876	636,637
Total Employed	676,555	676,281	664,644	641,544	615,503
Total Unemployed	26,762	27,284	26,489	24,332	21,134
Unemployment Rate	3.8%	3.9%	3.8%	3.7%	3.3%

Source: Texas Workforce Commission.
(1) Data through April 2026.

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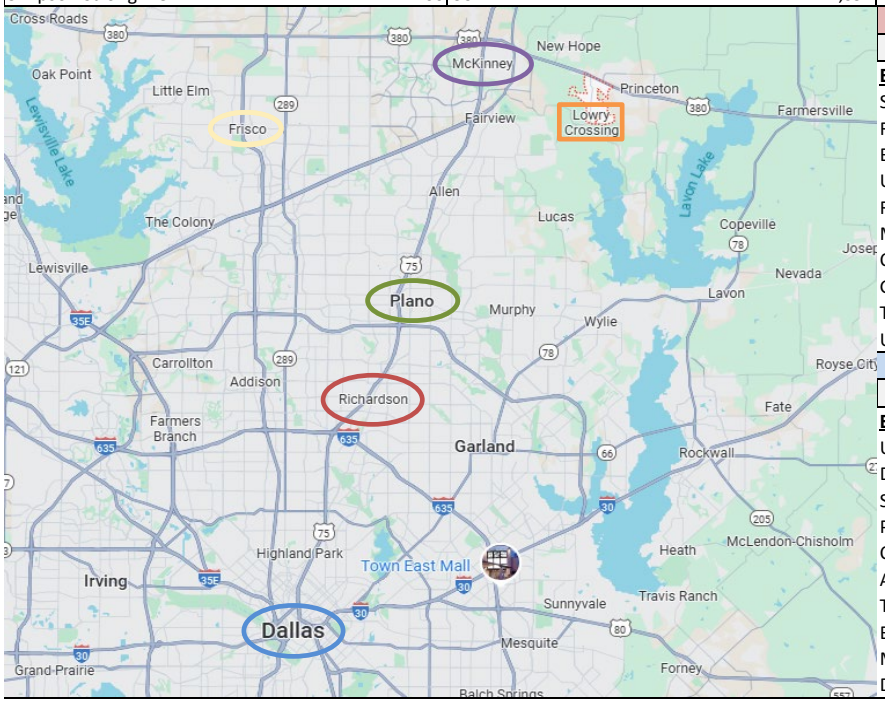
Surrounding Economic Activity

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

City of McKinney	
Approximately 9 miles from the City	
Employer	**Employees**
Raytheon Space & Airborne Systems	4,500
McKinney ISD	3,689
Collin County	2,098
City of McKinney	1,682
Encore Wire	1,653
Medical City McKinney	1,500
Baylor Scott White Medical Center McKi	1,500
Globe Life	1,200
Collin College	957
Simpson Strong-Tie	700

City of Plano	
Approximately 17 miles from the City	
Employer	**Employees**
JPMorgan Chase	11,261
Bank of America	6,566
Capital One Finance	5,649
Toyota Motor North America	4,938
PepsiCo Foods North America	3,759
Ericsson	3,346
AT&T Foundry and Services	2,500
Medical City Plano	2,332
Liberty Mutual Insurance Company	2,100
USAA	2,092

City of Frisco	
Approximately 20 miles from the City	
Employer	**Employees**
Frisco ISD	8,850
Dallas Cowboys Football Club	2,000
City of Frisco	1,866
HCL Technologies LTD	1,866
Integrated Commercialization Solutions	1,300
Keurig Dr. Pepper	1,213
Amerisource Bergen Specialty Group	749
Baylor Medical Center (Warren Pkwy)	567
Community Impact Newspaper	500
Mario Sinacola & Sons Excavating	500



City of Richardson	
Approximately 24 miles from the City	
Employer	**Employees**
State Farm Insurance	12,000
Richardson ISD	5,500
Blue Cross & Blue Shield of Texas	5,300
University of Texas Dallas	3,700
Raytheon	2,500
MRMC	2,300
Cisco	2,000
Geico	2,000
Texas Instruments	1,800
UHC	1,700

City of Dallas	
Approximately 38 miles from the City	
Employer	**Employees**
UT Southwestern Medical Center	22,721
Dallas ISD	22,162
Southwest Airlines	17,324
Parkland Health System	14,000
City of Dallas	13,000
AT&T Inc	10,868
Texas Instruments Inc.	7,704
Baylor Scott & White Health	7,284
Methodist Dallas Med Ctr	6,752
Dallas County	6,500

Source: Municipal Advisory Council of Texas

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by the Creation Resolution for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #2 Projects, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property being developed. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District is included on page v hereof.

Powers and Authority

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

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or pay a developer for the costs of, the financing, acquisition, construction or improvement of the 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 road, water, sewer, and storm drainage improvements within Improvement Area #2 of the District and outside of the District comprising the Improvement Area #2 Projects and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See "ASSESSMENT PROCEDURES" herein and "APPENDIX B — Form of Service and Assessment Plan."

THE IMPROVEMENT AREA #2 PROJECTS

General

The Improvement Area #2 Projects consist of (a) Improvement Area #2's proportionate share of the costs of the Major Improvements and the Shared Improvements and (b) the costs of the Improvement Area #2 Improvements. The Developer is responsible for the completion of the construction, acquisition or purchase of the Improvement Area #2 Projects. See "THE DEVELOPMENT – General Development Plan." The City will pay a portion of the project costs for the Improvement Area #2 Projects from proceeds of the Bonds. The Developer will submit payment requests on a monthly basis for costs actually incurred in developing and constructing the Improvement Area #2 Projects and be paid in accordance with the Indenture and the Improvement Area #2 Construction, Funding and Acquisition Agreement.

Improvement Area #2 Projects. The Improvement Area #2 Projects, a portion of which are being financed with proceeds of the Bonds, include road, water, sewer, and storm drainage improvements benefitting only Improvement Area #2 of the District.

- ***Street Improvements***: Improvements including subgrade stabilization, earthwork, rights-of-way, erosion control, pavement, sidewalks, barrier free ramps, signage, striping, streetlights, and testing. All related earthwork, clearing and grubbing, excavation, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included, including landscaping within the right-of-way for the streets being dedicated to the City. The street improvements will provide street access to each Lot within Improvement Area #2. These street improvements will be owned and operated by the City. The landscaping within the right-of-way for the streets will be owned by the City and operated and maintained by the HOA.

- ***Water Improvements***: Improvements including trench excavation and embedment, trench safety, piping, valves, fire hydrants, service connections, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide water service to all Lots within Improvement Area #2. These water improvements will be owned and operated by the City of Princeton.

- ***Sanitary Sewer Improvements***: Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2. These sanitary sewer improvements will be owned and operated by the City of Princeton.

- ***Storm Drainage Improvements***: Improvements including trench excavation and embedment, trench safety, piping, manholes, inlets, headwalls, rock rip rap, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots within Improvement Area #2. These storm drainage improvements will be owned and operated by the City.

- ***Soft Costs***: Costs related to designing, constructing, and installing the Improvement Area #2 Improvements including engineering and design, construction inspection fees, geotechnical testing and governmental submittal fees for the costs associated with the street, water, sanitary sewer, and storm drainage improvements as described above.

The Improvement Area #2 Projects will also include Improvement Area #2's allocable share of the Major Improvements, as described below:

- ***Water Improvements***: Improvements including trench excavation and embedment, trench safety, piping, valves, fire hydrants, service connection, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide water service to all Lots within the District. These water improvements will be owned and operated by the City of Princeton.

- ***Sanitary Sewer Improvements***: Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, lift station, force main, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide wastewater service to all Lots within the District. These sanitary sewer improvements will be owned and operated by the City of Princeton.

- ***District Formation Costs***: The costs associated with forming the District, including, but not limited to, attorney fees, and any other cost or expense incurred by the City or Developer directly associated with the establishment of the District.

- ***Soft Costs***: Costs related to designing, constructing, and installing the Major Improvements including engineering and design, construction inspection fees, geotechnical testing and governmental submittal fees associated with the water and sanitary sewer improvements as described above, and District Formation Costs.

The Improvement Area #2 Projects will also include Improvement Area #2's allocable share of the Shared Improvements, as described below:

- ***Sanitary Sewer Improvements***: Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2 and the Remainder Area. These sanitary sewer improvements will be owned and operated by the City of Princeton.

The following table reflects the total expected costs of the Improvement Area #2 Authorized Improvements.

	Total Costs[a]	Privately Funded	Authorized Improvements	Improvement Area #1 %	Improvement Area #1 Cost	Improvement Area #2 %	Improvement Area #2 Cost	Remainder Area %	Remainder Area Cost
Major Improvements [b]									
Water[c]	$ 732,891	$ -	$ 732,891	38.39%	$ 281,363	40.84%	$ 299,309	20.77%	$ 152,220
Sanitary Sewer[c]	2,677,203	-	2,677,203	38.39%	1,027,800	40.84%	1,093,355	20.77%	556,049
District Formation Costs	130,000	-	130,000	38.39%	49,908	40.84%	53,091	20.77%	27,001
Soft Costs[d]	513,404	-	513,404	38.39%	197,100	40.84%	209,671	20.77%	106,633
	$ 4,053,499	$ -	$ 4,053,499		$ 1,556,171		$ 1,655,426		$ 841,902
Improvement Area #1 Improvements									
Street[f]	$ 1,890,589	$ -	$ 1,890,589	100%	$ 1,890,589	0.00%	$ -	0.00%	$ -
Right-of-Way [g]	652,124	-	652,124	100%	652,124	0.00%	-	0.00%	-
Water[c]	540,829	-	540,829	100%	540,829	0.00%	-	0.00%	-
Sanitary Sewer[c]	617,806	-	617,806	100%	617,806	0.00%	-	0.00%	-
Storm Drainage	800,247	-	800,247	100%	800,247	0.00%	-	0.00%	-
Soft Costs[d]	498,330	-	498,330	100%	498,330	0.00%	-	0.00%	-
	$ 4,999,925	$ -	$ 4,999,925		$ 4,999,925		$ -		$ -
Improvement Area #2 Improvements									
Street	$ 1,531,589	$ -	$ 1,531,589	0%	$ -	100.00%	$ 1,531,589	0.00%	$ -
Right-of-Way [i]	220,293	-	220,293	0%	-	100.00%	220,293	0.00%	-
Landscaping [k]	208,986	-	208,986	0%	-	100.00%	208,986	0.00%	-
Water	587,069	-	587,069	0%	-	100.00%	587,069	0.00%	-
Sanitary Sewer	1,037,108	-	1,037,108	0%	-	100.00%	1,037,108	0.00%	-
Storm Drainage	939,784	-	939,784	0%	-	100.00%	939,784	0.00%	-
Soft Costs[d]	896,020	-	896,020	0%	-	100.00%	896,020	0.00%	-
	$ 5,420,849	$ -	$ 5,420,849		$ -		$ 5,420,849		$ -
Shared Improvements - IA#2 & Remainder Area [l]									
Sanitary Sewer	$ 162,246	$ -	$ 162,246	0.00%	$ -	66.29%	$ 107,549	33.71%	$ 54,697
	$ 162,246	$ -	$ 162,246		$ -		$ 107,549		$ 54,697
Private Improvements [e],[m]									
Private Improvements	$ 809,756	$ 809,756	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -
Storm Drainage[o]	83,275	83,275	-	0.00%	-	$ -	-	$ -	-
Soft Costs[p]	7,759	7,759	-	0.00%	-	$ -	-	$ -	-
	$ 900,790	$ 900,790	$ -		$ -		$ -		$ -
Bond Issuance Costs [n]									
Debt Service Reserve Fund	$ 1,122,655	$ -	$ 1,122,655		$ 546,490		$ 576,165		$ -
Underwriter Discount[j]	458,100	-	458,100		236,310		221,790		-
Cost of Issuance	904,830	-	904,830		424,785		480,045		-
Original Issue Discount	68,319	-	68,319		68,319		-		-
	$ 2,553,904	$ -	$ 2,553,904		$ 1,275,904		$ 1,278,000		$ -
Other Costs									
Deposit to Administrative Fund[h],[n]	$ 85,000	$ -	$ 85,000		$ 45,000		$ 40,000		$ -
	$ 85,000	$ -	$ 85,000		$ 45,000		$ 40,000		$ -
Total	**$ 18,176,213**	**$ 900,790**	**$ 17,275,423**		**$ 7,877,000**		**$ 8,501,824**		**$ 896,599**

Footnotes:

[a] Costs per Engineer's Reports dated 9/16/2025 and 5/11/2026.

[b] The Major Improvement costs were allocated to Improvement Area #1 and apportioned to the property now within Improvement Area #2 and the Remainder Area at the time the City Council approved the 2025 Assessment Ordinance. The costs apportioned to Improvement Area #2 and the Remainder Area are allocated to Improvement Area #2 and the Remainder Area at the time the City Council approved the 2026 Assessment Ordinance as further shown on **Exhibit B-2**.

[c] The City of Princeton will assume ownership and maintenance responsibility pursuant to an interlocal agreement.

[d] Soft costs include engineering, maintenance bonds, staking, surveying, construction management fees, and contingency.

[e] Not reimbursable to the Developer through the collection of Annual Installments or proceeds from the issuance of PID Bonds.

[f] Street costs also includes landscaping within the right-of-way.

[g] The Right-of-Way costs are based on the appraisal dated 11/5/2025.

[h] Deposit to Administrative Fund costs also includes third-party collections fees within Improvement Area #1.

[i] The Right-of-Way costs are estimates provided in the Engineer's Report dated 5/11/2026 and will be updated in the final Right-of-Way appraisal.

[j] Includes the fee of counsel to the Underwriter.

[k] Assumes 25% of landscaping improvements are within the public Right-of-Way.

[l] As allocated to Improvement Area #2 Assessed Property and the Remainder Area Apportioned Property per the Engineer's Report attached hereto as **Appendix A**.

[m] Private Improvements include landscaping and hardscaping.

[n] Bond Issuance Costs for Improvement Area #2 are preliminary estimates only and subject to change upon the issuance of PID Bonds.

[o] The County will assume ownership and maintenance responsibility of the privately funded costs of the storm drainage improvements within Improvement Area #2. Surch costs are not reimbursable to the Developer through the collection of Annual Installments or proceeds from the issuance of PID Bonds.

[p] Soft Costs include the Storm Drainange's allocable portion of City inspection & review rees and construction management fees.

The cost of the Improvement Area #2 Projects, the Bond Issuance Costs and the deposit to the Administrative Fund (collectively, the "Improvement Area #2 Authorized Improvements"), is expected to be approximately $8,501,824*. A portion of the costs of the Improvement Area #2 Authorized Improvements in the amount of $7,393,000* is expected to be funded with proceeds of the Bonds. See "SOURCES AND USES OF FUNDS." The balance of the costs of the Improvement Area #2 Authorized Improvements has been or will be paid by the Developer without reimbursement from the City.

* *Preliminary; subject to change.*

Ownership and Maintenance of Improvements

The portion of the Improvement Area #2 Projects consisting of water and wastewater improvements have been or will be dedicated to and will be maintained by Princeton pursuant to an interlocal agreement with the City. The remaining Improvement Area #2 Projects will be dedicated to and accepted by the City and will constitute a portion of the City's infrastructure improvements. The City will provide for the ongoing operation, maintenance and repair of the remaining Improvement Area #2 Projects, other than certain landscaping within the right-of-way for the streets, which will be maintained by the HOA pursuant to the terms of a Maintenance Agreement between the HOA and the City, constructed and conveyed, as outlined in the O&M SAP for the O&M PID.

THE DEVELOPMENT

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

Overview

The Development is an approximately 98.406-acre master-planned community. The Development is located partially within the corporate limits and partially within the extraterritorial jurisdiction of the City, in north central Collin County. The Development is near the intersection of County Road 393 and Farm to Market Road 546, approximately one mile west of Beauchamp Blvd. and 2.5 miles south of US-380. The Development is located approximately 10 miles southeast of the City of McKinney, Texas, 22.5 miles east of the City of Frisco, Texas and 39 miles north of the City of Dallas, Texas, as well as 38 miles northeast of Dallas Fort Worth International Airport and 41 miles northeast of Dallas Love Field Airport.

General Development Plan

The Development is currently divided into Improvement Area #1, Improvement Area #2 and the Future Improvement Area. See "MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREA #1, IMPROVEMENT AREA #2 AND FUTURE IMPROVEMENT AREA" on page v.

The Developer expects to complete the construction of the improvements to serve the District in approximately four phases and three improvement areas over three years. At full development, the District is expected to include approximately 431 40' single-family residential lots.

The Developer began development in the District with the construction of the Major Improvements and the Improvement Area #1 Improvements and is following such development with the Improvement Area #2 Improvements and the Shared Improvements.

The Developer's current expectations regarding completion of infrastructure improvements to serve the District are as follows:

Phase or Improvement Area	Lot Size	Number of Lots	Actual/Expected Infrastructure Start Date	Actual/Expected Infrastructure Completion Date	Expected Final Sale Date of Single-Family Homes to Homebuyers
Improvement Area #1	40'	167	April 2024	June 2025	January 2027
Phase 2	40'	69	June 2025	July 2026	October 2028
Phase 3	40'	106	June 2025	June 2026	December 2028
Phase 4	40'	89	August 2026	July 2027	June 2029
	TOTAL	431			

Update on Improvement Area #1

Improvement Area #1 consists of approximately 40.321 acres and will include 167 40' single-family residences. Set forth below is the status of lot ownership and home sales in Improvement Area #1 of the District as of March 31, 2026.

Status of Homes in Improvement Area #1							
Lot Type	Qty.	Completed Lots	Lots Owned by Trophy	Homes Under Construction	Completed Homes	Homes Closed to End Users	Average Home Price
40'	167	167	139	20	16	28	$313,040

Development Plan and Status of Development in Improvement Area #2

Improvement Area #2 of the District includes approximately 39.288 acres, located within the extraterritorial jurisdiction of the City, and consists of 175 40' lots, which are being completed in separate phases. Phase 2 contains 69 lots and Phase 3 contains 106 lots. The Developer began construction of the Improvement Area #2 Improvements in June 2025. The Improvement Area #2 Improvements benefitting Phase 2 are expected to be completed in July 2026. The Improvement Area #2 Improvements benefitting Phase 3 are expected to be completed by the end of June 2026. The total expected cost of the Improvement Area #2 Projects (exclusive of any costs of issuance of the Bonds) is approximately $7,183,824. As of May 15, 2026, the Developer has expended $4,885,748 on the Improvement Area #2 Improvements, $96,795 on the Shared Improvements (a portion of which is allocable to Improvement Area #2), and $4,053,499 on the costs of the Major Improvements (a portion of which is allocable to Improvement Area #2), which expenditures were financed with corporate cash available to the Developer as described under "THE DEVELOPER – History and Financing of the District."

The Developer expects to transfer all lots in Phase 2 of Improvement Area #2 to Trophy in July 2026 and for Trophy to begin home construction in Phase 2 of Improvement Area #2 in October 2026. The Developer expects to transfer all lots in Phase 3 of Improvement Area #2 to Trophy in July 2026, and for Trophy to begin home construction in Phase 3 of Improvement Area #2 in December 2026. The Developer expects the first home closings in Improvement Area #2 to occur in Q1 2027.

The Developer's expectations regarding the absorption schedule of Improvement Area #2 are as follows:

EXPECTED SALE TO HOMEOWNERS IN IMPROVEMENT AREA #2

Expected Sale Date	Total Homes
Q1 2027	16
Q2 2027	24
Q3 2027	24
Q4 2027	24
Q1 2028	24
Q2 2028	24
Q3 2028	24
Q4 2028	15
Total	**175**

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

EXPECTED LOT AND HOME PRICES BY LOT TYPE IN IMPROVEMENT AREA #2

Lot Type	Quantity	Expected Lot Price	Expected Home Price
40'	175	$80,000	$315,000

(1) Based on the Appraisal. See "APPRAISAL."

Developer as Homebuilder in Improvement Area #2

All homes in Improvement Area #2 will be constructed by the Developer's homebuilder, Trophy. The Developer and Trophy are both wholly owned subsidiaries of Green Brick.

Photographs of Completed Development in Improvement Area #2 of the District

Photographs of completed development in Improvement Area #2 of the District as of May 2026 are shown in APPENDIX F hereto.

Amenities and Private Improvements

Amenities in the Development will include a park with a playground and enhanced landscaping and entryway monuments. The amenities were completed in September 2025. Such amenities cost approximately $1.07 million and were funded with cash available to the Developer as described under "THE DEVELOPER – History and Financing of the District."

The Developer is constructing certain landscape, hardscape, and retaining walls in the District (the "Private Improvements"). The portion of the Private Improvements benefitting Improvement Area #2 is expected to be completed in July 2026. The total expected cost of the Private Improvements is $900,790, which costs have been and will be funded with cash available to the Developer as described under "THE DEVELOPER – History and Financing of the District."

The HOA will own and maintain the amenities and Private Improvements except for retaining walls constructed on homeowner lots, which will be dedicated to the homeowner.

Development Agreement

Pursuant to the Development Agreement, the Developer has the right to construct public improvements for the District, including the Improvement Area #2 Projects, according to certain rules and regulations of the City, and to be reimbursed for a portion of the costs of such construction through the proceeds of the Assessments and/or bonds. The Development Agreement provides certain requirements to be met for the issuance of the Bonds and any additional bonds issued for the payment of additional PID Improvements (defined in the Development Agreement and the PID Act) (collectively, "PID Bonds"), including (i) the total amount of PID Bonds may not exceed $45,000,000; (ii) the final maturity of each series of PID Bonds may not occur later than 30 years from the date of issuance of such PID Bonds; and (iii) the PID Bonds shall have a value-to-lien ratio of not less than 2:1 unless a lower value-to-lien ratio is approved by the City. The Development Agreement also obligates the Developer to pay the "PID Fee" equal to $2,500 for each lot in the final plat of an improvement area to the City at the time of issuance of bonds for each improvement area.

In the Development Agreement, the Developer has agreed to construct certain road improvements and dedicate certain road right of way that benefits the City, the County and the District. The Developer has also agreed to make a contribution to the County of the lesser of (i) 10% of the cost of construction of Myrick Lane adjacent to the Development and (ii) $425,331 to assist with the cost of construction of Myrick Lane, and such deposit was previously made by the Developer. The Developer has also agreed to dedicate right-of-way for CR 398 for any portion of the property abutting such road if such right-of-way has not previously been acquired by the County. Such dedications are expected to be finalized in June 2026.

The City does not currently charge impact, park, capital recovery or other similar fees, and the Development Agreement provides that in the event the City charges such fees in the future, such fees shall not apply to the Property.

The Development Agreement further provides that Princeton shall provide water and sewer service to the Development pursuant to the Princeton NSSA (as defined herein).

The Development Agreement also contained certain development standards. See "APPENDIX G – Development Agreement."

Future Improvement Area Bonds

The City expects to issue Future Improvement Area Bonds to finance the cost of (i) local improvements benefitting the Future Improvement Area and (ii) the Future Improvement Area's allocable share of the Major Improvements and the Shared Improvements. The estimated costs of the local improvements benefitting the Future Improvement Area of the District will be determined at the same time the Future Improvement Area is developed, and the Service and Assessment Plan will be updated to identify the improvements to be constructed within the Future Improvement Area of the District and financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the Future Improvement Area of the District.

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

Zoning/Permitting

Development of the property within the District is governed by the Development Agreement and all City Regulations (as defined in the Development Agreement) applicable to the extraterritorial jurisdiction of the City. The property is not subject to the zoning regulations of the City; however, the Development Agreement provides that the City shall have the right to inspect the improvements financed through the District and the City shall have the authority to approve plats, plans, permits, designs or specifications in accordance with the City Regulations.

Education

Princeton Independent School District ("Princeton ISD") serves the District. Princeton ISD encompasses 60 square miles and serves the City and the surrounding communities of Culleoka, Lowry Crossing, Branch, Climax, and the west side of Lake Lavon. Princeton ISD enrolls over 9,900 students in two high schools, three middle schools, eight elementary schools, and an early childhood development center. Children in the District will attend Harper Elementary School (approximately 1.6 miles from the Development), Mattei Middle School (approximately 2.1 miles from the Development), and Princeton High School (approximately 3.4 miles from the Development). According to the Texas Education Agency ("TEA"), Harper Elementary School received an "Accountability Rating" of "A" from the TEA and Princeton ISD, Mattei Middle School, and Princeton High School received an "Accountability Rating" of "B" from the TEA for the 2024-2025 school year, the latest year for which ratings are available. Greatschools.org rates Harper Elementary School an 8/10, Mattei Middle School a 5/10 and Princeton High School a 4/10.

Environmental

Site Evaluation. Separate Phase One Environmental Site Assessments (collectively, the "Phase One ESAs") were performed on portions of the property comprising the District by Enviro Co-Op in March 2022 and by Integrated Environmental Solutions in January 2024. The Phase One ESAs indicated there was no evidence of recognized environmental conditions or environmental liens associated with the subject property for each of the Phase One ESAs.

Endangered Species. The Developer is not aware of any endangered species located in the District.

Flood Plain Designation

As shown on Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Map ("FIRM") No. 48085C0295J, effective June 2, 2009, approximately 4.279 acres of property in the District is within the 100-year flood plain including approximately 2.524 acres in Improvement Area #1 and 1.698 acres in Improvement Area #2. All of such acreage is expected to be open space, but the Developer will grade within the FEMA floodplain to increase storage needed for run off. The Developer has applied for a LOMR with the development of Improvement Area #2 and expects it to be approved in Q4 2026.

Mineral Rights and Easement Rights

There are certain mineral rights reservations of prior owners of real property within the District, including Improvement Area #2 (the "Mineral Owners"), pursuant to one or more deeds in the chain of title for the property in the District. While there is currently no drilling or exploration of minerals, the Developer cannot predict whether the Mineral Owners will take new action in the future to explore or develop the above-described mineral rights. The Developer is not aware of any real property (including mineral rights) owned by the Mineral Owners adjacent to the District. 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 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, the Developer makes no guarantee as to such expectation. See "BONDHOLDERS' RISKS – Exercise of Mineral Rights."

Utilities

Water and Wastewater. Princeton will be the retail provider of both water and wastewater service to the District, and the water and wastewater portion of the Improvement Area #2 Projects have been or will be dedicated to Princeton. Princeton and the Developer (as successor-in-interest to the prior landowner) have entered into a Non-Standard Water and Wastewater Service Agreement for the provision of water and wastewater to the District (the "Princeton NSSA"). The Developer expects Princeton to have sufficient water and wastewater capacity to serve the Development.

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

Other Utilities. The Developer expects additional utilities to be provided by: (1) Phone/Data – Spectrum/AT&T; (2) Electric – Oncor; (3) Cable – Spectrum/AT&T; and (4) Natural Gas - Atmos.

THE DEVELOPER

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

General

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

Description of the Developer

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

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

In the Dallas Metroplex, Green Brick develops neighborhoods for their Team BuildersTM and for many of the most well-known large public and private homebuilders in the nation under the Green Brick brand. As of December 31, 2025, Green Brick had 48,828 lots owned and controlled. When excluding land held for future development, as of January 1, 2026, Green Brick had 45,028 lots owned and controlled. This was in high-growth sub-markets throughout the Dallas and Atlanta metropolitan areas and the Vero Beach, Florida market. For additional information, see "BONDHOLDERS' RISKS – Dependence Upon Trophy" herein.

Green Brick is subject to the informational requirements of the Securities and Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the SEC. Such reports, proxy statements, and other information filed by Green Brick can be inspected and copied at the Public Reference Section of the SEC, Room 100 F Street, N.E., Washington D.C. 20549 and at the SEC's internet website at http://www.sec.gov. Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the NYSE, 11 Wall St, New York, NY 10005. All documents subsequently filed by Green Brick pursuant to the requirements of the Securities and Exchange Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

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

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:

Name of Community	City	Number of Lots	Status of Development
The Village at Twin Creeks	Allen	561	Fully Developed
Edgewood	Frisco	354	Fully Developed
Park Vista	Frisco	359	Fully Developed
Buffalo Ridge	Waxahachie	405	Fully Developed

Executive Biographies of Green Brick

James R. Brickman, Co-Founder, Chief Executive Officer and Director. Mr. Brickman is responsible for all major investment decisions, capital allocation, strategic planning and relationships with Green Brick's builders. Mr. Brickman was the founding manager and advisor of each of JBGL Capital LP, since 2008, and JBGL Builder Finance LLC, since 2010. Prior to forming JBGL in 2008, Mr. Brickman was a manager of various joint ventures and limited partnerships that developed/built low and high-rise office buildings, multi-family and condominium homes, single-family homes, entitled land and supervised a property management company. He previously served as Chairman and

CEO of Princeton Homes Ltd. and Princeton Realty Corporation, which developed land, constructed custom single-family homes and managed apartments it built. Mr. Brickman has over 40 years of experience in nearly all phases of real estate construction, development, and real estate finance property management. Mr. Brickman received B.B.A. and M.B.A degrees from Southern Methodist University.

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

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

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

History and Financing of the District

The Developer purchased the property in the District in two separate purchases. The Developer purchased 94.982 acres from 111 Bluebonnet I LLC on May 24, 2025 at a purchase price of $12,000,000 and purchased 5.692 acres from the Nina Ruth McGill Revocable Living Trust on February 9, 2024 at a purchase price of $500,000. The purchase of the property was financed by internal corporate cash available to the Developer.

The Developer's corporate cash funding is provided through a senior, unsecured revolving credit facility (the "Unsecured Revolving Credit Facility") with a lender group comprised of five banks including Flagstar Bank, Huntington National Bank, Texas Capital Bank, Goldman Sachs Bank US, and SouthState Bank. The Unsecured Revolving Credit Facility provides the Developer with up to $330,000,000 in commitments. As of May 15, 2026, the Unsecured Revolving Credit Facility provides the Developer with a total of $330,000,000 in commitments remaining through December 14, 2028.

THE ADMINISTRATOR

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

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

The Administrator's duties will include:

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

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

APPRAISAL

The Appraisal

General. Peyco Southwest Realty, Inc. (the "Appraiser") prepared an appraisal report for the City effective as to Phase 2 of Improvement Area #2 on July 1, 2026, and effective as to Phase 3 of Improvement Area #2 on June 1, 2026, based upon a physical inspection of the District conducted on April 10, 2026 (the "Appraisal"). The Appraisal was prepared at the request of the City. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to Improvement Area #2 of the District. The Appraisal is attached hereto as APPENDIX E and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See "APPENDIX E — Appraisal."

Value Estimates. The Appraiser estimated the aggregate cumulative retail lot value and the discounted income approach valuation of the fee simple interest in the land comprising Improvement Area #2 of the District as of the date of substantial completion of the lots in Improvement Area #2. See "THE IMPROVEMENT AREA #2 PROJECTS." The Appraisal does not reflect the as-is condition of Improvement Area #2 of the District. Moreover, the Appraisal does not reflect the value of Improvement Area #2 of the District as if sold to a single purchaser in a single transaction. The Appraisal provides the fee simple estate values for Improvement Area #2 of the District. See "APPENDIX E — Appraisal."

Using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, (i) the cumulative retail lot value estimate of the fee simple interest in the assessable property within Phase 2 of Improvement Area #2 of the District as of July 1, 2026, is $5,520,000 and (ii) the cumulative retail lot value estimate of the fee simple interest in the assessable property within Phase 3 of Improvement Area #2 of the District as of June 1, 2026, is $8,480,000.

Using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, (i) the discounted income approach value estimate of the fee simple interest in the assessable property within Phase 2 of Improvement Area #2 of the District as of July 1, 2026, is $5,119,000 and (ii) the discounted income approach value estimate of the fee simple interest in the assessable property within Phase 3 of Improvement Area #2 of the District as of June 1, 2026, is $7,663,000.

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

BONDHOLDERS' RISKS

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

General

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

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Area #2 of the District to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #2 of the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the lots within Improvement Area #2 of the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such lots.

The rate of development of the property in Improvement Area #2 of the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within Improvement Area #2 of the District should proceed more slowly than expected and the Developer or Trophy is unable to pay the Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Improvement Area #2 of the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

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

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

Deemed Representations and Acknowledgment by Investors

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

Assessment Limitations

Annual Installments of Assessments are billed to property owners in Improvement Area #2 of the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as described under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year, interest, Additional Interest and the Annual Collection Costs for such year. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessment payments in the future.

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in Improvement Area #2 of the District, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See "BONDHOLDERS' RISKS — Bondholders' Remedies and Bankruptcy" herein.

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

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

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

Under Texas law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights will have been claimed. Furthermore, neither the Developer nor Trophy is eligible to claim homestead rights and the Developer has represented that it or Trophy will own all property within Improvement Area #2 of the District as of the date of the adoption of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Assessed Parcels superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

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

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

Failure or Inability to Complete Proposed Development

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

Completion of Homes

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

Risks Related to the Current Residential Real Estate Market

The real estate market is currently experiencing a slowdown in new home sales and home closings due in part to rising inflation and higher mortgage interest rates. Inflation and interest rates remain subject to volatility stemming from energy price fluctuations, geopolitical instability in the Middle East, and the uncertain effects of tariffs and retaliatory trade actions. Downturns in the real estate market, mortgage rates, and other factors beyond the control

of the Developer, including general economic conditions, may impact the timing of lot and home sales within the District. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

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

As a result of low supply and high demand, shipping constraints, and the ongoing trade war (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. Further, the federal administration's on-again, off-again tariffs, threatened impositions of tariffs, and the imposition or threatened imposition of retaliatory tariffs against the United States will impact the ability of the homebuilders to estimate costs. If the cost of materials remains elevated, it may impact the ability of Trophy to construct homes in Improvement Area #2 of the District and the Developer to complete construction of the Improvement Area #2 Improvements and Shared Improvements.

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 Trophy's ability to construct homes within Improvement Area #2 of the District and the Developer to complete construction of the Improvement Area #2 Improvements and Shared Improvements.

General Risks of Real Estate Investment and Development

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

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

Absorption Rate

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

Availability of Utilities

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

State Law Regarding Notice of Assessments

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

Potential Future Changes in State Law Regarding Public Improvement Districts

During prior Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representatives which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 89th Legislative Session of the State (the "89th Regular Session") concluded on June 2, 2025, without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor's direction, each lasting no more than 30 days, and for which the Governor sets the agenda. The Governor called two special sessions, the last of which ended on September 4, 2025. No legislation relating to special assessments was proposed for the special sessions. It is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within Improvement Area #2 of the District to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within Improvement Area #2 of the District and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #2 of the District. The imposition of additional liens, or need for private financing, may

reduce the ability or willingness of the landowners to pay the Assessments. See "OVERLAPPING TAXES AND DEBT."

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

Failure of the owners of property within Improvement Area #2 of the District to pay the Assessments when due could result in the rapid, total depletion of the Reserve Account and the Additional Interest Reserve Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Fund. The Reserve Account of the Reserve Fund will be fully funded from the proceeds of the Bonds; however, funding of the Additional Interest Reserve Account is accumulated over time, by the mechanism described in "SECURITY FOR THE BONDS –Reserve Fund." The Indenture provides that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under "SECURITY FOR THE BONDS — Reserve Fund" herein.

Hazardous Substances

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or "Superfund Act," is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in Improvement Area #2 of the District be affected by a hazardous substance, the marketability and value of such parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within Improvement Area #2 of the District does not take into account the possible liability of the Developer for the remediation of a hazardous substance condition on the property in Improvement Area #2 of the District. The City has not independently verified, and is not aware, that the Developer has such a current liability with respect to its property; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within 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. The actual occurrence of any of these possibilities could significantly negatively affect the value of a parcel that is realizable upon a foreclosure.

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

Exercise of Mineral Rights

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

The Developer does not expect the existence or exercise of any such mineral rights or related real property rights in or around Improvement Area #2 of 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 Financial Advisor, or the Underwriter, provide any assurances as to such Developer expectations.

Regulation

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

Bankruptcy

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

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, the Trustee may, and upon the written request of at least 25% of the owners of the Bonds then Outstanding and its receipt of indemnity satisfactory to it, the Trustee shall proceed against the City to protect and enforce the rights of the owners of the Bonds under the Indenture by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by the Indenture or by applicable laws, including, but not limited to, the specific performance of any covenant or agreement contained in the Indenture, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within Improvement Area #2 of the District or sell property within Improvement Area #2 of the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

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

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

Bankruptcy Limitation to Bondholders' Rights

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

If the City decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the City would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the City is not prohibited by law from taking any action necessary

to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under Texas law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt. The City cannot predict a Bankruptcy Court's treatment of the Bondholders' creditor claim and whether a Bondholder would be repaid in full.

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted (subject to provisions set forth in the Indenture) to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within Improvement Area #2 of the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments and the Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

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

Loss of Tax Exemption

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

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

Tax-Exempt Status of the Bonds

As further described in "TAX MATTERS" below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the "Code") and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Bonds to be included in the gross income of owners of the Bonds for federal income tax purposes, possibly from the date of original issuance of the Bonds. Further, the opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of interest on the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. In the past, the IRS announced audit efforts focused in part on "developer-driven bond transactions," including certain tax increment financings and certain assessment bond transactions. It cannot be predicted if this IRS focus could lead to an audit of the Bonds or what the result would be of any such audit. If an audit of the Bonds is commenced, under current procedures parties other than the City would have little, if any, right to participate in the audit process. Moreover,

because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees, may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds. Finally, if the IRS ultimately determines that the interest on the Bonds is not excluded from the gross income of Bondholders for federal income tax purposes, the City may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

Management and Ownership

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

Dependence Upon Trophy

It is expected that Trophy will be the owner of all the Assessed Parcels in Improvement Area #2 of the District, and thus will have the obligation for payment of 100% of the Assessments, as of the first Annual Installment payment due date on January 31, 2027. The ability of Trophy 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. There can be no assurances given as to the financial ability of Trophy to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether Trophy will advance such funds.

Neither Trophy nor the Developer will guarantee or otherwise be obligated to pay debt service on the Bonds.

Use of Appraisal

Caution should be exercised in the evaluation and use of valuations included in the Appraisal. The Appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation and specified therein. The estimated market value specified in the Appraisal is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in the Appraisal is based on various assumptions of future expectations and while the Appraiser's forecasts for properties in the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in Improvement Area #2 of the District.

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

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

Risk from Weather Events

All of the State, including the City and the District, is subject to extreme weather events that can cause loss of life and damage to property through strong winds, flooding, extreme heat, heavy rains and freezes, including events similar to the severe winter storm that the continental United States experienced in February 2021, which resulted in disruptions in the Electric Reliability Council of Texas power grid and prolonged blackouts throughout the State. It

is impossible to predict whether similar events will occur in the future and the impact they may have on the City or the District, including land within the District.

100-Year Flood Plain

According to FEMA FIRM No. 48085C0295J, effective June 2, 2009, approximately 4.279 acres of property in the District is within the 100-year flood plain including approximately 2.524 acres in Improvement Area #1 and 1.698 acres in Improvement Area #2. All of such acreage is expected to be open space, but the Developer will grade within the FEMA floodplain to increase storage needed for run off. The Developer has applied for a LOMR with the development of Improvement Area #2 and expects it to be approved in Q4 2026.

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

Competition

The housing industry in the Dallas-Fort Worth area is very competitive, and none of the Developer, the City, the City's Financial Advisor or the Underwriter can give any assurance that the building programs which are planned will be completed in accordance with the Developer's expectations. The competitive position of the Developer in the sale of developed lots or of Trophy or any other homebuilder in the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise be able to compete with the Development. A sample of competitive projects near the Development is below.

Project Name	# of Units	Proximity to District (Miles)	Developer/Builders	Expected Home Sale Prices
Arcadia Farms	954	1.25	Lennar	$343-$365K
Whitewing Trails	2,400+	3.0	Centurion American/Multiple Builders	$306-492K
Town Park	95	2.4	Pacesetter Homes	$314-$385K

Limited Secondary Market for the Bonds

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event an Owner thereof determines to solicit purchasers for the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current Owners of the Bonds, depending on the progress of development of Improvement Area #2 of the District subject to the Assessments, existing real estate and financial market conditions and other factors.

No Credit Rating

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

TAX MATTERS

Tax Exemption

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

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

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

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

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

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

Tax Accounting Treatment of Discount and Premium on Certain Bonds

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

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

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

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

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

LEGAL MATTERS

Legal Proceedings

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

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

Legal Opinions

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

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

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

Litigation — The City

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

contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

Litigation — The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its members or would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Improvement Area #2 Construction, Funding and Acquisition Agreement, the Development Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (ii) the tax-exempt status of interest on the Bonds.

SUITABILITY FOR INVESTMENT

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

ENFORCEABILITY OF REMEDIES

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

NO RATING

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

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), the City, the Administrator and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (in such capacity, the "Dissemination Agent") expect to enter into a Continuing Disclosure Agreement (the "City Disclosure Agreement") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the City Disclosure Agreement, certain financial information and operating data relating to the City (collectively, the "City Reports"). The specific nature of the information to be contained in the City Reports is set forth in "APPENDIX D-1 — Form of City Disclosure Agreement." Under certain circumstances, the failure of the City to comply with its obligations under the City Disclosure Agreement constitutes an event of default thereunder.

Such a default will not constitute an event of default under the Indenture, but such event of default under the City Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

The City's Compliance with Prior Undertakings

The City entered into its first continuing disclosure undertaking in June 2025 and subsequently entered into an agreement to provide continuing disclosure for the Improvement Area #1 Bonds in December 2025. The City believes it has complied with such undertakings.

The Developer

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

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

The Developer's Compliance with Prior Undertakings

The Developer believes it has complied in all material respects with its undertakings to provide continuing disclosure during the past 5 years.

UNDERWRITING

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

offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

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

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

INVESTMENTS

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

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

the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as its custodian of the banking deposits issued for its account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under Securities and Exchange Commission Rule 15c3-3; (9) (i) certificates of deposit and share certificates issued by or through an institution that either has its main office or a branch office in the State, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Insurance Fund, or are secured as to principal by obligations described in the clauses (1) through (8) or in any other manner and amount provided by law for City deposits, or (ii) certificates of deposit where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) above, clause (13) below, which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third-party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third-party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less; (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (13) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (14) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and comply with federal Securities and Exchange Commission Rule 2a-7; and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA-m" or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying

mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

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

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

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

INFORMATION RELATING TO THE TRUSTEE

The City has appointed BOKF, NA, a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering

Memorandum and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

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

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

SOURCES OF INFORMATION

General

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

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Improvement Area #2 Projects, the Development and the Developer generally and, in particular, the information included in the maps in this Limited Offering Memorandum and in the sections captioned "PLAN OF FINANCE" (except for the subcaption "— The Bonds"), "OVERLAPPING TAXES AND DEBT – Homeowners' Association," "THE IMPROVEMENT AREA #2 PROJECTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area #2 Projects and the Development) and "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE – The Developer" and "– The Developer's Compliance with Prior Undertakings," "APPENDIX D-2," "APPENDIX F," and "APPENDIX G" has been provided by the Developer and the Developer 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 therein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

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

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

Updating of Limited Offering Memorandum

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

FORWARD-LOOKING STATEMENTS

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

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

AUTHORIZATION AND APPROVAL

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

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APPENDIX A

FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF LOWRY CROSSING, TEXAS

and

BOKF, NA,
as Trustee

DATED AS OF AUGUST 1, 2026

SECURING

$_____
CITY OF LOWRY CROSSING, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LOWRY TRAILS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2 PROJECT)

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Form of Bond A-1

INDENTURE OF TRUST

THIS INDENTURE, dated as of August 1, 2026 is by and between the CITY OF LOWRY CROSSING, TEXAS (the "City"), and BOKF, NA, a national banking association, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles and recitals and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition was submitted and filed with the City Secretary of the City (the "City Secretary") pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "PID Act"), requesting the creation of a public improvement district located within both the corporate limits and the extraterritorial jurisdiction of the City to be known as the Lowry Trails 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 Collin Central Appraisal District, and the signature of the record 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 May 14, 2024, after due notice, the City Council of the City (the "City Council") held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act, made the findings required by Section 372.009(b) of the PID Act and by a resolution adopted by a majority of the members of the City Council (the "Creation Resolution"), authorized the creation of the District in accordance with its findings; and

WHEREAS, on May 17, 2024, the City Secretary filed a copy of the Creation Resolution with the county clerk of Collin County in which all of the District is located 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 May 14, 2024; and

WHEREAS, on June 9, 2026, the City Council by a resolution made findings and determinations relating to the estimated costs of certain Improvement Area #2 Projects, received and accepted a preliminary amended and restated service and assessment plan and a proposed assessment roll related to Improvement Area #2, called a public hearing for July 14, 2026 (the "Assessment Hearing") and directed City staff to (i) file the proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act and (ii) publish and mail notice relating to the Assessment Hearing (the "Assessment Notice") as required by Sections 372.016(b) and (c) of the PID Act; and

WHEREAS, on June 19, 2026, City staff, pursuant to Section 372.016(b) of the PID Act, published the Assessment Notice in the *Celina Record/McKinney Courier Gazette*, a newspaper of general circulation in the City and in the part of the City's extraterritorial jurisdiction in which the District is located or in which the improvements are to be constructed; and

WHEREAS, City staff, pursuant to Section 372.016(c) of the PID Act, mailed the Assessment Notice to the last known address of the owners of the property liable for the Improvement Area #2 Assessments; and

WHEREAS, the City Council opened and convened the Assessment Hearing on July 14, 2026, and at the Assessment 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 Improvement Area #2 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #2 Assessments, the allocation of estimated costs of the Improvement Area #2 Projects to the Assessed Property within Improvement Area #2 of the District, the purposes of the Improvement Area #2 Assessments, the special benefits of the Improvement Area #2 Projects, and the penalties and interest on Annual Installments of the Improvement Area #2 Assessments and on delinquent Annual Installments of the Improvement Area #2 Assessments; and

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

WHEREAS, the City Council closed the hearing on July 14, 2026, and, after considering all written and documentary evidence presented at the Assessment Hearing, including all written comments and statements filed with the City, the City Council found and determined that the Improvement Area #2 Assessments should be levied as provided in the Service and Assessment Plan and approved the Assessment Ordinance, which levied the Improvement Area #2 Assessments and approved the Service and Assessment Plan, including the Improvement Area #2 Assessment Roll, in conformity with the requirements of the PID Act; and

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

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Improvement Area #2 Assessments for the purpose of (i) paying all or a portion of the Actual Costs of the Improvement Area #2 Projects, (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and other costs related to the issuance of the Bonds; and

WHEREAS, the City Council now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled “City of Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2026 (Lowry Trails Public Improvement District Improvement Area #2 Project)” (the “Bonds”), such Bonds being payable solely from the Trust Estate and for the purposes set forth in the preambles of this Indenture; and

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

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

covenant, with the Trustee and with the respective Owners from time to time of the Bonds as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

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

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

"Actual Costs" means, with respect to an Improvement Area #2 Project, the actual costs of constructing or acquiring an Improvement Area #2 Project, paid by or on behalf of the Developer (either directly or through affiliates), including: (1) the costs for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Improvement Area #2 Projects; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Improvement Area #2 Projects; (3) the costs for external professional services, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) all labor, bonds, and materials, including equipment and fixtures, by contractors, builders, and materialmen engaged in connection with the acquisition, construction, or implementation of the Improvement Area #2 Projects; (5) all related permitting and public approval expenses, architectural, engineering, consulting, and governmental fees and charges; and (6) costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of construction costs if managed by or on behalf of the Developer.

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

"Additional Interest Rate" means the 0.50% additional interest rate that may be charged on the Improvement Area #2 Assessments pursuant to Section 372.018 of the PID Act.

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

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

"Additional Obligations" means any bonds or obligations (including specifically, any installment contracts, reimbursement agreements, temporary notes, or time warrants) secured in whole or in part by an assessment, other than the Improvement Area #2 Assessments securing the Bonds, levied against property within Improvement Area #2 of the District in accordance with the PID Act.

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

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

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

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

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

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

"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 located within Improvement Area #2 against which an Improvement Area #2 Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

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

"Assessment Ordinance" means the ordinance adopted by the City Council on July 14, 2026, which levied the Improvement Area #2 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 Improvement Area #2 Assessment levied against an Assessed

Parcel or Annual Installment payment thereof, including any interest on such Improvement Area #2 Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, and (iii) Foreclosure Proceeds.

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

"Authorized Improvements" means the costs and improvements authorized by Section 372.003 of the PID Act, including but not limited to the 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 Fund" means the Fund of such name established pursuant to Section 6.1 and administered as provided in Section 6.4.

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

"Bond Ordinance" means the ordinance adopted by the City Council on July 14, 2026 authorizing the issuance of the Bonds pursuant to this Indenture.

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

"Bonds" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2026 (Lowry Trails Public Improvement District Improvement Area #2 Project)".

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

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

"Certification for Payment" means a certificate substantially in the form of Exhibit B to the Improvement Area #2 Construction, Funding and Acquisition Agreement, executed by or on behalf of the Developer, approved by a City Representative and delivered to the Trustee specifying the amount of work performed related to the Improvement Area #2 Projects and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in

the Improvement Area #2 Projects Account of the Project Fund, as further described in the Improvement Area #2 Construction, Funding and Acquisition Agreement and Section 6.5 herein.

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

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

"Closing Date" means August 11, 2026, the date of the initial delivery of and payment for the Bonds.

"Closing Disbursement Request" means a certificate substantially in the form of Exhibit A attached to the Improvement Area #2 Construction, Funding and Acquisition Agreement, executed by or on behalf of the Developer, approved by a City Representative and delivered to the Trustee on the Closing Date, specifying the costs incurred in the establishment, administration, and operation of the District or issuing the Bonds, and requesting payment for such costs from money on deposit in the Project Fund, as further described in Section 6.5 herein.

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

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

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

"Delinquent Collection Costs" means the costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Improvement Area #2 Assessments, delinquent Annual Installments, or any other delinquent amounts due under the Service and Assessment Plan, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office designated by the Paying Agent/Registrar 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 GRBK Edgewood, LLC, and its successors or assigns.

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

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

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

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

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

“Foreclosure Proceeds” means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Improvement Area #2 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 the second phase to be developed within the District and further identified and depicted in Exhibit A-3 in the Service and Assessment Plan.

“Improvement Area #2 Assessment Roll” means the assessment roll attached as Exhibit G-1 to the Service and Assessment Plan or any other assessment roll for Improvement Area #2 in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Improvement Area #2 Assessments levied against the Assessed Property and/or the portion of the total Improvement Area #2 Assessment levied against each Assessed Parcel located within Improvement Area #2, related to the Bonds 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 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 within Improvement Area #2 of the District, as shown on the Improvement Area #2 Assessment Roll, subject to reallocation upon the subdivision of such Assessed Property or consolidation of multiple Assessed Parcels, or reduction according to the provisions of the Service and Assessment Plan and in the PID Act.

“Improvement Area #2 Construction, Funding and Acquisition Agreement” means, the "Lowry Trails Public Improvement District Improvement Area #2 Construction, Funding, and Acquisition Agreement" by and between the City and the Developer relating to the Bonds, effective July 14, 2026, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds, the payment of costs of Improvement Area #2 Projects within the District, and other matters related thereto.

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

“Improvement Area #2 Projects” means, collectively (i) the pro rata portion of the Major Improvements allocable to Improvement Area #2, (ii) the pro rata portion of the Shared Improvements – IA #2 & Remainder Area 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; (ii) is in fact independent and not under the dominion of the City; (iii) does not have any substantial interest, direct or indirect, with or in the City, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

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

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 15 and September 15 of each year, commencing March 15, 2027.

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

"Major Improvements" means the Authorized Improvements which benefit more than one improvement area within the District, as more particularly described in Section III.A. of the Service and Assessment Plan.

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

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

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

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

"Parcel" means a specific property within the District identified by either a tax parcel identification number assigned by the Collin Central Appraisal District for real property tax purposes, by legal description, or by lot and block number in a final subdivision plat recorded in the official public records of Collin County, or by any other means determined by the City.

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

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

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

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

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

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

"Prepayment" means the payment of all or a portion of an Improvement Area #2 Assessment before the due date of the final Annual Installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Improvement Area #2 Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment.

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

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

"Purchaser" means the initial purchaser of the Bonds.

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

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

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

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

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

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

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

"Release Certificate" shall have the meaning assigned to such term in Section 6.5(b) hereof. The Release Certificate may be included as a part of the Certification for Payment or it may be a separate City Certificate.

"Release Restriction" shall have the meaning assigned to such term in Section 6.5(c) hereof.

"Remainder Area" means approximately 18.797 acres located within the District to be developed as one or more future improvement areas, as more specifically depicted on Exhibit A-4 of the Service and Assessment Plan.

"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 $_____, which is an amount equal to the [Maximum Annual Debt Service] on the Bonds as of the Closing Date.

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

"Service and Assessment Plan" means the "Lowry Trails Public Improvement District 2026 Amended and Restated Service and Assessment Plan" dated July 14, 2026, 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.

"Shared Improvements – IA #2 & Remainder Area" means the Authorized Improvements which confer a special benefit on all of Improvement Area #2 and the Remainder Area, as more particularly described in Section III.D of the Service and Assessment Plan.

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

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

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

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

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

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

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

"Unrestricted Amount" means $_____.

Section 1.2. Findings.

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

Section 1.3. Table of Contents, Titles and Headings.

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

Section 1.4. Interpretation.

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

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

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

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

ARTICLE II

THE BONDS

Section 2.1. Granting Clauses

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

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

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

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

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

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

Section 2.2. Security for the Bonds.

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

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

Section 2.3. Limited Obligations.

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

Section 2.4. Authorization for Indenture.

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

Section 2.5. Contract with Owners and Trustee.

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

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

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of $_____ for the purpose of (i) paying all or a portion of the Actual Costs of the Improvement Area #2 Projects, (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and other costs related to the issuance of the Bonds.

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

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

(b) Interest shall accrue and be paid on each Bond from the later of the Closing Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rates per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 15 and September 15 of each year, commencing March 15, 2027 computed on the basis of a 360-day year of twelve 30-day months.

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

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

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

Section 3.3. Conditions Precedent to Delivery of Bonds.

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

(i) an executed copy of the Assessment Ordinance;

(ii) an executed copy of the Bond Ordinance;

(iii) an executed copy of the Improvement Area #2 Construction, Funding and Acquisition Agreement;

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

(v) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate; and

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

Section 3.4. Medium, Method and Place of Payment.

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

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

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

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

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are required or authorized to close, and payment on such date

shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

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

Section 3.5. Execution and Registration of Bonds.

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

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

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

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

each year of maturity of the Bonds, in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.6. Ownership.

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

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

Section 3.7. Registration, Transfer and Exchange.

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

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

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

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

(e) Each exchanged Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits

and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such exchanged Bond is delivered.

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

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

Section 3.8. Cancellation.

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

Section 3.9. Temporary Bonds.

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

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

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

Section 3.10. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Trustee shall authenticate and deliver in exchange therefor a

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

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

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

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

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

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

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

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

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

Section 3.11. Book-Entry Only System.

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

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

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

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

Section 3.13. Payments to Cede & Co.

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

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

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

Section 4.2. Mandatory Sinking Fund Redemption.

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

Term Bonds Maturing September 15, 20__

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

*Stated Maturity

Term Bonds Maturing September 15, 20__

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

*Stated Maturity

Term Bonds Maturing September 15, 20__

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

*Stated Maturity

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

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

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

Section 4.3. Optional Redemption.

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

Section 4.4. Extraordinary Optional Redemption.

Notwithstanding any provision in this Indenture to the contrary, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part,

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

Section 4.5. Partial Redemption.

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

(b) In selecting the Bonds to be redeemed pursuant to Section 4.2, the Trustee shall conduct a random by lot selection process.

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

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

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

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

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

Section 4.6. Notice of Redemption to Owners.

(a) The Trustee shall receive written notice from the City of the City's intention to conduct an optional redemption of Bonds not less than 45 days prior to the date fixed for redemption. Upon written notification by the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds are in book-entry-only form and held by DTC

as security depository, references to Owner in this Indenture mean Cede & Co., as nominee for DTC.

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

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

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

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

Section 4.7. Payment Upon Redemption.

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

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

Section 4.8. Effect of Redemption.

Notice of redemption having been given as provided in Section 4.6 of this Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the Redemption Price are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after

the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

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

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

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

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

Section 5.2. CUSIP Registration.

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

Section 5.3. Legal Opinion.

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

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

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

(i) Pledged Revenue Fund;

(ii) Bond Fund;

(iii) Project Fund;

(iv) Reserve Fund;

(v) Redemption Fund;

(vi) Rebate Fund; and

(vii) Administrative Fund.

(b) Creation of Accounts.

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

(A) Bond Pledged Revenue Account.

(ii) The following Account is hereby created and established under the Bond Fund:

(A) 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 only be established as needed and shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Trustee may, from time to time, upon written direction from the City pursuant to a City Certificate, create additional Funds or Accounts hereunder as may be necessary. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate.

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

Section 6.2. Initial Deposits to Funds and Accounts.

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

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

(ii) to the Improvement Area #2 Projects Account of the Project Fund: $_____;

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

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

Section 6.3. Pledged Revenue Fund.

(a) On or before March 1 of each year while the Bonds are Outstanding and beginning March 1, 2027, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the City shall deposit or cause to be deposited Pledged Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, in accordance with Section 6.7(a) hereof, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, in accordance with Section 6.7(b) hereof, (iv) fourth, to pay Actual Costs of the Improvement Area #2 Projects, and (v) fifth, to pay other costs permitted by the PID Act.

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

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

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

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

(f) After satisfaction of the requirement to provide for the payment of the principal of and interest on the Bonds and to fund any deficiency that may exist in an account of the Reserve Fund, and the other deposits described in subsection (a) above, the City may direct the Trustee, by City Certificate, to apply Improvement Area #2 Assessments for any lawful purposes permitted by the PID Act for which Improvement Area #2 Assessments may be paid.

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

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.

(b) If amounts in the Principal and Interest Account of the Bond Fund 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 of the Bond Fund and transferred to the Paying Agent/Registrar.

Section 6.5. Project Fund.

(a) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to either (i) the instructions on the memorandum to be issued by the City's financial advisor (the "Closing

Memorandum") as of the Closing Date, (ii) one or more City Certificates or (iii) an executed, completed and accepted Closing Disbursement Request.

(b) Moneys on deposit in the Improvement Area #2 Projects Account shall only be used to pay Actual Costs of the Improvement Area #2 Projects, except as otherwise provided for herein. Disbursements from the Improvement Area #2 Projects Account of the Project Fund to pay District Formation Costs or other costs related to the creation of the District shall be made by the Trustee pursuant to either (i) the Closing Memorandum, (ii) one or more City Certificates or (iii) an executed, completed, and accepted Closing Disbursement Request. Disbursements from the Improvement Area #2 Projects Account of the Project Fund to pay all other 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 applicable Certification for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee; provided that the Trustee shall not release funds from the Improvement Area #2 Projects Account in excess of the Unrestricted Amount until such time as the Trustee receives a City Certificate confirming that the Release Restriction set forth in Section 6.5(d) of this Indenture has been satisfied (the "Release Certificate"), in accordance with the provisions hereof and the Improvement Area #2 Construction, Funding and Acquisition Agreement. The disbursement of funds from the Improvement Area #2 Projects Account of the Project Fund pursuant to a Closing Disbursement Request or Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Improvement Area #2 Construction, Funding and Acquisition Agreement or as provided in such written direction. Such provisions and procedures related to such disbursements contained in the Improvement Area #2 Construction, Funding and Acquisition Agreement, and no other provisions of the Improvement Area #2 Construction, Funding and Acquisition Agreement, are herein incorporated by reference and deemed set forth herein in full.

(c) Moneys in excess of the Unrestricted Amount may be disbursed from the Improvement Area #2 Projects Account of the Project Fund only upon the City's release of __ certificates of occupancy for homes within Improvement Area #2 of the District (the "Release Restriction"). Until such time as the Release Restriction has been satisfied and the City has submitted a Release Certificate, the City may not approve a Certification for Payment and the Trustee may not disburse funds from the Improvement Area #2 Projects Account of the Project Fund in an amount that would cause the total amount that has been disbursed from the Improvement Area #2 Projects Account of the Project Fund to exceed the Unrestricted Amount. In the event all amounts deposited into the Improvement Area #2 Projects Account of the Project Fund pursuant to Section 6.2(a)(ii) have not been expended by July 22, 2029, the City, pursuant to a City Certificate, shall direct the Trustee, and provide a copy of such City Certificate to the Developer prior to directing the Trustee, to transfer all funds in excess of the Unrestricted Amount then on deposit in the Improvement Area #2 Projects Account of the Project Fund to the Redemption Fund in order to redeem Bonds pursuant to Section 4.4 hereof. Following such transfer, the Improvement Area #2 Projects Account of the Project Fund shall be closed.

(d) 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 the 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 purpose of such Account,

the City Representative shall file a City Certificate with the Trustee, and provide a copy of such City Certificate to the Developer prior to filing 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 the purpose of such Account. If such City Certificate is so filed, the amounts identified in the City Certificate on deposit in the Improvement Area #2 Projects Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture.

(e) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant. The Trustee shall be permitted to rely fully on any Certification for Payment, City Certificate, Release Certificate, or other written direction received pursuant to this Indenture without investigation.

(f) Upon receipt 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 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 or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4, as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfer, the Improvement Area #2 Projects Account of the Project Fund shall be closed. If the Improvement Area #2 Projects Account has been closed as provided above and the Costs of Issuance Account of the Project Fund has been closed pursuant to the provisions of Section 6.5(g), the Project Fund shall be closed.

(g) Not later than six months following the Closing Date, or upon an earlier determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred first to the Improvement Area #2 Projects Account of the Project Fund and used to pay Actual Costs or if no Actual Costs remain to be funded, then to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

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

Section 6.7. Reserve Fund.

(a) The City agrees with the Owners of the Bonds to accumulate from the deposits described in Sections 6.2 and 6.3(a) hereof, and when accumulated, maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Account Requirement, except to the extent such deficiency is due to the application of

Section 6.7(d) hereof. All amounts deposited in the Reserve Account of the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund, as provided in this Indenture.

(b) The Trustee, if needed, will transfer from the Pledged Revenue Fund to the Additional Interest Reserve Account on March 15 and September 15 of each year, commencing March 15, 2027, an amount equal to the Additional Interest collected, if any, as shown on 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 Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to Section 4.4 of this Indenture. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the City of such transfer in writing. In 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 are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the City and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a City Certificate to be applied to the redemption of the Bonds as detailed in the City's written direction. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds to be redeemed with Prepayments multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayments toward payment of accrued interest, there are insufficient funds in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds to be redeemed, as identified in a City Certificate, as a result of such Prepayments and as a result of the transfer from the Reserve Account under this Section 6.7(d), the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of $1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess via online portfolio access. Such excess shall be transferred to the Principal and Interest Account of the Bond Fund to be used for the payment of debt service on the Bonds on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within 30 days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Improvement Area #2 Projects Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the Closing Date, or (iii) for such other use specified in such City Certificate if the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond.

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

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

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

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

Section 6.8. Rebate Fund; Rebate Amount.

(a) There is hereby established a special fund of the City to be designated “City of Lowry Crossing, Texas, Rebate Fund” (the “Rebate Fund”) to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts relating to the Bonds due the United States Government in accordance with the Code.

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

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

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

Section 6.9. Administrative Fund.

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

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

(c) The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

Section 6.10. Investment of Funds.

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

share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions, which may include electronic direction, with respect to investments of funds, the Trustee is hereby directed to invest and re-invest cash balances in Cavanal Hill Government Securities Fund (CUSIP 14956P836, APCXX) as standing instructions; provided, however, that money required to be expended from any Fund or Account will be available at the proper time or times.

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no discretion for investing funds or advising any parties on investing funds and the Trustee's only responsibility for investments shall be to follow the written instructions contained in any City Certificate. The Trustee shall not incur any liability for losses (including depreciation of value) arising from any investments or the sale of any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments. The parties acknowledge that the Trustee is not providing investment supervision, recommendations or advice.

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

(e) By providing the City with access to its online portfolio system, the Trustee will furnish the City and the Administrator, upon the written request of the City or the Administrator, monthly cash transaction statements via access to its online portfolio system which include detail for all investment transactions made by the Trustee hereunder; 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 online access.

(f) If, following an annual calculation of the Rebate Amount in accordance with Sections 6.8 and 7.5(h) hereof, it is determined that a Rebate Amount is owed with respect to the Bonds, the City shall direct the Trustee, pursuant to a City Certificate, to transfer to the Rebate Fund an amount equal to the Rebate Amount owed by the City from investment earnings derived from the investment of the amount on deposit in the Pledged Funds. The City Certificate shall specify the amount to be transferred and identify the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

(g) The Trustee may conclusively rely on City Certificates pursuant to Section 6.10(a) that such investment will comply with the City's investment policy and with the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

Section 6.11. Security of Funds.

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

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Improvement Area #2 Assessments.

The City hereby confirms, covenants, and agrees that the Improvement Area #2 Assessments to be collected from the Assessed Property are as so reflected in the Service and Assessment Plan (as it may be updated from time to time), and, in accordance with the Assessment Ordinance, it has levied the Improvement Area #2 Assessments against the respective Assessed Parcels from which the Pledged Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Improvement Area #2 Assessments.

(a) For so long as any Bonds are Outstanding, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #2 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 Improvement Area #2 Assessments.

(b) The City will determine or cause to be determined, no later than March 1 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Improvement Area #2 Assessment or the corresponding Assessed Parcel. Furthermore, nothing shall obligate the City, the City Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the City and its appropriate collections enforcement designees.

Section 7.3. Against Encumbrances.

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

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

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds or interest thereon remain Outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Improvement Area #2 Assessments. The Trustee and the Owners of any Bonds or any duly authorized agent or agents of such Owners shall have the right, but not the responsibility or duty, at all reasonable times to inspect the project and all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than 30 days after the City receives such request. 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.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

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

"*Closing Date*" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

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

"Gross Proceeds" means any proceeds, as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

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

"Nonpurpose Investment" means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"Regulations" means any proposed, temporary or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150

of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

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

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

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

(d) No Private Loan.

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

arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(ii) The City covenants and agrees that the levied Improvement Area #2 Assessments will meet the requirements of the "tax assessment loan exception" within the meaning of Section 1.141-5(d) of the Regulations on the date the Bonds are delivered and will ensure that the Improvement Area #2 Assessments continue to meet such requirements for so long as the Bonds are outstanding hereunder.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested) if, as a result of such investment, the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

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

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

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

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

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

(iii) As additional consideration for the purchase of the Bonds by the Purchaser and the loan of the money represented thereby and in order to induce such purchase by measures designed to ensure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall, pursuant to a City Certificate, direct the Trustee to transfer to the Rebate Fund from the Funds or Accounts designated in such City Certificate and direct the Trustee to pay to the United

States from the Rebate Fund the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, 100% of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, 90% of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within 180 days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

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

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, or City Secretary, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

ARTICLE VIII

LIABILITY OF CITY

The City shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or Event of Default thereunder.

In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Indenture, the Bonds, the Bond Ordinance, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or

approved in connection with the issuance, sale, delivery, or administration of the Bonds (the "Bond Documents"), shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Annual Collection Costs) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from the Trust Estate, the funds available for such payment in any of the Pledged Funds, if any, or the amounts collected to pay Annual Collection Costs on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Indenture, the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector, the City Administrator 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 Registrar and Paying Agent for and in respect to the Bonds. The Trustee hereby accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the express terms and conditions, and subject to the provisions of this Indenture to all of which the parties hereto and the Owners of the Bonds agree. No implied covenants or obligations shall be read into this Indenture against the Trustee.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement or exercise of any rights and powers hereunder, until it shall be indemnified by the Owners, to the extent permitted by law and the provisions of this Indenture, to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; as finally adjudicated by a court of competent jurisdiction, *provided*, *however*, that absent an Event of Default, the Trustee shall not request or require indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its sole and exclusive judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Administrative Fund, and to the extent money in the Administrative Fund is insufficient, from the Pledged Revenue Fund to pay all costs, fees, and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

(a) The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility for and undertakes no duty to verify the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds or the right, title or interest of the City therein, or with respect to the security afforded by this Indenture, or the technical or financial feasibility of the project, or the compliance of the project with the PID Act or the tax-exempt status of the Bonds, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; (v) undertaking any other action unless specifically authorized pursuant to a written direction by the City or pursuant to this Indenture; or (vi) the use of Bond proceeds or sufficiency of said proceeds or cash flow to accomplish the intended objective of the financing. The Trustee has the right to act through

agents and attorneys and shall have no liability for the negligence or willful misconduct of the agents and attorneys appointed with due care.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty or obligation and, with respect to such permissive rights, the Trustee shall not be answerable for other than its negligence or willful misconduct. The Trustee will, prior to any Event of Default and after the curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct as finally adjudicated by a court of competent jurisdiction. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture.

(d) The Trustee, before the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If any Event of Default occurred and continues, the Trustee shall exercise such rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in exercising any rights or remedies or performing any of its duties hereunder.

(e) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers or otherwise in respect of the premises granted in this Indenture.

(f) The Trustee shall not be responsible for any recital herein (except with respect to the authentication certificate of the Trustee endorsed on the Bonds) or for the recording, filing, or refiling of this Indenture in connection therewith, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency or security of the Bonds or for any financial report received by the Trustee or express any opinion concerning the contents of any financial report or the official statement or offering memorandum prepared in connection with the Bonds and shall have no responsibility for the contents or accuracy of such reports of the official statement or offering memorandum prepared in connection with the Bonds.

(g) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application of any Bonds or the proceeds thereof or of any money paid to or upon the order of the City under any provision of this Indenture.

(h) The Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it is established that the Trustee was negligent in ascertaining the pertinent facts.

(i) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of at least 25% of the aggregate outstanding principal of the Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(j) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default unless the Trustee is notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by an Owner of the Bonds. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no Event of Default, except as noted above, unless the Trustee has actual knowledge of an Event of Default. Notwithstanding the foregoing or anything to the contrary contained herein, no notice to the Trustee shall be deemed given to or received by the Trustee unless actually delivered to an officer of the Trustee having responsibility under this Indenture.

(k) Before taking any action under this Indenture (other than making any deposits, payments or transfers prior to an Event of Default when required hereunder), the Trustee may require that a satisfactory indemnity be furnished to it for the payment or reimbursement of all costs and expenses (including, without limitation, attorney's fees and expenses) to which it may be put and to protect it against all liability which it may incur in or by reason of such action, except liability which it adjudicated to have resulted from its negligence or willful misconduct.

(l) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds.

(m) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys, or receivers, and the Trustee shall be entitled to rely and act upon the opinion or advice of its own counsel, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys, and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of its own counsel. The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon such opinion or advice.

(n) The Trustee shall have the right but not the obligation to act as directed by the Owners of at least a majority of the aggregate outstanding principal amount of the Bonds and shall not be liable in taking any action so directed if the Trustee acts in the absence of bad faith.

Section 9.4. Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5. Trustee Protected in Relying on Certain Documents.

The Trustee may require and conclusively rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture, to be paid for by the City or holders of the Bonds as an Annual Collection Cost, 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 and the Improvement Area #2 Construction, Funding and Acquisition Agreement, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into and shall not be deemed to have knowledge of any statements contained or matters referred to in any such instrument or verify any calculations in connection therewith. The Trustee may consult with counsel, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making such request, or giving such authority or consent to the Owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor and upon transfer or in place thereof.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative.

In the absence of bad faith, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. The Trustee shall not be liable for any error of judgment made in good faith.

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13 herein.

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, upon written direction of the City, compensation for all services rendered by

it hereunder, including its services as Registrar and Paying Agent, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, upon delivery of an invoice therefor to the City, and the Trustee shall have a lien therefor on any and all funds at any time held by it in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, from any moneys in the Pledged Revenue Fund. The Trustee shall have the right to increase its fees as the cost of business dictates and as negotiated with the City. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur liability, financial or otherwise, in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. The Trustee shall not be required to make any disbursement of funds until having collected funds. If the City fails to make any payment required by this Section, the Trustee may make such payment from any moneys in the Administrative Fund and shall have a first lien with right of payment before payment on account of principal of or interest on any Bonds, upon all moneys in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, then from any moneys in its possession (except the Rebate Fund) under any provisions hereof for the foregoing reasonable advances, fees, costs, and expenses incurred. The right of the Trustee to fees, expenses, and indemnification shall survive the release, discharge, and satisfaction of this Indenture.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the holders of a majority in aggregate outstanding principal amount of the Bonds. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct, as finally adjudicated by a court of competent jurisdiction.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor. Notwithstanding the foregoing, if, after 60 days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the City, and such resignation shall take effect upon the court's appointment of a successor Trustee.

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time by (i) the Owners of at least 25% of the Outstanding Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City or (ii) the City, as 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 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 at least 25% of the aggregate Outstanding principal of the Bonds.

Section 9.10. Successor Trustee.

(a) If the Trustee resigns, is removed, is dissolved, or becomes incapable of acting, or is adjudged as bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property is appointed, or if any public officer takes charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

(b) If the position of the Trustee becomes vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed after any such vacancy occurs by the Owners of at least 25% of the Outstanding Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

(c) Unless and until such successor Trustee shall have been appointed by the Owners of at least 25% of the Outstanding Bonds, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds.

(d) If in a proper case no appointment of a successor Trustee is made within 30 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process. Any duties and obligations of such predecessor Trustee shall thereafter cease and terminate, and the payment of the fees and expenses owed to the predecessor Trustee shall be paid in full.

(e) Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least $50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept

the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

(f) Each successor Trustee shall mail, in accordance with the provisions of the Bonds, notice of its appointment to any rating agency which, at the time of such appointment, is providing a rating on the Bonds and each of the Owners of the Bonds.

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing, including any supplement or amendment to this Indenture, from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, *provided* that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. Security Interest in Trust Estate.

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Trust Estate provided for herein, and such pledge is, under current law, valid, effective and perfected from the Closing Date. The City shall cause to be filed all appropriate initial financing statements, if any, to ensure that the Trustee (for the benefit of the Owners of the Bonds) is granted a valid and perfected first priority lien on the entire Trust Estate. Nothing herein shall obligate the Trustee to file any initial financing statements. Upon the City's timely delivery of a copy of such filed initial financing statement, if any, to the Trustee, the Trustee shall file continuation statements of such initial financing statement(s) in the same jurisdictions as the initial financing statement(s), for such initial financing statements on which it is named as secured party, copies of which have been previously provided to the Trustee. Unless the Trustee is otherwise

notified in writing by the City, the Trustee may rely upon the initial financing statements in filing any continuation statements hereunder.

Section 9.14. Offering Documentation.

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds.

Section 9.15. Expenditure of Funds and Risk.

None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of its rights or powers if the Trustee shall have reasonable grounds for believing that the repayment of such funds or indemnity against such risk or liability is not assured.

Section 9.16. Environmental Hazards.

The Trustee may inform any Owner of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and in such event, no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

The Trustee shall not be responsible or liable for the environmental condition related to the improvements to any real property or for diminution in value of the same, or for any claims by or on behalf of the owners thereof as the result of any contamination by a hazardous substance, hazardous material, pollutant, or contaminant. The Trustee assumes no duty or obligation to assess the environmental condition of any improvements or with respect to compliance thereof under State or federal laws pertaining to the transport, storage, treatment, or disposal of hazardous substances, hazardous materials, pollutants, or contaminants or regulations, permits, or licenses issued under such laws.

Section 9.17. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of any Bonds then Outstanding or their representatives duly authorized in writing.

Section 9.18. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds. Permissive rights of the Trustee are not to be construed as duties or obligations. Whether or not therein expressly so provided, every provision of this Indenture or any other financing

document relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article IX.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, executed by both the City and the Trustee, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws and this Indenture), or (iii) reduce the percentage of Owners of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights, immunities or obligations of the Trustee without its written consent.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds;

(iv) to provide for the issuance of Refunding Bonds, as set forth in Section 13.2; 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.

(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 the issuance of Refunding Bonds in accordance with the provisions of Section 13.2 hereof is deemed to not be a material adverse effect for purposes of such opinion; and (iii) will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation.

Section 10.2. Owners' Meetings.

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

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

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

Except as set forth in Section 10.1, such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided and the City or Bond Counsel, acting on the City's behalf, has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6 herein. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this

Article) upon the City and the Owners of all Bonds at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period, provided however, that the Trustee during such 60 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 inaction.

Section 10.4. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee, and all Owners of Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.5. Endorsement or Replacement of Bonds Issued After Amendments.

The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 10.6. Amendatory Endorsement of Bonds.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 10.7. Waiver of Default.

With the written consent of at least a majority of the Owners in aggregate principal amount of the Bonds then Outstanding, the Owners may waive non-compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.8. Execution of Supplemental Indenture.

In executing or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed

and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties and immunities under this Indenture or otherwise. Any such amendment shall not modify any of the rights or obligations of the Trustee without its written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of Bond Counsel addressed and delivered to the Trustee in accordance with this Article X.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

(a) Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

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

(ii) The failure of the City to enforce the collection of the Improvement Area #2 Assessments, including the prosecution of foreclosure proceedings;

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

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

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

Section 11.2. Immediate Remedies for Default.

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

sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies of default.

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

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of 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 then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for 90 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the

Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his, or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

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

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

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2 hereof, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on the Bonds, as follows:

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

Within 10 days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 11.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds shall bind all future Owners of the same Bonds in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first-class, postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds.

Bonds owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

Section 11.10. Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, by statute or by contract.

Section 11.11. Direction by Owners.

Anything herein to the contrary notwithstanding, the Owners of at least 25% of the aggregate Outstanding principal of the Bonds shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method, and place of conducting a proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture, or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with Applicable Laws and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which, in the opinion of the Trustee, would be unjustly prejudicial to Owners not parties to such direction.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Pledged Revenues and the Trust Estate are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) The City will take all steps reasonably necessary and appropriate, and will direct the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Improvement Area #2 Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

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

Section 12.2. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Additional Obligations or Other Liens.

(a) The City reserves the right, subject to the provisions contained in this Section 13.2, to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from the Pledged Revenues.

(b) The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the state of Texas. Other than Refunding Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired.

(c) Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from the Trust Estate so long as such pledge is subordinate to the pledge of the Trust Estate securing payment of the Bonds.

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

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

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

Section 14.2. Satisfaction of Indenture.

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

Section 14.3. Bonds Deemed Paid.

All Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided herein, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee for such purpose, shall be sufficient to pay when due the principal of and interest on the Bonds to become due on the Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant or other qualified third-party selected by the City verifying the sufficiency of the moneys and/or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds

are then rated, the Trustee shall have received written confirmation from each rating agency then publishing a rating on the Bonds that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee. This Indenture and the exhibit(s) hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture, including any City Certificate, shall be in writing and shall be delivered by hand, mailed by first-class mail, postage prepaid, or transmitted by e-mail and addressed as follows:

If to the City:	City of Lowry Crossing, Texas 1405 S. Bridgefarmer Road Lowry Crossing, Texas 75069 Telephone: 972.542.8678 Attn: City Administrator Email: JCable@lowrycrossingtx.com
If to the Trustee or the Paying Agent/Registrar:	BOKF, NA Attention: Corporate Trust Services – Dayna Smith 5956 Sherry Lane, Suite 900 Dallas, Texas 75225 Telephone: 214.987.8881 Email: texaspids@bokf.com

Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(b) The Trustee shall mail to each Owner of a Bond notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Outstanding.

(c) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with

its services hereunder); provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas. With respect to this Indenture and any conflicts arising therefrom, the parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal district or state district court with jurisdiction in Collin County, Texas, (ii) waive any objection to laying of venue in any such action or proceeding in such courts, and (iii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original. The City and the Trustee agree that electronic signatures to this Indenture may be regarded as original signatures.

Section 15.10. Statutory Verifications.

The Trustee makes the following representation and verifications pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Indenture. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Indenture, notwithstanding anything in this Indenture to the contrary.

(a) Not a Sanctioned Company. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not

boycott energy companies and will not boycott energy companies during the term of this Indenture. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

CITY OF LOWRY CROSSING, TEXAS

By: _____
Mayor

ATTEST:

_____
City Secretary

BOKF, NA,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

(a) Form of Bond.

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

REGISTERED
No. _____

REGISTERED
$_____

United States of America
State of Texas

CITY OF LOWRY CROSSING, TEXAS,
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2026
(LOWRY TRAILS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 PROJECT)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
_____%	September 15, 20__	August 11, 2026	_____

The City of Lowry Crossing, Texas (the "City"), for value received, hereby promises to pay, solely from the Trust Estate, to

_____

or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 15 and September 15 of each year, commencing March 15, 2027, until maturity or prior redemption.

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

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas (the "Designated Payment/Transfer Office"), of BOKF, NA, as trustee and paying agent/registrar (the "Trustee", which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check

dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last Business Day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

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

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated August 11, 2026 and issued in the aggregate principal amount of $_____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of August 1, 2026 (the "Indenture"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying all or a portion of the Actual Costs of the Improvement Area #2 Projects, (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and other costs related to the issuance of the Bonds.

The Bonds are special, limited obligations of the City payable solely from the Trust Estate as defined in the Indenture. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

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

The Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of $100,000 and any multiple of $1,000 in excess thereof.

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

Term Bonds Maturing September 15, 20__

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

*Stated Maturity

Term Bonds Maturing September 15, 20__

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

*Stated Maturity

Term Bonds Maturing September 15, 20__

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

*Stated Maturity

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

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

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

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

The Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, in an amount and on any date specified in a City Certificate, at the Redemption Price, 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.

If less than all of the Bonds are redeemed pursuant to the mandatory sinking fund redemption, optional redemption or extraordinary optional redemption provisions, the Bonds to be redeemed shall be selected in accordance with the terms of 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, in Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

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

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

The City has reserved the right to issue Refunding Bonds and Additional Obligations on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF LOWRY CROSSING, 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 Lowry Crossing, Texas

_____
City Secretary, City of Lowry Crossing, Texas

[City Seal]

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO._____
	§	
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT there is on file and of record in my office an opinion to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

_____
Acting Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

BOKF, NA,
as Trustee

DATED: _____

By:_____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and zip code of transferee):

_____
_____
_____

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

Date: _____ _____

Signature Guaranteed By:

_____

_____

Authorized Signatory

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

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

(i) immediately under the name of the 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 Bond, the words "on the Maturity Date, as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years	Principal Amount ($)	Interest Rate (%)

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

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

APPENDIX B

FORM OF SERVICE AND ASSESSMENT PLAN

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Lowry Trails Public Improvement District

2026 PRELIMARY AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

JULY 14, 2026

P3 WORKS

AUSTIN, TX | NORTH RICHLAND HILLS, TX | HOUSTON, TX

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INTRODUCTION

Capitalized terms used in this 2026 A&R Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this 2026 A&R Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a "Section", an "Exhibit", or an "Appendix" shall be a reference to a Section of this 2026 A&R Service and Assessment Plan or an Exhibit or Appendix attached to and made a part of this 2026 A&R Service and Assessment Plan for all purposes.

On May 14, 2024, the City Council passed and approved Resolution No. 129 authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon the date the resolution was adopted in accordance with the provisions as required by the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 98.406 acres located partially within the extraterritorial jurisdiction and partially within the corporate limits of the City, as described by the legal description on **Exhibit K-1** and depicted on **Exhibit A-1**.

On November 11, 2025, the City Council approved the 2025 Service and Assessment Plan for the District by adopting the 2025 Assessment Ordinance, which approved the levy of Assessments on Assessed Property within Improvement Area #1 and approved the Improvement Area #1 Assessment Roll.

On July 14, 2026, the City Council approved this 2026 A&R Service and Assessment Plan, which serves to amend and restate the 2025 Service and Assessment Plan in its entirety for the purposes of (1) updating the Improvement Area #1 Assessment Roll; (2) identifying the Improvement Area #2 Authorized Improvements to be provided by the District; (3) identifying the costs of the Improvement Area #2 Authorized Improvements; (4) identifying the indebtedness to be incurred for the Improvement Area #2 Authorized Improvements, and the manner of assessing the Improvement Area #2 Assessed Property to pay for the costs of the Improvement Area #2 Authorized Improvements; (5) levying the Improvement Area #2 Assessment on the Improvement Area #2 Assessed Property; and (6) approving the Improvement Area #2 Assessment Roll. This 2026 A&R Service and Assessment Plan serves as the Annual Service Plan Update for 2026, as more specifically described in **Section IX**.

The PID Act requires a Service Plan must (i) cover a period of at least five years; (ii) define the annual indebtedness and projected cost of the Authorized Improvements; and (iii) include a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan is contained in **Section IV** and the notice form is attached as **Appendix B**.

The PID Act requires that the Service Plan include an assessment plan that assesses the Actual Costs of the Authorized Improvements against the Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel as determined by the method chosen by the City Council. The Assessment against each Parcel of Assessed Property must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to such Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Improvement Area #1 Assessment Roll and Improvement Area #2 Assessment Roll, are included as **Exhibit F-1**, and **Exhibit G-1**, respectively.

SECTION I: DEFINITIONS

"2025 Assessment Ordinance" means the Assessment Ordinance No. 392 approved and adopted by the City Council on November 11, 2025, which levied the Improvement Area #1 Assessment against the Improvement Area #1 Assessed Property, and approved the 2025 Service and Assessment Plan.

"2025 Service and Assessment Plan" means the Lowry Trails Public Improvement District Service and Assessment Plan as approved by the City Council on November 11, 2025, by the 2025 Assessment Ordinance, which shall be replaced in its entirety by this 2026 A&R Service and Assessment Plan.

"2026 A&R Service and Assessment Plan" means this Lowry Trails Public Improvement District 2026 Amended and Restated Service and Assessment Plan as updated, amended, or supplemented from time to time, which is to replace in its entirety the 2025 Service and Assessment Plan.

"2026 Assessment Ordinance" means the Assessment Ordinance approved and adopted by the City Council on July 14, 2026, which levied the Improvement Area #2 Assessment against the Improvement Area #2 Assessed Property, and approved this 2026 A&R Service and Assessment Plan.

"Actual Costs" mean with respect to Authorized Improvements, the actual costs of constructing or acquiring such Authorized Improvements, paid by or on behalf of the Developer (either directly or through affiliates), including: (1) the costs for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvements; (3) the costs for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) all labor, bonds, and materials, including equipment and fixtures, by contractors, builders, and materialmen in connection with the acquisition, construction, or implementation of the Authorized Improvements; (5) all related permitting and public approval expenses, architectural, engineering, consulting fees, and governmental fees and charges; and (6) costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of construction costs if managed by or on behalf of the Developer.

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

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

"Administrator" means the City or independent firm designated by the City who shall have the responsibilities provided in this 2026 A&R Service and Assessment Plan, any Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The current Administrator is P3Works, LLC.

"Annual Collection Costs" mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming PID Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with this 2026 A&R Service and Assessment Plan, the PID Act, and any Indenture, with respect to the PID Bonds, including the continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

"Annual Installment" means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) the principal amount of any Assessment; (2) the interest associated with any Assessment; (3) Additional Interest related to the PID Bonds, if applicable; and (4) Annual Collection Costs.

"Annual Service Plan Update" means an update to this 2026 A&R Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

"Assessed Property" means any Parcel within the District against which an Assessment is levied.

"Assessment" means an assessment levied against a Parcel of Assessed Property to pay the Actual Costs of certain Authorized Improvements as specified herein, which Assessment is imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, and is subject to reallocation upon the subdivision of such Assessed Property or reduction according to the provisions herein and in the PID Act.

"Assessment Ordinance" means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on the Assessed Property, as shown on any Assessment Roll.

"Assessment Plan" means the methodology employed to assess the Actual Costs of the Authorized Improvements against the Assessed Property based on the special benefits conferred on such property by the Authorized Improvements, more specifically set forth and described in **Section V**.

"Assessment Roll" means any assessment roll for the Assessed Property, including the Improvement Area #1 Assessment Roll, and the Improvement Area #2 Assessment Roll, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any Annual Service Plan Update. The Assessment Rolls are included in this 2026 A&R Service and Assessment Plan as **Exhibit F-1** and **Exhibit G-1**.

"Apportioned Property" means any Parcel within the District against which the costs of the Authorized Improvements are apportioned based on special conferred benefit and against which an Assessment is anticipated to be levied, but not yet levied.

"Apportionment of Costs" means an amount allocated by this 2026 A&R Service and Assessment Plan to a Parcel within the District, other than Non-Benefited Property, for Actual Costs of Authorized Improvements, subject to a future levy of Assessments by the City, as shown on **Exhibit B-2**, and also subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Authorized Improvements" means the costs and improvements authorized by Section 372.003 of the PID Act, as depicted on **Exhibit H-1, Exhibit H-2, Exhibit H-3** and **Exhibit H-4,** and described in **Section III**.

"Bond Issuance Costs" means the costs associated with issuing PID Bonds, including, but not limited to, and as applicable, attorney fees, financial advisory fees, consultant fees, initial trustee fees, appraisal fees, printing costs, publication costs, reserve fund requirements, underwriter's discount (including the fee of counsel to the underwriter), original issue discount, fees charged by the Texas Attorney General, original issue discount, and any other cost or expense incurred by the City directly associated with the issuance of any series of PID Bonds.

"City" means the City of Lowry Crossing, Texas.

"City Council" means the governing body of the City.

"County" means Collin County, Texas.

"Delinquent Collection Costs" mean costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this 2026 A&R Service and Assessment Plan including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

"Developer" means GRBK Edgewood LLC, a Texas limited liability company, and any successors or assignees thereof that intends to develop the property in the District for the ultimate purpose of transferring title to end users.

"District" means Lowry Trails Public Improvement District containing approximately 98.406 acres partially located within the corporate limits of the City and partially within the extraterritorial jurisdiction of the City, and more specifically described in **Exhibit K-1** and depicted in **Exhibit A-1.**

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

"Engineer's Report" means a report provided by a licensed professional engineer that describes the Authorized Improvements, including their costs, location, and benefit, and is attached hereto as **Appendix A** for the Improvement Area #2 Improvements, and Shared Improvements — IA #2 & Remainder Area. The Engineer's Report for the Improvement Area #1 Improvements and Major Improvements is attached to the 2025 Service and Assessment Plan.

"Estimated Buildout Value" means the estimated value of an Assessed Property with fully constructed buildings, as provided by the Developer and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other factors that, in the judgment of the City, may impact value. The Estimated Buildout Value for each Lot Type is shown on **Exhibit E.**

"Improvement Area #1" means approximately 40.321 acres located within the District, as more specifically described in **Exhibit K-2** and depicted on **Exhibit A-2**.

"Improvement Area #1 Annual Installment" means the Annual Installment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Additional Interest related to the Improvement Area #1 Bonds; and (4) Annual Collection Costs related to Improvement Area #1, as shown on **Exhibit F-2**.

"Improvement Area #1 Assessed Property" means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied.

"Improvement Area #1 Assessment" means an Assessment levied, by the adoption of the 2025 Assessment Ordinance, against Improvement Area #1 Assessed Property to pay a portion of the Actual Costs of the Improvement Area #1 Authorized Improvements, which Improvement Area #1 Assessment is imposed pursuant to the provisions herein, as shown on the Improvement Area

#1 Assessment Roll, and is subject to reallocation upon the subdivision of such Parcel or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

"Improvement Area #1 Assessment Roll" means the Assessment Roll for the Improvement Area #1 Assessed Property, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #1 Assessment Roll is included in this 2026 A&R Service and Assessment Plan as **Exhibit F-1**.

"Improvement Area #1 Authorized Improvements" means, collectively, (1) the Improvement Area #1 Projects; (2) Bond Issuance Costs associated with the issuance of Improvement Area #1 Bonds; and (3) the deposit to the administrative fund related to Improvement Area #1 Bonds.

"Improvement Area #1 Bonds" means those certain "City of Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2025 (Lowry Trails Public Improvement District Improvement Area #1 Project)" that are secured by Improvement Area #1 Assessments.

"Improvement Area #1 Improvements" means the Authorized Improvements further described in **Section III.B** and depicted on **Exhibit H-2** which confer a special benefit only to all of the Improvement Area #1 Assessed Property.

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

"Improvement Area #2" means approximately 39.288 acres located within the District, as more specifically described in **Exhibit K-3** and depicted on **Exhibit A-3**.

"Improvement Area #2 Annual Installment" means the Annual Installment of the Improvement Area #2 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Additional Interest related to the Improvement Area #2 Bonds; and (4) Annual Collection Costs related to Improvement Area #2, as shown on **Exhibit G-3**.

"Improvement Area #2 Assessed Property" means any Parcel within Improvement Area #2 against which an Improvement Area #2 Assessment is levied.

"Improvement Area #2 Assessment" means an Assessment levied, by the adoption of the 2026 Assessment Ordinance, against Improvement Area #2 Assessed Property to pay a portion of the Actual Costs of the Improvement Area #2 Authorized Improvements, which Improvement Area #2 Assessment is imposed pursuant to the provisions herein, as shown on the Improvement Area #2 Assessment Roll, and is subject to reallocation upon the subdivision of such Parcel or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

"Improvement Area #2 Assessment Roll" means the Assessment Roll for the Improvement Area #2 Assessed Property, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #2 Assessment Roll is included in this 2026 A&R Service and Assessment Plan as **Exhibit G-1**.

"Improvement Area #2 Authorized Improvements" means, collectively, (1) the Improvement Area #2 Projects; (2) Bond Issuance Costs associated with the issuance of Improvement Area #2 Bonds; and (3) the deposit to the administrative fund related to Improvement Area #2 Bonds.

"Improvement Area #2 Bonds" means those certain "City of Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2026 (Lowry Trails Public Improvement District Improvement Area #2 Project)" that are secured by the Improvement Area #2 Assessment.

"Improvement Area #2 Improvements" means the Authorized Improvements further described in **Section III.C** and depicted on **Exhibit H-3** which confer a special benefit only to all of the Improvement Area #2 Assessed Property.

"Improvement Area #2 Initial Parcel" means all of the Improvement Area #2 Assessed Property against which the entire Improvement Area #2 Assessment was levied at the time of the City Council approved the 2026 Assessment Ordinance.

"Improvement Area #2 Projects" means, collectively (1) the pro rata portion of the Major Improvements allocable to Improvement Area #2, (2) the pro rata portion of the Shared Improvements — IA #2 & Remainder Area allocable to Improvement Area #2, and (3) the Improvement Area #2 Improvements.

"Indenture" means an Indenture of Trust entered into between the City and the Trustee in connection with the issuance of each series of PID Bonds, as amended or supplemented from time to time, between the City and the Trustee setting forth the terms and conditions related to a series of PID Bonds.

"Lot" means (1) for any portion of the District for which a final subdivision plat has been recorded in the plat or filed in the official public records of the County, a tract of land described by "Lot" in such subdivision plat; and (2) for any portion of the District for which a subdivision plat has not been recorded in the plat or official public records of the County, a tract of land anticipated to be described as a "Lot" in a final recorded subdivision plat as shown on a concept plan or a preliminary plat. A "Lot" shall not include real property owned by a government entity, even if such property is designated as a separate described tract or Lot on a recorded subdivision plat.

"Lot Type" means a classification of final building Lots with similar characteristics (e.g. lot size, home product, Estimated Buildout Value, etc.), as determined by the Administrator and

confirmed by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as provided by the Developer, and confirmed by the City Council, as shown on **Exhibit E**, and the anticipated Lot Type classification maps identified on **Exhibit A-5** and **Exhibit A-6**. The buyer disclosure for each Lot Type is attached in **Appendix B**.

"Lot Type 1" means a Lot Type within Improvement Area #1 marketed to homebuilders with a front property line width of 40'. The buyer disclosure for Lot Type 1 is attached hereto as part of **Appendix B**.

"Lot Type 2" means a Lot Type within Improvement Area #2 marketed to homebuilders with a front property line width of 40'. The buyer disclosure for Lot Type 2 is attached hereto as part of **Appendix B**.

"Maximum Assessment" means, for each Lot, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A**, or (2) for each Lot Type, the amount shown on **Exhibit E.**

"Major Improvements" means those Authorized Improvements that confer a special benefit to all of the Assessed Property and Apportioned Property within the District, as further described in **Section III.A** and depicted on **Exhibit H-1**, and as allocated to Improvement Area #1, Improvement Area #2, and apportioned to the Remainder Area, as shown in **Exhibit B-2**.

"Non-Benefited Property" means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council.

"Notice of Assessment Termination" means a document that shall be recorded in the official public records of the County evidencing the termination of an Assessment, a form of which is attached as **Exhibit I.**

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

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

"PID Bonds" means any bonds issued by the City in one or more series and secured in whole or in part by Assessments.

"Prepayment" means the payment of all or a portion of an Assessment before the due date of the final Annual Installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an

Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment.

"Prepayment Costs" means interest, including Additional Interest and Annual Collection Costs, to the date of Prepayment.

"Private Improvements" means improvements required to be constructed, or caused to be constructed, by the Developer to deliver final Lots and that are not Authorized Improvements. Costs of the Private Improvements will not be paid nor reimbursed from the proceeds of PID Bonds or otherwise from revenues received from the collection of Annual Installments.

"Remainder Area" means approximately 18.797 acres located within the District and entirely outside of Improvement Area #1 and Improvement Area #2, as more specifically depicted on **Exhibit A-4**, to be developed as one or more future improvement areas.

"Remainder Area Apportioned Property" means any Parcel within the Remainder Area against which a portion of the Actual Costs of the Remainder Area Projects are apportioned based on special conferred benefit, and against which an Assessment is expected to be levied, but not yet levied.

"Remainder Area Apportionment of Costs" means an Apportionment of Costs against the Remainder Area Apportioned Property for the Remainder Area Projects, as shown on **Exhibit B-2**, subject to (1) reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act; and (2) an anticipated future levy of Assessments by the City.

"Remainder Area Projects" means collectively, (1) the pro rata portion of the Major Improvements allocable to the Remainder Area, and (2) the pro rata portion of the Shared Improvements – IA #2 & Remainder Area allocable to the Remainder Area.

"Service Plan" covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

"Shared Improvements — IA #2 & Remainder Area" means the Authorized Improvements further described in **Section III.D** and depicted on **Exhibit H-4** which confer a special benefit on all of the Improvement Area #2 Assessed Property and the Remainder Area Apportioned Property, as allocated in the Engineer's Report attached hereto in **Appendix A**.

"Trustee" means the trustee or successor trustee under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 98.406 contiguous acres located partially within the extraterritorial jurisdiction and partially within the corporate limits of the City, the boundaries of which are more particularly described by the legal description on **Exhibit K-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 431 Lots developed with single-family homes.

Improvement Area #1 includes approximately 40.321 contiguous acres, located within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly described by legal description on **Exhibit K-2** and depicted on **Exhibit A-2**. Development of Improvement Area #1 is anticipated to include approximately 167 Lots developed with single-family homes that are on Lots classified as Lot Type 1.

Improvement Area #2 includes approximately 39.288 contiguous acres, located within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly described by legal description on **Exhibit K-3** and depicted on **Exhibit A-3**. Development of Improvement Area #2 is anticipated to include approximately 175 Lots developed with single-family homes that are on Lots classified as Lot Type 2.

The Remainder Area includes approximately 18.797 contiguous acres, the boundaries of which are more particularly depicted on **Exhibit A-4**. Development of the Remainder Area is anticipated to include approximately 89 Lots developed with single-family homes.

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information in the Engineer's Report provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property and Apportioned Property. The Authorized Improvements will be designed and constructed in accordance with the applicable City, City of Princeton, or TxDOT standards, regulations, requirements, and specifications and will be owned and operated by the City, the City of Princeton, the homeowners' association or TxDOT, as noted below. The budget and allocation for the Authorized Improvements is shown on **Exhibit B-1** and **Exhibit B-2**.

A. Major Improvements

- *Water*

  Improvements including trench excavation and embedment, trench safety, piping, valves, fire hydrants, service connection, testing, related earthwork, excavation, erosion control,

and all necessary appurtenances required to provide water service to all Lots within the District. These water improvements will be owned and operated by the City of Princeton.

- *Sanitary Sewer*

  Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, lift station, force main, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide wastewater service to all Lots within the District. These sanitary sewer improvements will be owned and operated by the City of Princeton.

- *District Formation Costs*

  The costs associated with forming the District, including, but not limited to, attorney fees, and any other cost or expense incurred by the City or Developer directly associated with the establishment of the District.

- *Soft Costs*

  Costs related to designing, constructing, and installing the Major Improvements including engineering and design, construction inspection fees, geotechnical testing and governmental submittal fees associated with the water and sanitary sewer improvements as described above, and District Formation Costs.

B. Improvement Area #1 Improvements

- *Street*

  Improvements including subgrade stabilization, earthwork, rights-of-way, erosion control, pavement, sidewalks, barrier free ramps, signage, striping, streetlights, and testing. All related earthwork, clearing and grubbing, excavation, erosion control, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included, including landscaping within the right-of-way for the streets being dedicated to the City. The street improvements will provide street access to each Lot within Improvement Area #1. These street improvements will be owned and operated by the City or TxDOT. The landscaping within the right-of-way for the streets will be owned by the City and operated and maintained by the homeowners' association.

- *Water*

  Improvements including trench excavation and embedment, trench safety, piping, valves, fire hydrants, service connections, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1. These water improvements will be owned and operated by the City of Princeton.

- *Sanitary Sewer*

  Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1. These sanitary sewer improvements will be owned and operated by the City of Princeton.

- *Storm Drainage*

  Improvements including trench excavation and embedment, trench safety, piping, manholes, inlets, headwalls, rock rip rap, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots within Improvement Area #1. These storm drainage improvements will be owned and operated by the City.

- *Soft Costs*

  Costs related to designing, constructing, and installing the Improvement Area #1 Improvements including engineering and design, construction inspection fees, geotechnical testing and governmental submittal fees for the costs associated with the street, water, sanitary sewer, and storm drainage improvements as described above.

C. Improvement Area #2 Improvements

- *Street*

  Improvements including subgrade stabilization, earthwork, rights-of-way, erosion control, pavement, sidewalks, barrier free ramps, signage, striping, streetlights, and testing. All related earthwork, clearing and grubbing, excavation, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included, including landscaping within the right-of-way for the streets being dedicated to the City. The street improvements will provide street access to each Lot within Improvement Area #2. These street improvements will be owned and operated by the City. The landscaping within the right-of-way for the streets will be owned by the City and operated and maintained by the homeowners' association.

- *Water*

  Improvements including trench excavation and embedment, trench safety, piping, valves, fire hydrants, service connections, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide water service to all Lots within Improvement Area #2. These water improvements will be owned and operated by the City of Princeton.

- *Sanitary Sewer*

  Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2. These sanitary sewer improvements will be owned and operated by the City of Princeton.

- *Storm Drainage*

  Improvements including trench excavation and embedment, trench safety, piping, manholes, inlets, headwalls, rock rip rap, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots within Improvement Area #2. These storm drainage improvements will be owned and operated by the City.

- *Soft Costs*

  Costs related to designing, constructing, and installing the Improvement Area #2 Improvements including engineering and design, construction inspection fees, geotechnical testing and governmental submittal fees for the costs associated with the street, water, sanitary sewer, and storm drainage improvements as described above.

D. Shared Improvements — IA#2 & Remainder Area

- *Sanitary Sewer*

  Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2 and the Remainder Area. These sanitary sewer improvements will be owned and operated by the City of Princeton.

E. Bond Issuance Costs

- *Debt Service Reserve Fund*

  Equals the amount to be deposited in a debt service reserve fund under an applicable Indenture in connection with the issuance of PID Bonds.

- *Underwriter's Discount*

  Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds, including the fees of the underwriter's counsel.

- *Cost of Issuance*

  Includes costs of issuing a particular series of PID Bonds, including but not limited to issuer fees, attorney's fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City's costs, original issue discount, fees charged by the Texas Attorney General, original issue discount, and any other cost or expense directly associated with the issuance of PID Bonds.

F. Other Costs

Deposit to Administrative Fund

Equals the amount necessary to fund the first year's Annual Collection Costs for a particular series of PID Bonds.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to (i) cover a period of at least five years, (ii) define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period, and (iii) include a copy of the buyer disclosure notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C** summarizes the initial Service Plan for Improvement Area #1 and Improvement Area #2. Pursuant to the PID Act and Section 5.014 of the Texas Property Code, as amended, this 2026 A&R Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Appendix B.**

Exhibit D summarizes the sources and uses of funds required to construct the Authorized Improvements and Private Improvements, issue the PID Bonds, and fund the deposits to the administrative funds. The sources and uses of funds shown on **Exhibit D** shall be updated in an Annual Service Plan Update to reflect any budget revisions and Actual Costs.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to allocate the costs of the Authorized Improvements to the Assessed Property and Apportioned Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the City Council may establish by

ordinance or order reasonable classifications and formulas for the apportionment of the cost between the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this 2026 A&R Service and Assessment Plan describes the special benefit received by each Assessed Property and Apportioned Property within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments levied on the Assessed Property for such Authorized Improvements.

The determination by the City Council of the Assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers of the Assessed Property.

A. Assessment Methodology

Acting in its legislative capacity and based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City Council has determined that the costs related to the Authorized Improvements shall be allocated and/or apportioned as follows:

- By the adoption of the 2025 Assessment Ordinance, a portion of the costs of the Major Improvements were allocated to the Improvement Area #1 Assessed Property. By the adoption of the 2026 Assessment Ordinance, the remainder of such costs are allocated to the Improvement Area #2 Assessed Property and apportioned to the Remainder Area Apportioned Property based upon Estimated Buildout Value of each Improvement Area #2 Assessed Property and Remainder Area Apportioned Property to the Estimated Buildout Value of all of the Improvement Area #2 Assessed Property and the Remainder Area Apportioned Property. See **Exhibit B-2** for the allocation and apportionment of the Major Improvements to Improvement Area #1, Improvement Area #2, and the Remainder Area.
- The costs of the Improvement Area #1 Authorized Improvements shall be allocated to each Improvement Area #1 Assessed Property pro rata based on the Estimated Buildout Value of each Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Improvement Area #1 Assessed Property.
- The costs of the Improvement Area #2 Authorized Improvements shall be allocated to each Improvement Area #2 Assessed Property pro rata based on the Estimated Buildout Value of each Improvement Area #2 Assessed Property to the Estimated Buildout Value of all Improvement Area #2 Assessed Property. Currently, the Improvement Area #2 Initial Parcel is the only Parcel within Improvement Area #2, and as such, the Improvement Area #2 Initial Parcel shall be allocated 100% of the Improvement Area #2 Authorized Improvements.

B. Assessments

By the adoption of the 2025 Assessment Ordinance, the Improvement Area #1 Assessment was levied on the Improvement Area #1 Assessed Property, and is currently outstanding in the amount shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit F-1**. The Improvement Area #1 Annual Installments are shown on **Exhibit F-2** and are subject to revisions made in any Annual Service Plan Update.

By the adoption of the 2026 Assessment Ordinance, the Improvement Area #2 Assessment was levied on the Improvement Area #2 Assessed Property in the amount shown on the Improvement Area #2 Assessment Roll attached hereto as **Exhibit G-1**. The Improvement Area #2 Annual Installments are shown on **Exhibit G-3** and are subject to revisions made in any Annual Service Plan Update. The Improvement Area #2 Assessment Roll by block and lot is included as **Exhibit G-2** for illustrative purposes only. Upon division or subdivision or consolidation of the Improvement Area #2 Initial Parcel, the Improvement Area #2 Assessment will be reallocated pursuant to **Section VI**.

The outstanding Assessments securing PID Bonds shown herein are net of the Annual Installments due in the current year at the time of this 2026 A&R Service and Assessment Plan, if applicable, which Annual Installments will be used to make the scheduled debt service payment due September 15. Therefore, the outstanding Assessments may not match the outstanding PID Bonds. The amount of outstanding Assessments will change over time as Assessments are paid, prepaid in full or in part, or otherwise adjusted in accordance with this 2026 A&R Service and Assessment Plan. The outstanding principal amount of Assessments is based on information available at the time such information is compiled and reflects adjustments for scheduled principal payments, Prepayments of Assessments, and other administrative adjustments, as applicable and in accordance with this 2026 A&R Service and Assessment Plan.

The Maximum Assessment for each Lot Type within the District is shown on **Exhibit E**. In no case will the Assessment for Lots classified as Lot Type 1 or Lot Type 2, respectively, exceed the corresponding Maximum Assessment for each Lot Type classification.

C. Findings of Special Benefit

Acting in its legislative capacity and based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City Council has found and determined the following:

- *Improvement Area #1*
    - The costs of the Improvement Area #1 Authorized Improvements equal $7,877,000 as shown on **Exhibit B-1**; and

- The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #1 Authorized Improvements; and

- By the adoption of the 2025 Assessment Ordinance, the Improvement Area #1 Assessed Property was allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Authorized Improvements, which equaled $7,877,000, of which $7,877,000 is currently outstanding, as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit F-1**, and further described in **Section V.B**; and

- The special benefit ($\geq$ $7,877,000) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Authorized Improvements is equal to or greater than the amount of the Improvement Area #1 Assessment ($7,877,000) levied on the Improvement Area #1 Assessed Property for the Improvement Area #1 Authorized Improvements, inclusive of the original issue discount; and

- At the time the City Council approved the 2025 Service and Assessment Plan, the Developer owned 100% of the Improvement Area #1 Assessed Property. The Developer acknowledged that the Improvement Area #1 Authorized Improvements confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Improvement Area #1 Assessment to pay for the Actual Costs associated therewith. The Developer ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the 2025 Assessment Ordinance; (2) the 2025 Service and Assessment Plan and the 2025 Assessment Ordinance; and (3) the levying of the Improvement Area #1 Assessment on the Improvement Area #1 Assessed Property.

- *Improvement Area #2*

  - The costs of the Improvement Area #2 Authorized Improvements equal $8,501,824 as shown on **Exhibit B-1**; and

  - The Improvement Area #2 Assessed Property receives special benefit from the Improvement Area #2 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #2 Authorized Improvements; and

  - By the adoption of the 2026 Assessment Ordinance, the Improvement Area #2 Assessed Property shall be allocated 100% of the Improvement Area #2 Assessment levied for the Improvement Area #2 Authorized Improvements, which equals $7,393,000 as shown on the Improvement Area #2 Assessment Roll attached hereto as **Exhibit G-1**; and

- The special benefit (≥ $8,501,824) received by the Improvement Area #2 Assessed Property from the Improvement Area #2 Authorized Improvements is equal to or greater than the amount of the Improvement Area #2 Assessment ($7,393,000) levied on the Improvement Area #2 Assessed Property for the Improvement Area #2 Authorized Improvements; and

- At the time the City Council approved this 2026 A&R Service and Assessment Plan, the Developer owned 100% of the Improvement Area #2 Assessed Property. The Developer acknowledged that the Improvement Area #2 Authorized Improvements confer a special benefit on the Improvement Area #2 Assessed Property and consented to the imposition of the Improvement Area #2 Assessment to pay for the Actual Costs associated therewith. The Developer ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the 2026 Assessment Ordinance; (2) this 2026 A&R Service and Assessment Plan and the 2026 Assessment Ordinance; and (3) the levying of the Improvement Area #2 Assessment on the Improvement Area #2 Assessed Property.

- *Remainder Area*

  - The costs of the Remainder Area Projects apportioned to the Remainder Area equal to $896,599 as shown on **Exhibit B-1**; and

  - The Remainder Area is expected to receive special benefit from the Remainder Area Projects equal to or greater than the Actual Cost of the Remainder Area Projects apportioned to the Remainder Area Apportioned Property; and

  - The Remainder Area Apportioned Property will be apportioned 20.77% of the Major Improvements as shown on **Exhibit B-1** and 33.71% of the Shared Improvements – IA #2 & Remainder Area as shown on **Exhibit B-1**, which collectively equals $896,599 as shown on **Exhibit B-1**, of which all or a portion is anticipated to be financed by Assessments expected to be levied at a later date.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for annually by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the respective Assessment Roll, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

E. Additional Interest

The interest rate on Assessments securing each respective series of PID Bonds may exceed the interest rate on each respective series of PID Bonds by the Additional Interest Rate. To the extent required by any Indenture, Additional Interest shall be collected as part of each Annual Installment related to a series of PID Bonds and shall be deposited pursuant to the applicable Indenture.

SECTION VI: TERMS OF THE ASSESSMENTS

Any reallocation of Assessments as described in this Section VI shall be considered an administrative action of the City and will not be subject to the notice or public hearing requirements under the PID Act.

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of a subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

$A = B \times (C \div D)$

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property
B = the Assessment for the Assessed Property prior to division
C = the Estimated Buildout Value of the newly divided Assessed Property
D = the sum of the Estimated Buildout Value for all of the newly divided Assessed Properties

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, relying on information from homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property, as provided by the Developer. The Estimated Buildout Value for Lot Type 1 is shown on **Exhibit E** and will not change in future Annual Service Plan Updates. The Estimated Buildout Value for Lot Type 2 is shown on **Exhibit E** and will not change in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive and binding.

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

2. Upon Subdivision by a Recorded Subdivision Plat

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot
B = the Assessment for the Parcel prior to subdivision
C = the sum of the Estimated Buildout Value of all newly subdivided Lots with the same Lot Type
D = the sum of the Estimated Buildout Value for all of the newly subdivided Lots excluding Non-Benefited Property
E= the number of newly subdivided Lots with the same Lot Type

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the Developer, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot. The Estimated Buildout Values for Lot Type 1 and Lot Type 2 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive and binding.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section

shall be reflected in the Annual Service Plan Update immediately following such reallocation.

3. Upon Consolidation

If two or more Lots or Parcels are consolidated into a single Lot or Parcel, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update immediately following such consolidation. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.C.**

B. Mandatory Prepayment of Assessments

If an Assessed Property or a portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel or portion thereof to become Non-Benefited Property, the owner of such Lot, Parcel or portion thereof shall pay to the City, or cause to be paid to the City, the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to any such conveyance or act, and no such conveyance shall be effective until the City receives such payment. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable "Notice of Assessment Termination," a form of which is attached hereto as **Exhibit I.**

C. True-Up of Assessments if Maximum Assessment Exceeded at Plat

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City, or cause to be paid to the City, the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

D. Reduction of Assessments

If as a result of cost savings or the failure to construct all or a portion of an Authorized Improvement, the Actual Costs of any Authorized Improvements are less than the Assessments, then (i) in the event PID Bonds are not issued, the City Council shall reduce each Assessment on

a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that a related series of PID Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds, that are not expected to be used for the purposes of the project fund to redeem outstanding PID Bonds, unless otherwise directed by the City pursuant to the terms of such Indenture. Such excess PID Bond proceeds may be used for any purpose authorized by such Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

The owner of any Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. Prepayment Costs, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed, or the Annual Service Plan Update has been approved by the City Council prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment on an Assessed Property is prepaid in full, with Prepayment Costs, (1) the Administrator shall cause the Assessment to be reduced to zero on said Assessed Property and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate with respect to said Assessed Property; and (4) the City shall provide the owner with a recordable "Notice of Assessment Termination."

If an Assessment on an Assessed Property is prepaid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced on said Assessed Property and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit F-2** shows the projected Improvement Area #1 Annual Installments. **Exhibit G-3** shows the projected

Improvement Area #2 Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the property not including any Non-Benefited Property, as shown by the Collin Central Appraisal District for each tax parcel identification number.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Roll(s) and updated calculations of Annual Installments. The Annual Collection Costs for a given Assessment shall be paid by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes due and owing to the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay any of the remaining unpaid Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with applicable law, including the PID Act. In the event of a refunding, the City's Financial Advisor shall recalculate the principal and interest on PID Bonds so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of the Improvement Area #2 Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2027.

Failure of an owner of an Assessed Property to receive an invoice for an Annual Installment shall not relieve said owner of the responsibility for payment of the Assessment. Assessments, or

Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs. The City may provide for other means of collecting the Annual Installments to the extent permitted by the PID Act, or other applicable law.

G. Prepayment as a Result of an Eminent Domain Proceeding or Taking

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the "**Retained Property**"), following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Retained Property after any required Prepayment as set forth below. The owner of the Retained Property will remain liable to pay in Annual Installments, or payable as otherwise provided by this 2026 A&R Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Retained Property, subject to an adjustment in the Assessment applicable to the Retained Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Retained Property exceeds the applicable Maximum Assessment, the owner of the Retained Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Retained Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Retained Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of prepayment, with any remainder credited against the Assessment on the Retained Property.

In all instances the Assessment remaining on the Retained Property shall not exceed the applicable Maximum Assessment.

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a $100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefited Property and the remaining 90 acres of Retained Property shall be subject to the $100 Assessment (provided that this $100 Assessment does not exceed the Maximum Assessment on the Retained Property). If the Administrator determines that the $100

Assessment reallocated to the Retained Property would exceed the Maximum Assessment, as applicable, on the Retained Property by $10, then the owner shall be required to pay $10 as a Prepayment of the Assessment against the Retained Property and the Assessment on the Retained Property shall be adjusted to be $90.

Notwithstanding the previous paragraphs in this subsection, if the owner of the Retained Property notifies the City and the Administrator that the Taking prevents the Retained Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the applicable Maximum Assessment on the Retained Property to support the Estimated Buildout Value requirement. Said owner will remain liable to pay the Annual Installments on both the Taken Property and the Retained Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

SECTION VII: ASSESSMENT ROLL

The Improvement Area #1 Assessment Roll is attached as **Exhibit F-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #1 Assessment Roll and Improvement Area #1 Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Improvement Area #2 Assessment Roll is attached as **Exhibit G-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #2 Assessment Roll and Improvement Area #2 Annual Installments for each Parcel as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this 2026 A&R Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year in connection with City Council's approval of that year's calculation. Otherwise, the owner shall be deemed to have

unconditionally approved and accepted the calculation. The Administrator shall provide a written response to the City Council and the owner not later than 30 days of such receipt of a written notice of error by the Administrator. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and, not later than 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this 2026 A&R Service and Assessment Plan, the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this 2026 A&R Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this 2026 A&R Service and Assessment Plan may be amended without notice to property owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this 2026 A&R Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this 2026 A&R Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this 2026 A&R Service and Assessment Plan. Interpretations of this 2026 A&R Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners of Assessed Property adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public meeting at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners of Assessed Property and developers and their successors and assigns. Certain tables in this 2026 A&R Service and Assessment Plan have been rounded to the nearest whole dollar.

D. Form of Buyer Disclosure; Filing and Posting Requirements

Per Section 5.014 of the Texas Property Code, as amended, this 2026 A&R Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Appendix B.** Within seven days of approval by the City Council, the City shall (i) post a copy of this 2026 A&R Service and Assessment Plan or any future Annual Service Plan Updates on the City's internet website

and (ii) file and record in the real property records of the County this 2026 A&R Service and Assessment Plan, or any future Annual Service Plan Updates. This 2026 A&R Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

E. Severability

If any provision of this 2026 A&R Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

SECTION IX: ADDITIONAL INFORMATION

A. Parcel Subdivision

Improvement Area #1

- The final plat of Lowry Trails Phase 1 was filed and recorded by the County as document number 2025010000235 on May 30, 2025.

B. Lot and Home Sales

Improvement Area #1

Current ownership within the District is based on information provided by the Developer and other available information and is subject to change as development occurs and property is conveyed. Updated ownership and development information for Assessments securing PID Bonds may be available through continuing disclosure filings accessible via the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system by searching for the District. For Assessments securing reimbursement obligations to the Developer, if any, the summary of current ownership of property securing such Assessment is based on information provided by the Developer and other publicly available records.

C. Authorized Improvements

A summary of the Authorized Improvements, including the estimated costs of the Authorized Improvements and allocation of such costs, is provided in **Exhibit B-1** attached hereto. The Exhibit is intended to describe the Authorized Improvements and estimated costs for Assessment purposes and does not represent a guarantee of construction timing or Actual Costs.

Information regarding the status of Authorized Improvements, including construction progress, estimated completion timing, and budget information, is based on information

provided by the Developer and other available project information at the time such information is compiled. Such information may be updated from time to time.

D. Outstanding Assessments

Improvement Area #1

Improvement Area #1 has an outstanding assessment of $7,877,000.

Information for Assessments securing PID Bonds may be available through continuing disclosure filings accessible via EMMA by searching for the District.

E. Annual Installment Due 1/31/2027

Improvement Area #1

- ***Principal and Interest*** **–** The total principal and interest required for the Annual Installment as shown below.
- ***Additional Interest*** **-** Additional Interest is collected to fund the Additional Interest Reserve Account (as defined in the Indenture for the Improvement Area #1 Bonds). The Additional Interest Reserve Account will be funded with Additional Interest on the outstanding Assessment, resulting in Additional Interest due on the Improvement Area #1 Annual Installment as shown below.

Improvement Area #1		
Annual Installment Due 1/31/2027		
Principal	$	130,000.00
Interest	$	409,902.50
	$	539,902.50
Additional Interest	$	39,385.00
Annual Collection Costs	$	51,449.54
Total Annual Installment	**$**	**630,737.04**

- ***Annual Collection Costs*** **–** The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs budgeted for the Annual Installment for Improvement Area #1 is shown below.

Improvement Area #1	
Annual Collection Costs Breakdown	
P3Works Administration	$ 30,600.00
City Auditor	$ 1,000.00
Filing Fees	$ 1,000.00
County Collection	$ 1,000.00
PID Trustee Fees	$ 4,500.00
Dissemination Agent	$ 3,500.00
Draw Request Review	$ 11,500.00
P3Works Dev/Issuer CDA Review	$ 4,025.00
Collection Costs Maintenance Balance	$ 10,000.00
Less CCMB Credit from Prior Years	$ (17,175.46)
Arbitrage Calculation	$ 1,500.00
Total Administrative Costs	**$ 51,449.54**

F. Prepayment of Assessment

Information regarding any full or partial Prepayments of the Assessments are reflected in the corresponding Assessment Roll.

EXHIBITS

The following Exhibits are attached to and made a part of this 2026 A&R Service and Assessment Plan for all purposes:

Exhibit A-1	Map of the District
Exhibit A-2	Map of Improvement Area #1
Exhibit A-3	Map of Improvement Area #2
Exhibit A-4	Map of Remainder Area
Exhibit A-5	Improvement Area #1 Lot Type Classification Map
Exhibit A-6	Improvement Area #2 Lot Type Classification Map
Exhibit B-1	Project Costs
Exhibit B-2	Major Improvements Apportionment of Costs
Exhibit C	Service Plan
Exhibit D	Sources and Uses of Funds
Exhibit E	Maximum Assessment and Tax Rate Equivalent
Exhibit F-1	Improvement Area #1 Assessment Roll
Exhibit F-2	Improvement Area #1 Annual Installments
Exhibit G-1	Improvement Area #2 Assessment Roll
Exhibit G-2	Improvement Area #2 Assessment Roll by Block and Lot
Exhibit G-3	Improvement Area #2 Annual Installments
Exhibit H-1	Maps of Major Improvements
Exhibit H-2	Maps of Improvement Area #1 Improvements
Exhibit H-3	Maps of Improvement Area #2 Improvements
Exhibit H-4	Maps of Shared Improvements – IA #2 & Remainder Area
Exhibit I	Notice of Assessment Termination
Exhibit J-1	Debt Service Schedule for Improvement Area #1 Bonds
Exhibit J-2	Debt Service Schedule for Improvement Area #2 Bonds
Exhibit K-1	District Legal Description
Exhibit K-2	Improvement Area #1 Legal Description
Exhibit K-3	Improvement Area #2 Legal Description

APPENDICES

The following Appendices are attached to and made a part of this 2026 A&R Service and Assessment Plan for all purposes:

Appendix A Engineer's Report
Appendix B Buyer Disclosures

EXHIBIT A-1 – MAP OF THE DISTRICT

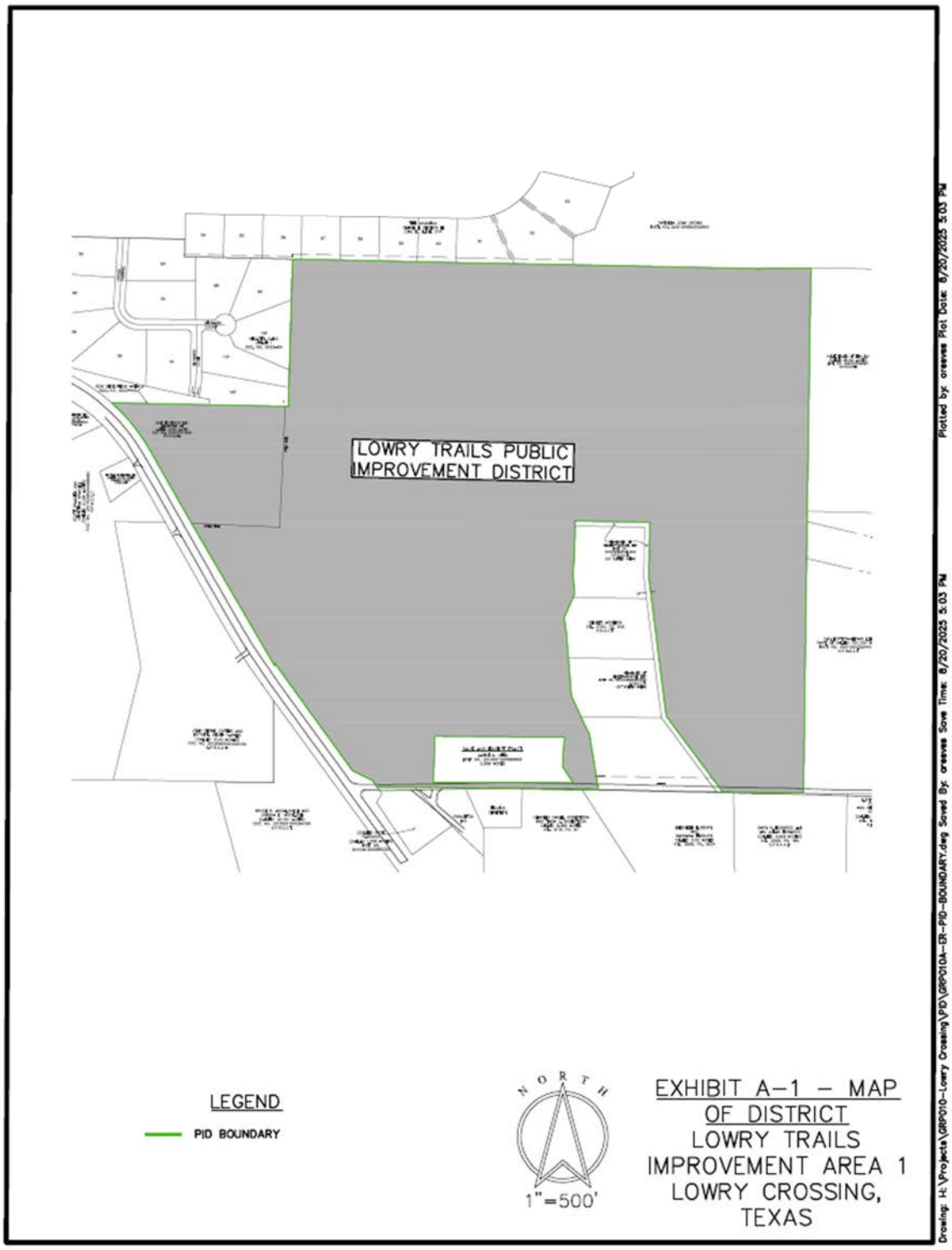


EXHIBIT A-2 – MAP OF IMPROVEMENT AREA #1



EXHIBIT A-3 - MAP OF IMPROVEMENT AREA #2

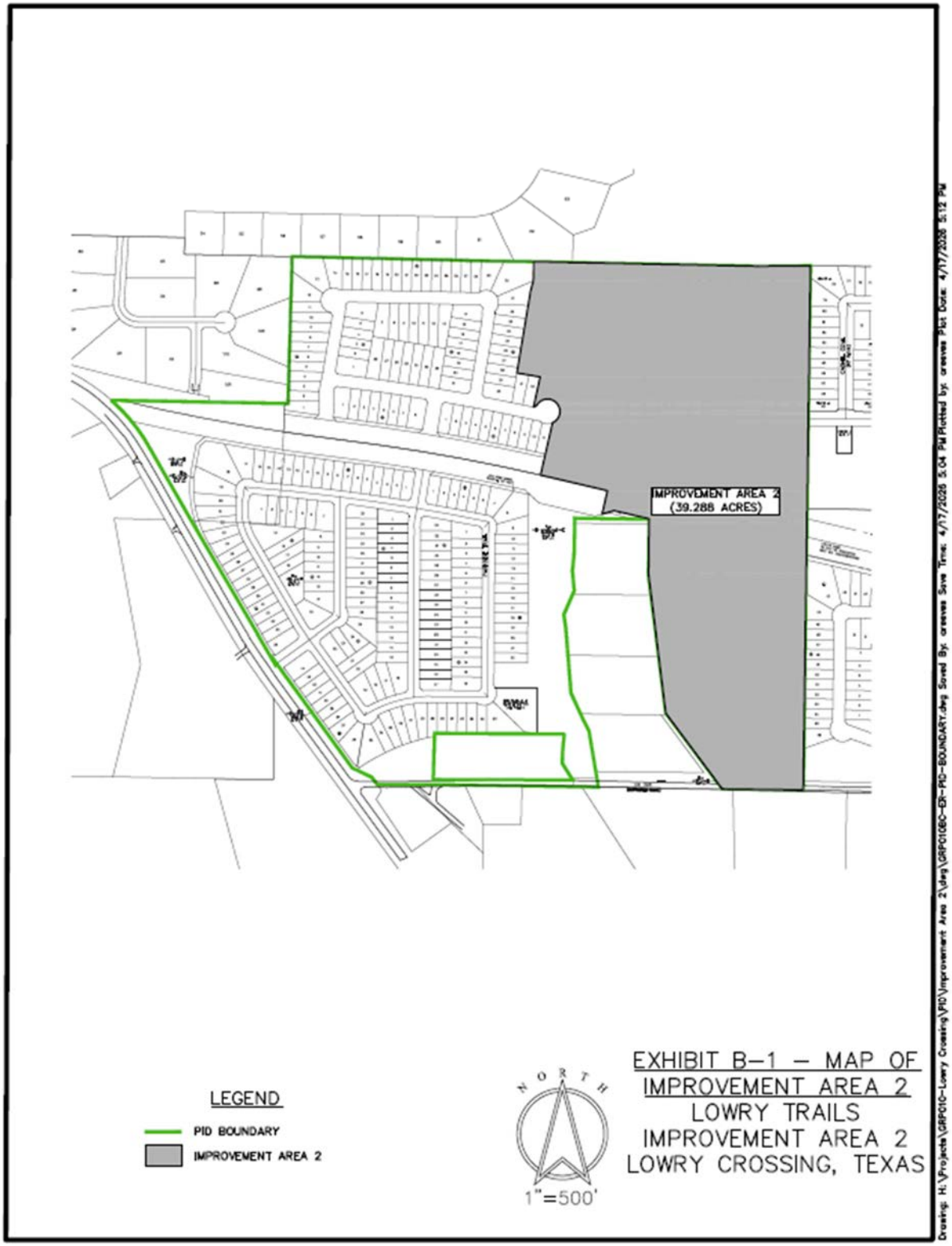


EXHIBIT A-4 – MAP OF REMAINDER AREA

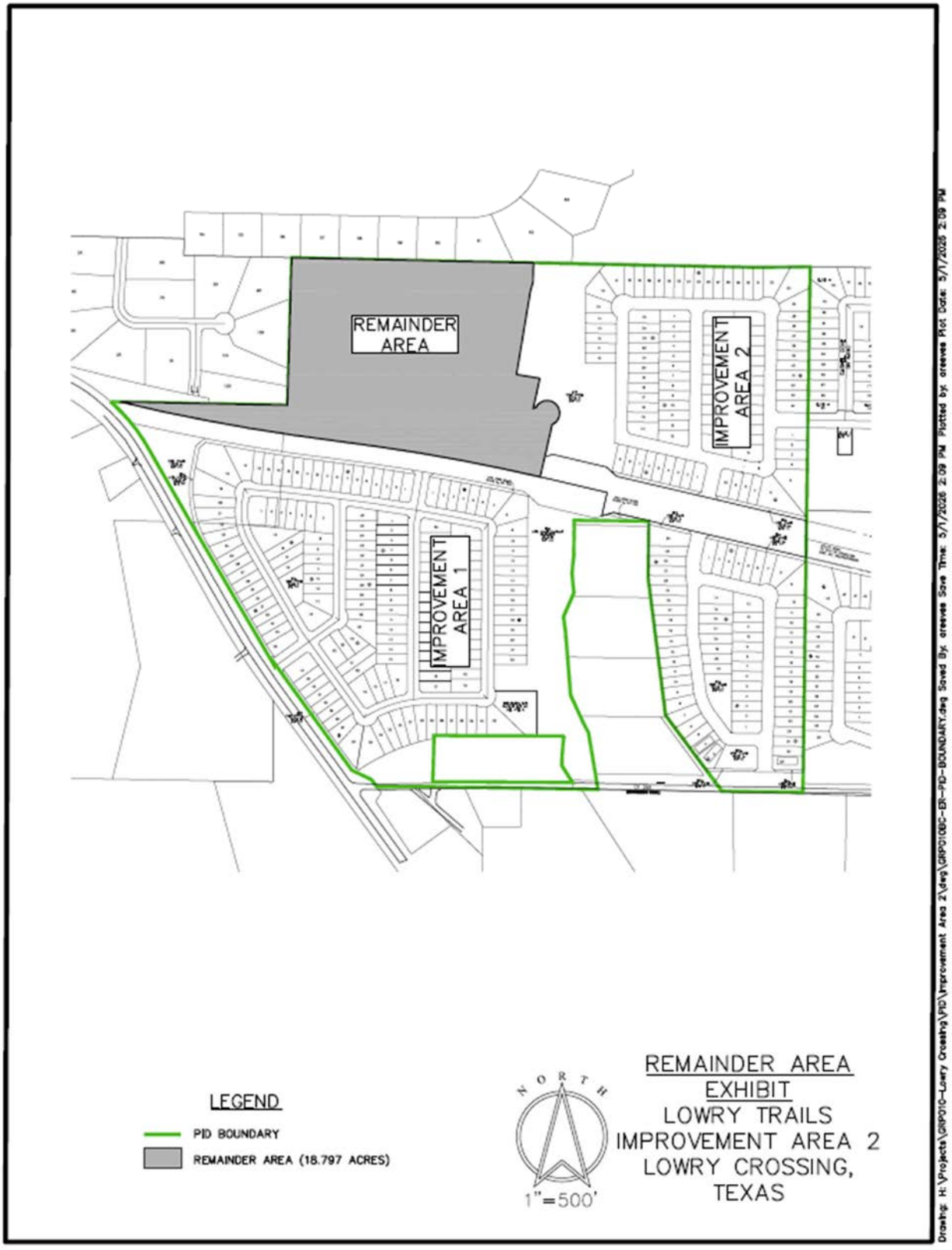


EXHIBIT A-5 – IMPROVEMENT AREA #1 LOT TYPE CLASSIFICATION MAP

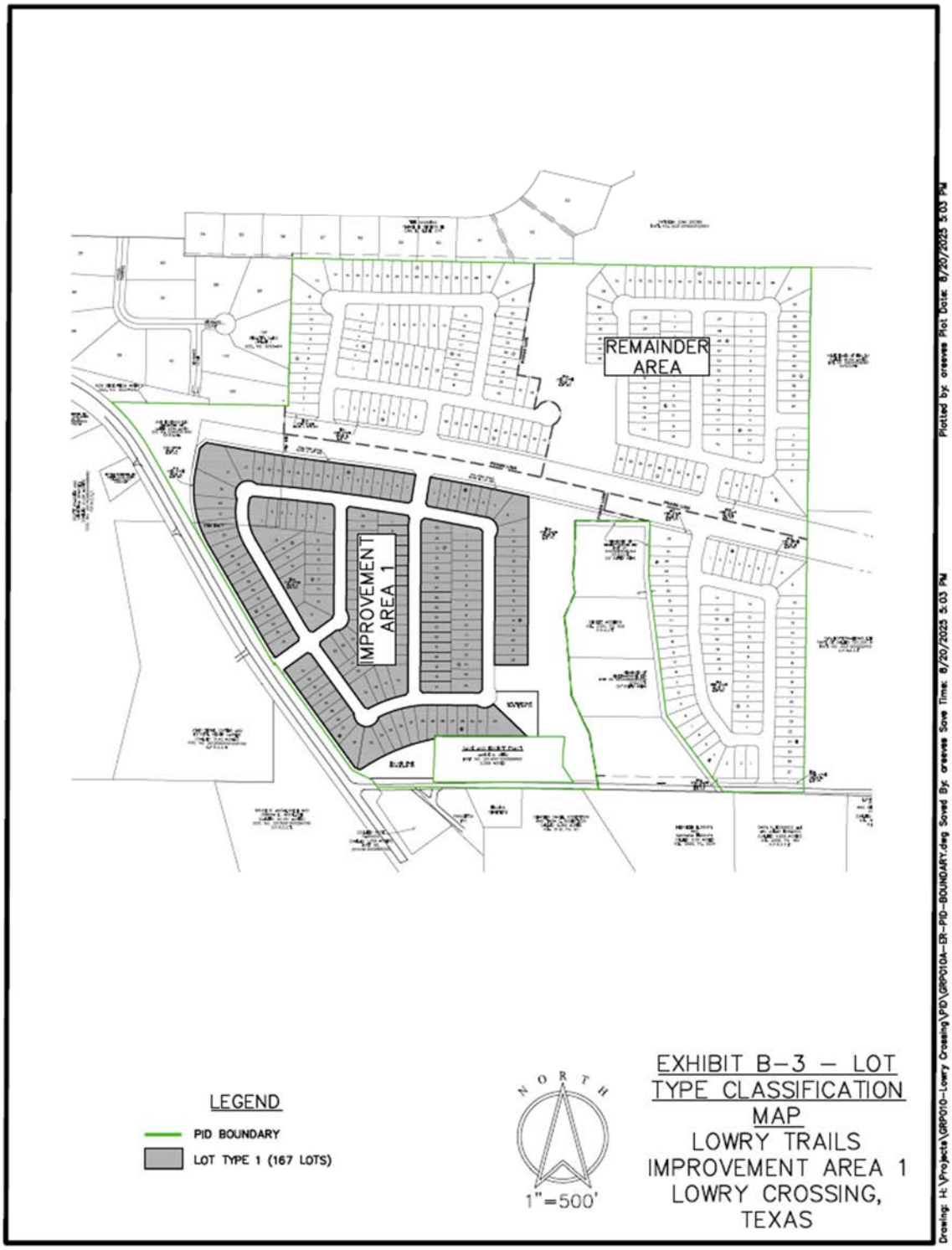


EXHIBIT A-6 – IMPROVEMENT AREA #2 LOT TYPE CLASSIFICATION MAP

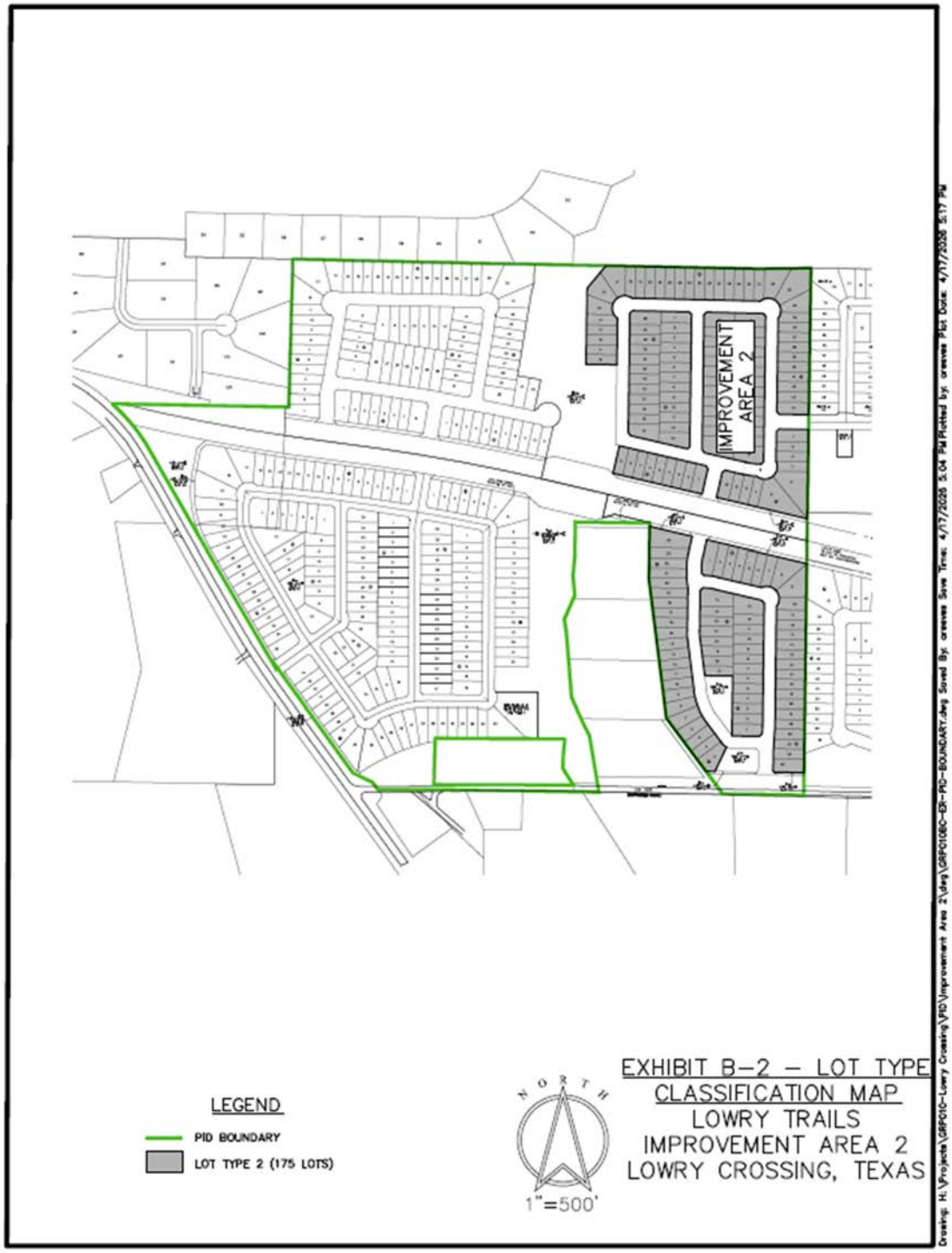


EXHIBIT B-1 – PROJECT COSTS

	Total Costs[a]	Privately Funded	Authorized Improvements	Improvement Area #1 %	Improvement Area #1 Cost	Improvement Area #2 %	Improvement Area #2 Cost	Remainder Area %	Remainder Area Cost
Major Improvements [b]									
Water[c]	$ 732,891	$ -	$ 732,891	38.39%	$ 281,363	40.84%	$ 299,309	20.77%	$ 152,220
Sanitary Sewer[c]	2,677,203	-	2,677,203	38.39%	1,027,800	40.84%	1,093,355	20.77%	556,049
District Formation Costs	130,000	-	130,000	38.39%	49,908	40.84%	53,091	20.77%	27,001
Soft Costs[d]	513,404	-	513,404	38.39%	197,100	40.84%	209,671	20.77%	106,633
	$ 4,053,499	$ -	$ 4,053,499		$ 1,556,171		$ 1,655,426		$ 841,902
Improvement Area #1 Improvements									
Street[f]	$ 1,890,589	$ -	$ 1,890,589	100%	$ 1,890,589	0.00%	$ -	0.00%	$ -
Right-of-Way [g]	652,124	-	652,124	100%	652,124	0.00%	-	0.00%	-
Water[c]	540,829	-	540,829	100%	540,829	0.00%	-	0.00%	-
Sanitary Sewer[c]	617,806	-	617,806	100%	617,806	0.00%	-	0.00%	-
Storm Drainage	800,247	-	800,247	100%	800,247	0.00%	-	0.00%	-
Soft Costs[d]	498,330	-	498,330	100%	498,330	0.00%	-	0.00%	-
	$ 4,999,925	$ -	$ 4,999,925		$ 4,999,925		$ -		$ -
Improvement Area #2 Improvements									
Street	$ 1,531,589	$ -	$ 1,531,589	0%	$ -	100.00%	$ 1,531,589	0.00%	$ -
Right-of-Way [i]	220,293	-	220,293	0%	-	100.00%	220,293	0.00%	-
Landscaping [k]	208,986	-	208,986	0%	-	100.00%	208,986	0.00%	-
Water	587,069	-	587,069	0%	-	100.00%	587,069	0.00%	-
Sanitary Sewer	1,037,108	-	1,037,108	0%	-	100.00%	1,037,108	0.00%	-
Storm Drainage	939,784	-	939,784	0%	-	100.00%	939,784	0.00%	-
Soft Costs[d]	896,020	-	896,020	0%	-	100.00%	896,020	0.00%	-
	$ 5,420,849	$ -	$ 5,420,849		$ -		$ 5,420,849		$ -
Shared Improvements - IA#2 & Remainder Area [l]									
Sanitary Sewer	$ 162,246	$ -	$ 162,246	0.00%	$ -	66.29%	$ 107,549	33.71%	$ 54,697
	$ 162,246	$ -	$ 162,246		$ -		$ 107,549		$ 54,697
Private Improvements [e],[m]									
Private Improvements	$ 809,756	$ 809,756	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -
Storm Drainage[o]	83,275	83,275	-	0.00%	-	$ -	-	$ -	-
Soft Costs[p]	7,759	7,759	-	0.00%	-	$ -	-	$ -	-
	$ 900,790	$ 900,790	$ -		$ -		$ -		$ -
Bond Issuance Costs [n]									
Debt Service Reserve Fund	$ 1,122,655	$ -	$ 1,122,655		$ 546,490		$ 576,165		$ -
Underwriter Discount[j]	458,100	-	458,100		236,310		221,790		-
Cost of Issuance	904,830	-	904,830		424,785		480,045		-
Original Issue Discount	68,319	-	68,319		68,319		-		-
	$ 2,553,904	$ -	$ 2,553,904		$ 1,275,904		$ 1,278,000		$ -
Other Costs									
Deposit to Administrative Fund[h],[n]	$ 85,000	$ -	$ 85,000		$ 45,000		$ 40,000		$ -
	$ 85,000	$ -	$ 85,000		$ 45,000		$ 40,000		$ -
Total	**$ 18,176,213**	**$ 900,790**	**$ 17,275,423**		**$ 7,877,000**		**$ 8,501,824**		**$ 896,599**

Footnotes:

[a] Costs per Engineer's Reports dated 9/16/2025 and 5/11/2026.

[b] The Major Improvement costs were allocated to Improvement Area #1 and apportioned to the property now within Improvement Area #2 and the Remainder Area at the time the City Council approved the 2025 Assessment Ordinance. The costs apportioned to Improvement Area #2 and the Remainder Area are allocated to Improvement Area #2 and the Remainder Area at the time the City Council approved the 2026 Assessment Ordinance as further shown on **Exhibit B-2**.

[c] The City of Princeton will assume ownership and maintenance responsibility pursuant to an interlocal agreement.

[d] Soft costs include engineering, maintenance bonds, staking, surveying, construction management fees, and contingency.

[e] Not reimbursable to the Developer through the collection of Annual Installments or proceeds from the issuance of PID Bonds.

[f] Street costs also includes landscaping within the right-of-way.

[g] The Right-of-Way costs are based on the appraisal dated 11/5/2025.

[h] Deposit to Administrative Fund costs also includes third-party collections fees within Improvement Area #1.

[i] The Right-of-Way costs are estimates provided in the Engineer's Report dated 5/11/2026 and will be updated in the final Right-of-Way appraisal.

[j] Includes the fee of counsel to the Underwriter.

[k] Assumes 25% of landscaping improvements are within the public Right-of-Way.

[l] As allocated to Improvement Area #2 Assessed Property and the Remainder Area Apportioned Property per the Engineer's Report attached hereto as **Appendix A**.

[m] Private Improvements include landscaping and hardscaping.

[n] Bond Issuance Costs for Improvement Area #2 are preliminary estimates only and subject to change upon the issuance of PID Bonds.

[o] The County will assume ownership and maintenance responsibility of the privately funded costs of the storm drainage improvements within Improvement Area #2. Such costs are not reimbursable to the Developer through the collection of Annual Installments or proceeds from the issuance of PID Bonds.

[p] Soft Costs include the Storm Drainange's allocable portion of City inspection & fees and construction management fees.

EXHIBIT B-2 – MAJOR IMPROVEMENTS APPORTIONMENT OF COSTS

			Major Improvements[a]			
			2025 Assessment Ordinance	2026 Assessment Ordinance		Total Apportionment of Costs[b]
Improvement Area	Estimated Buildout Value	Allocation of Costs	Costs	%	Costs	
Improvement Area #1	$ 56,780,000	38.39%	$ 1,556,171			
Improvement Area #2	$ 55,125,000	40.84%		66.29%	$ 1,655,426	
Remainder Area	$ 28,035,000	20.77%		33.71%	$ 841,902	$ 841,902.19
Total	**$ 139,940,000**	**100.00%**	**$ 1,556,171**		**$ 2,497,328**	

Footnotes:

[a] The costs of the Major Improvements were allocated to Improvement Area #1 Assessed Property at the time the City Council approved the 2025 Assessment Ordinance. The remainder of such costs are now allocated and apportioned proportionately based on Estimated Buildout Value between Improvement Area #2 and the Remainder Area.

[b] Reimbursable in part or in full from future Assessments anticipated to be levied on the Remainder Area in the future.

EXHIBIT C – SERVICE PLAN

Improvement Area #1						
Annual Installment Due		**1/31/2027**	**1/31/2028**	**1/31/2029**	**1/31/2030**	**1/31/2031**
Principal		$ 130,000.00	$ 136,000.00	$ 141,000.00	$ 147,000.00	$ 153,000.00
Interest		409,902.50	404,377.50	398,597.50	392,605.00	386,357.50
	(1)	$ 539,902.50	$ 540,377.50	$ 539,597.50	$ 539,605.00	$ 539,357.50
Additional Interest	(2)	$ 39,385.00	$ 38,735.00	$ 38,055.00	$ 37,350.00	$ 36,615.00
Annual Collection Costs	(3)	$ 51,449.54	$ 58,267.50	$ 59,432.85	$ 60,621.51	$ 61,833.94
Total Annual Installment Due	**(4) = (1) + (2) + (3)**	**$ 630,737.04**	**$ 637,380.00**	**$ 637,085.35**	**$ 637,576.51**	**$ 637,806.44**

Improvement Area #2						
Annual Installment Due		**1/31/2027**	**1/31/2028**	**1/31/2029**	**1/31/2030**	**1/31/2031**
Principal		$ 22,000.00	$ 94,000.00	$ 99,000.00	$ 105,000.00	$ 112,000.00
Interest		$ 551,291.90	$ 479,115.00	$ 473,005.00	$ 466,570.00	$ 459,745.00
	(1)	$ 573,291.90	$ 573,115.00	$ 572,005.00	$ 571,570.00	$ 571,745.00
Additional Interest	(2)	$ 36,965.00	$ 36,855.00	$ 36,385.00	$ 35,890.00	$ 35,365.00
Annual Collection Costs	(3)	$ 40,000.00	$ 40,800.00	$ 41,616.00	$ 42,448.32	$ 43,297.29
Total Annual Installment Due	**(4) = (1) + (2) + (3)**	**$ 650,256.90**	**$ 650,770.00**	**$ 650,006.00**	**$ 649,908.32**	**$ 650,407.29**

EXHIBIT D – SOURCES AND USES OF FUNDS

	Privately Funded	Improvement Area #1	Improvement Area #2	Remainder Area
Sources of Funds				
Improvement Area #1 Bond	$ -	$ 7,877,000	$ -	$ -
Improvement Area #2 Bond	-	-	7,393,000	-
Developer Contribution - Private Improvements[a]	900,790	-	-	-
Developer Contribution - Remainder Area Projects[b]	-	-	-	896,599
Developer Contribution - Improvement Area #2[e]	-	-	1,108,824	-
Total Sources of Funds	**$ 900,790**	**$ 7,877,000**	**$ 8,501,824**	**$ 896,599**
Uses of Funds				
Major Improvements	$ -	$ 1,556,171	$ 1,655,426	$ 841,902
Improvement Area #1 Improvements	-	4,999,925	-	-
Improvement Area #2 Improvements	-	-	5,420,849	-
Shared Improvements - IA#2 & Remainder Area	-	-	107,549	54,697
Private Improvements[a]	900,790	-	-	-
	$ 900,790	$ 6,556,096	$ 7,183,824	$ 896,599
Bond Issuance Costs [d]				
Debt Service Reserve Fund	$ -	$ 546,490	$ 576,165	$ -
Underwriter Discount[c]	-	236,310	221,790	-
Cost of Issuance	-	424,785	480,045	-
Original Issue Discount	-	68,319	-	-
	$ -	$ 1,275,904	$ 1,278,000	$ -
Other Costs				
Deposit to Administrative Fund[d]	$ -	$ 45,000	$ 40,000	$ -
	$ -	$ 45,000	$ 40,000	$ -
Total Uses of Funds	**$ 900,790**	**$ 7,877,000**	**$ 8,501,824**	**$ 896,599**

Footnotes:

[a] Not reimbursable to the Developer through the collection of Annual Installments or proceeds from the issuance of PID Bonds.

[b] Apportioned to the Remainder Area based on conferred benefit and is anticipated to be reimbursed, in whole or in part, from Assessments anticipated to be levied in the future.

[c] Includes the fee of counsel to the Underwriter.

[d] Improvement Area #2 Bond Issuance Costs and Deposit to Administrative Fund are preliminary estimates and subject to change upon the issuance of PID Bonds.

[e] Not expected to be reimbursable to the Developer through the collection of Annual Installments or proceeds from the issuance of PID Bonds.

EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units[a]	Appraised Value[b]		Estimated Buildout Value[a]		Assessment		Average Annual Installment		Tax Rate Equivalent
		Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	
Improvement Area #1										
Lot Type 1	167	$ 77,200	$ 12,892,400	$ 340,000	$ 56,780,000	$ 47,167.66	$ 7,877,000	$ 3,714.88	$ 620,386	$ 1.0926
Improvement Area #1 Total	**167**		**$ 12,892,400**		**$ 56,780,000**		**$ 7,877,000**		**$ 620,386**	**$ 1.0926**
Improvement Area #2										
Lot Type 2	175	$ 80,000	$ 14,000,000	$ 315,000	$ 55,125,000	$ 42,245.71	$ 7,393,000	$ 3,715.41	$ 650,197	$ 1.1795
Improvement Area #2 Total	**175**		**$ 14,000,000**		**$ 55,125,000**		**$ 7,393,000**		**$ 650,197**	**$ 1.1795**
Total	**342**		**$ 26,892,400**		**$ 111,905,000**		**$ 15,270,000**			

Footnotes:

[a] Improvement Area #1 based on the Developer's model dated 8/5/2025. Improvement Area #2 based on the Developer's model dated 3/23/2026.

[b] Improvement Area #1 as provided in the Appraisal dated 8/19/2025. Improvement Area #2 is based on the retail lot values provided in the Appraisal dated 6/4/2026.

EXHIBIT F-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID[a]	Lot Type	Outstanding Assessment	Total Annual Installment Due 1/31/2027[b]
2947362	Lot Type 1	$47,167.66	$3,776.87
2947746	Lot Type 1	$47,167.66	$3,776.87
2947747	Lot Type 1	$47,167.66	$3,776.87
2947748	Lot Type 1	$47,167.66	$3,776.87
2947749	Lot Type 1	$47,167.66	$3,776.87
2947750	Lot Type 1	$47,167.66	$3,776.87
2947751	Lot Type 1	$47,167.66	$3,776.87
2947752	Lot Type 1	$47,167.66	$3,776.87
2947753	Lot Type 1	$47,167.66	$3,776.87
2947754	Lot Type 1	$47,167.66	$3,776.87
2947755	Lot Type 1	$47,167.66	$3,776.87
2947756	Lot Type 1	$47,167.66	$3,776.87
2947757	Lot Type 1	$47,167.66	$3,776.87
2947758	Lot Type 1	$47,167.66	$3,776.87
2947759	Lot Type 1	$47,167.66	$3,776.87
2947760	Lot Type 1	$47,167.66	$3,776.87
2947761	Lot Type 1	$47,167.66	$3,776.87
2947762	Lot Type 1	$47,167.66	$3,776.87
2947763	Lot Type 1	$47,167.66	$3,776.87
2947764	Lot Type 1	$47,167.66	$3,776.87
2947765	Lot Type 1	$47,167.66	$3,776.87
2947766	Lot Type 1	$47,167.66	$3,776.87
2947767	Lot Type 1	$47,167.66	$3,776.87
2947768	Lot Type 1	$47,167.66	$3,776.87
2947769	Lot Type 1	$47,167.66	$3,776.87
2947770	Lot Type 1	$47,167.66	$3,776.87
2947771	Lot Type 1	$47,167.66	$3,776.87
2947772	Lot Type 1	$47,167.66	$3,776.87
2947773	Lot Type 1	$47,167.66	$3,776.87
2947774	Lot Type 1	$47,167.66	$3,776.87
2947775	Lot Type 1	$47,167.66	$3,776.87
2947776	Lot Type 1	$47,167.66	$3,776.87
2947777	Lot Type 1	$47,167.66	$3,776.87
2947778	Lot Type 1	$47,167.66	$3,776.87
2947779	Lot Type 1	$47,167.66	$3,776.87
2947780	Lot Type 1	$47,167.66	$3,776.87
2947781	Lot Type 1	$47,167.66	$3,776.87

Property ID[a]	Lot Type	Outstanding Assessment	Total Annual Installment Due 1/31/2027[b]
2947782	Lot Type 1	$47,167.66	$3,776.87
2947783	Lot Type 1	$47,167.66	$3,776.87
2947784	Lot Type 1	$47,167.66	$3,776.87
2947785	Lot Type 1	$47,167.66	$3,776.87
2947786	Lot Type 1	$47,167.66	$3,776.87
2947787	Lot Type 1	$47,167.66	$3,776.87
2947788	Lot Type 1	$47,167.66	$3,776.87
2947789	Lot Type 1	$47,167.66	$3,776.87
2947790	Lot Type 1	$47,167.66	$3,776.87
2947791	Lot Type 1	$47,167.66	$3,776.87
2947792	Lot Type 1	$47,167.66	$3,776.87
2947793	Lot Type 1	$47,167.66	$3,776.87
2947794	Lot Type 1	$47,167.66	$3,776.87
2947795	Lot Type 1	$47,167.66	$3,776.87
2947796	Lot Type 1	$47,167.66	$3,776.87
2947797	Lot Type 1	$47,167.66	$3,776.87
2947798	Lot Type 1	$47,167.66	$3,776.87
2947799	Lot Type 1	$47,167.66	$3,776.87
2947800	Lot Type 1	$47,167.66	$3,776.87
2947801	Lot Type 1	$47,167.66	$3,776.87
2947802	Lot Type 1	$47,167.66	$3,776.87
2947803	Lot Type 1	$47,167.66	$3,776.87
2947804	Lot Type 1	$47,167.66	$3,776.87
2947805	Lot Type 1	$47,167.66	$3,776.87
2947806	Lot Type 1	$47,167.66	$3,776.87
2947807	Lot Type 1	$47,167.66	$3,776.87
2947808	Lot Type 1	$47,167.66	$3,776.87
2947809	Lot Type 1	$47,167.66	$3,776.87
2947810	Lot Type 1	$47,167.66	$3,776.87
2947811	Lot Type 1	$47,167.66	$3,776.87
2947812	Lot Type 1	$47,167.66	$3,776.87
2947813	Lot Type 1	$47,167.66	$3,776.87
2947814	Lot Type 1	$47,167.66	$3,776.87
2947815	Lot Type 1	$47,167.66	$3,776.87
2947816	Lot Type 1	$47,167.66	$3,776.87
2947817	Lot Type 1	$47,167.66	$3,776.87
2947818	Lot Type 1	$47,167.66	$3,776.87
2947819	Lot Type 1	$47,167.66	$3,776.87
2948203	Lot Type 1	$47,167.66	$3,776.87

Property ID[a]	Lot Type	Outstanding Assessment	Total Annual Installment Due 1/31/2027[b]
2948204	Lot Type 1	$47,167.66	$3,776.87
2948205	Lot Type 1	$47,167.66	$3,776.87
2948206	Lot Type 1	$47,167.66	$3,776.87
2948207	Lot Type 1	$47,167.66	$3,776.87
2948208	Lot Type 1	$47,167.66	$3,776.87
2948209	Lot Type 1	$47,167.66	$3,776.87
2948210	Lot Type 1	$47,167.66	$3,776.87
2948211	Lot Type 1	$47,167.66	$3,776.87
2948212	Lot Type 1	$47,167.66	$3,776.87
2948213	Lot Type 1	$47,167.66	$3,776.87
2948214	Lot Type 1	$47,167.66	$3,776.87
2948215	Lot Type 1	$47,167.66	$3,776.87
2948216	Lot Type 1	$47,167.66	$3,776.87
2948217	Lot Type 1	$47,167.66	$3,776.87
2948218	Lot Type 1	$47,167.66	$3,776.87
2948219	Lot Type 1	$47,167.66	$3,776.87
2948220	Lot Type 1	$47,167.66	$3,776.87
2948221	Lot Type 1	$47,167.66	$3,776.87
2948222	Lot Type 1	$47,167.66	$3,776.87
2948223	Lot Type 1	$47,167.66	$3,776.87
2948224	Lot Type 1	$47,167.66	$3,776.87
2948225	Lot Type 1	$47,167.66	$3,776.87
2948226	Lot Type 1	$47,167.66	$3,776.87
2948227	Lot Type 1	$47,167.66	$3,776.87
2948228	Lot Type 1	$47,167.66	$3,776.87
2948229	Lot Type 1	$47,167.66	$3,776.87
2948230	Lot Type 1	$47,167.66	$3,776.87
2948231	Lot Type 1	$47,167.66	$3,776.87
2948232	Lot Type 1	$47,167.66	$3,776.87
2948233	Lot Type 1	$47,167.66	$3,776.87
2948234	Lot Type 1	$47,167.66	$3,776.87
2948235	Lot Type 1	$47,167.66	$3,776.87
2948236	Lot Type 1	$47,167.66	$3,776.87
2948237	Lot Type 1	$47,167.66	$3,776.87
2948238	Lot Type 1	$47,167.66	$3,776.87
2948239	Lot Type 1	$47,167.66	$3,776.87
2948240	Lot Type 1	$47,167.66	$3,776.87
2948241	Lot Type 1	$47,167.66	$3,776.87
2948242	Lot Type 1	$47,167.66	$3,776.87

Property ID[a]	Lot Type	Outstanding Assessment	Total Annual Installment Due 1/31/2027[b]
2948243	Lot Type 1	$47,167.66	$3,776.87
2948244	Lot Type 1	$47,167.66	$3,776.87
2948245	Lot Type 1	$47,167.66	$3,776.87
2948246	Lot Type 1	$47,167.66	$3,776.87
2948247	Lot Type 1	$47,167.66	$3,776.87
2948248	Lot Type 1	$47,167.66	$3,776.87
2948249	Lot Type 1	$47,167.66	$3,776.87
2948250	Lot Type 1	$47,167.66	$3,776.87
2948251	Lot Type 1	$47,167.66	$3,776.87
2948252	Lot Type 1	$47,167.66	$3,776.87
2948253	Lot Type 1	$47,167.66	$3,776.87
2948254	Lot Type 1	$47,167.66	$3,776.87
2948255	Lot Type 1	$47,167.66	$3,776.87
2948256	Lot Type 1	$47,167.66	$3,776.87
2948257	Lot Type 1	$47,167.66	$3,776.87
2948258	Lot Type 1	$47,167.66	$3,776.87
2948259	Lot Type 1	$47,167.66	$3,776.87
2948260	Lot Type 1	$47,167.66	$3,776.87
2948261	Lot Type 1	$47,167.66	$3,776.87
2948262	Lot Type 1	$47,167.66	$3,776.87
2948263	Lot Type 1	$47,167.66	$3,776.87
2948264	Lot Type 1	$47,167.66	$3,776.87
2948265	Lot Type 1	$47,167.66	$3,776.87
2948266	Lot Type 1	$47,167.66	$3,776.87
2948267	Lot Type 1	$47,167.66	$3,776.87
2948268	Lot Type 1	$47,167.66	$3,776.87
2948269	Lot Type 1	$47,167.66	$3,776.87
2948270	Lot Type 1	$47,167.66	$3,776.87
2948271	Lot Type 1	$47,167.66	$3,776.87
2948272	Lot Type 1	$47,167.66	$3,776.87
2948645	Lot Type 1	$47,167.66	$3,776.87
2948646	Lot Type 1	$47,167.66	$3,776.87
2948647	Lot Type 1	$47,167.66	$3,776.87
2948648	Lot Type 1	$47,167.66	$3,776.87
2948649	Lot Type 1	$47,167.66	$3,776.87
2948650	Lot Type 1	$47,167.66	$3,776.87
2948651	Lot Type 1	$47,167.66	$3,776.87
2948652	Lot Type 1	$47,167.66	$3,776.87
2948653	Lot Type 1	$47,167.66	$3,776.87

Property ID[a]	Lot Type	Outstanding Assessment	Total Annual Installment Due 1/31/2027[b]
2948654	Lot Type 1	$47,167.66	$3,776.87
2948655	Lot Type 1	$47,167.66	$3,776.87
2948656	Lot Type 1	$47,167.66	$3,776.87
2948657	Lot Type 1	$47,167.66	$3,776.87
2948658	Lot Type 1	$47,167.66	$3,776.87
2948659	Lot Type 1	$47,167.66	$3,776.87
2948660	Lot Type 1	$47,167.66	$3,776.87
2948661	Lot Type 1	$47,167.66	$3,776.87
2948662	Lot Type 1	$47,167.66	$3,776.87
2948663	Lot Type 1	$47,167.66	$3,776.87
2948664	Lot Type 1	$47,167.66	$3,776.87
2948665	Lot Type 1	$47,167.66	$3,776.87
2948666	Lot Type 1	$47,167.66	$3,776.87
2949403	Non-Benefited Property	$0.00	$0.00
2949404	Non-Benefited Property	$0.00	$0.00
2949405	Non-Benefited Property	$0.00	$0.00
2949406	Non-Benefited Property	$0.00	$0.00
2949407	Non-Benefited Property	$0.00	$0.00
2949408	Non-Benefited Property	$0.00	$0.00
2949409	Non-Benefited Property	$0.00	$0.00
2949410	Non-Benefited Property	$0.00	$0.00
Total		**$7,877,000.00**	**$630,737.29**

Footnotes:

[a] Property IDs preliminary and subject to change based on the final certified rolls provided by the County prior to billing.

[b] Totals may not sum or match the Service Plan or Improvement Area #1 Annual Installment Schedule due to rounding.

EXHIBIT F-2 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest[a]	Reserve Fund[b]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[c]
2027	$ 130,000.00	$ 409,902.50	$ -	$ 39,385.00	$ 51,449.54	$ 630,737.04
2028	$ 136,000.00	$ 404,377.50	$ -	$ 38,735.00	$ 58,267.50	$ 637,380.00
2029	$ 141,000.00	$ 398,597.50	$ -	$ 38,055.00	$ 59,432.85	$ 637,085.35
2030	$ 147,000.00	$ 392,605.00	$ -	$ 37,350.00	$ 60,621.51	$ 637,576.51
2031	$ 153,000.00	$ 386,357.50	$ -	$ 36,615.00	$ 61,833.94	$ 637,806.44
2032	$ 160,000.00	$ 379,855.00	$ -	$ 35,850.00	$ 63,070.62	$ 638,775.62
2033	$ 166,000.00	$ 373,055.00	$ -	$ 35,050.00	$ 64,332.03	$ 638,437.03
2034	$ 173,000.00	$ 366,000.00	$ -	$ 34,220.00	$ 65,618.67	$ 638,838.67
2035	$ 181,000.00	$ 358,647.50	$ -	$ 33,355.00	$ 66,931.04	$ 639,933.54
2036	$ 188,000.00	$ 350,955.00	$ -	$ 32,450.00	$ 68,269.66	$ 639,674.66
2037	$ 198,000.00	$ 341,085.00	$ -	$ 31,510.00	$ 69,635.05	$ 640,230.05
2038	$ 209,000.00	$ 330,690.00	$ -	$ 30,520.00	$ 71,027.75	$ 641,237.75
2039	$ 220,000.00	$ 319,717.50	$ -	$ 29,475.00	$ 72,448.31	$ 641,640.81
2040	$ 231,000.00	$ 308,167.50	$ -	$ 28,375.00	$ 73,897.28	$ 641,439.78
2041	$ 243,000.00	$ 296,040.00	$ -	$ 27,220.00	$ 75,375.23	$ 641,635.23
2042	$ 256,000.00	$ 283,282.50	$ -	$ 26,005.00	$ 76,882.73	$ 642,170.23
2043	$ 270,000.00	$ 269,842.50	$ -	$ 24,725.00	$ 78,420.38	$ 642,987.88
2044	$ 284,000.00	$ 255,667.50	$ -	$ 23,375.00	$ 79,988.79	$ 643,031.29
2045	$ 299,000.00	$ 240,757.50	$ -	$ 21,955.00	$ 81,588.57	$ 643,301.07
2046	$ 316,000.00	$ 225,060.00	$ -	$ 20,460.00	$ 83,220.34	$ 644,740.34
2047	$ 333,000.00	$ 207,680.00	$ -	$ 18,880.00	$ 84,884.75	$ 644,444.75
2048	$ 352,000.00	$ 189,365.00	$ -	$ 17,215.00	$ 86,582.45	$ 645,162.45
2049	$ 372,000.00	$ 170,005.00	$ -	$ 15,455.00	$ 88,314.10	$ 645,774.10
2050	$ 393,000.00	$ 149,545.00	$ -	$ 13,595.00	$ 90,080.38	$ 646,220.38
2051	$ 415,000.00	$ 127,930.00	$ -	$ 11,630.00	$ 91,881.99	$ 646,441.99
2052	$ 439,000.00	$ 105,105.00	$ -	$ 9,555.00	$ 93,719.63	$ 647,379.63
2053	$ 464,000.00	$ 80,960.00	$ -	$ 7,360.00	$ 95,594.02	$ 647,914.02
2054	$ 490,000.00	$ 55,440.00	$ -	$ 5,040.00	$ 97,505.90	$ 647,985.90
2055	$ 518,000.00	$ 28,490.00	$ (546,490.00)	$ 2,590.00	$ 99,456.02	$ 102,046.02
Total	**$ 7,877,000.00**	**$ 7,805,182.50**	**$ (546,490.00)**	**$ 726,005.00**	**$ 2,210,331.03**	**$ 18,072,028.53**

Footnotes:

[a] Interest rate on Improvement Area #1 Bonds is 4.25% for bonds maturing 2035, 5.25% for bonds maturing 2045, and 5.50% for bonds maturing 2055.

[b] Assumes the Reserve Fund is fully funded and available to reduce Annual Installments in the final year.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-1 – IMPROVEMENT AREA #2 ASSESSMENT ROLL

Property ID[a],[c]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2027[b]
2855960	Improvement Area #2 Initial Parcel	$ 7,393,000.00	$ 650,256.90
Total		**$ 7,393,000.00**	**$ 650,256.90**

Footnotes:

[a] The Improvement Area #2 Assessment and Improvement Area #2 Annual Installment have been allocated to the Improvement Area #2 Initial Parcel. Future allocation of the Assessment will be done in accordance with Section VI of this Service and Assessment Plan.

[b] Annual Installment due may not match Service Plan or Annual Installment schedule due to rounding.

[c] For billing purposes only.

EXHIBIT G-2 – IMPROVEMENT AREA #2 ASSESSMENT ROLL BY BLOCK AND LOT

		Legal Description					
Property ID[a]	Lot Type	Phase	Block	Lot	Note	Outstanding Assessment[d]	Total Annual Installment Due 1/31/2027[d]
TBD	Non-Benefitted Property	2	A	1X	[b]	$0.00	$0.00
TBD	Non-Benefitted Property	2	A	2X	[b]	$0.00	$0.00
TBD	Lot Type 2	2	A	3	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	4	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	5	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	6	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	7	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	8	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	9	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	10	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	11	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	12	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	13	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	14	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	15	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	16	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	17	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	18	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	19	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	20	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	21	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	22	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	23	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	A	24	[b]	$42,245.71	$3,715.75
TBD	Non-Benefitted Property	2	A	25X	[b]	$0.00	$0.00
TBD	Lot Type 2	2	B	1	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	2	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	3	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	4	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	5	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	6	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	7	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	8	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	9	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	10	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	11	[b]	$42,245.71	$3,715.75

Property ID[a]	Lot Type	Legal Description			Note	Outstanding Assessment[d]	Total Annual Installment Due 1/31/2027[d]
		Phase	Block	Lot			
TBD	Lot Type 2	2	B	12	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	13	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	14	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	15	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	16	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	17	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	18	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	19	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	20	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	B	21	[b]	$42,245.71	$3,715.75
TBD	Non-Benefitted Property	2	B	22X	[b]	$0.00	$0.00
TBD	Lot Type 2	2	C	1	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	2	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	3	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	4	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	5	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	6	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	7	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	8	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	9	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	10	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	11	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	12	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	13	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	14	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	15	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	16	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	17	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	18	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	19	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	20	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	21	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	22	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	23	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	24	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	25	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	2	C	26	[b]	$42,245.71	$3,715.75
TBD	Non-Benefitted Property	2	C	27X	[b]	$0.00	$0.00

Property ID[a]	Lot Type	Legal Description			Note	Outstanding Assessment[d]	Total Annual Installment Due 1/31/2027[d]
		Phase	Block	Lot			
TBD	Non-Benefitted Property	2	C	28X	[b]	$0.00	$0.00
TBD	Lot Type 2	3	A	1	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	A	2	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	A	3	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	A	4	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	A	5	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	A	6	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	A	7	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	A	8	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	A	9	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	A	10	[b]	$42,245.71	$3,715.75
TBD	Non-Benefitted Property	3	A	11X	[b]	$0.00	$0.00
TBD	Lot Type 2	3	B	1	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	2	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	3	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	4	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	5	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	6	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	7	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	8	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	9	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	10	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	11	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	12	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	13	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	14	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	15	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	16	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	17	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	18	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	19	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	20	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	21	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	22	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	23	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	24	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	25	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	26	[b]	$42,245.71	$3,715.75

Property ID[a]	Lot Type	Legal Description			Note	Outstanding Assessment[d]	Total Annual Installment Due 1/31/2027[d]
		Phase	Block	Lot			
TBD	Lot Type 2	3	B	27	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	28	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	29	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	30	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	31	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	32	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	33	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	34	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	35	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	36	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	37	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	38	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	39	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	40	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	41	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	42	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	43	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	B	44	[b]	$42,245.71	$3,715.75
TBD	Non-Benefitted Property	3	B	45X	[b]	$0.00	$0.00
TBD	Lot Type 2	3	C	1	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	2	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	3	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	4	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	5	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	6	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	7	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	8	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	9	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	10	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	11	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	12	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	13	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	14	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	15	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	16	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	17	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	18	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	19	[b]	$42,245.71	$3,715.75

Property ID[a]	Lot Type	Legal Description			Note	Outstanding Assessment[d]	Total Annual Installment Due 1/31/2027[d]
		Phase	Block	Lot			
TBD	Lot Type 2	3	C	20	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	21	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	22	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	23	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	24	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	C	25	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	1	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	2	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	3	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	4	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	5	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	6	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	7	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	8	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	9	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	10	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	11	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	12	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	13	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	14	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	15	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	16	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	17	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	18	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	19	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	20	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	21	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	22	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	23	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	24	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	25	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	26	[b]	$42,245.71	$3,715.75
TBD	Lot Type 2	3	D	27	[b]	$42,245.71	$3,715.75
Total[c]						**$7,393,000.00**	**$650,256.25**

Property ID[a]	Lot Type	Legal Description			Note	Outstanding Assessment[d]	Total Annual Installment Due 1/31/2027[d]
		Phase	Block	Lot			

Footnotes:

[a] Property IDs reflected as "TBD" have not yet been assigned a Property ID by the Collin Central Appraisal District for Tax Year 2026 at the time of this A&R Service and Assessment Plan.
[b] Final plat has been recorded and Property IDs have not been assigned by the Collin Central Appraisal District. Such Parcels will be reflected as "TBD" as part of this 2026 A&R Service and Assessment Plan.
[c] Totals may not sum or match the Service Plan or Improvement Area #2 Annual Installment schedule due to rounding.
[d] For illustrative purposes only.

EXHIBIT G-3 - IMPROVEMENT AREA #2 ANNUAL INSTALLMENTS

Installment Due 1/31	Principal	Interest[a]	Reserve Fund[c]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ 22,000.00	$ 551,291.90	$ -	$ 36,965.00	$ 40,000.00	$ 650,256.90
2028	$ 94,000.00	$ 479,115.00	$ -	$ 36,855.00	$ 40,800.00	$ 650,770.00
2029	$ 99,000.00	$ 473,005.00	$ -	$ 36,385.00	$ 41,616.00	$ 650,006.00
2030	$ 105,000.00	$ 466,570.00	$ -	$ 35,890.00	$ 42,448.32	$ 649,908.32
2031	$ 112,000.00	$ 459,745.00	$ -	$ 35,365.00	$ 43,297.29	$ 650,407.29
2032	$ 119,000.00	$ 452,465.00	$ -	$ 34,805.00	$ 44,163.24	$ 650,433.24
2033	$ 126,000.00	$ 444,730.00	$ -	$ 34,210.00	$ 45,046.50	$ 649,986.50
2034	$ 134,000.00	$ 436,540.00	$ -	$ 33,580.00	$ 45,947.43	$ 650,067.43
2035	$ 143,000.00	$ 427,830.00	$ -	$ 32,910.00	$ 46,866.38	$ 650,606.38
2036	$ 152,000.00	$ 418,535.00	$ -	$ 32,195.00	$ 47,803.71	$ 650,533.71
2037	$ 161,000.00	$ 408,655.00	$ -	$ 31,435.00	$ 48,759.78	$ 649,849.78
2038	$ 172,000.00	$ 398,190.00	$ -	$ 30,630.00	$ 49,734.98	$ 650,554.98
2039	$ 183,000.00	$ 387,010.00	$ -	$ 29,770.00	$ 50,729.68	$ 650,509.68
2040	$ 194,000.00	$ 375,115.00	$ -	$ 28,855.00	$ 51,744.27	$ 649,714.27
2041	$ 207,000.00	$ 362,505.00	$ -	$ 27,885.00	$ 52,779.16	$ 650,169.16
2042	$ 220,000.00	$ 349,050.00	$ -	$ 26,850.00	$ 53,834.74	$ 649,734.74
2043	$ 235,000.00	$ 334,750.00	$ -	$ 25,750.00	$ 54,911.43	$ 650,411.43
2044	$ 250,000.00	$ 319,475.00	$ -	$ 24,575.00	$ 56,009.66	$ 650,059.66
2045	$ 267,000.00	$ 303,225.00	$ -	$ 23,325.00	$ 57,129.85	$ 650,679.85
2046	$ 284,000.00	$ 285,870.00	$ -	$ 21,990.00	$ 58,272.45	$ 650,132.45
2047	$ 303,000.00	$ 267,410.00	$ -	$ 20,570.00	$ 59,437.90	$ 650,417.90
2048	$ 323,000.00	$ 247,715.00	$ -	$ 19,055.00	$ 60,626.66	$ 650,396.66
2049	$ 344,000.00	$ 226,720.00	$ -	$ 17,440.00	$ 61,839.19	$ 649,999.19
2050	$ 367,000.00	$ 204,360.00	$ -	$ 15,720.00	$ 63,075.97	$ 650,155.97
2051	$ 391,000.00	$ 180,505.00	$ -	$ 13,885.00	$ 64,337.49	$ 649,727.49
2052	$ 418,000.00	$ 155,090.00	$ -	$ 11,930.00	$ 65,624.24	$ 650,644.24
2053	$ 445,000.00	$ 127,920.00	$ -	$ 9,840.00	$ 66,936.72	$ 649,696.72
2054	$ 475,000.00	$ 98,995.00	$ -	$ 7,615.00	$ 68,275.45	$ 649,885.45
2055	$ 507,000.00	$ 68,120.00	$ -	$ 5,240.00	$ 69,640.96	$ 650,000.96
2056	$ 541,000.00	$ 35,165.00	$ (576,165.00)	$ 2,705.00	$ 71,033.78	$ 73,738.78
Total	**$ 7,393,000.00**	**$ 9,745,671.90**	**$ (576,165.00)**	**$ 744,225.00**	**$ 1,622,723.23**	**$ 18,929,455.13**

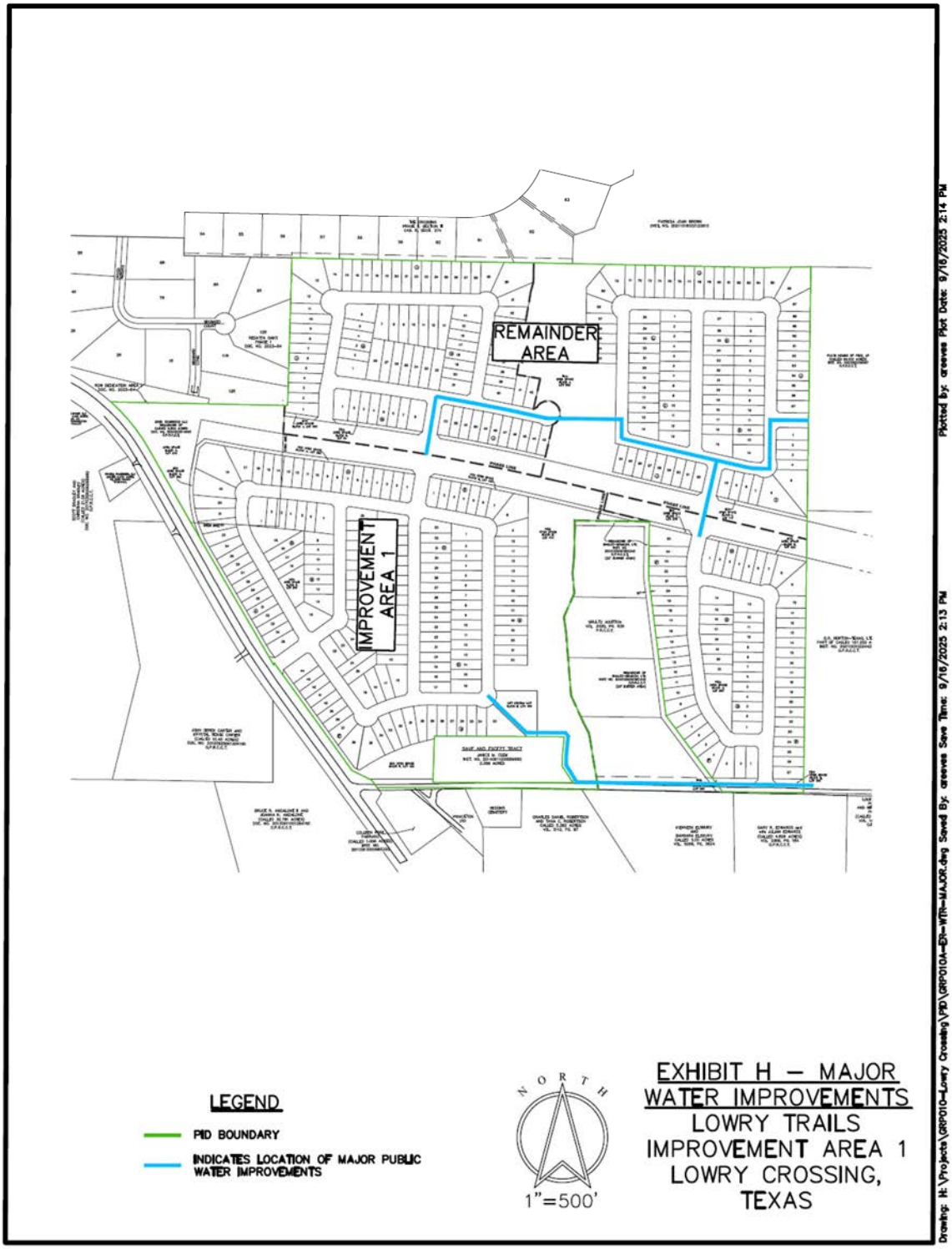
Footnotes:

[a] Interest is calculated at a 6.50% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

[c] Assumes the Reserve Fund is fully funded and available to reduce Annual Installments in the final year.

EXHIBIT H-1 – MAPS OF MAJOR IMPROVEMENTS



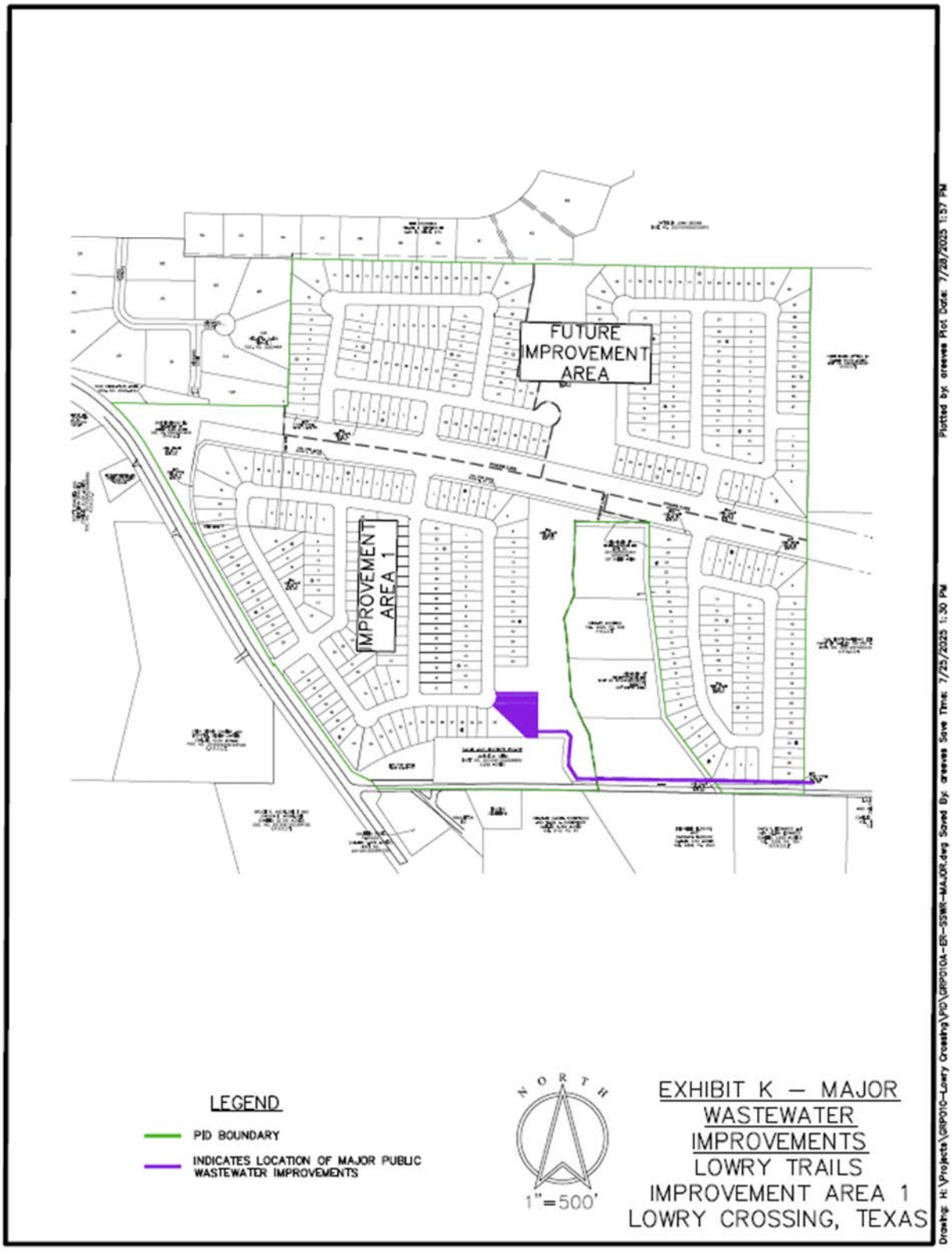
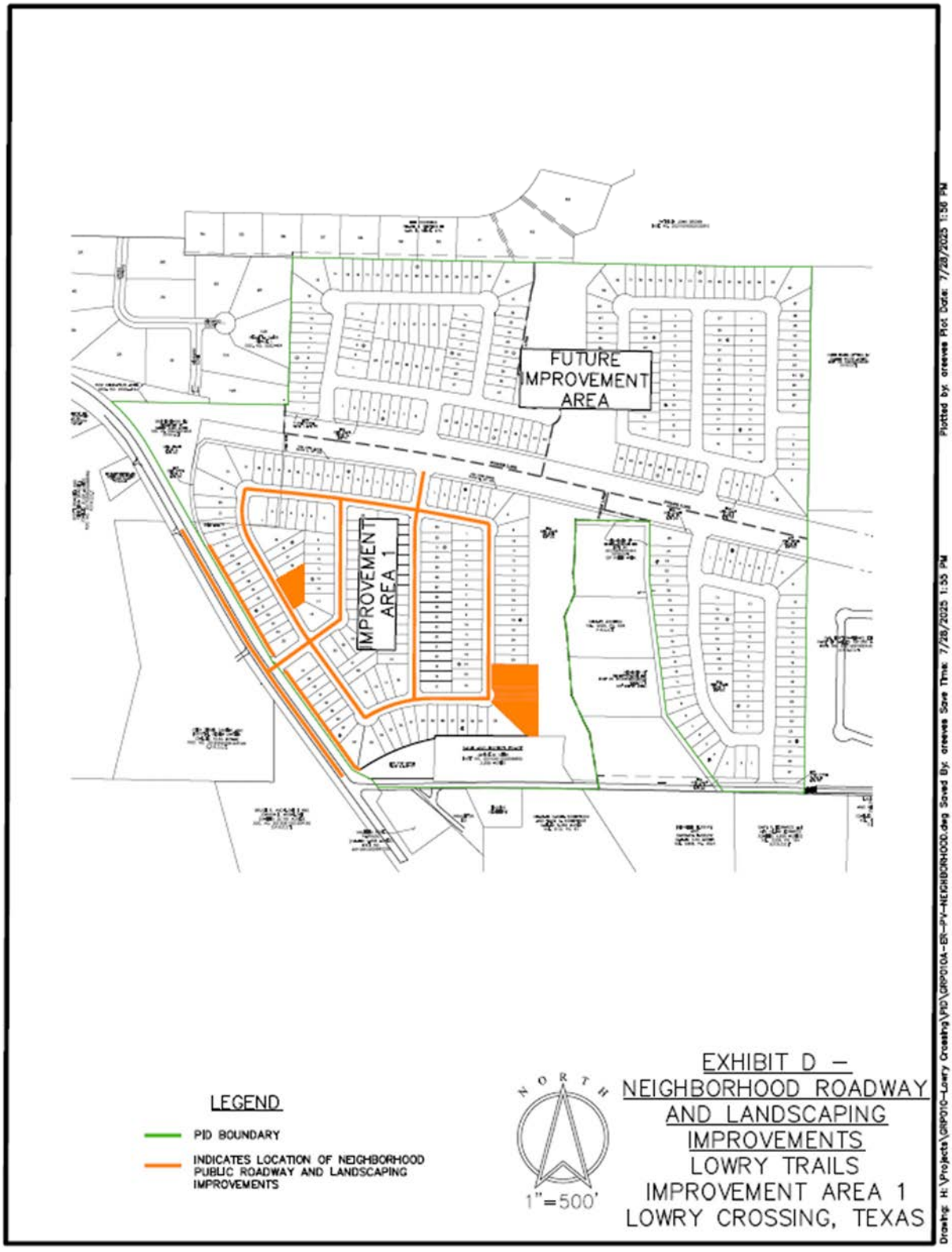
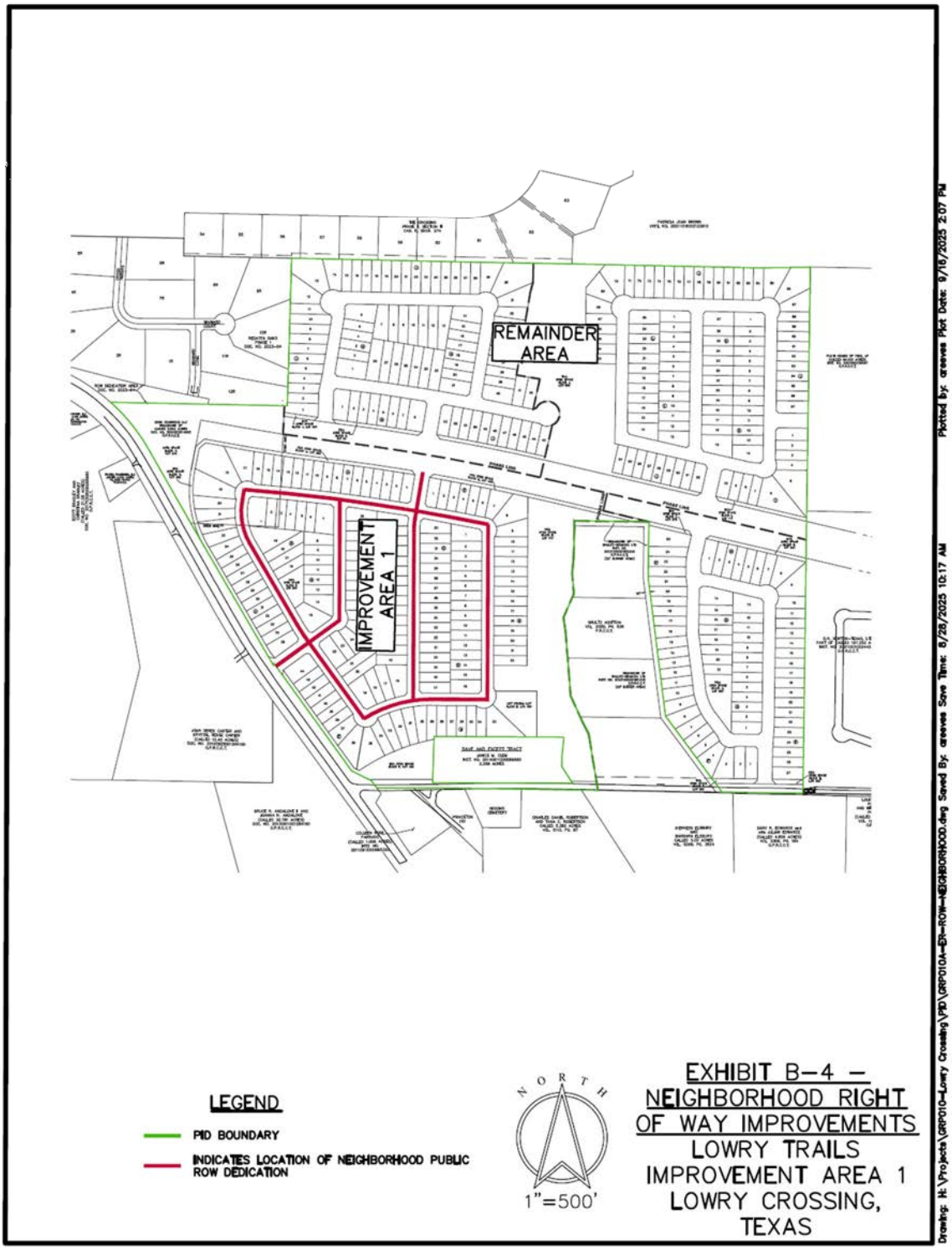
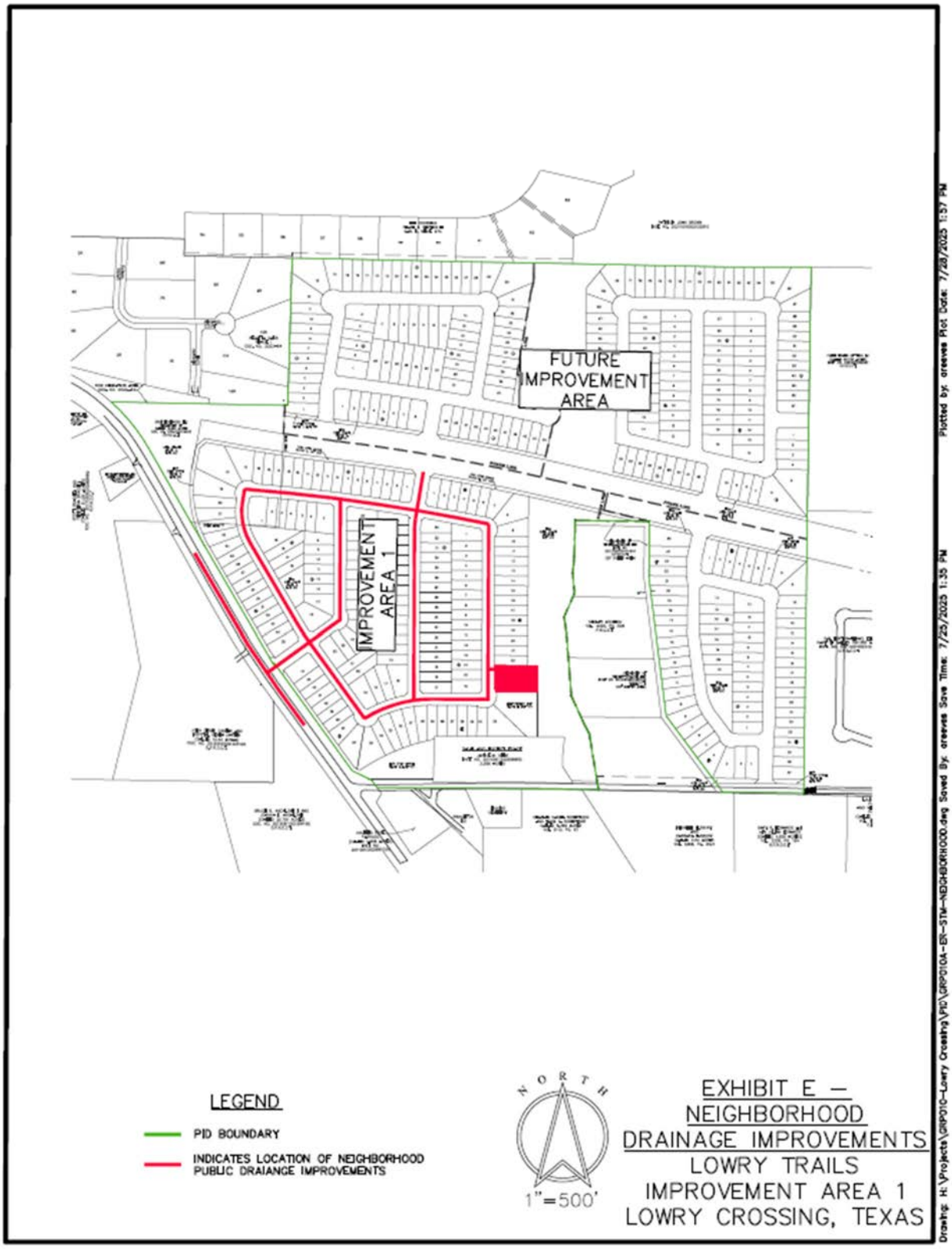
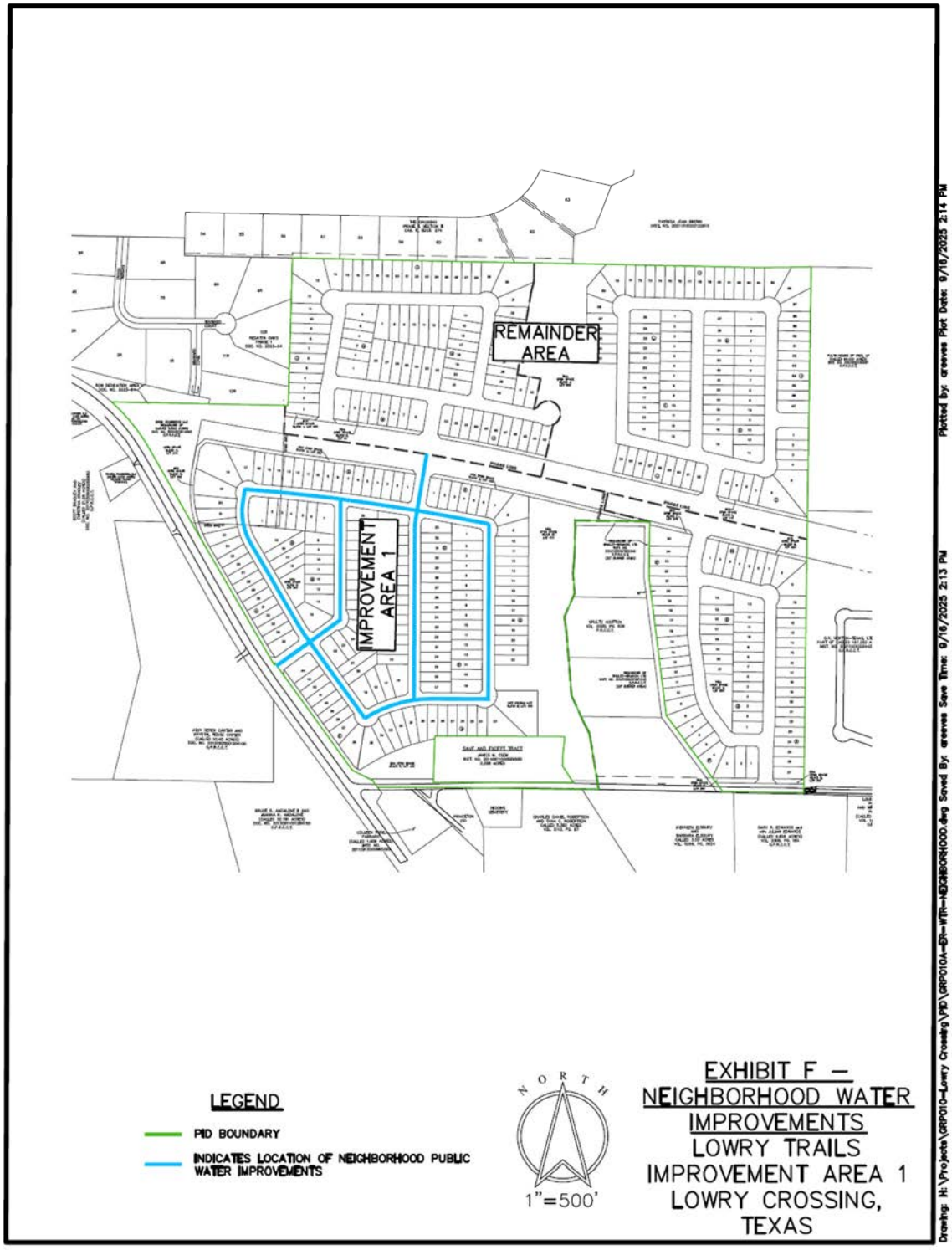

FUTURE IMPROVEMENT AREA
IMPROVEMENT AREA 1
LEGEND
PID BOUNDARY
INDICATES LOCATION OF MAJOR PUBLIC WASTEWATER IMPROVEMENTS
NORTH
1"=500'
EXHIBIT K – MAJOR WASTEWATER IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 1
LOWRY CROSSING, TEXAS
Plotted by: greeves Plot Date: 7/28/2025 1:57 PM
Saved By: greeves Save Time: 7/25/2025 1:30 PM
Drawing: H:\Projects\GRP010-Lowry Crossing\PID\GRP010A-ER-SSWR-MAJOR.dwg

EXHIBIT H-2 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS




REMAINDER AREA
IMPROVEMENT AREA 1
LEGEND
PID BOUNDARY
INDICATES LOCATION OF NEIGHBORHOOD PUBLIC ROW DEDICATION
NORTH
1"=500'
EXHIBIT B-4 – NEIGHBORHOOD RIGHT OF WAY IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 1
LOWRY CROSSING, TEXAS
Drawing: H:\Projects\GRP010-Lowry Crossing\PID\GRP010A-EN-ROW-NEIGHBORHOOD.dwg Saved By: greeves Save Time: 8/28/2025 10:17 AM Plotted By: greeves Plot Date: 9/16/2025 2:07 PM


FUTURE IMPROVEMENT AREA
IMPROVEMENT AREA 1
LEGEND
PID BOUNDARY
INDICATES LOCATION OF NEIGHBORHOOD PUBLIC DRAIANGE IMPROVEMENTS
NORTH
1"=500'
EXHIBIT E – NEIGHBORHOOD DRAINAGE IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 1
LOWRY CROSSING, TEXAS
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Plotted by: greeves Plot Date: 7/28/2025 1:57 PM


REMAINDER AREA
IMPROVEMENT AREA 1
LEGEND
PID BOUNDARY
INDICATES LOCATION OF NEIGHBORHOOD PUBLIC WATER IMPROVEMENTS
NORTH
1"=500'
EXHIBIT F – NEIGHBORHOOD WATER IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 1
LOWRY CROSSING, TEXAS
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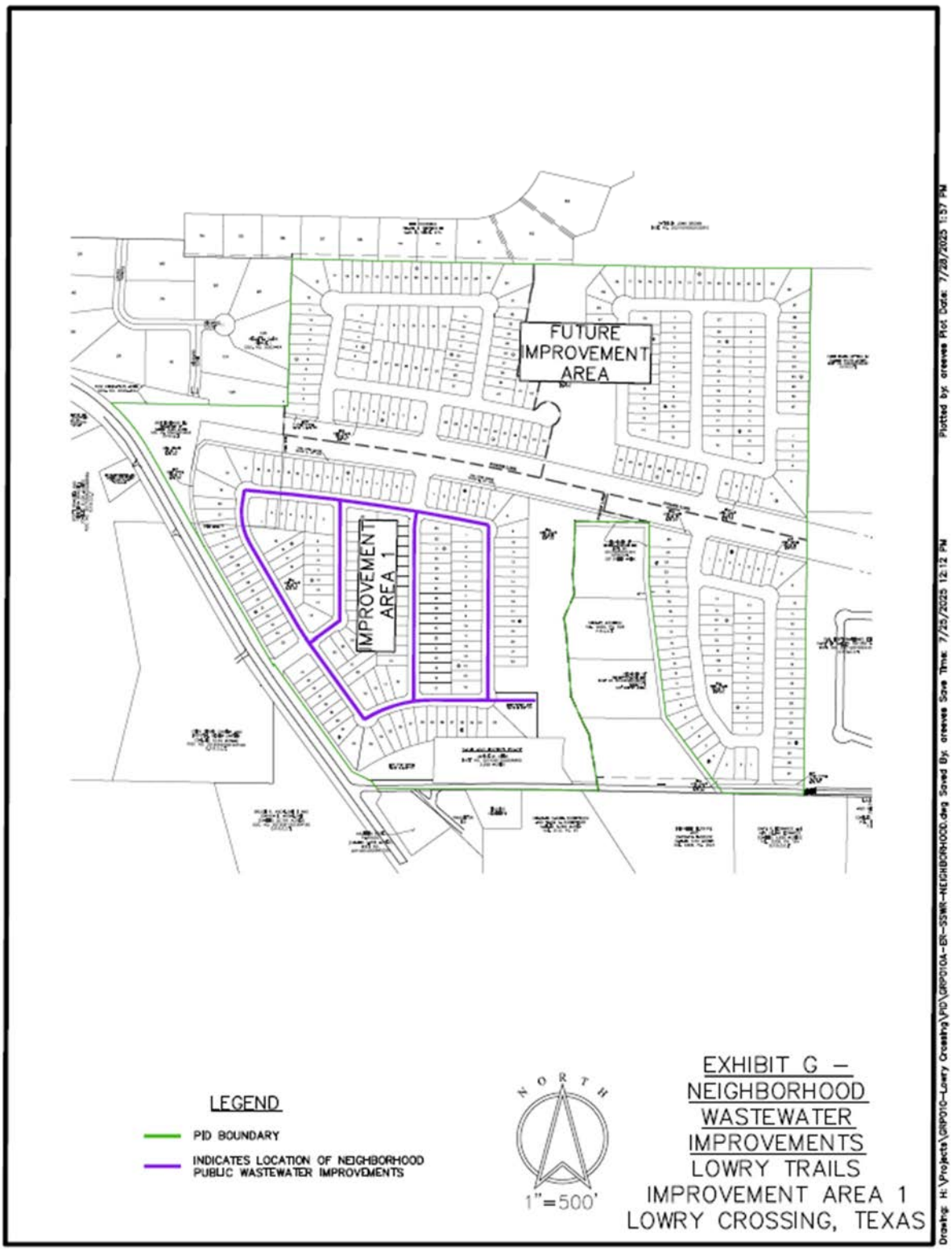
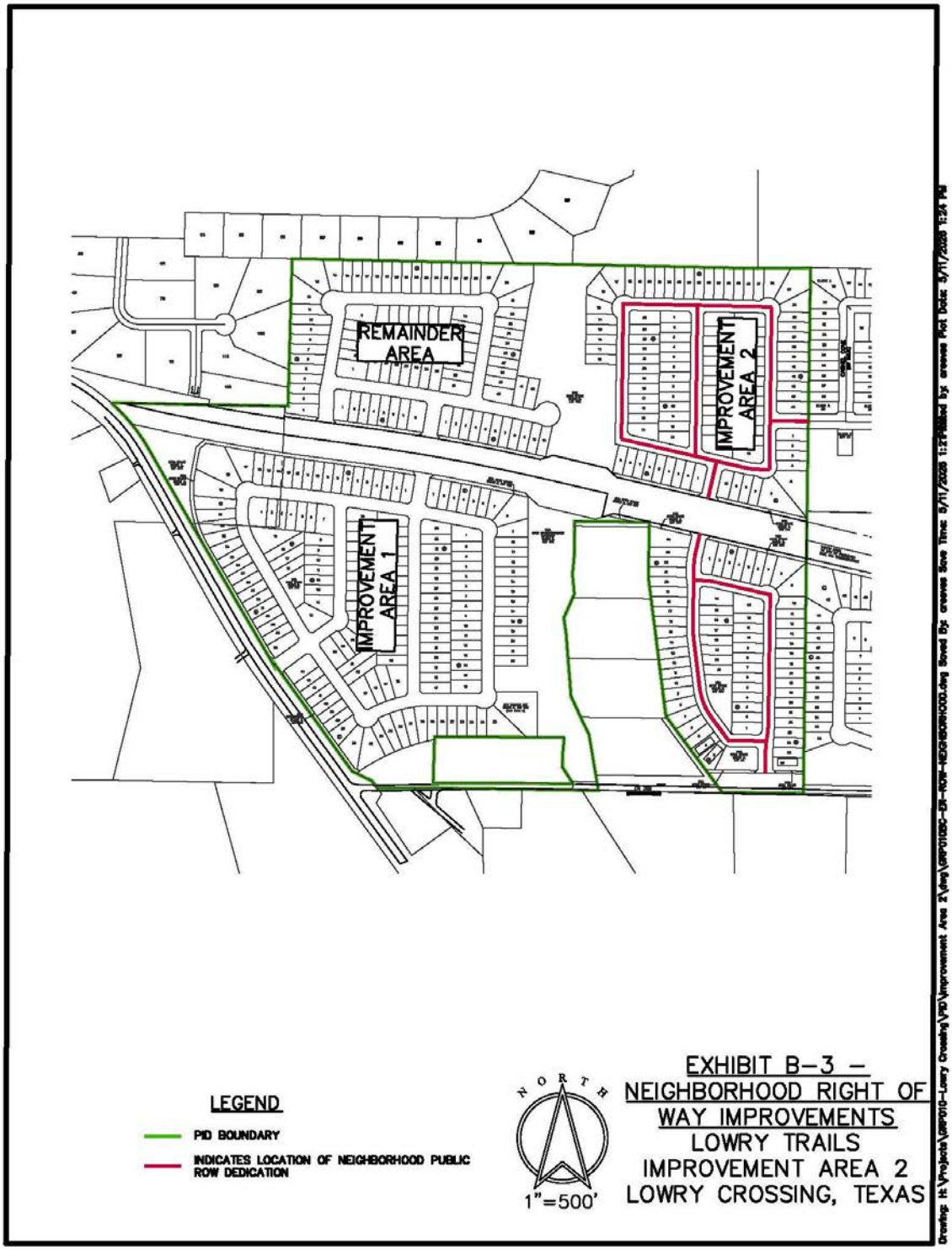
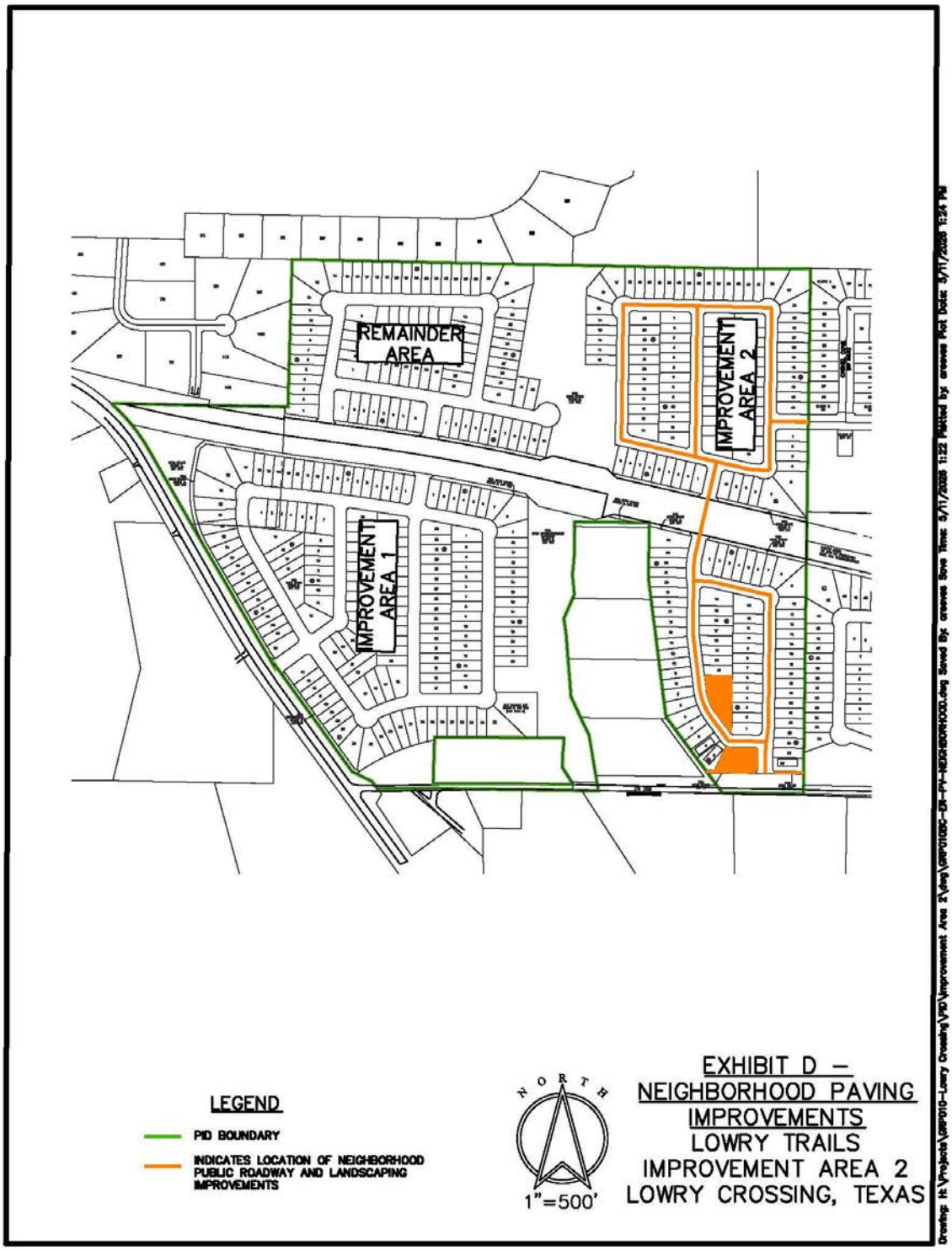
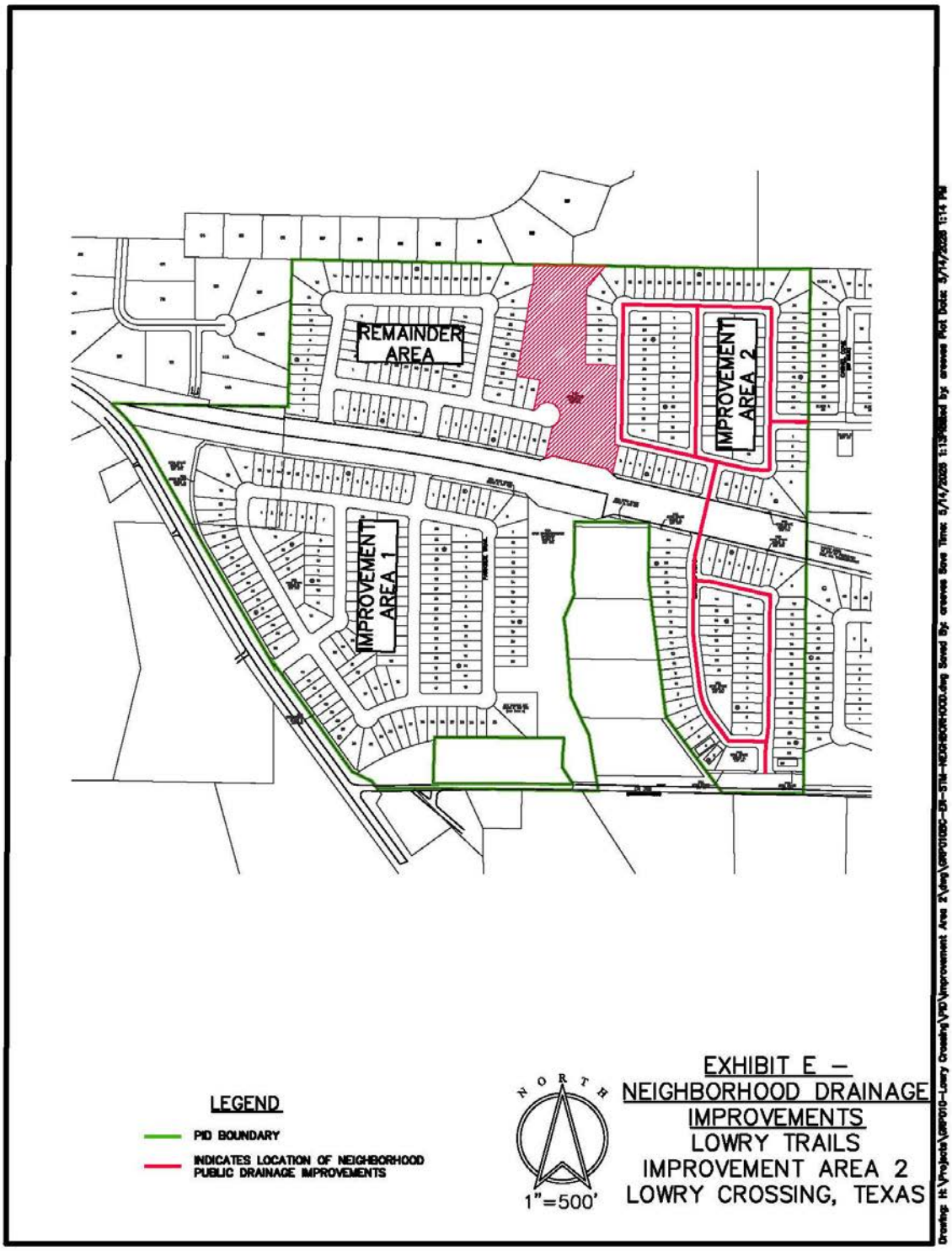
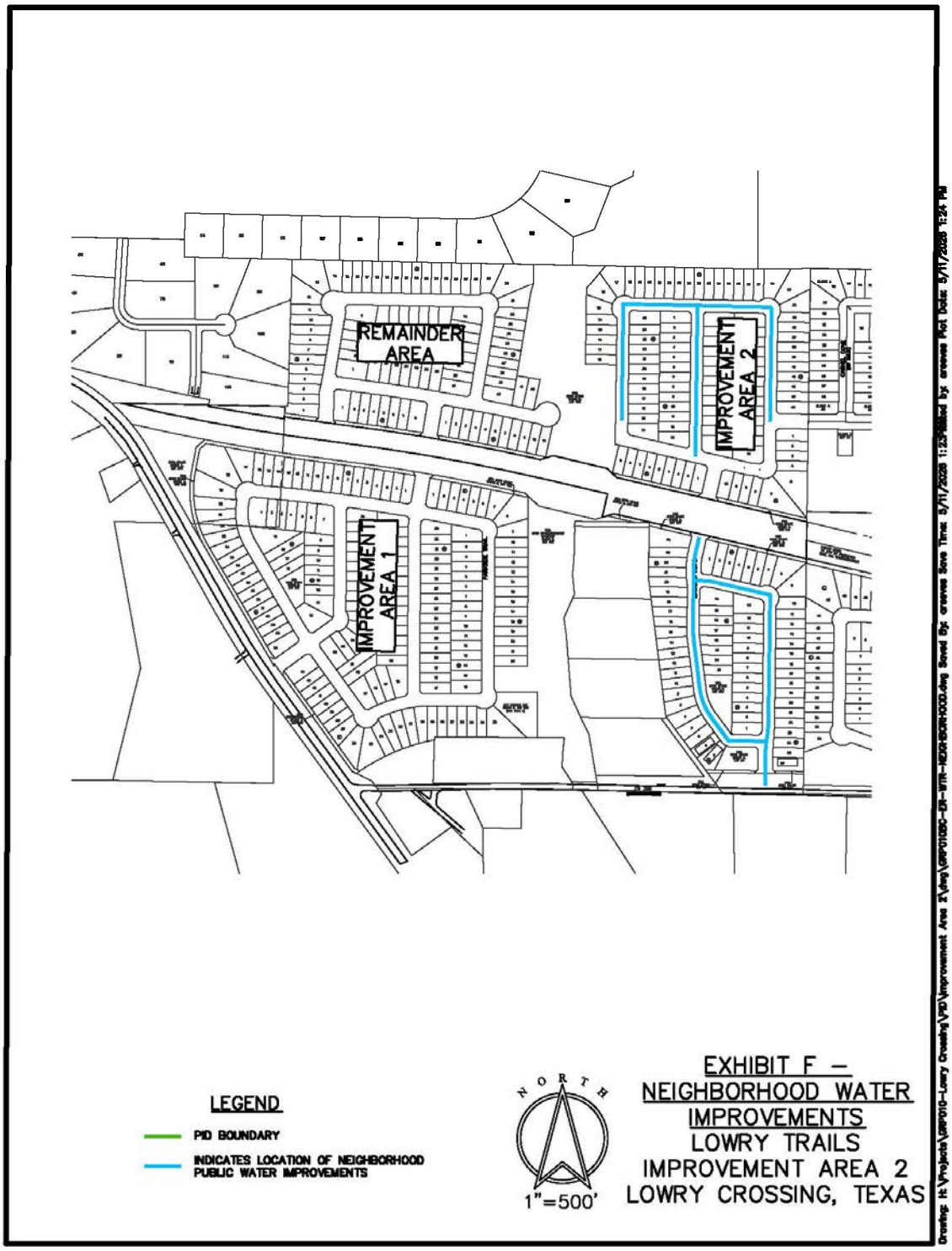

FUTURE IMPROVEMENT AREA
IMPROVEMENT AREA 1
LEGEND
PID BOUNDARY
INDICATES LOCATION OF NEIGHBORHOOD PUBLIC WASTEWATER IMPROVEMENTS
NORTH
1"=500'
EXHIBIT G – NEIGHBORHOOD WASTEWATER IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 1
LOWRY CROSSING, TEXAS
Drawing: H:\Projects\GRP010-Lowry Crossing\PID\GRP010A-ER-SSWR-NEIGHBORHOOD.dwg Saved By: oreeves Save Time: 7/25/2025 12:12 PM Plotted by: oreeves Plot Date: 7/28/2025 1:57 PM

EXHIBIT H-3 – MAPS OF IMPROVEMENT AREA #2 IMPROVEMENTS




REMAINDER AREA
IMPROVEMENT AREA 1
IMPROVEMENT AREA 2
LEGEND
PID BOUNDARY
INDICATES LOCATION OF NEIGHBORHOOD PUBLIC ROADWAY AND LANDSCAPING IMPROVEMENTS
NORTH
1"=500'
EXHIBIT D – NEIGHBORHOOD PAVING IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 2
LOWRY CROSSING, TEXAS


REMAINDER AREA
IMPROVEMENT AREA 1
IMPROVEMENT AREA 2
LEGEND
PID BOUNDARY
INDICATES LOCATION OF NEIGHBORHOOD PUBLIC DRAINAGE IMPROVEMENTS
NORTH
1"=500'
EXHIBIT E –
NEIGHBORHOOD DRAINAGE IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 2
LOWRY CROSSING, TEXAS


REMAINDER AREA
IMPROVEMENT AREA 1
IMPROVEMENT AREA 2
LEGEND
PID BOUNDARY
INDICATES LOCATION OF NEIGHBORHOOD PUBLIC WATER IMPROVEMENTS
NORTH
1"=500'
EXHIBIT F –
NEIGHBORHOOD WATER IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 2
LOWRY CROSSING, TEXAS

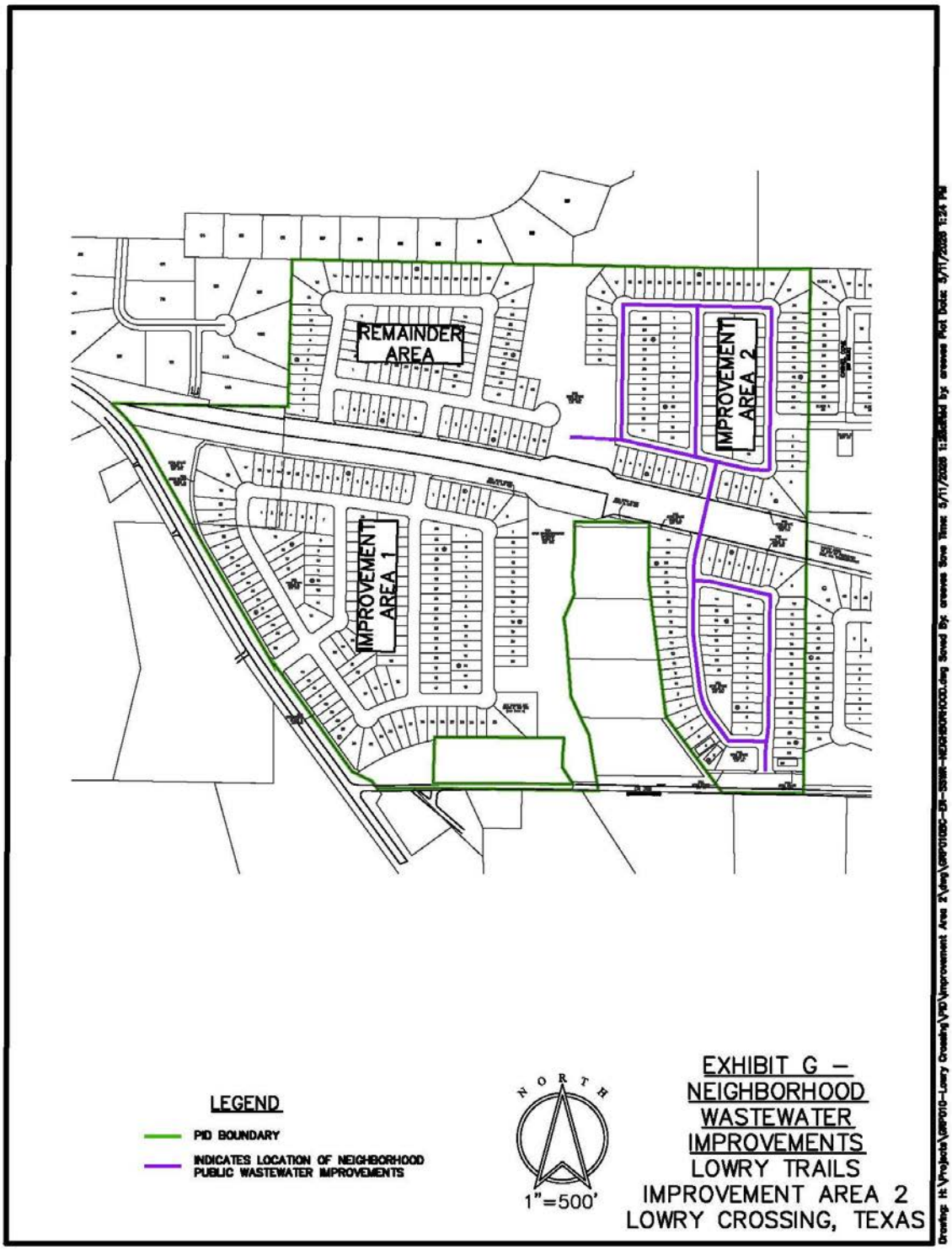

REMAINDER AREA
IMPROVEMENT AREA 2
IMPROVEMENT AREA 1
LEGEND
PID BOUNDARY
INDICATES LOCATION OF NEIGHBORHOOD PUBLIC WASTEWATER IMPROVEMENTS
NORTH
1"=500'
EXHIBIT G – NEIGHBORHOOD WASTEWATER IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 2
LOWRY CROSSING, TEXAS

EXHIBIT H-4 – MAPS OF SHARED IMPROVEMENTS — IA #2 & REMAINDER AREA

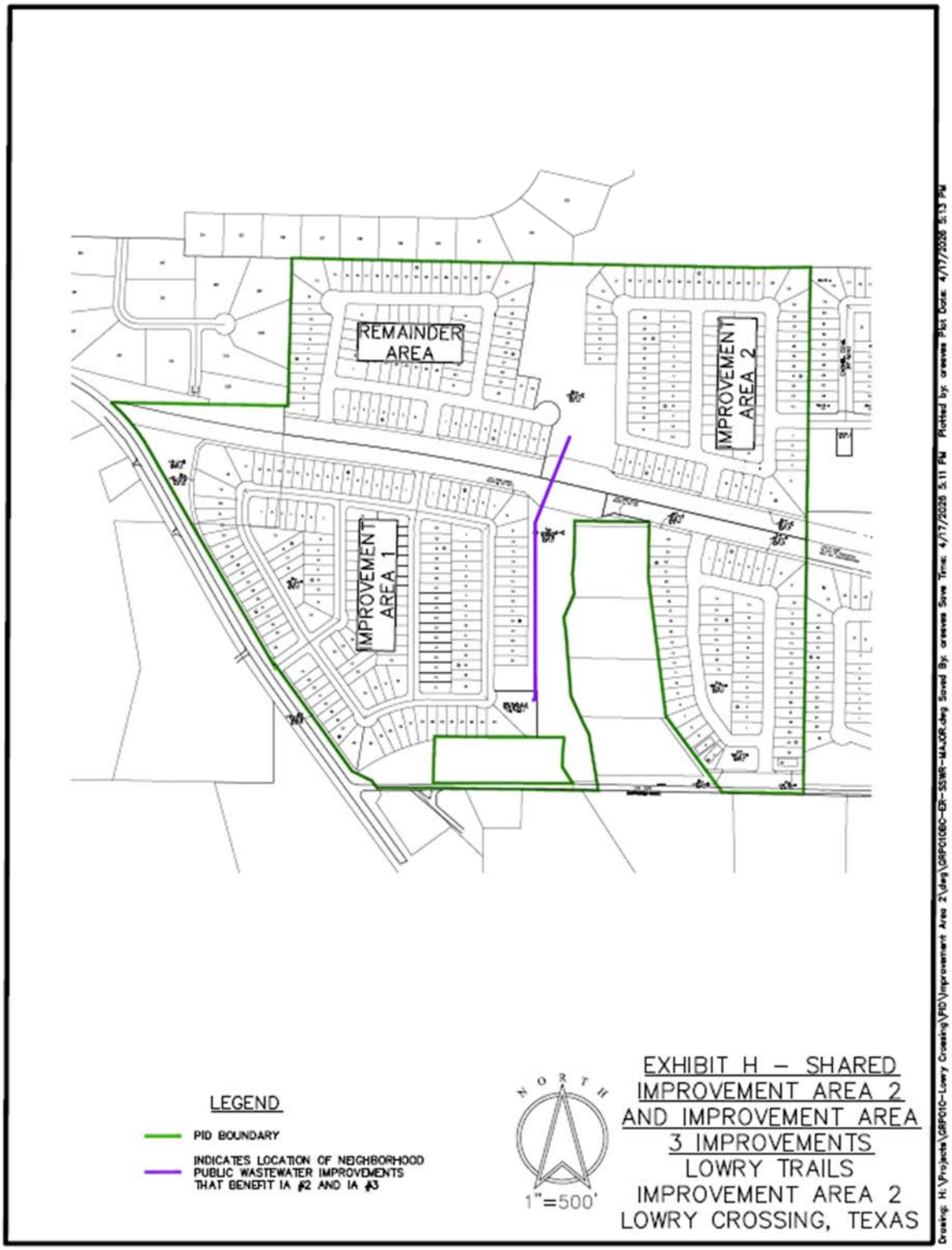


EXHIBIT I – NOTICE OF ASSESSMENT TERMINATION

P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[date]
Collin County Clerk's Office
Honorable Stacey Kemp
Administration Building
2300 Bloomdale Rd. Suite 2106
McKinney, TX 75071

Re: City of Lowry Crossing Lien Release Documents for Filing

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the City of Lowry Crossing is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [plat]. Please forward copies of the filed documents below:

City of Lowry Crossing
Attn: [City Secretary]
1405 S. Bridgefarmer Road
Lowry Crossing, TX 75069

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

P3Works, LLC
P: (817) 393-0353
admin@p3-works.com
www.P3-Works.com

AFTER RECORDING RETURN TO:

[City Secretary Name]
1405 S. Bridgefarmer Road
Lowry Crossing, TX 75069

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

STATE OF TEXAS	**§**	
	§	**KNOWN ALL MEN BY THESE PRESENTS:**
COUNTY OF COLLIN	**§**	

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Lowry Crossing, Texas, a Texas general law municipality (the “City”).

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City of Lowry Crossing, Texas (hereinafter referred to as the "City"), is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits of the City; and

WHEREAS, on May 14, 2024, the City Council for the City, approved Resolution No. 129, creating the Lowry Trails Public Improvement District (the “District”); and

WHEREAS, the District consists of approximately 98.406 contiguous acres within the corporate limits and extraterritorial jurisdiction of the City; and

WHEREAS, on or about _____, the City Council approved Ordinance No. _____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within the District; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of [amount] (hereinafter referred to as the "Lien Amount") for the following property:

[legal description], a subdivision in Collin County, Texas, according to the map or plat of record in Document/Instrument No. _____ of the plat Records of Collin County, Texas (hereinafter referred to as the "Property"); and

WHEREAS, the Lien Amount has been paid in full.

RELEASE

NOW THEREFORE, the City, the Developer and holder of the Lien, Instrument No. _____, in the Real Property Records of Collin County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

EXECUTED to be **EFFECTIVE** this the _____ day of _____, 20__.

CITY OF LOWRY CROSSING, TEXAS,
Texas general law municipality,

By: _____
[Mayor Name], City Mayor

ATTEST:

_____
[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on the ____ day of _____, 20__, by [Mayor Name], for the City of Lowry Crossing, Texas, a Texas general law municipality, on behalf of said municipality.

_____
Notary Public, State of Texas

EXHIBIT J-1 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #1 BONDS

FINAL

Lowry Crossing

Special Assessment Revenue Bonds, Series 2025

(Lowry Trails PID)

Improvement Area #1

Debt Service

Date	Principal	Coupon	Interest	Total P+I
09/30/2026	-	-	314,258.58	314,258.58
09/30/2027	130,000.00	4.250%	409,902.50	539,902.50
09/30/2028	136,000.00	4.250%	404,377.50	540,377.50
09/30/2029	141,000.00	4.250%	398,597.50	539,597.50
09/30/2030	147,000.00	4.250%	392,605.00	539,605.00
09/30/2031	153,000.00	4.250%	386,357.50	539,357.50
09/30/2032	160,000.00	4.250%	379,855.00	539,855.00
09/30/2033	166,000.00	4.250%	373,055.00	539,055.00
09/30/2034	173,000.00	4.250%	366,000.00	539,000.00
09/30/2035	181,000.00	4.250%	358,647.50	539,647.50
09/30/2036	188,000.00	5.250%	350,955.00	538,955.00
09/30/2037	198,000.00	5.250%	341,085.00	539,085.00
09/30/2038	209,000.00	5.250%	330,690.00	539,690.00
09/30/2039	220,000.00	5.250%	319,717.50	539,717.50
09/30/2040	231,000.00	5.250%	308,167.50	539,167.50
09/30/2041	243,000.00	5.250%	296,040.00	539,040.00
09/30/2042	256,000.00	5.250%	283,282.50	539,282.50
09/30/2043	270,000.00	5.250%	269,842.50	539,842.50
09/30/2044	284,000.00	5.250%	255,667.50	539,667.50
09/30/2045	299,000.00	5.250%	240,757.50	539,757.50
09/30/2046	316,000.00	5.500%	225,060.00	541,060.00
09/30/2047	333,000.00	5.500%	207,680.00	540,680.00
09/30/2048	352,000.00	5.500%	189,365.00	541,365.00
09/30/2049	372,000.00	5.500%	170,005.00	542,005.00
09/30/2050	393,000.00	5.500%	149,545.00	542,545.00
09/30/2051	415,000.00	5.500%	127,930.00	542,930.00
09/30/2052	439,000.00	5.500%	105,105.00	544,105.00
09/30/2053	464,000.00	5.500%	80,960.00	544,960.00
09/30/2054	490,000.00	5.500%	55,440.00	545,440.00
09/30/2055	518,000.00	5.500%	28,490.00	546,490.00
Total	**$7,877,000.00**	-	**$8,119,441.08**	**$15,996,441.08**

Yield Statistics

Bond Year Dollars	$151,240.03
Average Life	19.200 Years
Average Coupon	5.3685793%
Net Interest Cost (NIC)	5.5700002%
True Interest Cost (TIC)	5.6847590%
Bond Yield for Arbitrage Purposes	5.4098217%
All Inclusive Cost (AIC)	6.2139099%

IRS Form 8038

Net Interest Cost	5.4719551%
Weighted Average Maturity	19.162 Years

Lowry Trails final 6.556 | SINGLE PURPOSE | 11/10/2025 | 1:16 PM

HilltopSecurities
Public Finance

EXHIBIT J-2 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #2 BONDS

[*to be provided at pricing*]

EXHIBIT K-1 – DISTRICT LEGAL DESCRIPTION

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Being a parcel of land located in Collin County, Texas, a part of the EM Wood Survey, Abstract Number 960, and being all of that called 92.714 acres described in deed to GRBK EDGEWOOD LLC as recorded in Instrument Number 2023000056829, Official Public Records of Collin County, Texas, and being all of that called 5.692 acres described in deed to GRBK EDGEWOOD LLC as recorded in instrument Number 2024000014993, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at a one-half inch iron rod with cap stamped "ROOME" found at the southeast corner of said 92.714 acre tract, said point being the southwest corner of that called 187.250 acre tract of land described in deed to D.R. Horton-Texas, LTD as recorded in Instrument Number 20211201002443260, Official Public Records of Collin County, Texas, said point also being in County Road Number 398;

THENCE North 89 degrees 14 minutes 47 seconds West, 327.84 feet along the south line of said 92.714 acre tract to a one-half inch iron rod with cap stamped "JBI" set for corner in County Road Number 398, from which said set point bears North 89 degrees 14 minutes 47 seconds West, 25.15 feet to a one-half inch iron rod with cap stamped "HOLDER" found at the southeast corner of Shultz Addition, an addition to Collin County, as recorded in Volume 2020, Page 626, Official Public Records of Collin County, Texas;

THENCE in a northerly direction and maintaining a 20 foot offset east and parallel to the east property line of said Shultz Addition and along the south line of said 92.714 acre tract as follows:

North 36 degrees 34 minutes 55 seconds West, 382.66 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

North 07 degrees 10 minutes 03 seconds West, 563.31 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

North 00 degrees 45 minutes 26 seconds East, 225.44 feet to a one-half inch iron rod with cap stamped "JBI" set for corner, from which said set point bears South 45 degrees 45 minutes 26 seconds West, 28.28 feet to a one-half inch iron rod with cap stamped "HOLDER" found at the northeast corner of said Shultz Addition;

THENCE North 89 degrees 14 minutes 34 seconds West, 301.54 feet parallel and maintaining a 20 foot offset from the north line of said Shultz Addition and along the south line of said 92.714 acre tract to a one-half inch iron rod with cap stamped "JBI" set for corner;

THENCE South 01 degrees 48 minutes 39 seconds West, 20.00 feet along the south line of said 92.714 acre tract to a one-half inch iron rod with cap stamped "JBI" set for corner, said point being the northwest corner of said Shultz Addition;

THENCE along the west line of said Shultz Addition and along the south line of said 92.714 acre tract as follows:

South 03 degrees 50 minutes 22 seconds East, 11.49 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

South 01 degrees 32 minutes 30 seconds West, 117.02 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 05 degrees 32 minutes 52 seconds West, 64.81 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 05 degrees 16 minutes 18 seconds East, 81.40 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 23 degrees 35 minutes 28 seconds West, 105.16 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 07 degrees 57 minutes 10 seconds East, 64.59 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 04 degrees 31 minutes 15 seconds East, 253.48 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 24 degrees 28 minutes 51 seconds East, 116.32 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 27 degrees 00 minutes 21 seconds East, 53.76 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 09 degrees 26 minutes 52 seconds East, 231.20 feet to a Mag Nail found for corner, said point being the southwest corner of said Shultz Addition, said point also being in the south edge of asphalt paving for County Road Number 398;

THENCE North 89 degrees 05 minutes 42 seconds West, 668.91 feet along the south line of said 92.714 acre tract to a Mag Nail found for corner in the approximate centerline of County Road Number 398;

THENCE North 89 degrees 57 minutes 50 seconds West, 226.16 feet to a Mag Nail found at the most southerly southwest corner of said 92.714 acre tract, said point also being at the intersection of approximate centerline of County Road Number 398 with the east right-of-way line of Farm-to-Market (FM 546);

THENCE along the west line of said 92.714 acre tract and along the east right-of-way of FM 546 as follows:

North 36 degrees 54 minutes 58 seconds West, 35.58 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

North 63 degrees 57 minutes 58 seconds West, 89.10 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

North 35 degrees 50 minutes 45 seconds West, 537.75 feet to a Mag Nail found for corner, said point also being in the approximate centerline of County Road Number 393;

South 01 degrees 06 minutes 36 seconds West, 9.48 feet along the approximate centerline of County Road Number 393 to a Mag Nail found for corner, said point also being in the east right-of-way line of FM 546;

North 30 degrees 15 minutes 16 seconds West, 665.71 feet along the east right-of-way line of FM 546 to a one-half inch iron rod with cap stamped "JBI" set for corner, said point being the most westerly corner of said 92.714 acre tract, said point also being in the southwest corner of said 5.692 acre tract;

North 29 degrees 40 minutes 14 seconds West, 334.80 feet to a one-half inch iron rod with cap stamped "JBI" set for the beginning of a curve to the left;

Along said curve to the left through a central angle of 19 degrees 04 minutes 53 seconds, having a radius of 761.78 feet, an arc length of 253.70 feet, a chord bearing of North 38 degrees 37 minutes 20 seconds West and a chord distance of 252.53 feet to a Mag-Nail set in the north line of said 5.692 acre tract, being in the south line of a Right-of-Way Dedication Area as shown on the Replat of Regatta Oaks Phase 1, an addition to the City of Lowery Crossing recorded as Volume 2023, Pages 64-65. Plat Records, Collin County, Texas and being in the approximate centerline of County Road No. 393 (unrecorded right-of-way);

THENCE along the approximate centerline of County Road No. 393, the north line of said 5.692 acre tract and the south line of said Regatta Oaks Phase 1, South 88 degrees 52 minutes 18 seconds East, 702.36 feet to a five-eighths inch iron rod with cap stamped "Adams Surveying Company, LLC", found for the northeast corner of said 5.692 acre tract, being in the west line of said 92.714 acre tract;

THENCE South 89 degrees 14 minutes 33 seconds East, 12.40 feet to a one-half inch iron rod found for corner, said point being the southeast corner of said 30 foot wide right-of-way dedication by said Regatta Oaks Phase 1 plat;

THENCE North 01 degrees 38 minutes 13 seconds East, 597.13 to a five-eighths inch iron rod with cap stamped "ADAMS SURVEYING COMPANY, LLC" found for corner, said point being the northwest corner of said 92.714 acre tract, said point being the northeast corner of said Regatta Oaks Phase 1 Addition, said point also being in the south line of Lot 56, The Crossing Phase II, Section III, an addition to the City of Lowry Crossing as recorded in Cabinet K, Slide 274, Official Public Records of Collin County, Texas;

THENCE along the north line of said 92.714 acre tract as follows:

South 88 degrees 43 minutes 10 seconds East, 720.11 feet to a one-half inch iron rod with cap stamped "JBI" set for corner in the south line of Lot 61, of said The Crossing Phase II, Section III Addition;

South 88 degrees 55 minutes 51 seconds East, 413.33 feet to a one-half inch iron rod with cap stamped "JBI" set for corner, said point being the southeast corner of Lot 62, of said The Crossing Phase II, Section III Addition, said point also being the southwest corner of 52.9288 acre (calc'd.) tract of land

described in deed to Patricia Joan Brown as recorded in Instrument Number 20211018002122810, Official Public Records of Collin County, Texas;

South 88 degrees 46 minutes 46 seconds East, 750.14 feet along the south line of said 52.9288 acre tract to a one-half inch iron pipe found for corner;

North 89 degrees 17 minutes 49 seconds East, 213.87 feet along the south line of said 52.9288 acre tract to a three-eighths inch iron rod found for corner, said point being the northeast corner of said 92.714 acre tract, said point also being in the west line of that called 86.032 acre tract of land described in deed to Pulte Homes of Texas, LP as recorded in Instrument Number 2023000038987, Official Public Records of Collin County, Texas;

THENCE along the east line of said 92.714 acre tract as follows:

South 00 degrees 49 minutes 57 seconds West, 984.97 feet to a three-eighths inch iron rod found for corner, said point being the southwest corner of said 109.96 acre tract, said point also being the most westerly northwest corner of said 187.250 acre tract;

South 00 degrees 45 minutes 18 seconds West, 1,139.93 feet along the west line of said 187.250 acre tract to the POINT OF BEGINNING and containing 4,385,345 square feet or 100.674 acres of land.

BASIS OF BEARING: The basis of bearing is based on the coordinate system (North Central Zone 4202 state plane coordinates, NAD83), distances shown hereon are grid distance values.

SAVE AND EXCEPT THE FOLLOWING DESCRIBED 2.268 ACRES

Being a parcel of land located in Collin County, Texas, a part of the EM Wood Survey, Abstract Number 960, and being all of that tract of land described in deed to Janice M. Clem as recorded in Instrument Number 20140611000589680, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a Mag Nail found at the southwest corner of Shultz Addition, an addition to Collin County, as recorded in Volume 2020, Page 626, Official Public Records of Collin County, Texas, said point also being in the south edge of asphalt paving for County Road Number 398;

THENCE North 89 degrees 05 minutes 42 seconds West, 103.65 feet along the south edge of asphalt paving for County Road Number 398 to a point for corner;

THENCE North 00 degrees 54 minutes 18 seconds East, 26.94 feet to a five-eighths inch iron rod with cap stamped "ADAMS SURVEYING COMPANY, LLC" found for corner, said point being the POINT OF BEGINNING of this tract of land;

THENCE North 89 degrees 44 minutes 18 seconds West, 565.02 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 01 degrees 45 minutes 30 seconds East, 186.71 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 89 degrees 45 minutes 45 seconds East, 521.79 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 39 degrees 12 minutes 52 seconds East, 4.17 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 05 degrees 49 minutes 04 seconds West, 70.77 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 41 minutes 32 seconds West, 45.52 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 32 degrees 05 minutes 57 seconds East, 80.14 feet to the POINT OF BEGINNING and containing 98,798 square feet or 2.268 acres of land.

BASIS OF BEARING: The basis of bearing is based on the coordinate system (North Central Zone 4202 state plane coordinates, NAD83), distances shown hereon are grid distance values.

EXHIBIT K-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

EXHIBIT C

LEGAL DESCRIPTION
(40.321 ACRES)

Being a parcel of land located in Collin County, Texas, a part of the EM Wood Survey, Abstract Number 960, and being a part of that called 92.714 acres described in deed to GRBK EDGEWOOD LLC as recorded in Instrument Number 2023000056829, Official Public Records of Collin County, Texas, and being part of that called 5.692 acres described in deed to GRBK EDGEWOOD LLC as recorded in instrument Number 2024000014993, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at a Mag Nail found at the most southerly southwest corner of said 92.714 acre tract, said point also being at the intersection of the approximate centerline of County Road No. 398 with the east right-of-way line of Farm-to-Market (FM 546);

THENCE along the west line of said 92.714 acre tract and along the east right-of-way line of FM 546 as follows:

North 36 degrees 54 minutes 58 seconds West, 35.58 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

North 63 degrees 57 minutes 58 seconds West, 89.10 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

North 35 degrees 50 minutes 45 seconds West, 537.75 feet to a Mag Nail found for corner, said point also being in the approximate centerline of County Road Number 393 (unrecorded right-of-way);

South 01 degrees 06 minutes 36 seconds West, 9.48 feet along the approximate centerline of County Road Number 393 to a Mag Nail found for corner;

North 30 degrees 15 minutes 16 seconds West, 665.71 feet to a one-half inch iron rod with cap stamped "JBI" set for corner, said point being the most westerly corner of said 92.714 acre tract, said point also being the southwest corner of said 5.692 acre tract;

North 29 degrees 40 minutes 14 seconds West, 334.80 feet to one-half inch iron rod with cap stamped "JBI" set for the beginning of a tangent curve to the left;

Along said curve to the left through a central angle of 19 degrees 04 minutes 53 seconds, having a radius of 761.78 feet, an arc length of 253.70 feet, a chord bearing of North 38 degrees 37 minutes 20 seconds West and a chord distance of 252.53 feet to a Mag-Nail set at the northwest corner of said 5.692 acre tract, being in the south line of a Right-of-Way Dedication Area as shown on the Replat of Regatta Oaks Phase 1, an addition to the City of Lowry Crossing recorded as Volume 2023, Pages 64-65. Plat Records, Collin County, Texas and being in the approximate centerline of County Road No. 393;

THENCE along the approximate centerline of County Road No. 393, the north line of said 5.692 acre tract and the south line of said Regatta Oaks Phase 1, South 88 degrees 52 minutes 18 seconds East, 39.35 feet to a one-half inch iron rod with cap stamped "JBI" set for the beginning of a non-tangent curve to the left;

THENCE departing said line over and across said 5.692 acre tract and said 92.714 acre tract along said curve to the left through a central angle of 06 degrees 22 minutes 13 seconds, having a radius of 8,000.00 feet, an arc length of 889.45 feet, a chord bearing of South 79 degrees 45 minutes 59 seconds East and a chord distance of 889.00 feet to a one-half inch iron rod with cap stamped "JBI" set for the beginning of a tangent curve to the right;

THENCE over and across said 92.714 acre tract as follows:

Along said curve to the right through an angle of 06 degrees 07 minutes 19 seconds, having a radius of 8,100.00 feet, an arc length of 865.48 feet, a chord bearing of South 79 degrees 53 minutes 26 seconds East and a chord distance of 865.07 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

South 76 degrees 49 minutes 45 seconds East, 248.44 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

South 13 degrees 10 minutes 15 seconds West, 97.30 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

North 73 degrees 09 minutes 44 seconds East, 49.60 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

South 76 degrees 49 minutes 45 seconds East, 147.49 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

South 13 degrees 10 minutes 15 seconds West, 1.95 feet to a one-half inch iron rod with cap stamped "JBI" set for corner, said point being in the south line of said 92.714 acre tract;

THENCE along the south line of said 92.714 acre tract as follows:

North 89 degrees 14 minutes 34 seconds West, 301.54 feet parallel and maintaining a 20 foot offset from the north line of Shultz Addition, an addition to Collin County, as recorded in Volume 2020, Page 626, Official Public Records of Collin County, Texas, to a one-half inch iron rod with cap stamped "JBI" set for corner;

South 01 degrees 48 minutes 39 seconds West, 20.00 feet to a one-half inch iron rod with cap stamped "JBI" set for corner, said point being the northwest corner of said Shultz Addition;

THENCE along the west line of said Shultz Addition and along the south line of said 92.714 acre tract as follows:

South 03 degrees 50 minutes 22 seconds East, 11.49 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

South 01 degrees 32 minutes 30 seconds West, 117.02 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 05 degrees 32 minutes 52 seconds West, 64.81 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 05 degrees 16 minutes 18 seconds East, 81.40 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 23 degrees 35 minutes 28 seconds West, 105.16 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 07 degrees 57 minutes 10 seconds East, 64.59 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 04 degrees 31 minutes 15 seconds East, 253.48 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 24 degrees 28 minutes 51 seconds East, 116.32 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 27 degrees 00 minutes 21 seconds East, 53.76 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 09 degrees 26 minutes 52 seconds East, 231.20 feet to a Mag Nail found for corner, said point being the southwest corner of said Shultz Addition, said point also being in the south edge of asphalt paving for County Road Number 398;

THENCE along the south line of said 92.714 acre tract and the approximate centerline of County Road Number 398 as follows:

North 89 degrees 05 minutes 42 seconds West, 668.91 feet to a Mag Nail found for corner;

North 89 degrees 57 minutes 50 seconds West, 226.16 feet to the POINT OF BEGINNING and containing 1,855,191 square feet or 42.589 acres of land.

BASIS OF BEARING: The basis of bearing is based on the coordinate system (North Central Zone 4202 state plane coordinates, NAD83), distances shown hereon are grid distance values.

SAVE AND EXCEPT THE FOLLOWING DESCRIBED 2.268 ACRES

Being a parcel of land located in Collin County, Texas, a part of the EM Wood Survey, Abstract Number 960, and being all of that tract of land described in deed to Janice M. Clem as recorded in Instrument Number 20140611000589680, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a Mag Nail found at the southwest corner of Shultz Addition, an addition to Collin County, as recorded in Volume 2020, Page 626, Official Public Records of Collin County, Texas, said point also being in the south edge of asphalt paving for County Road No. 398;

THENCE North 89 degrees 05 minutes 42 seconds West, 103.65 feet along the south edge of asphalt paving for County Road Number 398 to a point for corner;

THENCE North 00 degrees 54 minutes 18 seconds East, 26.94 feet to a five-eighths inch iron rod with cap stamped "ADAMS SURVEYING COMPANY, LLC" found for corner, said point being the POINT OF BEGINNING of this tract of land;

THENCE North 89 degrees 44 minutes 18 seconds West, 565.02 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 01 degrees 45 minutes 30 seconds East, 186.71 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 89 degrees 45 minutes 45 seconds East, 521.79 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 39 degrees 12 minutes 52 seconds East, 4.17 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 05 degrees 49 minutes 04 seconds West, 70.77 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 41 minutes 32 seconds West, 45.52 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 32 degrees 05 minutes 57 seconds East, 80.14 feet to the POINT OF BEGINNING and containing 98,798 square feet or 2.268 acres of land.

BASIS OF BEARING: The basis of bearing is based on the coordinate system (North Central Zone 4202 state plane coordinates, NAD83), distances shown hereon are grid distance values

EXHIBIT K-3 - IMPROVEMENT AREA #2 LEGAL DESCRIPTION

LEGAL DESCRIPTION
(39.288 ACRES)

Being a parcel of land located in Collin County, Texas, a part of the EM Wood Survey, Abstract Number 960, and being a part of that called 92.714 acres described in deed to GRBK EDGEWOOD LLC as recorded in Instrument Number 2023000056829, Official Public Records of Collin County, Texas and being further described as follows:

BEGINNING at a point at the southeast corner of said 92.714 acre tract, said point being in the approximate centerline of County Road No. 398 (unrecorded right-of-way);

THENCE North 89 degrees 14 minutes 47 seconds West for a distance of 327.84 feet along the south line of said 92.714 acre tract and the approximate centerline of County Road No. 398 to a point for corner;

THENCE departing the centerline of County Road No. 398, northerly along the south line of said 92.714 acre tract as follows:

North 36 degrees 34 minutes 55 seconds West for a distance of 382.66 feet to a point for corner;

North 07 degrees 10 minutes 03 seconds West for a distance of 563.31 feet to a point for corner;

North 00 degrees 45 minutes 26 seconds East for a distance of 225.44 feet to a point for corner;

THENCE North 13 degrees 10 minutes 15 seconds East for a distance of 1.95 feet to a point for corner;

THENCE North 76 degrees 49 minutes 45 seconds West for a distance of 147.49 feet to a point for corner;

THENCE South 73 degrees 09 minutes 44 seconds West, 49.60 feet to a point for corner;

THENCE North 13 degrees 10 minutes 15 seconds East for a distance of 97.30 feet to a point for corner,

THENCE North 76 degrees 49 minutes 45 seconds West for a distance of 248.44 feet to a point for corner, the beginning of a tangent curve to the left;

THENCE along said curve to the left through a central angle of 00 degrees 12 minutes 33 seconds, having a radius of 8,100.00 feet, an arc length of 29.57 feet, a chord bearing of North 76 degrees 56 minutes 03 seconds West and a chord distance of 29.57 feet to a point for corner;

THENCE North 12 degrees 50 minutes 30 seconds East for a distance of 217.37 feet to a point for corner, the beginning of a non-tangent curve to the left;

THENCE along said curve to the left through a central angle of 216 degrees 23 minutes 21 seconds, having a radius of 50.00 feet, an arc length of 188.84 feet, a chord bearing of North 41 degrees 59 minutes 28 seconds West and a chord distance of 95.00 feet to a point for corner;

THENCE South 63 degrees 13 minutes 35 seconds West for a distance of 15.51 feet to a point for corner;

THENCE North 12 degrees 20 minutes 37 seconds East for a distance of 125.58 feet to a point for corner;

THENCE North 80 degrees 34 minutes 08 seconds West for a distance of 95.36 feet to a point for corner;

THENCE North 09 degrees 25 minutes 52 seconds East for a distance of 340.16 feet to a point for corner;

THENCE North 16 degrees 17 minutes 29 seconds East for a distance of 40.29 feet to a point for corner;

THENCE North 01 degrees 12 minutes 13 seconds East for a distance of 77.78 feet to a point for corner in the north line of said 92.714 acre tract;

THENCE along the north line of said 92.714 acre tract as follows:

South 88 degrees 55 minutes 51 seconds East for a distance of 155.51 feet to a point for corner;

South 88 degrees 46 minutes 46 seconds East for a distance of 750.14 feet to a point for corner;

North 89 degrees 17 minutes 49 seconds East for a distance of 213.87 feet to point at the northeast corner of said 92.714 acre tract;

THENCE along the east line of said 92.714 acre tract as follows:

South 00 degrees 49 minutes 57 seconds West for a distance of 984.97 feet to a point for corner;

South 00 degrees 45 minutes 18 seconds West for a distance of 1,139.93 feet to the POINT OF BEGINNING and containing 1,711,367 square feet or 39.288 acres of land.

THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED

APPENDIX A – ENGINEER'S REPORT

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JBI PARTNERS

June 4, 2026



06/04/2026
Austin Reeves

Engineer's Report
Lowry Trails – Improvement Area 2
City of Lowry Crossing ETJ, Collin County, Texas

Introduction

Lowry Trails is a proposed single family residential development located at the northeast corner of CR 398 and FM 546 in the Lowry Crossing ETJ. Improvement Area 2 includes 175 single family lots. The PID includes approximately 98.406 acres. Improvement Area 2 consists of approximately 39.288 acres.

The legal description for Improvement Area 2 is included as Exhibit C.

This Engineer's Report includes information for the development improvements and associated cost for infrastructure that is anticipated to be financed with bonds sold through a Public Improvement District (PID).

Development Improvements

Development improvements include Roadway Improvements, Storm Sewer Improvements, Water Improvements, Wastewater Improvements, and Landscaping/ Open Space Improvements. The development has been spilt up into Improvement Area 2 and the remainder area and into Shared Improvement Area 2 and Improvement Area 3 Improvements that serve both Improvement Area 2 and Future Improvement Area 3. The extents of the development improvement within Improvement Area 2 and the Shared Improvement Area 2 and Improvement Area 3 Improvements are depicted in Exhibits A – H.

A. Neighborhood Improvements

a. Roadway and Landscaping Improvements
Improvements including subgrade stabilization, earthwork, erosion control, pavement, sidewalks, barrier free ramps, signage, streetlights, testing, all other materials required to provide residential road right-of-way, and right-of-way acquisition within Improvement Area 2. The roadway improvements will be owned and operated by the City of Lowry Crossing. Improvements including, brick screening wall, a playground, entry monuments, irrigation, sod, shrubs, trees and all other materials required to provide residential landscaping within Improvement Area 2. The portion of landscaping within the public right-of-way will be maintained by the HOA. 25% of the landscaping improvements are within the right-of-way and are considered public.

The neighborhood roadway and landscaping improvements for Improvement Area 2 are depicted in Exhibit D.

2121 Midway Road, Suite 300, Carrollton, TX 75006 | T: 972.248.7676 | TBPE No. F-438 TBPLS No. 10076000 | www.jbipartners.com

b. Drainage Improvements
Improvements including trench excavation and embedment, trench safety, piping, manholes, inlets, headwalls, rock rip rap, turf reinforced matting, testing, and all other necessary appurtenances required to provide adequate drainage to Improvement Area 2. The drainage improvements will be owned and operated by the City of Lowry Crossing.

The neighborhood drainage improvements for Improvement Area 2 are depicted in Exhibit E.

c. Water Improvements
Improvements including trench excavation and embedment, trench safety, piping, valves, fire hydrants, other structures, service connections, testing, and all other necessary appurtenances required to provide water service within Improvement Area 2. The water improvements will be owned and operated by the City of Princeton.

The neighborhood water improvements for Improvement Area 2 are depicted in Exhibit F.

d. Wastewater Improvements
Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, and all other necessary appurtenances required to provide wastewater service within Improvement Area 2. The wastewater improvements will be owned and operated by the City of Princeton.

The neighborhood wastewater improvements for Improvement Area 2 are depicted in Exhibit G.

B. Shared Improvement Area 2 and Improvement Area 3 Improvements

a. Wastewater Improvements
Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, and all other necessary appurtenances required to provide wastewater service within Improvement Area 2 and future Improvement Area 3. The wastewater improvements will be owned and operated by the City of Princeton.

The shared improvement area 2 and improvement area 3 wastewater improvements for Improvement Area 2 and Future Improvement Area 3 are depicted in Exhibit H.

JBI PARTNERS

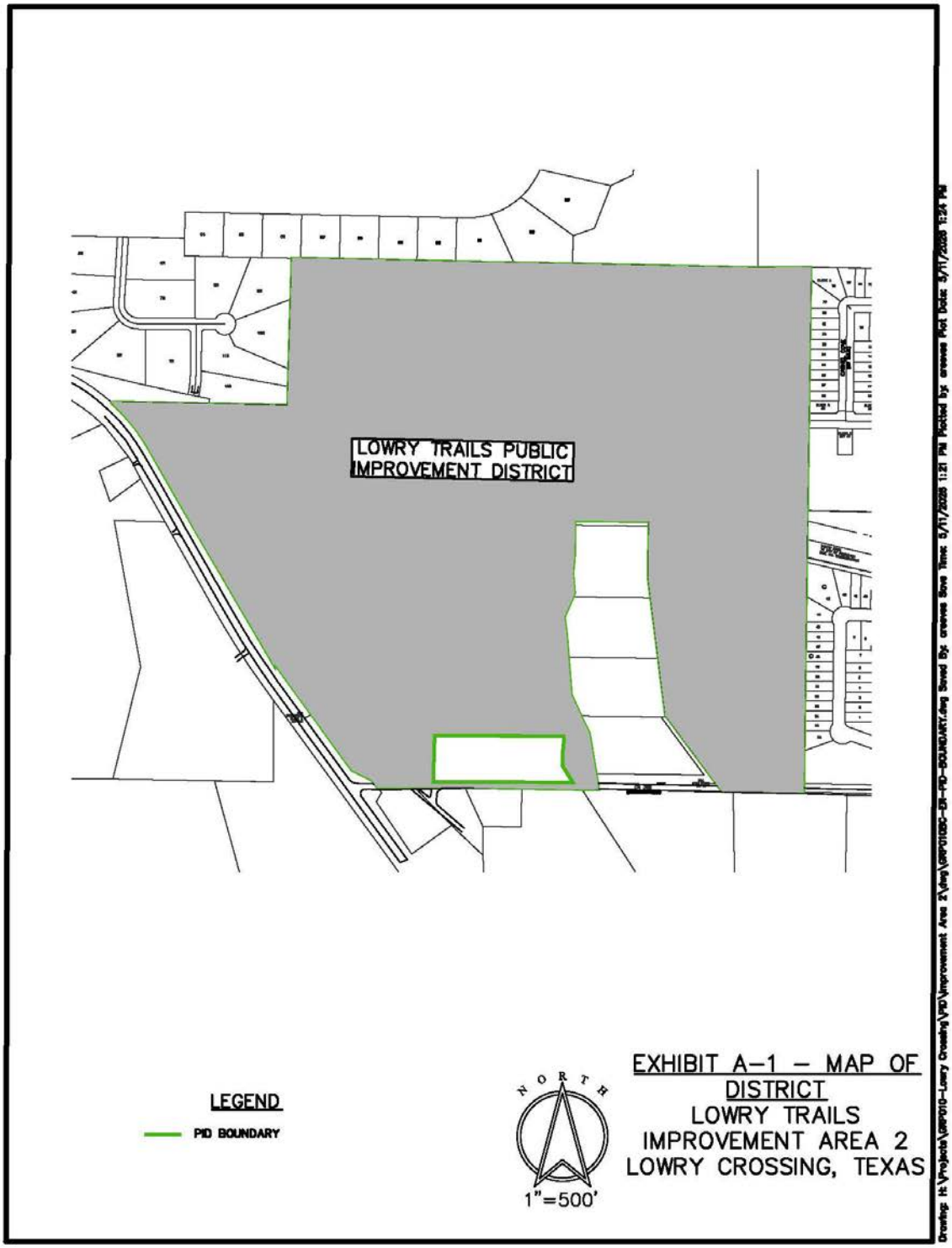
Development Costs

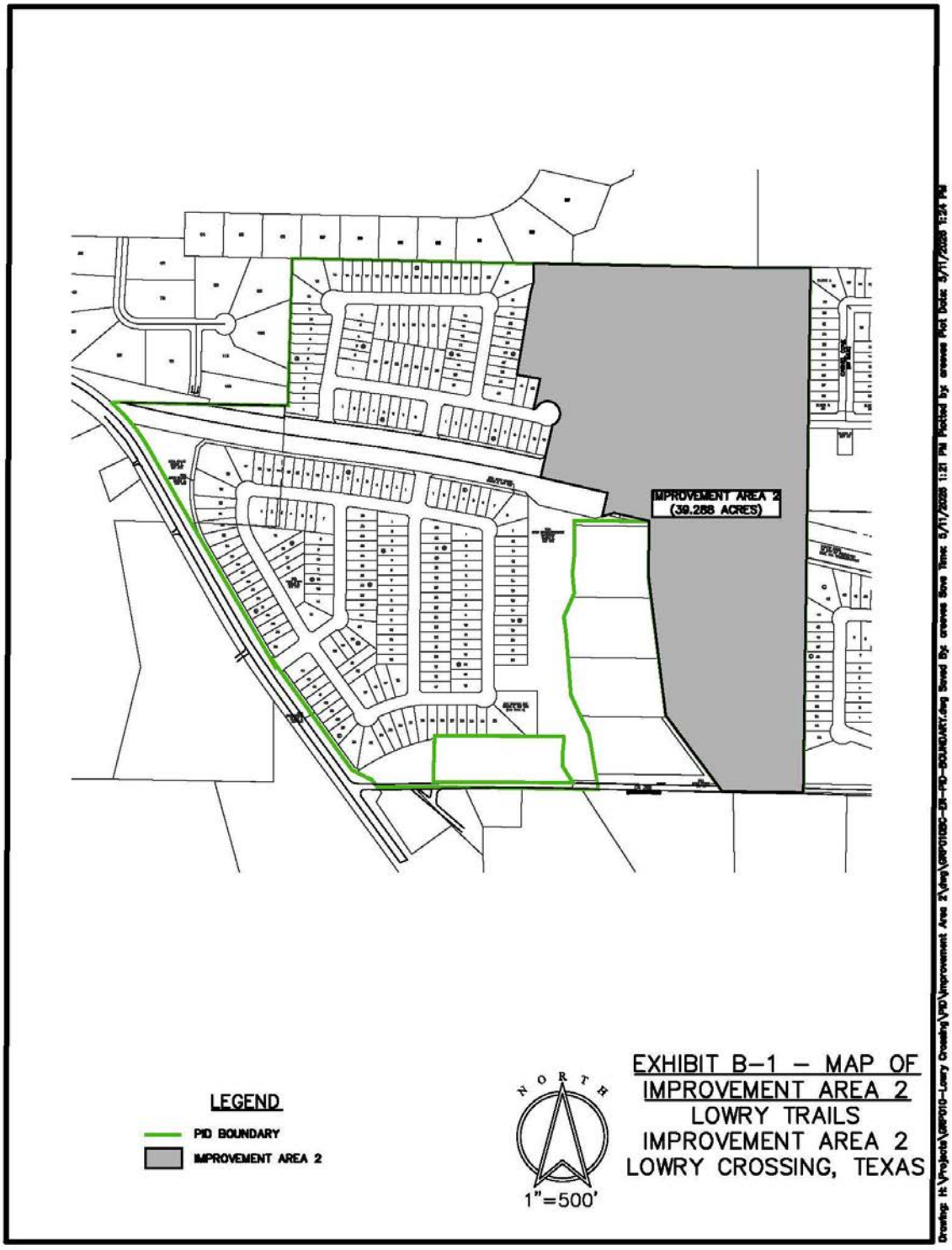
An Opinion of Probable Construction Costs (the "OPCC") has been prepared for the development and a summary is included as Exhibit I. Where applicable, the construction costs included in the OPCC are based on contractor proposals received to date.

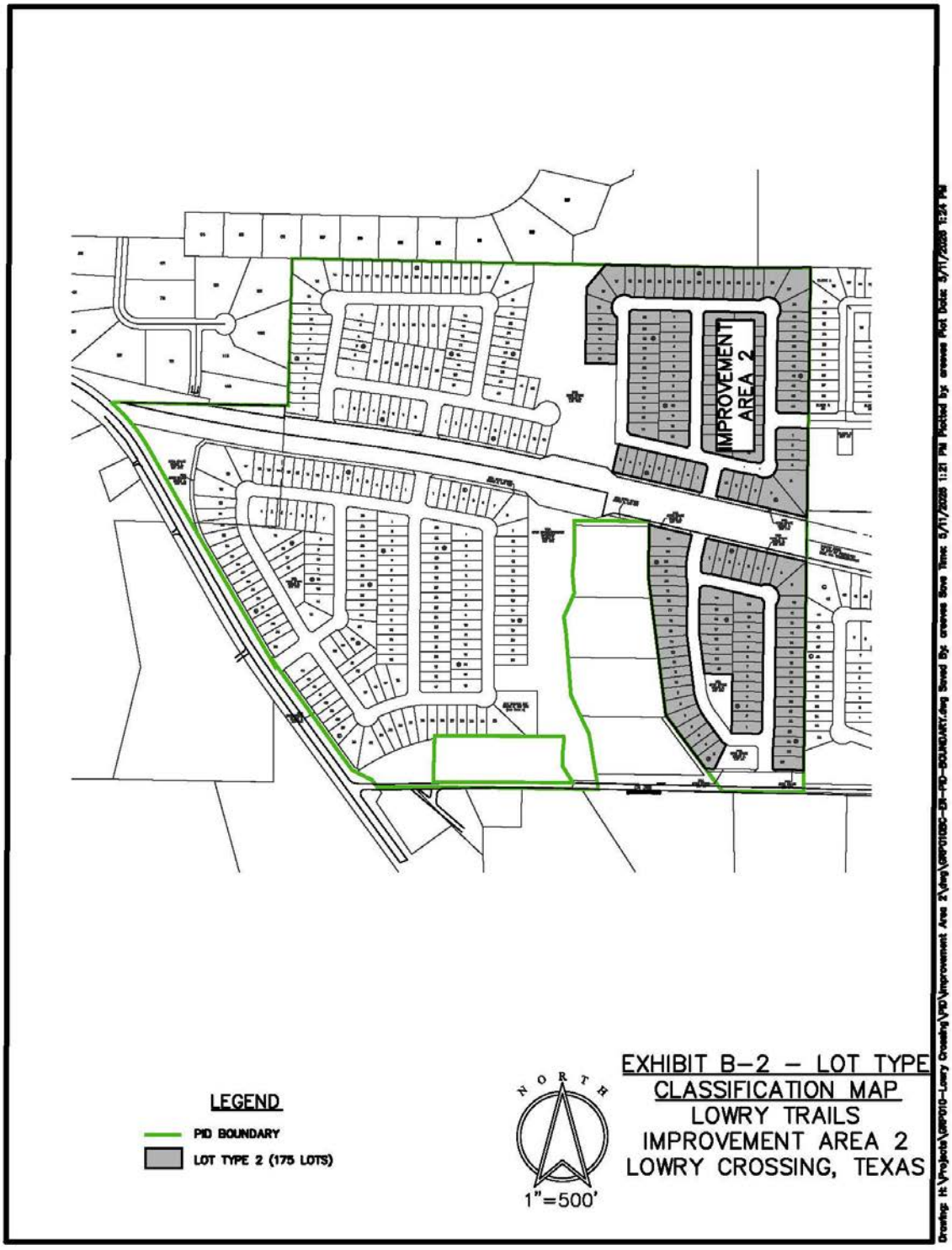
Development Schedule

Phase 2 of Improvement Area 2 is expected to be substantially complete in July 2026.
Phase 3 of Improvement Area 2 is expected to be substantially complete in June 2026.

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LOWRY TRAILS PUBLIC IMPROVEMENT DISTRICT
LEGEND
PID BOUNDARY
NORTH
1"=500'
EXHIBIT A-1 – MAP OF DISTRICT
LOWRY TRAILS
IMPROVEMENT AREA 2
LOWRY CROSSING, TEXAS


IMPROVEMENT AREA 2
(39.258 ACRES)
LEGEND
PID BOUNDARY
IMPROVEMENT AREA 2
NORTH
1"=500'
EXHIBIT B-1 – MAP OF
IMPROVEMENT AREA 2
LOWRY TRAILS
IMPROVEMENT AREA 2
LOWRY CROSSING, TEXAS


IMPROVEMENT AREA 2
LEGEND
PID BOUNDARY
LOT TYPE 2 (175 LOTS)
NORTH
1"=500'
EXHIBIT B-2 – LOT TYPE CLASSIFICATION MAP
LOWRY TRAILS
IMPROVEMENT AREA 2
LOWRY CROSSING, TEXAS

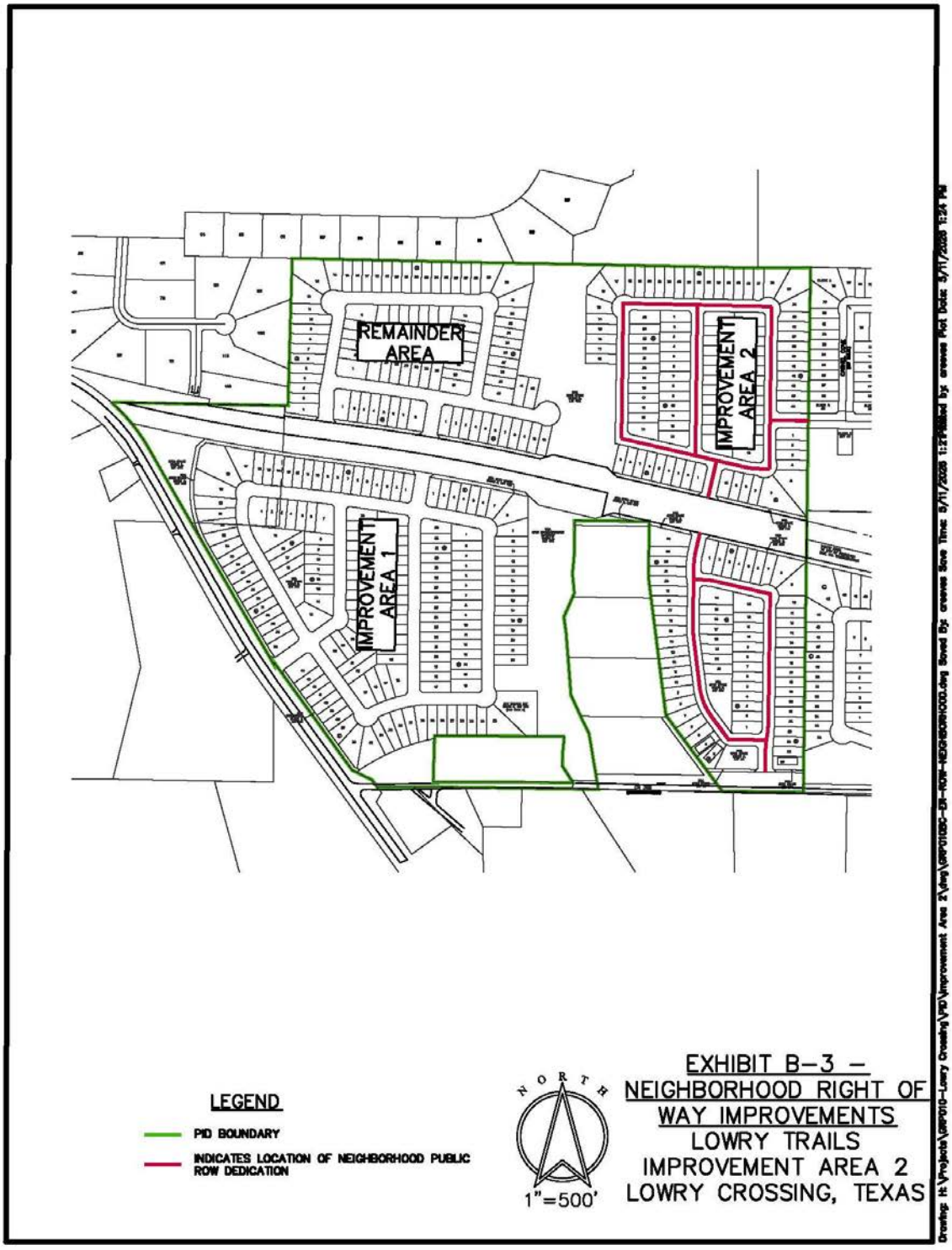

REMAINDER AREA
IMPROVEMENT AREA 1
IMPROVEMENT AREA 2
LEGEND
PID BOUNDARY
INDICATES LOCATION OF NEIGHBORHOOD PUBLIC ROW DEDICATION
NORTH
1"=500'
EXHIBIT B-3 – NEIGHBORHOOD RIGHT OF WAY IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 2
LOWRY CROSSING, TEXAS

EXHIBIT C

LEGAL DESCRIPTION
(39.288 ACRES)

Being a parcel of land located in Collin County, Texas, a part of the EM Wood Survey, Abstract Number 960, and being a part of that called 92.714 acres described in deed to GRBK EDGEWOOD LLC as recorded in Instrument Number 2023000056829, Official Public Records of Collin County, Texas and being further described as follows:

BEGINNING at a point at the southeast corner of said 92.714 acre tract, said point being in the approximate centerline of County Road No. 398 (unrecorded right-of-way);

THENCE North 89 degrees 14 minutes 47 seconds West for a distance of 327.84 feet along the south line of said 92.714 acre tract and the approximate centerline of County Road No. 398 to a point for corner;

THENCE departing the centerline of County Road No. 398, northerly along the south line of said 92.714 acre tract as follows:

North 36 degrees 34 minutes 55 seconds West for a distance of 382.66 feet to a point for corner;

North 07 degrees 10 minutes 03 seconds West for a distance of 563.31 feet to a point for corner;

North 00 degrees 45 minutes 26 seconds East for a distance of 225.44 feet to a point for corner;

THENCE North 13 degrees 10 minutes 15 seconds East for a distance of 1.95 feet to a point for corner;

THENCE North 76 degrees 49 minutes 45 seconds West for a distance of 147.49 feet to a point for corner;

THENCE South 73 degrees 09 minutes 44 seconds West, 49.60 feet to a point for corner;

THENCE North 13 degrees 10 minutes 15 seconds East for a distance of 97.30 feet to a point for corner,

THENCE North 76 degrees 49 minutes 45 seconds West for a distance of 248.44 feet to a point for corner, the beginning of a tangent curve to the left;

THENCE along said curve to the left through a central angle of 00 degrees 12 minutes 33 seconds, having a radius of 8,100.00 feet, an arc length of 29.57 feet, a chord bearing of North 76 degrees 56 minutes 03 seconds West and a chord distance of 29.57 feet to a point for corner;

THENCE North 12 degrees 50 minutes 30 seconds East for a distance of 217.37 feet to a point for corner, the beginning of a non-tangent curve to the left;

THENCE along said curve to the left through a central angle of 216 degrees 23 minutes 21 seconds, having a radius of 50.00 feet, an arc length of 188.84 feet, a chord bearing of North 41 degrees 59 minutes 28 seconds West and a chord distance of 95.00 feet to a point for corner;

THENCE South 63 degrees 13 minutes 35 seconds West for a distance of 15.51 feet to a point for corner;

THENCE North 12 degrees 20 minutes 37 seconds East for a distance of 125.58 feet to a point for corner;

THENCE North 80 degrees 34 minutes 08 seconds West for a distance of 95.36 feet to a point for corner;

THENCE North 09 degrees 25 minutes 52 seconds East for a distance of 340.16 feet to a point for corner;

THENCE North 16 degrees 17 minutes 29 seconds East for a distance of 40.29 feet to a point for corner;

THENCE North 01 degrees 12 minutes 13 seconds East for a distance of 77.78 feet to a point for corner in the north line of said 92.714 acre tract;

THENCE along the north line of said 92.714 acre tract as follows:

South 88 degrees 55 minutes 51 seconds East for a distance of 155.51 feet to a point for corner;

South 88 degrees 46 minutes 46 seconds East for a distance of 750.14 feet to a point for corner;

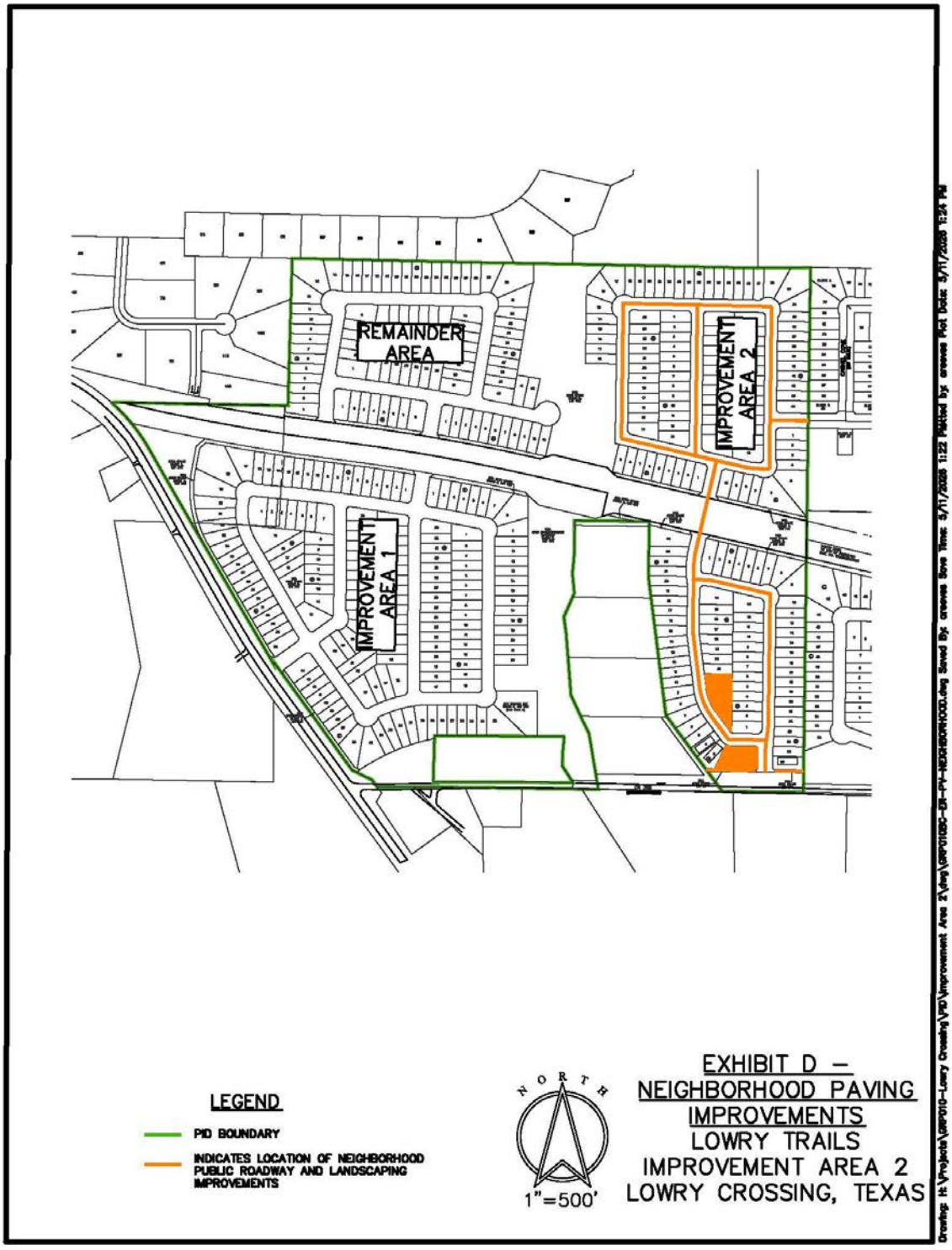
North 89 degrees 17 minutes 49 seconds East for a distance of 213.87 feet to point at the northeast corner of said 92.714 acre tract;

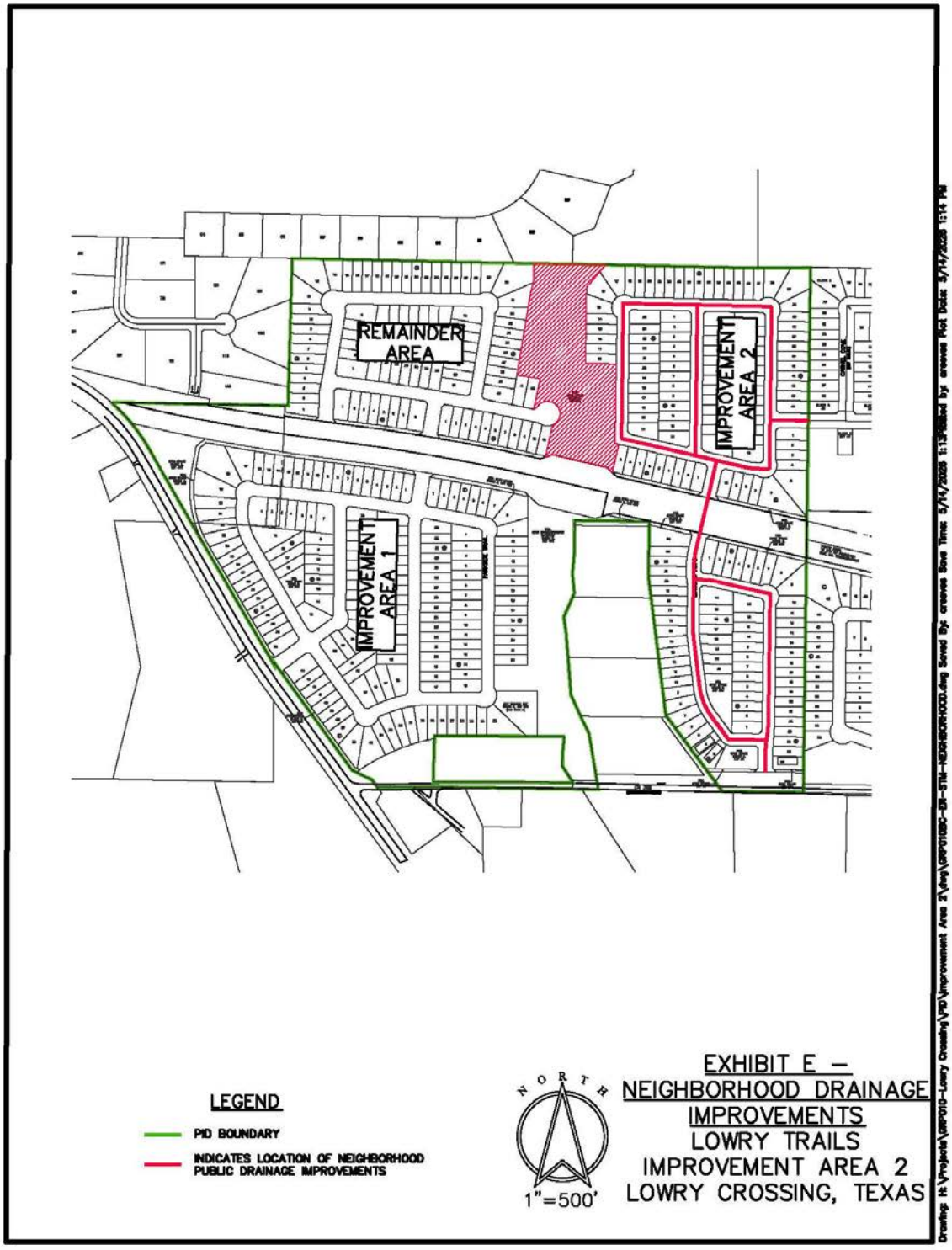
THENCE along the east line of said 92.714 acre tract as follows:

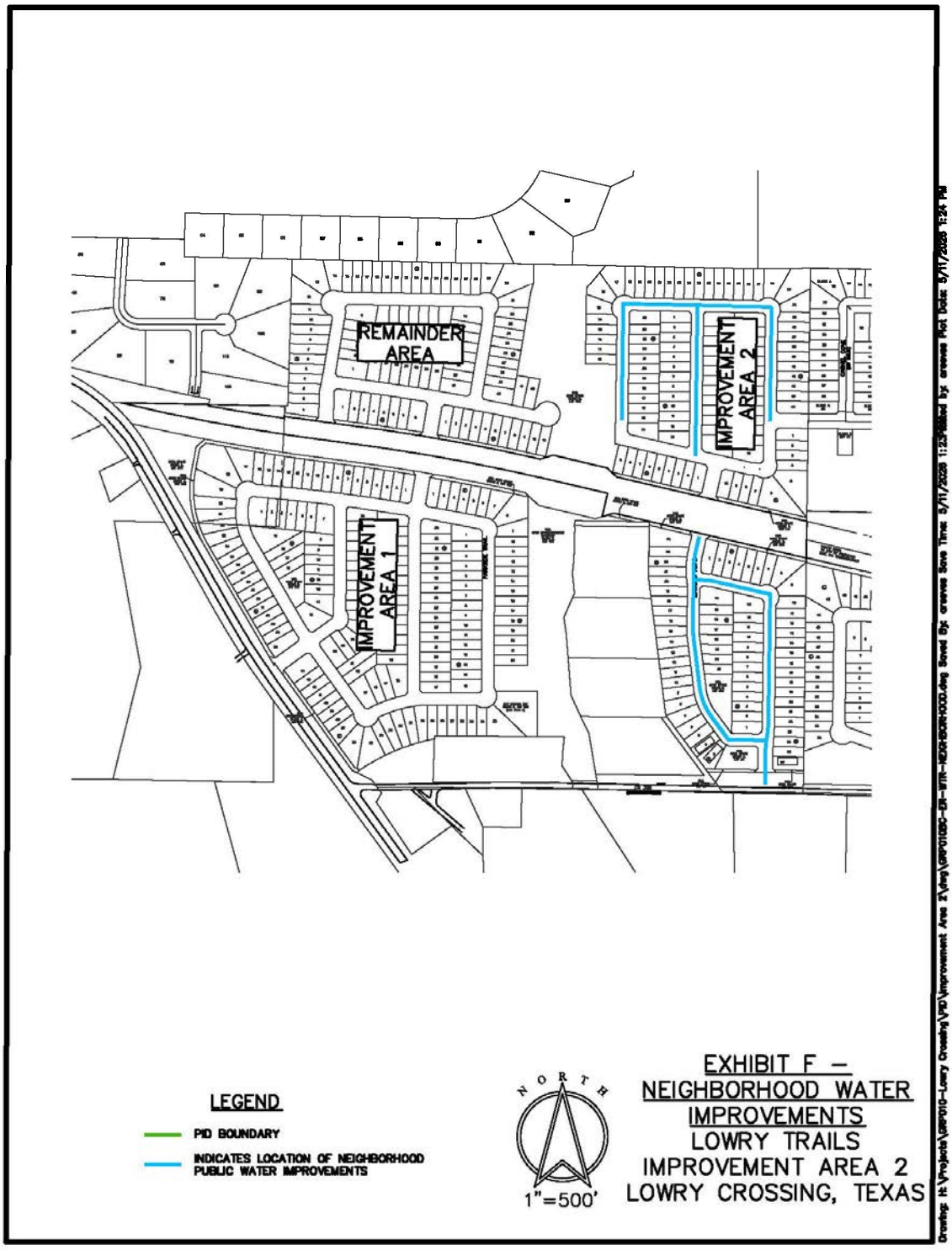
South 00 degrees 49 minutes 57 seconds West for a distance of 984.97 feet to a point for corner;

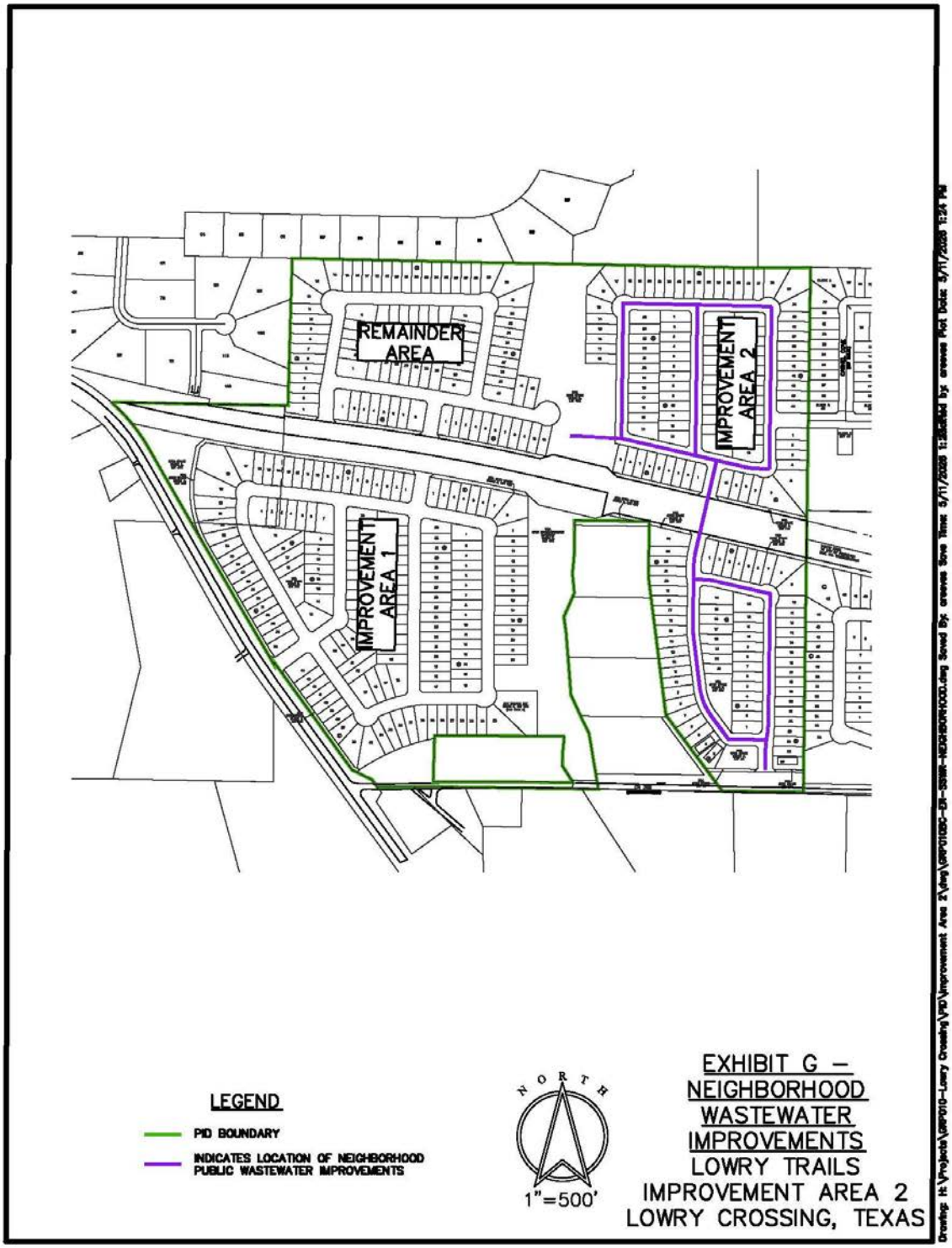
South 00 degrees 45 minutes 18 seconds West for a distance of 1,139.93 feet to the POINT OF BEGINNING and containing 1,711,367 square feet or 39.288 acres of land.

THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED


REMAINDER AREA
IMPROVEMENT AREA 1
IMPROVEMENT AREA 2
LEGEND
PID BOUNDARY
INDICATES LOCATION OF NEIGHBORHOOD PUBLIC ROADWAY AND LANDSCAPING IMPROVEMENTS
NORTH
1"=500'
EXHIBIT D – NEIGHBORHOOD PAVING IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 2
LOWRY CROSSING, TEXAS


REMAINDER AREA
IMPROVEMENT AREA 2
IMPROVEMENT AREA 1
LEGEND
PID BOUNDARY
INDICATES LOCATION OF NEIGHBORHOOD PUBLIC DRAINAGE IMPROVEMENTS
NORTH
1"=500'
EXHIBIT E –
NEIGHBORHOOD DRAINAGE IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 2
LOWRY CROSSING, TEXAS


REMAINDER AREA
IMPROVEMENT AREA 1
IMPROVEMENT AREA 2
LEGEND
PID BOUNDARY
INDICATES LOCATION OF NEIGHBORHOOD PUBLIC WATER IMPROVEMENTS
NORTH
1"=500'
EXHIBIT F – NEIGHBORHOOD WATER IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 2
LOWRY CROSSING, TEXAS


REMAINDER AREA
IMPROVEMENT AREA 1
IMPROVEMENT AREA 2
LEGEND
PID BOUNDARY
INDICATES LOCATION OF NEIGHBORHOOD PUBLIC WASTEWATER IMPROVEMENTS
NORTH
1"=500'
EXHIBIT G – NEIGHBORHOOD WASTEWATER IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 2
LOWRY CROSSING, TEXAS

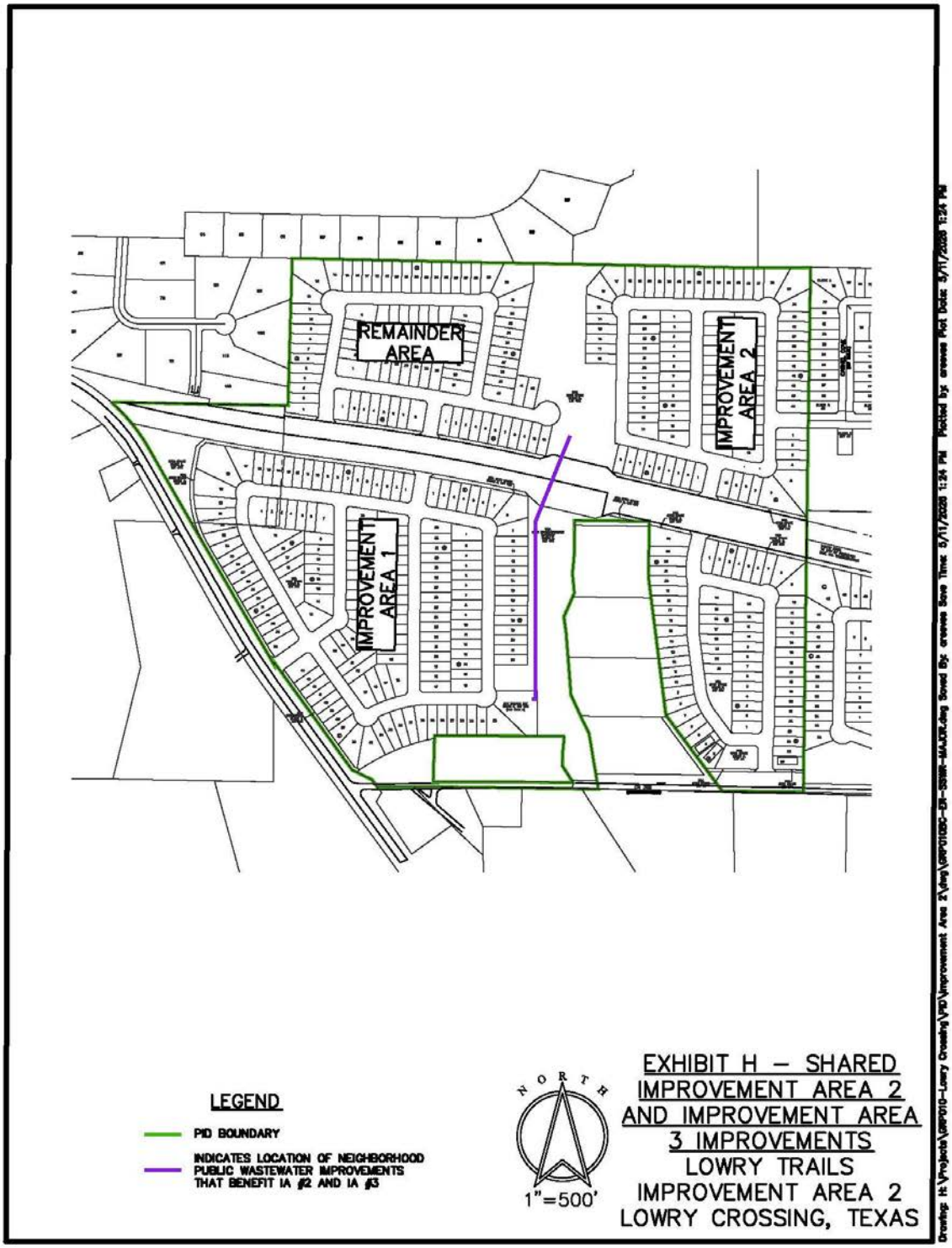

REMAINDER AREA
IMPROVEMENT AREA 1
IMPROVEMENT AREA 2
LEGEND
PID BOUNDARY
INDICATES LOCATION OF NEIGHBORHOOD PUBLIC WASTEWATER IMPROVEMENTS THAT BENEFIT IA #2 AND IA #3
NORTH
1"=500'
EXHIBIT H – SHARED IMPROVEMENT AREA 2 AND IMPROVEMENT AREA 3 IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 2
LOWRY CROSSING, TEXAS

EXHIBIT I

Lowry Trails IA#2 - Cost Detail

PUBLIC IMPROVEMENTS		Improvement Area 2
Paving		$ 1,531,588.58
Right of Way Acquisition	[a]	$ 220,292.58
Water		$ 587,069.20
Sewer		$ 1,037,108.40
Sewer - Shared	[b]	$ 107,549.43
Storm		$ 939,783.90
Landscape/Open Space	[c]	$ 208,986.25
Miscellaneous Soft Costs (Eng, Srvy, Testing, Insp Fees)		$ 723,965.00
Construction Management Fee		$ 179,814.43
Total Public Improvements		**$ 5,536,157.77**
Storm - County Road 398	[d]	$ 83,275.10
Total Improvements		**$ 5,619,432.87**

SHARED SEWER IMPROVEMENTS		IMPROVEMENT AREA 2	REMAINDER AREA
Sewer - Shared	[b]	$ 107,549.43	$ 54,696.57

[a] Assumes the PID acquires internal ROW in an amount up to the CR398 payment to the County, and the CR398 storm drain improvements.

[b] Costs benefit both IA 2 and remainder area. Allocation based on estimated buildout value.

[c] Assumes 25% of landscaping improvements, and all park hardscape costs are within the public ROW.

[d] The County will assume ownership and maintenance of the privately funded improvements. Not reimbursable with PID funds.

APPENDIX B – BUYER DISCLOSURES

Forms of the buyer disclosures for the following Lot Types are found in this appendix:

- Improvement Area #1
  - Lot Type 1
- Improvement Area #2
  - Improvement Area #2 Initial Parcel
  - Lot Type 2

[Remainder of page intentionally left blank.]

LOWRY TRAILS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 LOT TYPE 1 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest.

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF LOWRY CROSSING, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 1 PRINCIPAL ASSESSMENT: $47,167.66

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Lowry Crossing, 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 ***Lowry Trails 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 of Lowry Crossing, Texas, City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____and _____ , known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this_____ , 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §
§
COUNTY OF _____ §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 LOT TYPE 1

Annual Installment Due 1/31	Principal	Interest[a]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ 778.44	$ 2,454.51	$ 235.84	$ 308.08	$ 3,776.87
2028	$ 814.37	$ 2,421.42	$ 231.95	$ 348.91	$ 3,816.65
2029	$ 844.31	$ 2,386.81	$ 227.87	$ 355.89	$ 3,814.88
2030	$ 880.24	$ 2,350.93	$ 223.65	$ 363.00	$ 3,817.82
2031	$ 916.17	$ 2,313.52	$ 219.25	$ 370.26	$ 3,819.20
2032	$ 958.08	$ 2,274.58	$ 214.67	$ 377.67	$ 3,825.00
2033	$ 994.01	$ 2,233.86	$ 209.88	$ 385.22	$ 3,822.98
2034	$ 1,035.93	$ 2,191.62	$ 204.91	$ 392.93	$ 3,825.38
2035	$ 1,083.83	$ 2,147.59	$ 199.73	$ 400.78	$ 3,831.94
2036	$ 1,125.75	$ 2,101.53	$ 194.31	$ 408.80	$ 3,830.39
2037	$ 1,185.63	$ 2,042.43	$ 188.68	$ 416.98	$ 3,833.71
2038	$ 1,251.50	$ 1,980.18	$ 182.75	$ 425.32	$ 3,839.75
2039	$ 1,317.37	$ 1,914.48	$ 176.50	$ 433.82	$ 3,842.16
2040	$ 1,383.23	$ 1,845.31	$ 169.91	$ 442.50	$ 3,840.96
2041	$ 1,455.09	$ 1,772.69	$ 162.99	$ 451.35	$ 3,842.13
2042	$ 1,532.93	$ 1,696.30	$ 155.72	$ 460.38	$ 3,845.33
2043	$ 1,616.77	$ 1,615.82	$ 148.05	$ 469.58	$ 3,850.23
2044	$ 1,700.60	$ 1,530.94	$ 139.97	$ 478.97	$ 3,850.49
2045	$ 1,790.42	$ 1,441.66	$ 131.47	$ 488.55	$ 3,852.10
2046	$ 1,892.22	$ 1,347.66	$ 122.51	$ 498.33	$ 3,860.72
2047	$ 1,994.01	$ 1,243.59	$ 113.05	$ 508.29	$ 3,858.95
2048	$ 2,107.78	$ 1,133.92	$ 103.08	$ 518.46	$ 3,863.25
2049	$ 2,227.54	$ 1,017.99	$ 92.54	$ 528.83	$ 3,866.91
2050	$ 2,353.29	$ 895.48	$ 81.41	$ 539.40	$ 3,869.58
2051	$ 2,485.03	$ 766.05	$ 69.64	$ 550.19	$ 3,870.91
2052	$ 2,628.74	$ 629.37	$ 57.22	$ 561.20	$ 3,876.52
2053	$ 2,778.44	$ 484.79	$ 44.07	$ 572.42	$ 3,879.72
2054	$ 2,934.13	$ 331.98	$ 30.18	$ 583.87	$ 3,880.16
2055	$ 3,101.80	$ 170.60	$ 15.51	$ 595.55	$ 3,883.45
Total	**$ 47,167.66**	**$ 46,737.62**	**$ 4,347.34**	**$ 13,235.52**	**$ 111,488.13**

Footnotes:

[a] Interest rate on Improvement Area #1 Bonds is 4.25% for bonds maturing 2035, 5.25% for bonds maturing 2045, and 5.50% for bonds maturing 2055.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

LOWRY TRAILS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2
INITIAL PARCEL BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest.

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF LOWRY CROSSING, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #2 INITIAL PARCEL PRINCIPAL ASSESSMENT: $7,393,000.00

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Lowry Crossing, 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 ***Lowry Trails 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 of Lowry Crossing, Texas, City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____and _____ , known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this_____ , 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §
§
COUNTY OF _____ §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2 INITIAL PARCEL

Installment Due 1/31	Principal	Interest[a]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ 22,000.00	$ 551,291.90	$ 36,965.00	$ 40,000.00	$ 650,256.90
2028	$ 94,000.00	$ 479,115.00	$ 36,855.00	$ 40,800.00	$ 650,770.00
2029	$ 99,000.00	$ 473,005.00	$ 36,385.00	$ 41,616.00	$ 650,006.00
2030	$ 105,000.00	$ 466,570.00	$ 35,890.00	$ 42,448.32	$ 649,908.32
2031	$ 112,000.00	$ 459,745.00	$ 35,365.00	$ 43,297.29	$ 650,407.29
2032	$ 119,000.00	$ 452,465.00	$ 34,805.00	$ 44,163.24	$ 650,433.24
2033	$ 126,000.00	$ 444,730.00	$ 34,210.00	$ 45,046.50	$ 649,986.50
2034	$ 134,000.00	$ 436,540.00	$ 33,580.00	$ 45,947.43	$ 650,067.43
2035	$ 143,000.00	$ 427,830.00	$ 32,910.00	$ 46,866.38	$ 650,606.38
2036	$ 152,000.00	$ 418,535.00	$ 32,195.00	$ 47,803.71	$ 650,533.71
2037	$ 161,000.00	$ 408,655.00	$ 31,435.00	$ 48,759.78	$ 649,849.78
2038	$ 172,000.00	$ 398,190.00	$ 30,630.00	$ 49,734.98	$ 650,554.98
2039	$ 183,000.00	$ 387,010.00	$ 29,770.00	$ 50,729.68	$ 650,509.68
2040	$ 194,000.00	$ 375,115.00	$ 28,855.00	$ 51,744.27	$ 649,714.27
2041	$ 207,000.00	$ 362,505.00	$ 27,885.00	$ 52,779.16	$ 650,169.16
2042	$ 220,000.00	$ 349,050.00	$ 26,850.00	$ 53,834.74	$ 649,734.74
2043	$ 235,000.00	$ 334,750.00	$ 25,750.00	$ 54,911.43	$ 650,411.43
2044	$ 250,000.00	$ 319,475.00	$ 24,575.00	$ 56,009.66	$ 650,059.66
2045	$ 267,000.00	$ 303,225.00	$ 23,325.00	$ 57,129.85	$ 650,679.85
2046	$ 284,000.00	$ 285,870.00	$ 21,990.00	$ 58,272.45	$ 650,132.45
2047	$ 303,000.00	$ 267,410.00	$ 20,570.00	$ 59,437.90	$ 650,417.90
2048	$ 323,000.00	$ 247,715.00	$ 19,055.00	$ 60,626.66	$ 650,396.66
2049	$ 344,000.00	$ 226,720.00	$ 17,440.00	$ 61,839.19	$ 649,999.19
2050	$ 367,000.00	$ 204,360.00	$ 15,720.00	$ 63,075.97	$ 650,155.97
2051	$ 391,000.00	$ 180,505.00	$ 13,885.00	$ 64,337.49	$ 649,727.49
2052	$ 418,000.00	$ 155,090.00	$ 11,930.00	$ 65,624.24	$ 650,644.24
2053	$ 445,000.00	$ 127,920.00	$ 9,840.00	$ 66,936.72	$ 649,696.72
2054	$ 475,000.00	$ 98,995.00	$ 7,615.00	$ 68,275.45	$ 649,885.45
2055	$ 507,000.00	$ 68,120.00	$ 5,240.00	$ 69,640.96	$ 650,000.96
2056	$ 541,000.00	$ 35,165.00	$ 2,705.00	$ 71,033.78	$ 73,738.78
Total	**$ 7,393,000.00**	**$ 9,745,671.90**	**$ 744,225.00**	**$ 1,622,723.23**	**$ 18,929,455.13**

Footnotes:

[a] Interest is calculated at a 6.50% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

[c] Assumes the Reserve Fund is fully funded and available to reduce Annual Installments in the final year.

LOWRY TRAILS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2 LOT TYPE 2 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest.

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF LOWRY CROSSING, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #2 LOT TYPE 2 PRINCIPAL ASSESSMENT: $42,245.71

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Lowry Crossing, 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 ***Lowry Trails 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 of Lowry Crossing, Texas, City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF _____ §

The foregoing instrument was acknowledged before me by _____and _____ , known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this_____ , 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §
§
COUNTY OF _____ §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Collin County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2 LOT TYPE 2

Installment Due 1/31	Principal	Interest[a]	Additional Interest	Annual Collection Costs	Total Annual Installment Due[b]
2027	$ 125.71	$ 3,150.24	$ 211.23	$ 228.57	$ 3,715.75
2028	$ 537.14	$ 2,737.80	$ 210.60	$ 233.14	$ 3,718.69
2029	$ 565.71	$ 2,702.89	$ 207.91	$ 237.81	$ 3,714.32
2030	$ 600.00	$ 2,666.11	$ 205.09	$ 242.56	$ 3,713.76
2031	$ 640.00	$ 2,627.11	$ 202.09	$ 247.41	$ 3,716.61
2032	$ 680.00	$ 2,585.51	$ 198.89	$ 252.36	$ 3,716.76
2033	$ 720.00	$ 2,541.31	$ 195.49	$ 257.41	$ 3,714.21
2034	$ 765.71	$ 2,494.51	$ 191.89	$ 262.56	$ 3,714.67
2035	$ 817.14	$ 2,444.74	$ 188.06	$ 267.81	$ 3,717.75
2036	$ 868.57	$ 2,391.63	$ 183.97	$ 273.16	$ 3,717.34
2037	$ 920.00	$ 2,335.17	$ 179.63	$ 278.63	$ 3,713.43
2038	$ 982.86	$ 2,275.37	$ 175.03	$ 284.20	$ 3,717.46
2039	$ 1,045.71	$ 2,211.49	$ 170.11	$ 289.88	$ 3,717.20
2040	$ 1,108.57	$ 2,143.51	$ 164.89	$ 295.68	$ 3,712.65
2041	$ 1,182.86	$ 2,071.46	$ 159.34	$ 301.60	$ 3,715.25
2042	$ 1,257.14	$ 1,994.57	$ 153.43	$ 307.63	$ 3,712.77
2043	$ 1,342.86	$ 1,912.86	$ 147.14	$ 313.78	$ 3,716.64
2044	$ 1,428.57	$ 1,825.57	$ 140.43	$ 320.06	$ 3,714.63
2045	$ 1,525.71	$ 1,732.71	$ 133.29	$ 326.46	$ 3,718.17
2046	$ 1,622.86	$ 1,633.54	$ 125.66	$ 332.99	$ 3,715.04
2047	$ 1,731.43	$ 1,528.06	$ 117.54	$ 339.65	$ 3,716.67
2048	$ 1,845.71	$ 1,415.51	$ 108.89	$ 346.44	$ 3,716.55
2049	$ 1,965.71	$ 1,295.54	$ 99.66	$ 353.37	$ 3,714.28
2050	$ 2,097.14	$ 1,167.77	$ 89.83	$ 360.43	$ 3,715.18
2051	$ 2,234.29	$ 1,031.46	$ 79.34	$ 367.64	$ 3,712.73
2052	$ 2,388.57	$ 886.23	$ 68.17	$ 375.00	$ 3,717.97
2053	$ 2,542.86	$ 730.97	$ 56.23	$ 382.50	$ 3,712.55
2054	$ 2,714.29	$ 565.69	$ 43.51	$ 390.15	$ 3,713.63
2055	$ 2,897.14	$ 389.26	$ 29.94	$ 397.95	$ 3,714.29
2056	$ 3,091.43	$ 200.94	$ 15.46	$ 405.91	$ 3,713.74
Total	**$ 42,245.71**	**$ 55,689.55**	**$ 4,252.71**	**$ 9,272.70**	**$ 111,460.69**

Footnotes:

[a] Interest is calculated at a 6.50% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

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[CLOSING DATE]

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

Tel +1 214 855 8000
Fax +1 214 855 8200
nortonrosefulbright.com

IN REGARD to the authorization and issuance of the "City of Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2026 (Lowry Trails Public Improvement District Improvement Area #2 Project)" (the "Bonds"), dated August 11, 2026, in the principal amount of $_____, we have examined the legality and validity of the issuance thereof by the City of Lowry Crossing, Texas (the "City") solely to express legal opinions as to the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, or the history or prospects of the collection of the Pledged Revenues, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds, and have not assumed any responsibility with respect thereto. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Indenture.

THE BONDS are issued in fully registered form only and mature on September 15 in each of the years specified in an Indenture of Trust (the "Indenture"), dated as of August 1, 2026, with BOKF, NA, as trustee (the "Trustee"), approved by the City Council of the City pursuant to an ordinance (the "Ordinance") adopted by the City Council of the City authorizing the issuance of the Bonds, unless redeemed prior to maturity in accordance with the terms stated on the Bonds. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Indenture.

IN RENDERING THE OPINIONS herein we have examined and rely upon: (i) original or certified copies of the proceedings had in connection with the issuance of the Bonds, including the Indenture, the Ordinance and an examination of the initial Bond executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the City; and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATION, we are of the opinion that, under applicable law of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Bonds have been authorized, issued, and delivered in accordance with law; that the Bonds are valid, legally binding, and enforceable limited obligations of the City in accordance with their terms payable solely from the Trust Estate, except to the extent the

Norton Rose Fulbright US LLP is a limited liability partnership registered under the laws of Texas.

Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright North Africa Inc are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are available at nortonrosefulbright.com.

enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditors' rights generally.

2. Assuming continuing compliance after the date hereof by the City with the provisions of the Indenture and in reliance upon representations and certifications of the City made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, interest on the Bonds for federal income tax purposes (i) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date hereof, of the owners thereof pursuant to Section 103 of such Code, existing regulations, published rulings, and court decisions thereunder, and (ii) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

We express no opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

APPENDIX D-1

FORM OF CITY DISCLOSURE AGREEMENT

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CITY OF LOWRY CROSSING, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LOWRY TRAILS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2 PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer, dated as of August 1, 2026 (this "Disclosure Agreement"), is executed and delivered by and among the City of Lowry Crossing, Texas (the "Issuer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent (the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2026 (Lowry Trails Public Improvement District Improvement Area #2 Project)" (the "Bonds"). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of August 1, 2026, relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

"Administrator" shall have the meaning assigned to such term in the Indenture. The initial Administrator is P3Works, LLC.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Annual Collections Report" shall mean any Annual Collections Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

"Annual Collections Report Filing Date" shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

"Annual Financial Information" shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in subsection 4(a) of this Disclosure Agreement.

"Annual Financial Statements" shall mean audited or unaudited financial statements of the Issuer prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

"Annual Financials Filing Date" shall mean, for each Fiscal Year, the date on which the Annual Financial Statements must be filed with the MSRB, which date is twelve (12) months after the end of the Issuer's Fiscal Year. The Annual Financials Filing Date is currently September 30.

"Annual Information Filing Date" shall mean, for each Fiscal Year, the date on which the Annual Financial Information must be filed with the MSRB, which date is six (6) months after the end of the Issuer's Fiscal Year. The Annual Information Filing Date is currently March 31.

"Annual Installment" shall have the meaning assigned to such term in the Indenture.

"Annual Service Plan Update" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to "Improvement Area #2 Assessments" in the Indenture.

"Business Day" shall have the meaning assigned to such term in the Indenture.

"Collections Reporting Date" shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

"Delinquency Date" shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

"Developer" shall mean GRBK Edgewood, LLC, a Texas limited liability company.

"Disclosure Agreement of Developer" shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of August 1, 2026, executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

"Disclosure Representative" shall mean the City Administrator of the Issuer or his or her designee or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean Lowry Trails Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access system currently available on the internet at http://emma.msrb.org.

"Filing Date" means, collectively, an Annual Financials Filing Date, an Annual Information Filing Date and an Annual Collections Report Filing Date, or, individually, as the context requires, an Annual Financials Filing Date, an Annual Information Filing Date or an Annual Collections Report Filing Date.

"Final Assessment Payment Date" shall mean the calendar day preceding the Delinquency Date.

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the Issuer's fiscal year, currently the twelve-month period from October 1 through September 30.

"Improvement Area #2" shall have the meaning assigned to such term in the Indenture.

"Listed Events" shall mean any of the events listed in subsection 6(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall have the meaning assigned to such term in the Indenture.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

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

"Prepayment" shall mean the payment of all or a portion of an Assessment before the due date of the final installment thereof.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Tax Year" means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

"Trust Estate" shall have the meaning assigned to such term in the Indenture.

"Trustee" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual Financial Information and Annual Financial Statements.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2026, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide

or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, the Annual Financial Information and the Annual Financial Statements.

(i) The Issuer shall provide or caused to be provided the Annual Financial Information to the MSRB not later than the Annual Information Filing Date; and

(ii) The Issuer shall provide or caused to be provided audited Annual Financial Statements to the MSRB not later than the Annual Financials Filing Date, or if audited Annual Financial Statements are not available by the Annual Financials Filing Date, unaudited Annual Financial Statements, provided to the Dissemination Agent which is consistent with the requirements specified in Section 4 of this Disclosure Agreement.

In each case, the Annual Financial Information and Annual Financial Statements may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer's Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Annual Information Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Not later than ten (10) days prior to the applicable Filing Date, the Issuer shall provide the Annual Financial Information or Annual Financial Statements, as applicable, to the Dissemination Agent together with written direction to file such Annual Financial Information or Annual Financial Statements with the MSRB. The Dissemination Agent shall provide such Annual Financial Information or Annual Financial Statements to the MSRB not later than ten (10) days from receipt of such Annual Financial Information or Annual Financial Statements from the Issuer, but in no event later than the applicable Filing Date for such Fiscal Year.

If by the fifth (5th) day before the applicable Filing Date, the Dissemination Agent has not received a copy of the Annual Financial Information or Annual Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Financial Information or Annual Financial Statements pursuant to subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Financial Information or Annual Financial Statements, as applicable, no later than two (2) Business Days prior to the applicable Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Financial Information by the Annual Information Filing Date or the Annual Financial Statements by the Annual Financials Filing Date, as applicable, state the date by which the Annual Financial Information or Annual Financial Statements for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Financial Information, Annual Financial Statements or the notice of failure to file, as applicable, to the MSRB, no later than the applicable Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the applicable Filing Date.

(c) The Dissemination Agent, pursuant to written direction, shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information and the Annual Financial Statements on the dates required in subsection (a);

(ii) on behalf of the Issuer, file the Annual Financial Information and the Annual Financial Statements containing or incorporating by reference the information set forth in Section 4 hereof; and

(iii) if the Issuer has provided the Dissemination Agent with the completed Annual Financial Information and the Annual Financial Statements, as applicable, and the Dissemination Agent has filed such Annual Financial Information or Annual Financial Statements with the MSRB, then the Dissemination Agent shall 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.

SECTION 4. Content of Annual Financial Information and Annual Financial Statements.

(a) *Annual Financial Information*. The Annual Financial Information for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Information Filing Date, the following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date(s), the interest rate(s), the original aggregate principal amount(s), the principal amount(s) remaining Outstanding, and the total interest amount due on the aggregate principal amount Outstanding;

(B) The amounts in the funds and accounts securing the Bonds and a description of the related investments; and

(C) The assets and liabilities of the Trust Estate;

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under 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; and

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) *Annual Financial Statements*. The Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Financials Filing Date the audited Annual Financial Statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If the audited Annual Financial

Statements of the Issuer are not available by the Annual Financials Filing Date, the Issuer shall provide unaudited Annual Financial Statements of the Issuer no later than the Annual Financials Filing Date and audited Annual Financial Statements when and if available.

(c) See Exhibit B hereto for a form for submitting the information set forth in subsection 4(a) above. The Issuer has designated P3Works, LLC as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Financial Information under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference. The Dissemination Agent has no duty or obligation to determine whether or not the information contained in any completed forms containing financial information and operating data as shown in Exhibit B provided to it has been accurately completed and shall only be required to file the forms as completed and provided to it by either the Administrator or the Issuer.

SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Financial Information, if such Annual Collections Report is available when the Annual Financial Information is provided to the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than ten (10) days from receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5th) day before the Annual Collections Report Filing Date, the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection 5(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under

either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB, no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the 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 (1^{st}) day of the Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the Issuer shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections Report. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

SECTION 6. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 6, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of Owners, if material.

8. Bond calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution, or sale of property securing repayment of the Bonds, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the Issuer.

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Developer of real property within Improvement Area #2 will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent in writing to immediately file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of

such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information.

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Bonds, or any other party as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is <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. <u>Termination of Reporting Obligations</u>. The obligations of the Issuer, the Administrator, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the

Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within thirty (30) days of such discharge. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer. The Dissemination Agent may resign at any time with thirty (30) days' written notice to the Issuer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5, or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Information for

the Fiscal Year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information, Annual Financial Statements, Annual Collections Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Financial Information, Annual Financial Statements, Annual Collections Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information, Annual Financial Statements, Annual Collections Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Dissemination Agent (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction against all costs, fees, expenses and liabilities for such actions) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #2, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability arising under this Disclosure Agreement, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct and liabilities resulting from claims made by the Issuer against the Dissemination Agent; 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 Developer or the failure of the Developer to provide information to the Dissemination Agent as and

when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Financial Information or Annual Financial Statements in accordance with Sections 4(a) and 4(b), respectively, or the Annual Collections Report in accordance with Section 5(a), the Dissemination Agent shall not be responsible for the failure to submit Annual Financial Information, Annual Financial Statements, or the Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

The Issuer, the Administrator and the Dissemination Agent agree that the legal expenses of the Dissemination Agent, which it is expressly entitled to be paid under this paragraph 12(a), are expenses which may be paid from the Annual Collection Costs.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #2, against any loss, expense 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 arising under this Disclosure Agreement, but excluding liabilities due to the Administrator's negligence or willful misconduct and liabilities resulting from claims made by the Issuer against the Administrator; provided, however, that nothing herein shall be construed to require the Issuer to indemnify and 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 Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the

provisions hereof or its duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

The Issuer, the Administrator and the Dissemination Agent agree that the legal expenses of the Administrator, which it is expressly entitled to be paid under this paragraph 12(b), are expenses which may be paid from the Annual Collection Costs.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds, or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #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 respectively make the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or Administrator, as applicable, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

a. Not a Sanctioned Company. The Dissemination Agent and Administrator each respectively represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent, Administrator and each of their respective parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

b. No Boycott of Israel. The Dissemination Agent and Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

c. No Discrimination Against Firearm Entities. The Dissemination Agent and the Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

d. No Boycott of Energy Companies. The Dissemination Agent and Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties.

Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement.

Submitted herewith is a completed Form 1295 in connection with the Administrator's participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The Issuer hereby confirms receipt of the Form 1295 from the Administrator and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 21. Notice. Any written notice required to be given or made hereunder among or between any of the Issuer, the Trustee, the Administrator, the Dissemination Agent and/or Participating Underwriter, shall be given or made by e-mail, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such under this Disclosure Agreement.

If to the Trustee:
BOKF, NA
Attn: Corporate Trust – Dayna Smith
5956 Sherry Lane, Suite 900
Dallas, Texas 75225
Email: texaspids@bokf.com

If to the Dissemination Agent:
HTS Continuing Disclosure Services
Attn: Tanya Calvit
717 North Harwood Street, Suite 3400
Dallas, Texas 75201
Email: Tanya.calvit@hilltopsecurities.com

If to Administrator:		P3Works, LLC 9284 Huntington Square, Ste 100 North Richland Hills, Texas 76182
	Email:	admin@p3-works.com
If to the Issuer:		City of Lowry Crossing
	Attn:	Janis Cable, City Administrator and Secretary 1405 South Bridgefarmer Road Lowry Crossing, Texas 75069
	Email:	jcable@lowrycrossingtexas.org
If to Participating Underwriter:		FMSbonds, Inc. 5 Cowboys Way, Suite 300-25 Frisco, Texas 75034 E-mail: Tdavenport@fmsbonds.com

SECTION 22. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 23. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

CITY OF LOWRY CROSSING, TEXAS

By: _____
Mayor

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.
(as Dissemination Agent)

By: _____
Authorized Officer

P3Works, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL FINANCIAL INFORMATION][ANNUAL COLLECTIONS REPORT]
[AUDITED/UNAUDITED FINANCIAL STATEMENTS]

Name of Issuer:	City of Lowry Crossing, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Lowry Trails Public Improvement District Improvement Area #2 Project) (the "Bonds")
CUSIP Nos.	[insert CUSIP NOs.]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that the City of Lowry Crossing, Texas (the "Issuer"), has not provided [Annual Financial Information][an Annual Collections Report][audited/unaudited financial statements] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of August 1, 2026, by and among the Issuer, P3Works, LLC, as "Administrator," and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as "Dissemination Agent." The Issuer anticipates that [the Annual Financial Information][the Annual Collections Report][audited/unaudited financial statements] will be filed by _____.

Dated: _____

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.,
on behalf of the City of Lowry Crossing, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Lowry Crossing, Texas

EXHIBIT B

CITY OF LOWRY CROSSING, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LOWRY TRAILS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2 PROJECT)

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____]
City: [_]
Telephone: (___) ___-____
Contact Person: Attn: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
				–
				–
		Total		

Section 4(a)(i)(B)

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value(1)	Book Value(1)	Market Value(1)

(1) As such information is provided by the Trustee.

*Excluding audited financial statements of the Issuer

Section 4(a)(i)(C)

ASSETS AND LIABILITIES OF TRUST ESTATE

Cash Position of Trust Estate for statements dated September 30, 20[__]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding Assessment Amount to be collected		C
Net Position of Trust Estate and Outstanding Bonds and Assessments		A-B+C

September 30, 20[__] Trust Statements: □ Audited □ Unaudited

Accounting Type: □ Cash □ Accrual □ Modified Accrual

Section 4(a)(ii)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

Year Ending (September 30)	Principal	Interest	Total

Top [Five] Assessment Payers in Improvement Area #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.

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 Collin Central Appraisal District.

Foreclosure History Related to the Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Delinquent Assessment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Assessment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
	$		$		$
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Total Annual Installment Billed	Parcels Levied[1]	Delinquent Amount as of 3/1	Delinquent % as of 3/1	Delinquent Amount as of [9/1]	Delinquent % as of [9/1]	Total Annual Installments Collected[2]
	$		$	%	$	%	$
20__							
20__							
20__							
20__							

[1] Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

[2] [Does/does not] include interest and penalties.

Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

Fiscal Year Ended (9/30)	Delinquent % as of 9/1	Parcel Numbers
20__	%	
20__		

History of Prepayment of Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Number of Prepayments	Amount of Prepayments	Bond Call Date	Amount of Bonds Redeemed
		$		$
20__				
20__				
20__				
20__				

[insert any necessary footnotes]

ITEMS REQUIRED BY SECTION 4(a)(iii) - (iv)

[Insert a line item for each applicable listing]

EXHIBIT C

CITY OF LOWRY CROSSING, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LOWRY TRAILS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2 PROJECT)

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____]
City: [_____, Texas _____]
Telephone: (___) ___-____
Contact Person: Attn: _____

SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE COLLECTION OF ASSESSMENTS COVERING THE PERIOD BEGINNING WITH THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN COMPLIANCE WITH SUBSECTION 5(A) OF THE ISSUER'S DISCLOSURE AGREEMENT

Foreclosure History Related To The Annual Installments[1]

Succeeding Fiscal Year	Delinquent Annual Installment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Annual Installment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
20__	$		$		$

(i) Period covered includes October 1, 20__ through March 1, 20__.

Collection and Delinquency of Annual Installments [1]

Succeeding Fiscal Year 20__	Total Annual Installments Levied $	Parcels Levied[2]	Delinquent Amount as of 3/1 $	Delinquent % as of 3/1 %	Total Annual Installments Collected[3] $

[1] Period covered includes October 1, 20__ through March 1, 20__.

[2] Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

[3] [Does/does not] include interest and penalties.

Prepayment of Assessments[1]

Succeeding Fiscal Year	Number of Prepayments	Amount of Prepayments $	Bond Call Date	Amount of Bonds Redeemed $

[1] Period covered includes October 1, 20__ through March 1, 20__.

EXHIBIT D

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES[1]

Date	Delinquency Clock (Days)	Activity
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
March 1	29/30	Immediately upon receipt, but in no event later than March 1, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies. Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. Issuer and Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.
March 15	43/44	Trustee pays bond interest payments to Owners.
April 1	59/60	At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of a draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.

[1] Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33, and 34, Texas Tax Code, as amended (the "Code"), and the Tax Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas, an amendment to the Code, or otherwise, such modifications shall control.

July 1	**152/153**	**Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicably appropriate and legally permissible actions to obtain such delinquent Annual Installments, in accordance with the County Tax Assessor-Collector procedures.** [2] **Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.** **Issuer notifies Trustee and Dissemination Agent in writing of the commencement of preliminary foreclosure activity.** If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer. If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
August 15	197/198	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent and the Trustee. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198). **Foreclosure action to be filed with the court as soon as practicable, in accordance with the Tax Assessor/Collector's procedures**. **Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners**. If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the Issuer to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the

[2] If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

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.

APPENDIX D-2

FORM OF DEVELOPER DISCLOSURE AGREEMENT

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CITY OF LOWRY CROSSING, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LOWRY TRAILS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2 PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of August 1, 2026 (this "Disclosure Agreement"), is executed and delivered by and among GRBK Edgewood, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., acting solely in its capacity as dissemination agent (the "Dissemination Agent") with respect to the captioned bonds (the "Bonds"). The Developer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust, dated as of August 1, 2026, relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

"Administrator" shall have the meaning assigned to such term in the Indenture. The Issuer has selected P3Works, LLC, as the initial Administrator.

"Affiliate" shall mean an entity that owns property within Improvement Area #2 of the District and is controlled by, controls, or is under common control with the Developer, including any Homebuilder.

"Amenities" shall mean a park with a playground and enhanced landscaping and entryway monuments.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Annual Installment" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to "Improvement Area #2 Assessments" in the Indenture.

"Business Day" shall have the meaning assigned to such term in the Indenture.

"Certification Letter" shall mean a certification letter provided by the Developer or Homebuilder, if any, pursuant to Section 3, in substantially the form attached as Exhibit D.

"Developer" shall mean GRBK Edgewood, LLC, a Texas limited liability company, its successors and assigns, including any Affiliate of the Developer.

"Developer Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"Disclosure Agreement of Issuer" shall mean the Continuing Disclosure Agreement of Issuer with respect to the Bonds dated as of even date herewith executed and delivered by the Issuer, the Administrator, and the Dissemination Agent.

"Dissemination Agent" shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer, and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean the Lowry Trails Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access System administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at http://emma.msrb.org.

"Homebuilder(s)" shall mean any merchant homebuilder who enters into a Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

"Improvement Area #2" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #2 Projects" shall have the meaning assigned to such term in the Indenture.

"Issuer" shall mean the City of Lowry Crossing, Texas.

"Listed Events" shall mean, collectively, Developer Listed Events and Significant Homebuilder Listed Events.

"Lot Purchase Agreement" shall mean, with respect to lots or land within Improvement Area #2 of the District, any agreement between a Homebuilder and the Developer to purchase lots or to purchase land.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall have the meaning assigned to such term in the Indenture.

"Parcel" shall have the meaning assigned to such term in the Indenture.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

"Person" shall have the meaning assigned to such term in the Indenture.

"Quarterly Ending Date" shall mean each March 31, June 30, September 30 and December 31, beginning September 30, 2026.

"Quarterly Filing Date" shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being February 15, May 15, August 15, and November 15.

"Quarterly Information" shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

"Quarterly Report" shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

"Reporting Party" shall mean, collectively, the Developer and any Significant Homebuilder who has acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Significant Homebuilder" shall mean a Homebuilder that then owns 18 or more of the single family residential lots within Improvement Area #2.

"Significant Homebuilder Listed Events" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

"Trustee" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder that is a Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to Section 3(d) (with respect to each Reporting Party, the "Quarterly Information"). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party's obligations terminate pursuant to Section 7 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder and (ii) the Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until a Significant Homebuilder Acknowledgement (as defined herein) with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at

which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than twenty (20) days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any recommended changes to the applicable Quarterly Information or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any recommended changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than thirty (30) days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly Information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Parties pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than twenty (20) days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and direct the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, with a copy to each Reporting Party, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in Section 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the

failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Each Quarterly Report shall consist of the information listed in Exhibit A attached hereto.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #2 on a Parcel owned by the Developer; provided, however, that the exercise of any right of the Developer 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 Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within Improvement Area #2, including the Improvement Area #2 Projects, and the Amenities;

(iii) Material default by the Developer or any of the Developer's Affiliates on any loan with respect to the acquisition, development, or permanent financing of Improvement Area #2 Projects undertaken by the Developer or any of the Developer's Affiliates;

(iv) Material default by the Developer or any of Developer's Affiliates on any loan secured by property within Improvement Area #2 owned by the Developer or any of the Developer's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages in excess of $1,000,000 against the Developer or any of the Developer's Affiliates that may adversely affect the completion of development of Improvement Area #2, or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any change in the legal structure, chief executive officer, or controlling ownership of the Developer;

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 hereof; and

(x) Early termination of or material default by a Homebuilder under a Lot Purchase Agreement.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #2 on a lot or Parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #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 Significant Homebuilder Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer, or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Lot Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if a Reporting Party is providing Quarterly Information on behalf of any other Reporting Party. Additionally, if a

Significant Homebuilder does not execute the Significant Homebuilder Acknowledgement pursuant to Section 6 hereof, and, therefore, the Developer is reporting on behalf of the Significant Homebuilder, the Developer shall not be required to conduct an independent investigation of the occurrence of a Significant Homebuilder Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations of Developer.

The Developer shall cause each Person who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #2 Projects or the Amenities to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement. The Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgement from each Person who assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #2 Projects or Amenities in substantially the form attached as Exhibit E (the "Developer Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the

Dissemination Agent to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person's delivery of written acknowledgement of assumption of Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilder.

(a) If a Homebuilder acquires ownership of real property in Improvement Area #2 resulting in such Homebuilder becoming a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer's disclosure obligations under Section 3 and Section 4(b) hereof, with respect to such acquired real property, until such party's disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (i) above, the Developer shall deliver to the Dissemination Agent, Administrator and the Issuer a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit F, acknowledging and assuming the Developer's obligations under this Disclosure Agreement with respect to the real property transferred (the "Significant Homebuilder Acknowledgment"). Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Section 4(c) above. Upon any such transfer to a Significant Homebuilder and such Significant Homebuilder's delivery of the Significant Homebuilder Acknowledgment, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until the Significant Homebuilder Acknowledgement with respect to such real property is delivered to the Dissemination Agent, Administrator, the Issuer and the MSRB, in accordance with this Section 6(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership of real property, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of a Reporting Party under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Reporting Party, including their respective affiliates and/or successors and assigns, no longer owns 18

or more single family residential lots within Improvement Area #2, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Reporting Party, including their respective Affiliates and/or successors and assigns, respectively; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with Section 6(a) above, the reporting obligations of the Developer under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns, collectively no longer own 18 or more single family residential lots within Improvement Area #2, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) of this Section 7 and any Termination Notice required by subsection (b) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist the Developer and any other Reporting Party in carrying out their obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' notice to the Issuer, the Developer, and the Administrator; provided, that if the Issuer is the Dissemination Agent, the Issuer may not resign without first appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each Reporting Party of any change in the identity of the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator, and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its

consent to any amendment so requested in writing by the Developer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of a Reporting Party, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Issuer may be made without the Issuer's prior written consent.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into in accordance with this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent a Reporting Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, such Reporting Party shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided on their behalf by a Reporting Party provided hereunder.

SECTION 12. Default. In the event of a failure of any Reporting Party or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the 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 applicable 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 the Developer of its obligations under this Disclosure Agreement shall not be deemed a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement; and, likewise, a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement shall not be deemed a default of the Developer of the Developer's obligations under this Disclosure Agreement.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by the Developer, Significant Homebuilder, and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to indemnify and hold harmless the Administrator, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence, or willful misconduct. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal

counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The Developer, the Administrator, and the Dissemination Agent agree that the legal expenses of the Dissemination Agent or the Administrator to which it is expressly entitled to be paid pursuant to this paragraph 13(c) are Annual Collection Costs.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 12 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of any Reporting Party, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future officer, agent, or employee of the Reporting Party, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder, or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act, or action, or part thereof, is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof, shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #2, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Area #2, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made hereunder among or between any of the Reporting Parties, the Administrator, the Dissemination Agent and/or Participating Underwriter, shall be given or made by e-mail, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement or Significant Homebuilder to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such party or Significant Homebuilder under this Disclosure Agreement.

If to Developer: GRBK Edgewood, LLC
Attn: Brian Hunnicutt
2805 N. Dallas Parkway, Suite 400
Plano, TX 75206
Email: bhunnicutt@greenbrickpartners.com

With a copy to: Winstead, PC
Attn: Sarah Landiak
500 Winstead Building
2728 North Harwood Street
Dallas, Texas 75201
Email: slandiak@winstead.com

If to the Trustee: BOKF, NA
Attn: Corporate Trust – Dayna Smith
5956 Sherry Lane, Suite 900
Dallas, Texas 75225
Email: texaspids@bokf.com

If to the Dissemination Agent: HTS Continuing Disclosure Services
Attn: Tanya Calvit
717 North Harwood Street, Suite 3400
Dallas, Texas 75201
Email: Tanya.calvit@hilltopsecurities.com

If to Administrator: P3Works, LLC
9284 Huntington Square, Ste 100
North Richland Hills, Texas 76182
Email: admin@p3-works.com

If to the Issuer: City of Lowry Crossing
Attn: Janis Cable, City Administrator and Secretary
1405 South Bridgefarmer Road
Lowry Crossing, Texas 75069
Email: jcable@lowrycrossingtexas.org

If to Participating Underwriter: FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034
E-mail: Tdavenport@fmsbonds.com

SECTION 21. Term of Disclosure Agreement. Except for surviving indemnities of the parties to this Disclosure Agreement, this Disclosure Agreement terminates on the earlier of (i) the first date on which none of the Bonds remain Outstanding and (ii) the first date on which the reporting obligations of all Reporting Parties have terminated in accordance with the terms of this Disclosure Agreement.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

HTS Continuing Disclosure Services, a division of
Hilltop Securities, Inc.,
Dissemination Agent

By: _____
Authorized Officer

DEVELOPER:

GRBK Edgewood, LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____

P3Works, LLC,
Administrator

By: _____
Name: _____
Title: _____

EXHIBIT A

CITY OF LOWRY CROSSING, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(LOWRY TRAILS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #2 PROJECT)

DEVELOPER QUARTERLY REPORT
[*INSERT QUARTERLY ENDING DATE*]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT
Name: HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.
Address:
City:
Telephone:
Contact Person: Attn:

I. Expenditures Paid from Accounts under Indenture

1. TOTAL BUDGETED COSTS REQUIRED TO COMPLETE IMPROVEMENT AREA #2 PROJECTS: $_____

2. Of the budgeted costs for Improvement Area #2 Projects shown in the Service and Assessment Plan:

    a. 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. 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**
Single Family __'	
Single Family __'	

IV. Lot Status in Improvement Area #2

Of the 175 lots in Improvement Area #2, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 175
2. Planned lots as of the date of this Quarterly Report: _____
3. Lots developed: _____
4. Lots platted: _____
5. Expected completion date of all lots in Improvement Area #2 (if incomplete): _____

V. Ownership of Lots/Units in Improvement Area #2

PLANNED LOTS IN IMPROVEMENT AREA #2: 175

Of the 175 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. a. Number of lots owned by [*insert name of Homebuilder*]: _____[2]
    b. b. Number of lots owned by [*insert name of Homebuilder*]: _____
4. Number of units owned by homeowners: _____

VI. Home Sales Information in Improvement Area #2

PLANNED HOMES IN IMPROVEMENT AREA #2: 175

Of the 175 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]
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*]: _____][2]
3. How many total homes have closed with homebuyers **cumulatively**? _____

[1] If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

[2] Include a line item for each individual Homebuilder.

a. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____[2]
b. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____[2]

VII. Amenities[3]

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, 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

[3] Amenities means a park with a playground and enhanced landscaping and entryway monuments.

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 Lowry Crossing, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Lowry Trails Public Improvement District Improvement Area #2 Project) (the "Bonds")
CUSIP Numbers:	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Developer[4]"] ["Significant Homebuilder"]) has not provided the [Quarterly Information][Quarterly Report] [the [Quarterly Information][Quarterly Report] was not filed in a timely manner due to [_____]] for the period ending on [*Insert Quarterly Ending Date*] with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer related to such Bonds, by and among GRBK Edgewood, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent. The [Developer][Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

HTS Continuing Disclosure Services, a division of
Hilltop Securities, Inc.,
on behalf of the Developer,
as Dissemination Agent

By: _____

Title: _____

cc: City of Lowry Crossing, Texas

[4] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer:	City of Lowry Crossing, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Lowry Trails Public Improvement District Improvement Area #2 Project) (the "Bonds")
CUSIP Numbers.	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.
717 North Harwood Street, Suite 3400
Dallas, Texas 75201

City of Lowry Crossing, Texas
1405 South Bridgefarmer Road
Lowry Crossing, Texas 75069

GRBK Edgewood, LLC
2805 N. Dallas Parkway, Suite 400
Plano, TX 75206

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Developer[1]"] ["Significant Homebuilder"]) is no longer responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the Bonds, thereby terminating such party's reporting obligations under the Continuing Disclosure Agreement of Developer related to such Bonds, by and among GRBK Edgewood, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent.

Dated: _____

P3Works, LLC
on behalf of the GRBK Edgewood, LLC [Significant Homebuilder],
as Administrator)

By: _____

Title: _____

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer:	City of Lowry Crossing, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2026 (Lowry Trails Public Improvement District Improvement Area #2 Project)
CUSIP Numbers:	[insert CUSIP Numbers]
Quarterly Ending Date:	_____, 20__

Re: Quarterly Report for Lowry Trails Public Improvement District – Improvement Area #2

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among GRBK Edgewood, LLC, a Texas limited liability company[1] (the "Developer"), P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent, this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][_____, as a "Significant Homebuilder"], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [*Insert Quarterly Ending Date*], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

GRBK Edgewood, LLC,
a Texas limited liability company

By:
Name:
Title:

[OR
SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)]

By: _____
Name: _____
Title: _____

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF DEVELOPER REPORTING OBLIGATIONS

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Lowry Trails 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 Projects or Amenities (as those terms are defined in the Disclosure Agreement of Developer (as defined herein)) within Improvement Area #2 of the Lowry Trails Public Improvement District (the "District").

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the "Disclosure Agreement of Developer") by and among GRBK Edgewood, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc. (the "Dissemination Agent"), with respect to the "City of Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2026 (Lowry Trails 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 Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

GRBK Edgewood, LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____

Acknowledged by:
[INSERT ASSIGNEE NAME]
By: _____
Title: _____

EXHIBIT F

FORM OF SIGNIFICANT HOMEBUILDER ACKNOWLEDGEMENT

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

Re: Lowry Trails Public Improvement District – Improvement Area #2 – Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you own ____ lots within Improvement Area #2 of Lowry Trails Public Improvement District (the "District"). Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer related to the hereinafter defined Bonds (the "Disclosure Agreement of Developer") by and among GRBK Edgewood, LLC, a Texas limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc. (the "Dissemination Agent"), with respect to the "City of Lowry Crossing, Texas, Special Assessment Revenue Bonds, Series 2026 (Lowry Trails Public Improvement District Improvement Area #2 Project)" (the "Bonds"), any entity that owns 18 or more of the single family residential lots within Improvement Area #2 of the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations under Sections 3(d) and 4(b) of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

GRBK Edgewood, LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____

Acknowledged by:
[INSERT ASSIGNEE NAME]
By: _____
Title" _____

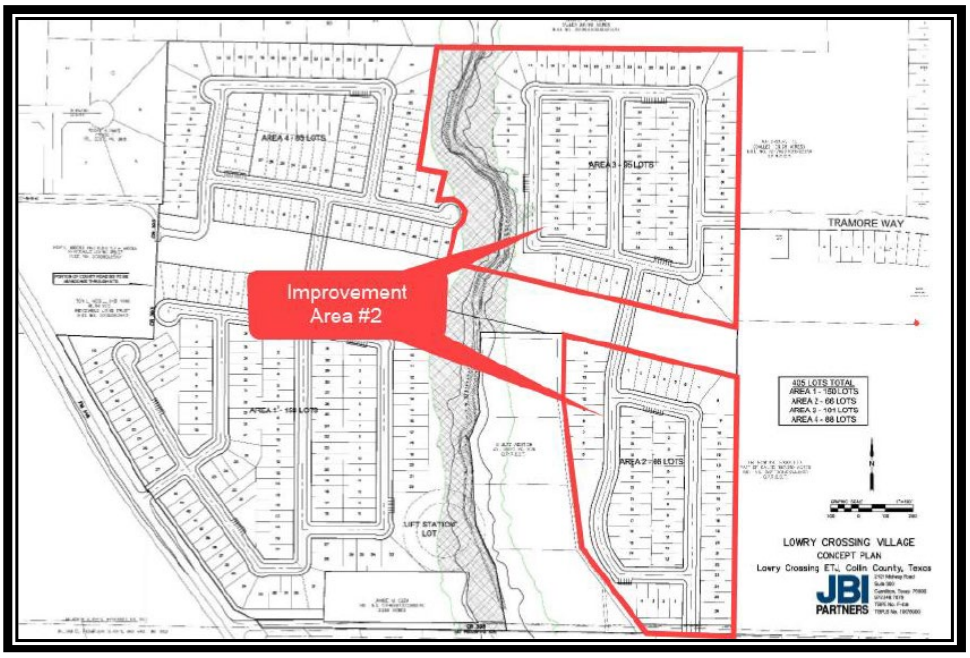
APPENDIX E

APPRAISAL

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APPRAISAL REPORT

PROJECT # A26-0407-03



LOWRY TRAILS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2
12.413 ACRES CONTAINING 69 PROSPECTIVE RESIDENTIAL LOTS IN PHASE 2 AND
22.822 ACRES CONTAINING 106 RETROSPECTIVE RESIDENTIAL LOTS IN PHASE 3
EXTRATERRITORIAL JURISDICTION OF THE CITY OF LOWRY CROSSING, TEXAS 75407

FOR:
FMSBONDS, INC.
5 COWBOYS WAY, SUITE 300-25
FRISCO, TEXAS 75034

EFFECTIVE DATES OF APPRAISAL:
JULY 1, 2026 (PROSPECTIVE DATE OF SUBSTANTIAL COMPLETION) FOR 69 RESIDENTIAL LOTS IN PHASE 2 AND JUNE 1, 2026 (RETROSPECTIVE DATE OF SUBSTANTIAL COMPLETION) FOR 106 RESIDENTIAL LOTS IN PHASE 3

PREPARED BY:
JAMES L. MAIBACH, CPM, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER, LESLIE TOLLIVER, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER, JORDAN TYLER, STATE LICENSED RESIDENTIAL REAL ESTATE APPRAISER, AND BRANDON LAWSON, APPRAISER TRAINEE OF:

PEYCO SOUTHWEST REALTY, INC.
1703 NORTH PEYCO DRIVE
ARLINGTON, TEXAS 76001

June 4, 2026

Mr. R.R "Tripp" Davenport, III
Director
FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034
tdavenport@fmsbonds.com

SUBJECT: Retrospective and Prospective Market Value "Upon Completion" Appraisal
Lowry Trails Public Improvement District Improvement Area #2,
Extraterritorial Jurisdiction of the City of Lowry Crossing, Texas 75407, Collin County, Texas

Mr. Davenport,

At your request, we have inspected and appraised the above-referenced property. The purpose of the appraisal is to develop an opinion of market value of the Fee Simple interest of the 175 residential lots located in the Extraterritorial Jurisdiction of the City of Lowry Crossing, Texas 75407 within the Lowry Trails Public Improvement District Improvement Area #2 (Referred to as Lowry Trails PID IA #2). Lowry Trails PID IA #2 has a total of 39.288*-acres consisting of the following:

- Prospective Market Value "Upon Completion" as of **July 1, 2026 for 69 detached residential lots on approximately 12.413* acres in Phase 2. The lots are as follows:**
  - **69 lots with 40-foot frontages (FF)**
- Retrospective Market Value "Upon Completion" as of **June 1, 2026 for 106 detached residential lots on approximately 22.822* acres in Phase 3. The lots are as follows:**
  - **106 lots with 40-foot frontages (FF)**

**Note: The IA #2 potion of the PID consists of 39.288 acres. Phases 2 and 3 within IA#2 are a combined 35.235 acres. The remaining 4.053 acres, according to the developer, are split into two parts:*

- *3.395 acres that has been acquired by Collin County for Myrick Lane.*
- *0.658 acres that will be acquired by Collin County by the end of June for County Road 398.*

The client for the assignment is FMSbonds, Inc. The intended users are FMSbonds, Inc. and the City of Lowry Crossing, Texas (the "City"). The intended use is underwriting of a proposed Public Improvement District bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by the City of Lowry Crossing, Texas, nor is it the basis of a determination of the benefit of any constructed or installed public improvements will have on properties within Lowry Trails PID IA #2.

A public improvement district, the Lowry Trails Public Improvement District (the "PID"), containing Lowry Trails PID IA #2 was created by Resolution No. 129 adopted on May 14, 2024. Development of the subject property is governed by a Development Agreement between the City and GRBK Edgewood, LLC, which the Development Agreement allows single-family development at the subject property. Each of the lots are located in Princeton Independent School District.

Per discussions with the client and information pulled from the Development Agreement, Lowry Trails PID IA #2 is comprised of approximately 39.288 acres of land with an estimated build-out of 175 detached single-family residential 40-foot frontage lots, located in Extraterritorial Jurisdiction of the City of Lowry Crossing, Texas

75407. The subject property of this assignment - Lowry Trails PID IA #2 - will be developed in two phases, however, the totality of the PID will be spread across four phases.

Each of the 40-FF lot types will have a minimum of 4,000-SF. The minimum lot depths for the 40-FF lots will be 110' in depth. We have considered any difference in market value based on lot depth is marginal, and other attributes, such as overall situs of the PID, are more important to the market value consideration of a single lot.

The focus of our appraisal of the Lowry Trails PID IA #2 are as follows:

Lowry Trails PID IA #2			
Area Type	**Size (Acres)**	**40' Lot Type**	**Total Lots Appraised**
Phase 2	*12.413-AC*	***69***	***69***
Phase 3	*22.822-AC*	***106***	***106***

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **Extraordinary Assumptions** that may affect the assignment results. An Extraordinary Assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Effective Dates of the appraisal, we reserve the right to modify our value conclusions. Extraordinary Assumptions are used in this assignment because the improved residential lots to be delivered by the dates utilized in this report are currently incomplete as of the report date.

- Our opinions of retrospective and prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications by JBI Partners, the Professional Engineers, for 175 improved residential lots in Lowry Trails PID IA #2.
- All information relative to the property located within Lowry Trails PID IA #2 including land areas, lot totals, lot sizes, and other pertinent data that was provided by GRBK Edgewood, LLC (Developer), GRBK Edgewood, LLC (Owner), JBI Partners (Professional Engineers), JBI Partners (Professional Surveyors), and the Collin Central Appraisal District is assumed to be correct.
- The subject is residential lots construction with a prospective completion date of July 1, 2026 and a retrospective completion date of June 1, 2026; therefore, this report contains retrospective and prospective opinions of value. Considering this, we have assumed that the market conditions discussed and considered within this report will be similar on the retrospective and prospective valuation dates.

The use of these extraordinary assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **Hypothetical Conditions** that may affect the assignment results. A Hypothetical Condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

- No Hypothetical Conditions are used in this report.

Lowry Trails Public Improvement District; Improvement Area #2

This appraisal report is intended to conform with the 2026-2027 Uniform Standards of Professional Appraisal Practice (USPAP) and applicable state appraisal regulations. To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. Based upon the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our final value conclusions as of the Substantial Completion Dates are as follows:

LOWRY TRAILS PID IA #2 (PHASE 2), LOWRY CROSSING ETJ, COLLIN COUNTY					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
69	40 FF	$80,000	July 1, 2026	$2000/FF	$5,520,000
69					***$5,520,000***

LOWRY TRAILS PID IA #2 (PHASE 3), LOWRY CROSSING ETJ, COLLIN COUNTY					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
106	40 FF	$80,000	June 1, 2026	$2000/FF	$8,480,000
106					***$8,480,000***

After considering discount cash flows, our final value conclusion "Upon Completion" is shown below:

INCOME APPROACH VALUE INDICATION	
Fee Simple Interest, Complete July 1, 2026	
Lowry Trails PID IA #2 (Phase 2) ***69 Improved Residential Lots***	***$5,119,000 ($74,200/Lot)***
Fee Simple Interest, Complete June 1, 2026	
Lowry Trails PID IA #2 (Phase 3) ***106 Improved Residential Lots***	***$7,663,000 ($72,300/Lot)***

Attached is our Appraisal Report which summarizes the investigation and analyses undertaken in arriving at our value conclusions. Should you have any questions, please contact our office.

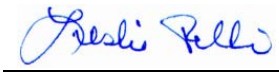
Respectfully submitted,

Peyco Southwest Realty

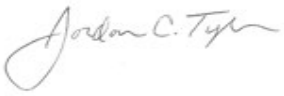
Appraisers' signatures and license numbers are on the following page:



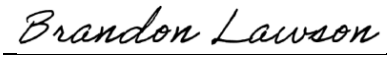
James L. Maibach, C.P.M
TX-1323658-CG
State Certified General Real Estate Appraiser



Leslie Tolliver
TX-1381494-CG
State Certified General Real Estate Appraiser
Candidate for Designation, Appraisal Institute



Jordan Tyler
TX-1350907-L
State Licensed Residential Appraiser



Brandon Lawson
TX-1343865-T
Appraiser Trainee
Associate Member, Appraisal Institute

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EXECUTIVE SUMMARY

Property Name	**Lowry Trails PID; Improvement Area #2**
Property Type	Master-Planned Community
Location	East of Farm-to-Market 546 and North of Farm-to-Market 398
City, County, State, Zip	Extraterritorial Jurisdiction of the City of Lowry Crossing, Texas 75407
Legal Description (Collin CAD)	ABS A0960 E M WOOD SURVEY, TRACT 29, 57.1672 ACRES
Owner of Record	GRBK Edgewood, LLC
Census Tract	0310.07
Tax ID – Collin CAD	2855960
Total Land Area	39.288-AC - Total Land Area
Total Lots	175 Single-Family Improved Lots
Total Lots Breakdown	69 40-FF Width Lots within Phase 2 106 40-FF Width Lots within Phase 3
Topography	Gently Sloping
FEMA Flood Zones	Unshaded Zone X and Shaded Zone A
FEMA Panel	48085C0295J
FEMA Map Date	6/2/2009
Utilities	
Water	City of Princeton
Sewer	City of Princeton
Electric	Oncor
Natural Gas	Atmos
Zoning	No Zoning. Subject to a Development Agreement.
Future Land Use	Single-Family Residential Subdivision
Highest & Best Use	Single-Family Residential Subdivision
Final Value Conclusion	**$5,119,000 ($74,200/Lot Rounded) Effective Date of July 1, 2026, for 69 Improved Residential Lots on 12.413 Acres in Phase 2**
	$7,663,000 ($72,300/Lot Rounded) Effective Date of June 1, 2026, for 106 Improved Residential Lots on 22.822 Acres in Phase 3
Exposure Period	6-12 Months
Marketing Period	6-12 Months
Date of Inspection	April 10, 2026
Dates of Valuation	July 1, 2026 for Phase 2
	June 1, 2026 for Phase 3
Report Date	June 4, 2026

CERTIFICATION

We certify that, to the best of our knowledge and belief that:

(1) The statements of fact contained in this report are true and correct.

(2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

(3) We have no present or prospective interest in the property that is the subject of this analysis, and we have no personal interest with respect to the parties involved.

(4) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

(5) Our compensation for completing this assignment is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this report, or upon developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our engagement in this assignment is not contingent upon developing or reporting predetermined results.

(6) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice.

(7) Leslie Tolliver has inspected the subject property. James L. Maibach, Jordan Tyler, and Brandon Lawson have not physically viewed the subject property. The values herein were developed and reported by James L. Maibach, Leslie Tolliver, Jordan Tyler, and Brandon Lawson.

(8) This assignment was not based on a requested minimum value, a specific valuation, or the approval of a loan.

(9) James L. Maibach, Leslie Tolliver, and Brandon Lawson have previously performed services as an appraiser for the subject property within the prior three-year period preceding the acceptance of this assignment. The appraisal report was performed for 167 improved residential lots within IA #1 on September 16, 2025. The Fee Simple Interests on the Effective Date of June 1, 2025, for the 167 Residential Lots was $10,955,000. None of the signatories have performed services in any other capacity, other than that specifically stated, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.

(10) James L. Maibach and Jordan Tyler are not members of the Appraisal Institute. Leslie Tolliver is a Candidate for Designation and Brandon Lawson is an Associate Member of the Appraisal Institute. As of the date of this report, Leslie Tolliver has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute, and Brandon Lawson has completed the Standards and Ethics Education Requirements for Associate Members. The use of this report is subject to the requirements of the Appraisal Institute relating to review by their duly authorized representatives.

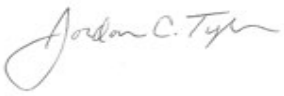
Appraisers' signatures and license numbers are on the following page:



James L. Maibach, C.P.M
TX-1323658-CG
State Certified General Real Estate Appraiser



Leslie Tolliver
TX-1381494-CG
State Certified General Real Estate Appraiser
Candidate for Designation, Appraisal Institute



Jordan Tyler
TX-1350907-L
State Licensed Residential Appraiser

Brandon Lawson

Brandon Lawson
TX-1343865-T
Appraiser Trainee
Associate Member, Appraisal Institute

SCOPE OF WORK

Scope of Work is defined by the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." Under the Scope of Work Rule, the appraiser must:

- Identify the problem to be solved;
- Determine and perform the scope of work necessary to develop credible assignment results; and
- Disclose the scope of work in the report.

The problems to be solved are:

- Determine the *Prospective Market Value* with a Substantial Completion Date of July 1, 2026 for the Fee Simple interest of 69 improved single-family residential lots in Phase 2 of Lowry Trails PID IA#2.
  - 69 lots with 40-FF
- Determine the *Retrospective Market Value* with a Substantial Completion Date of June 1, 2026 for the Fee Simple interest of 106 improved single-family residential lots in Phase 3 of Lowry Trails PID IA#2.
  - 106 lots with 40-FF

The definition of market value[1] utilized herein is as follows:

Market Value is defined as the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite for a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice, in a manner necessary to produce a credible result.

This Appraisal Report has been prepared under Standards Rule 2-2(a) of an appraisal performed under Standards Rule 1 of USPAP. The value set forth herein was determined after consideration and appropriate application and analysis by three approaches to value i.e., the Cost Approach, the Income (Subdivision Development) Approach, and the Sales Comparison Approach.

1 The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice, Washington, D.C.: Appraisal Standards Board (2020-2021), DEFINITIONS

As part of this appraisal, we completed a thorough investigation and analysis of the data considered pertinent to valuing the subject property.

Property Identification
The property has been identified using the following sources:

- Public records – Collin Central Appraisal District(CCAD)
- Legal descriptions
- Deed Records – Collin County
- Lowry Trails PID IA #2 Plat Map Exhibit by JBI Partners, Professional Surveyor

Type and Extent of Data Researched
The following information was reviewed in preparing this report:

- Public record data
  - City of Princeton, City of Lowry Crossing, and Collin County Maps and Land Use Plans
  - Flood plain maps
  - Topographic maps
  - Demographics – CoStar, ESRI, and US Census Bureau
  - Market Conditions Data – S&P Case Schiller, CoreLogic, NTREIS, JLL, CBRE, Integra, CoStar, Zonda, etc.
  - Lowry Trails PID IA #2 Plat Map Exhibit by JBI Partners, Professional Surveyor
  - Estimated development costs provided by JBI Partners, the Professional Engineers
  - PSAP by P3 Works, Dated June 23, 2026
  - Conversations with developers and homebuilders in DFW market
  - Information provided by the client

VALUATION METHODOLOGY

Three approaches to value are typically considered when developing a market value opinion for real property. These are the Cost Approach, the Sales Comparison Approach, and the Income (Subdivision Development) Approach. A summary of each portion of the subject property that requires valuation is shown below:

- 69 Improved Single-Family Residential Lots in Phase 2 (40-FF).
- 106 Improved Single-Family Residential Lots in Phase 3 (40-FF).

Improved Detached Single-Family Residential Lots

Cost Approach

The Cost Approach involves research, verification, and comparison of sales of other vacant land with the subject land. The sales are then adjusted for value-related differences. Cost figures are obtained from the developer and engineer then compared to cost figures on competing developments. A developer's profit is based on profit expectations reported by developers as well as actual profit on similar developments.

The Cost Approach provides information that contrasts with information from the Income Capitalization and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when finished lots make up a substantial portion of the entire project. The subject property is being developed in two phases, however, the totality of Lowry Trails will be spread across four phases, therefore, *the Cost Approach is not appropriate and thus was not utilized* for the 69 improved residential lots for Phase 2 and the 106 improved residential lots for Phase 3.

Income (Subdivision Development) Approach

In the Income Capitalization Approach, the retail value of the residential lots is estimated. The individual lot values are based on lot sales in competing developments. The absorption rates, expenses, and discount rates are also based on competing developments. Since sales of individual lots to an end-user homeowner are exceedingly rare in tract home subdivisions in this market, the value of an individual retail lot is effectively the same value of a portion of lots to a homebuilder because homebuilders tend to be the exclusive buyers of vacant developed lots from land developers. In addition, discussions with developers and homebuilders as well as review of contracts indicate that lots are typically received by the builders on a takedown schedule with annual price escalations of approximately 6% so the lots are not released in bulk to the home builders. The value indicated by the Income (Subdivision) Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since the problem to be solved in this assignment is to determine the bulk sale value of 69 improved residential lots for Phase 2 and the 106 improved residential lots for Phase 3, as of the dates of Substantial Completion (Effective Date), *the Income (Subdivision Development) Approach is appropriate and was developed.*

Sales Comparison Approach

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market

values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, the sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify**,** *the Sales Comparison Approach was not fully developed by the appraisers.* Use of the approaches for the valuation of the improved lots in Lowry Trails PID IA#2 is summarized as follows:

Approach	***Applicability to Subject***	***Use in Assignment***
Cost Approach	*Not Appropriate Since the Subject Property is Developed in Multiple Phases*	*Not Utilized*
Income (Subdivision Development) Approach	*Appropriate in Determining Residential Subdivision Value*	*Utilized*
Sales Comparison Approach	*Aspects Used in Subdivision Valuation to Determine Retail Market Value of the Vacant Developed Lots*	*Partially Utilized*

COMPETENCY OF THE APPRAISER

James L. Maibach, C.P.M. is a State Certified General Real Estate Appraiser according to the Texas Appraiser Licensing and Certification Board and has appraised numerous properties similar to the subject since 1993. The appraiser also manages, through his commercial real estate management company, approximately 2.25 million SF of which 60% is industrial warehouse, 20% is Class B and C office and 20% in retail product in Tarrant, Dallas, and Johnson counties. Mr. Maibach has been personally involved in over 65 residential development projects as a broker, developer, bank director, and zoning consultant in the past 35 years. Leslie Tolliver is a State Certified General Real Estate Appraiser who has analyzed and appraised numerous properties similar to the subject. Jordan Tyler is a State Licensed Residential Appraiser and Brandon Lawson is an Appraiser Trainee and have assisted in numerous properties similar to the subject property. Attention is paid to the qualifications of each individual which are presented in the Addenda of this report.

Peyco Southwest Realty is a full-service professional real estate appraisal and consulting firm, providing service to a variety of corporate, institutional, governmental, and private clientele. In the past 12 months, our firm has completed numerous valuation assignments involving similar properties. Mr. Maibach currently owns, represents, and manages multiple properties throughout the DFW Metroplex, mostly in Tarrant, Dallas, Johnson, and Ellis Counties. The subject is located in Extraterritorial Jurisdiction of the City of Lowry Crossing, Collin County, Texas.

INTENDED USE AND USERS

The intended use of the appraisal is to estimate the market value upon completion of the underwriting of a proposed Public Improvement District bond transaction as of the Effective Dates of Substantial Completion. The client and intended user is FMSbonds, Inc. The City of Lowry Crossing is also an intended user. The appraisal is not intended for any other use or user. No party or parties other than the City of Lowry Crossing and FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in this report; provided, however, it is acknowledged that this Appraisal will be used in a preliminary and final limited offering memorandum for the Public Improvement District bonds. The Client may, without Appraiser's prior authorization or notice to Appraiser, provide the Appraisal to other parties for their use in analysis-related activities, however, it does not make the recipient an intended user of this engagement.

DATE OF THE APPRAISAL REPORT
The preparation of this Appraisal Report was completed on **June 4, 2026.** The initial draft of this appraisal report was completed on **May 6, 2026**.

EFFECTIVE DATES OF THE APPRAISAL
The descriptions, analyses, and conclusions of this report for the designated Market Values of the subject property are applicable as of **July 1, 2026** for Phase 2, which is the prospective date of Substantial Completion, and **June 1, 2026** for Phase 3, which is the retrospective date of Substantial Completion. Leslie Tolliver inspected the property on **April 10, 2026**. Jim Maibach, Jordan Tyler, and Brandon Lawson have not inspected the subject property.

ASSIGNMENT CONDITIONS
Assignment conditions include assumptions that affect the scope of work, other than those previously discussed in the "Assumptions and Limiting Conditions." There are no other material and specific hypothetical conditions or extraordinary assumptions other than those referenced in this report.

PROPERTY RIGHTS APPRAISED
The property rights appraised in this assignment are the Fee Simple Estate in the subject property. A commitment for Title Insurance was not submitted to the appraisers and reservations, if any, are unknown. If property rights differ from the above definitions, the value may be affected.

ASSETS APPRAISED
The assets appraised in this appraisal assignment include land, any primary and ancillary site improvements. No furniture, fixtures, equipment (FF&E), personal property, mineral rights, or business value were included in the valuation process.

ENVIRONMENTAL CONDITIONS
No environmental report was available to us, and no recent environmental tests were performed. Because we have no evidence to the contrary, we have assumed that the property is free of any material defects, other than those noted, which would adversely affect the value, including, but not limited to, asbestos and toxic waste. Our value conclusions are subject to revision should these assumptions prove incorrect. We caution and advise the user of this report to obtain environmental studies which may be required to ascertain the status of the property regarding asbestos and other hazardous materials.

HISTORY OF SUBJECT PROPERTY
Collin County deed records indicate the subject property is owned by GRBK Edgewood, LLC. The subject property consists of a single parcel. The purchase price of the property was not disclosed to the appraisers. The subject property was deeded as follows:

- Per Collin Central Appraisal District, the subject property was deeded to GRBK Edgewood, LLC on May 22, 2023, from 111 Bluebonnet I LLC via Deed Instrument 2023000056829. This transaction appears to be arms-length.

We are unaware of any other attempts to sell or divest the subject property, as of the report date. This historical ownership data was researched and reported in order to comply with USPAP which requires a 3-year history of the subject property. It should not be used in lieu of a title search and is not intended as a guarantee to the chain of title.

LEGAL DESCRIPTION

The subject property includes a single tract consisting of a single legal description within the Lowry Trails PID IA #2. The legal description is as follows:

- ABS A0960 E M WOOD SURVEY, TRACT 29, 57.1672 ACRES

Note: The entire parcel per Collin Central Appraisal District reflects a land area of 57.1672 acres. However, the subject property of this report consists of a total of 39.288 acres

PENDING TRANSACTIONS TO BUILDERS

The land within the development is owned and being developed by GRBK Edgewood, LLC. According to GRBK Edgewood, LLC, there are no purchase and sale contracts.

Real Estate Taxes

Collin Central Appraisal District

Real estate tax assessments are administered by the Collin Central Appraisal District (CCAD) and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by $100, then multiplying the estimate by the composite rate. Real estate taxes and assessments for the projected 2026 tax year are shown in the following table which include taxes to Collin College, Collin County, and Princeton ISD. The projected combined tax rate for those entities is **1.437700 per $100 assessed** as shown in the table below:

Projected Property Taxes - 2026	
Entity	**Rate**
Collin College	0.081200
Collin County	0.149300
Princeton ISD	1.207200
Total	**1.437700**

Lowry Trails PID IA #2 is within one tract of land consisting of a single parcel. The prior year (2025) tax burden for the subject property – which is currently in the process of being developed – was **$107,404.96**. A table of the assessed values and property taxes for the previous year (2025) of the subject property is shown below:

TAXES (COLLIN CAD - 2025)							
ID	**Owner**	**Size (AC)**	**Improvement Market Value**	**Land Market Value**	**Ag Exemption**	**Assessed Value**	**Estimated Taxes**
2855960	GRBK Edgewood LLC	57.167	$ -	$ 7,470,610	$ -	$ 7,470,610	$107,404.96
Total Combined:		**57.167**	**$0.00**	**$7,470,610**	**$ -**	**$7,470,610**	**$107,404.96**

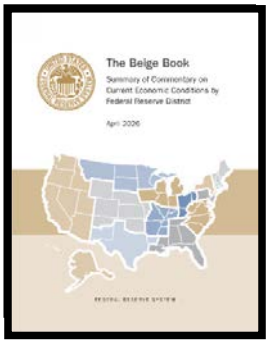
The Land market value represented by CCAD are not necessarily accurate. The land market that CCAD has determined - **$7,470,610 ($130,680/AC, $3.00/SF)** –leads to a tax burden of **$107,404.96**. When the property is redeveloped into residential use, there may be rollback taxes due to the municipal entities. We have not considered the effect of rollback taxes herein and that is beyond the scope of work of this report.

Upon substantial completion of the improved lots, the appraised value is expected to increase significantly; however, based on our company's experience as licensed property tax consultants working with tax districts and homebuilders, we believe the finished lots will be assessed by the appraisal district at below retail lot value. Finished lots are often assessed by tax districts at approximately 70% of the retail value because the tax district does not have reliable information on updated costs and because developers are eligible for an inventory reduction on their lots.

MARKET OVERVIEW

ECONOMIC INDICATORS: BEIGE BOOK

FEDERAL RESERVE BANK (April 15, 2026)



Due to the subject's location in North Texas, coupled with integrated business economies, it is relevant to consider the national and regional economic indicators presented by the Federal Reserve Bank of Dallas in the Beige Book. Excerpts from the most recent Beige Book are presented below:

Overall Economic Activity

Overall economic activity increased at a slight to modest pace in eight of the twelve Federal Reserve Districts, while two Districts reported little change and two Districts reported slight to modest declines. The conflict in the Middle East was cited as a major source of uncertainty that complicated decision-making around hiring, pricing, and capital investment, with many firms adopting a wait-and-see posture. Manufacturing activity rose slightly to moderately in most Districts. Banking sector activity was generally steady with loan demand stable to up moderately. On balance, consumer spending increased slightly despite harsh winter weather in some regions and higher fuel prices. Many Districts continued to report signs of consumer financial strain, increased price sensitivity, and rising demand at food banks and other social service organizations, while spending among higher-income consumers was resilient. Housing market activity softened across several Districts as heightened uncertainty and rising mortgage rates dampened buyer demand. Commercial real estate markets improved, with strength in industrial properties, especially data center projects. Office markets saw solid demand for Class A space but weaker demand for lower-tier properties. Energy activity was up slightly as oil prices rose, though many producers remained cautious about increasing drilling due to uncertainty about the persistence of higher prices. Agricultural activity was mixed, and several Districts reported that rising crop prices helped offset steep price increases of fertilizer and fuel. Business outlooks varied amid widespread uncertainty about future conditions.

Labor Markets

On balance, employment was steady to up slightly during this reporting period, though one District noted a slight decline. Most Districts described labor demand as stable, with low turnover, minimal layoffs, and hiring mostly for replacement. Several Districts noted increased demand for temporary or contract workers, as firms remained cautious about committing to permanent hires. Many Districts reported that labor availability had improved, although difficulty finding some skilled workers, especially in the skilled trades, persisted. While most Districts indicated that AI had not yet significantly impacted overall staffing levels, some noted that AI-driven productivity improvements had enabled many firms to delay or reduce hiring. Wages generally continued to rise at a modest to moderate pace. Some Districts noted continued wage pressures for some roles in health care and the skilled trades, though overall wage competition remained muted.

Prices

Price growth mostly remained moderate overall, with the vast majority of Districts reporting moderate increases and others pointing to modest growth. Generally, input cost increases outpaced selling price growth, compressing margins. Energy and fuel costs rose sharply in all Districts, attributed to the Middle East conflict, leading to higher freight and shipping costs and higher prices for plastics, fertilizers, and other petroleum-based products. Input cost pressures beyond energy-related increases were also widespread. Several Districts reported rising prices for metals due to tariffs, such as steel, copper, and aluminum. Technology costs rose for both hardware and software. Insurance premiums and health care costs continued to climb.

ELEVENTH DISTRICT
FEDERAL RESERVE BANK OF DALLAS – April 15, 2026

Summary of Economic Activity
Economic activity in the Eleventh District rose slightly over the reporting period. Growth in manufacturing output moderated to a below-average pace, while activity in the service sector was nearly f lat. Bank lending increased, buoyed by commercial real estate activity, but home sales were slow. Retail sales were flat to up. Energy sector activity ticked up, while drought conditions worsened. Employment expanded slightly, and wage and price growth ranged from modest to robust. Outlooks worsened amid heightened uncertainty surrounding the conflict in the Middle East and the impact of sharply higher fuel prices on inflation, consumer sentiment, and demand.

Labor Markets
Employment overall edged up during the reporting period; it rose slightly in services but was flat in manufacturing and energy. A few staffing firms noted that heightened uncertainty was making companies hesitant to hire and candidates reluctant to switch jobs. Energy firms anticipate some job losses from ongoing M&A activity but noted that staffing needs may be reevaluated if energy prices stay high. Wage growth remained modest in the service sector but was solid in manufacturing. Firms expect wage growth to ease to 3.1% over the next 12 months, down slightly from their expectations at the end of 2025.

Prices
Price pressures remained moderate overall, but were elevated in manufacturing, energy, and transportation. Some firms reported that rising fuel, freight, and raw material prices were hurting profitability, and many others expected similar impacts in the near term. Input and selling price expectations among more than 250 Texas businesses surveyed were up in March compared with year end 2025, with input prices expected to increase 3.9% and selling prices 2.8% over the next 12 months. The pickup in expected input price growth was widespread, although the uptick in expected selling price growth was limited largely to manufacturing.

Manufacturing
Factory output grew modestly in March after a strong increase in the prior reporting period. The recent slowing was driven primarily by weakness in durable goods production. Demand for non-durables increased broadly. Output at Gulf Coast refineries and petrochemical plants rose following the completion of seasonal maintenance, resolution of unplanned outages, and capacity expansion for some chemicals. The closure of the Strait of Hormuz and damage to refining and export capacity in the Middle East have tightened the global refined product market and reduced output of key petrochemical products. This is expected to buoy demand for Gulf Coast exports and has pushed margins to their highest levels since 2022. Notwithstanding, manufacturing outlooks on net deteriorated slightly due to heightened uncertainty stemming from the Iran war.

Retail Sales
Retail sales were flat to up over the reporting period. One contact said that low-cost retailers were faring well, while mid-tier retailers continued to struggle. Retailers expressed concerns about high oil prices driving up shipping costs and slowing business activity. With limited ability to absorb higher costs, several contacts noted they plan to pass on cost increases to customers if gasoline prices remain elevated. Auto sales slowed in March. Auto dealers expect high gasoline prices to weaken demand. Retail sector outlooks worsened and uncertainty about future business conditions increased notably

Nonfinancial Services

Activity in nonfinancial services was largely flat in March following modest growth in the previous reporting period. Recent weakness was attributed to conflict in the Middle East, rising fuel costs, and the partial government shutdown. Revenues were flat to down in professional and business services, education, and information services but rose in health care, transportation and ware housing, administrative and support services, and accommodation and food services. Airlines reported solid demand across regions and segments, but cited elevated fuel prices and long TSA wait times as potential headwinds. Overall, service sector outlooks were weak, with many contacts expecting the heightened level of uncertainty and high energy prices to impact demand.

Construction and Real Estate

Home sales were slow during the reporting period, likely due to higher mortgage rates, elevated uncertainty, and rising energy prices. The market remained competitive, and builders with better pricing or larger incentive packages were able to close deals more easily. One contact noted they would likely have to reverse a recent price increase to maintain sales. Outlooks remained weak, with some contacts concerned about the impact of the ROAD to Housing Act's restrictions on institutional investment in the single-family housing and build-to-rent markets.

Commercial real estate activity rose. Apartment absorption was positive but rent concessions remained widespread. Office leasing remained strong for top-tier space in desired locations but continued to be weak for lower-tier properties. Demand for industrial space was buoyed by growth in manufacturing and third-party logistics, and activity in the retail sector was characterized as solid but softening. Office construction remained subdued, while data center and industrial construction were robust.

Financial Services

Loan volume and demand accelerated in March. Upward momentum was driven by commercial real estate loans. Credit standards and terms tightened slightly, but loan pricing continued to decline. Loan performance ticked down. Bankers reported that general business activity ticked down, and outlooks were less optimistic. They expressed concerns about the impact of higher fuel prices on the economy, if sustained. A few noted that the Middle East conflict has created more uncertainty around future interest rates and that rate cuts may now be less likely. Survey respondents still expect growth in future business activity and higher loan demand, except for consumer loans which are expected to remain unchanged, while loan performance is expected to worsen.

Community Perspectives

Nonprofits continued to report elevated demand for social services. One contact cited increased demand among higher-income households, particularly for help with mortgage payments. More households are utilizing community resources such as food banks and neighborhood gardens, which one contact attributed to rising food costs and concern about future changes to the Supplemental Nutrition Assistance Program (SNAP). Contacts said that low- and moderate-income individuals continued to supplement their incomes through second jobs or increased work hours, even while some are enrolled in upskilling programs. Funding and volunteer shortages were a challenge for some nonprofits, and one contact reported that rising gas prices may compel volunteers to reduce hours delivering meals to homebound seniors.

Texas A&M University
Texas Real Estate Research Center
Outlook for the Texas Economy (Excerpts)
Jorge Barro (Updated March 23, 2026)



U.S. Economic Overview

The U.S. economy slowed to a 0.7% annual rate in fourth quarter 2025, down from 4.4% the previous quarter. This deceleration largely resulted from a steep decline in government purchases caused by the lengthy government shutdown. Consumer spending remains strong, despite a small decline. For the full year, the U.S. economy grew at a 2% pace in 2025, down from 2.4% in 2024.

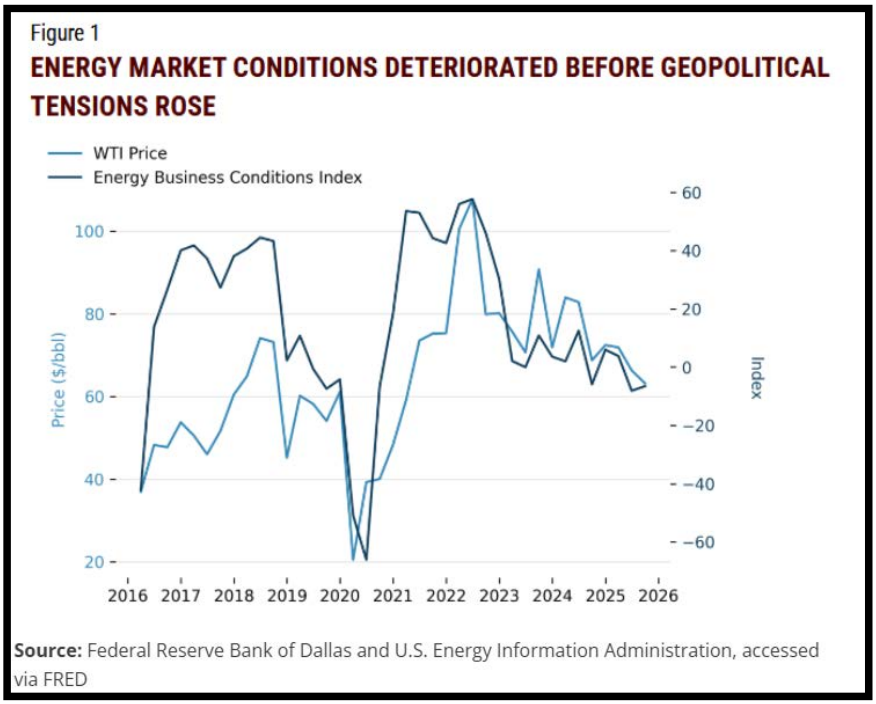
The February employment report showed a loss of 92,000 jobs, falling well below expectations. The sharp decline reflects worker strikes in the healthcare sector, which had been a primary driver of labor market and economic growth in recent months. The strikes, however, account for only a share of the decline. Other industries, like tech and government, continued their trending labor market contraction. The unemployment rate rose to 4.4% after falling in each of the two previous months.

Capital markets began weighing the macroeconomic implications of political instability in the Middle East. The 10-year Treasury yield fell throughout the month, ending February below 4%. However, after the escalation of military operations in Iran, yields rose roughly 15 basis points. Treasury yields typically fall during times of expanding geopolitical uncertainty as investors shift toward safer assets. However, concern over rising oil prices creates inflation risk that contributed to the current rise in Treasury yields. Equity markets experienced a sharp decline, building on losses accrued in recent weeks.

The outlook for monetary policy remains uncertain, as inflation concerns reemerge. Two inflation measures—the consumer price index (CPI) and the personal consumption expenditures (PCE) index—show divergent paths in recent months. The CPI has been trending down, showing a 2.4% increase over the past year, while the PCE has trended upward to 2.8%. While each index provides context for the price level, the Federal Reserve favors the PCE index for determining monetary policy. As a result, the Fed may show reluctance to reduce short-term rates in the coming months.

Energy Market Conditions

- *The issue: Since its post-pandemic surge, oil prices have steadily trended downward. In many areas, the price had fallen below the threshold price level needed to sustain exploration activity, and steeper declines could stall drilling activity. Declining prices have coincided with declining business activity, as indicated by the decline in the energy market business conditions index. Although declining business conditions in the energy industry could create headwinds to the prominent sector of the Texas economy, lower energy prices provide tailwinds to consumers.*
- *Updates: Geopolitical tensions rising in the Middle East and the launch of Operation Epic Fury caused oil prices to surge in early March. Hostility in the Strait of Hormuz creates further headwinds, as roughly 20 percent of global oil supply passes through the channel daily. Sustained hostilities around the shipping lane could cause oil to surge further in the coming weeks.*

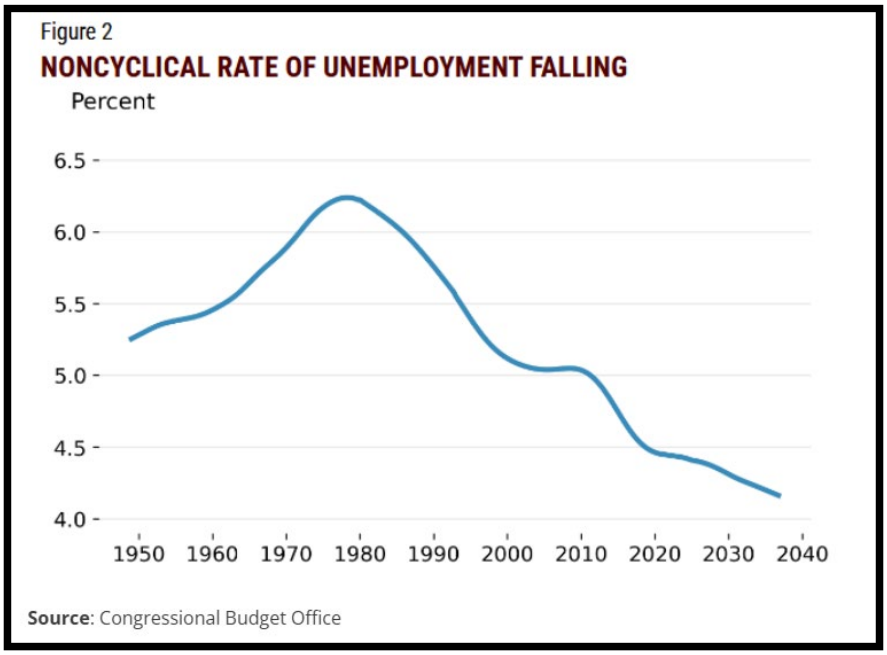


Geopolitical Risk

- *The issue: The escalation of military operations in the Middle East creates concerns that global tensions could affect the economic outlook. Historically, this has happened through several channels, including oil price shocks, supply chain disruptions, trade disputes, and financial market impacts through rising risk premia. This could introduce market inefficiencies and raise borrowing costs, putting strains on the economy. Conversely, reduced geopolitical tensions resulting from resolutions and peace treaties could invert these concerns and promote economic growth.*
- *Updates: Significant uncertainty remains on the evolution of military operations related to Operation Epic Fury. As of early March, oil prices have experienced a significant increase, relative to past military escalations in the Middle East. Moreover, the capital market response, as indicated by moves in equity indexes and Treasury yields, has reflected an elevated risk premium.*

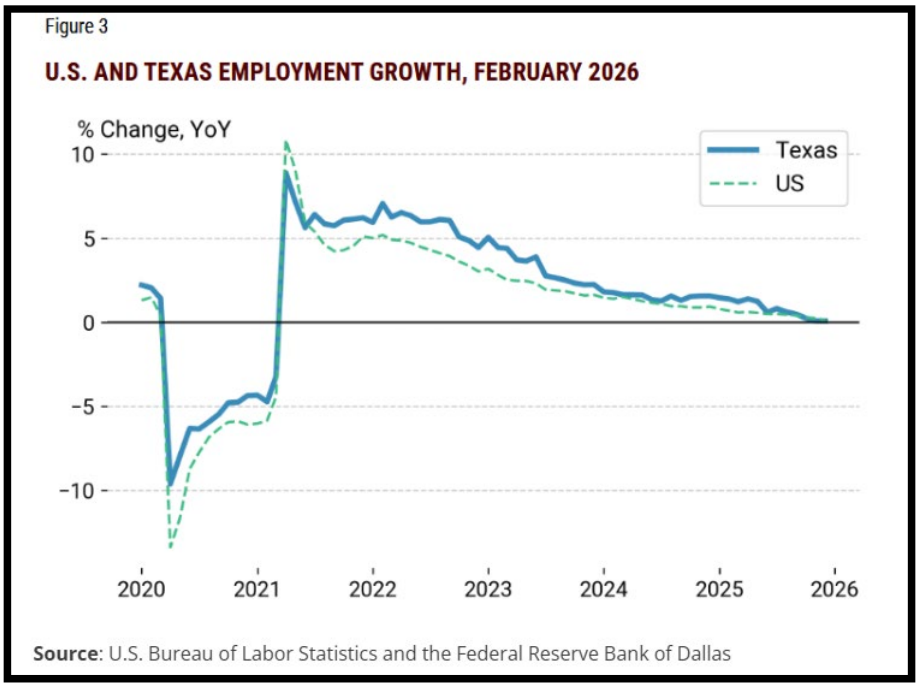
Labor Market Outlook

- *The issue: Labor markets showed a steepening weakness in 2025, following several months of steady decline since the post-pandemic labor market peak. Assessing the labor market outlook, as measured by job growth and the unemployment rate, requires measurement of several cyclical factors related to current macroeconomic conditions. Recent cyclical labor market indicators, including business sentiment surveys, have shown improvements in the hiring outlook.*
- *Updates: While cyclical factors, including business sentiment measures, remain powerful near-term indicators of the labor market outlook, noncyclical factors provide critical insights on the long-term labor market outlook. In particular, estimates of the noncyclical rate of unemployment provide a projection of values that the unemployment rate is likely trending toward. The series has fallen 6 percentage points since the start of 2020, at which time the actual unemployment rate was hovering around 3.5%. This indicates that structural factors could continue pulling the unemployment rate down in the coming months.*



Texas Economic Indicators

The January labor market data showed continued weakness in Texas, as year-over-year job growth converged near the national average (Figure 3). This reflects the annual adjustment to job growth numbers, which were revised downward.

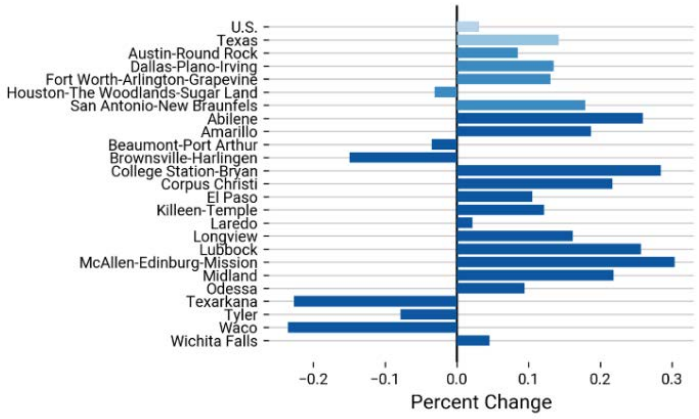


Employment

As of mid-March, the employment figures for the Texas metropolitan areas and industries have not been updated for the January values. The values in the local employment graphs (Figures 4 & 5) will be updated, if available, in future reports.

Figure 4

REGIONAL EMPLOYMENT GROWTH, DECEMBER 2025

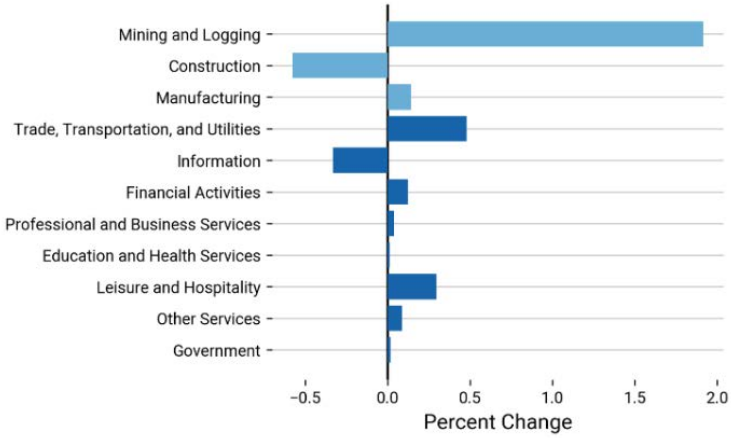


Notes: U.S., Texas, major metropolitan areas, and other metropolitan areas are each shown in different shades of blue.

Source: U.S. Bureau of Labor Statistics and the Federal Reserve Bank of Dallas

Figure 5

TEXAS INDUSTRIAL EMPLOYMENT GROWTH, DECEMBER 2025



Notes: Goods-producing and service-providing industries are shown in different shades of blue.

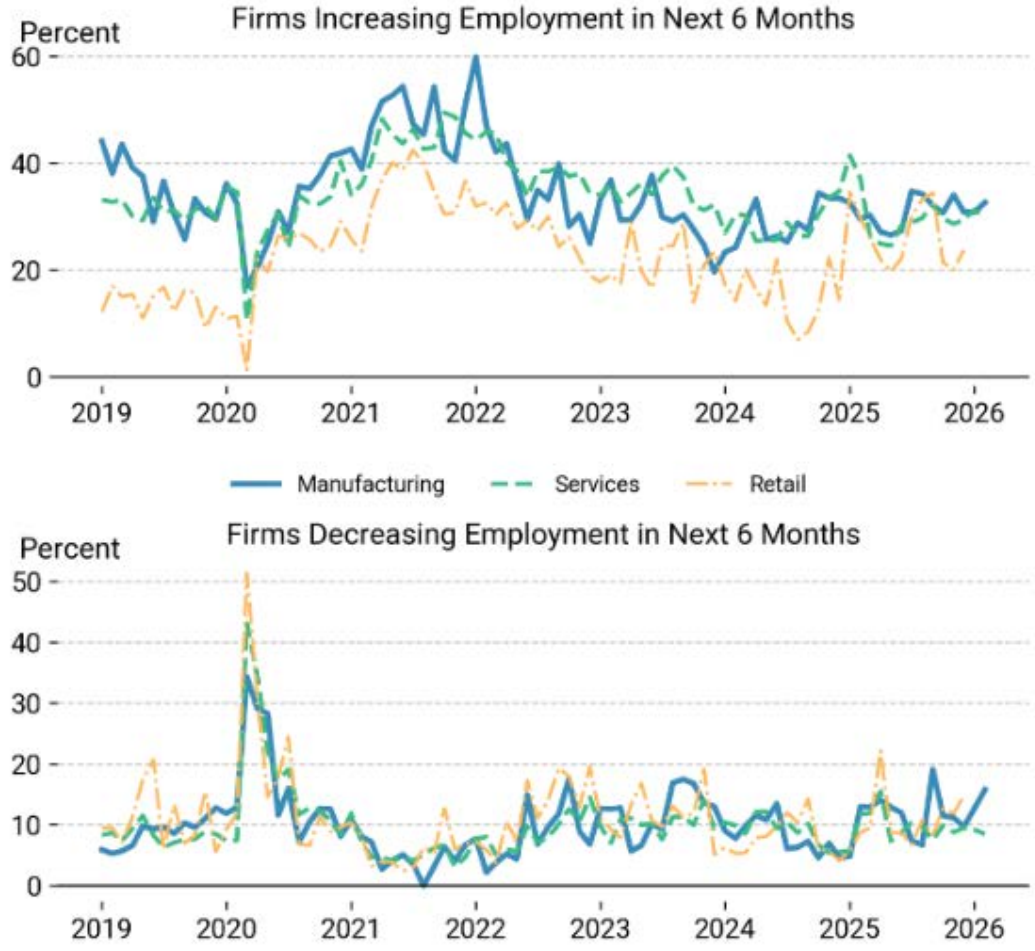
Source: U.S. Bureau of Labor Statistics and the Federal Reserve Bank of Dallas.

Employment Outlook

The share of Texas firms planning to hire in the next six months ticked up in each of the three major sectors of the state economy (Figure 6). The trending improvement shows growing signs of optimism in the state labor market outlook. More manufacturing and retail firms planned to decrease employment, while fewer service firms indicated as such. The hiring outlook survey remains a critical early indicator of the Texas labor market outlook.

Figure 6

TEXAS EMPLOYMENT OUTLOOK, FEBRUARY 2026



Notes: Share of Texas firms planning to increase (top) or decrease (bottom) employment in the next 6 months, by major sector.

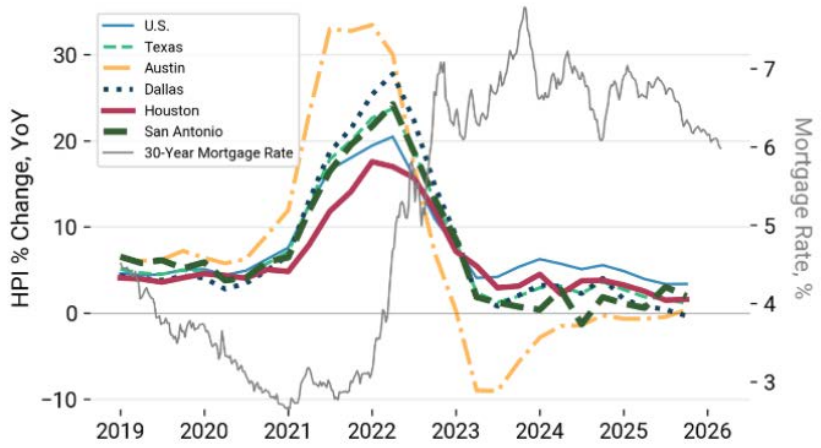
Source: Federal Reserve Bank of Dallas

Housing and Mortgage Rates

Mortgage rates declined in February as rates fell 5 basis points (bps) from 6.15% to 6.10% (Figure 7). Overall, mortgage rates have trended downward in recent months. Still, mortgage rates remain elevated, well above pre-pandemic lows, creating a headwind in the residential real estate market.

Figure 7

HOUSE PRICE GROWTH AND MORTGAGE RATES THROUGH FEBRUARY 2026



Notes: House price index data is provided through 4Q2025, and mortgage rate data is provided through the end of February.
Source: FHFA and Freddie Mac, accessed via FRED

The mortgage spread, defined as the premium of mortgage rates over the 10-year Treasury yield, bumped back up, rising 10 bps, from 186 to 196 bps. The mortgage spread, which provides useful context of mortgage rates in broader capital markets, has been steeply falling toward its historical range of 150-175 bps. This suggests that as capital markets normalize, mortgage rates could be nearing a stable spread over the 10-year Treasury yield.

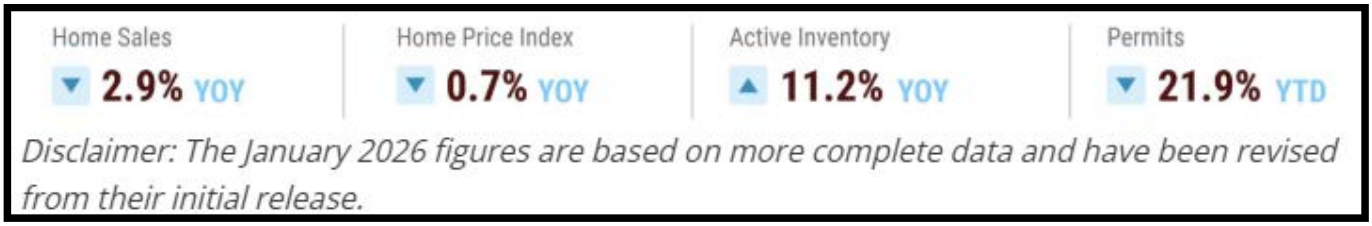
Figure 8

INTEREST RATES AND THE MORTGAGE SPREAD, JANUARY UPDATE



Notes: The mortgage spread is defined as the 30-year mortgage rate minus 10-year Treasury yield. Its typical range is 1.5 percent to 1.75 percent (150 to 175 basis points).
Source: Freddie Mac, Board of Governors of the Federal Reserve, and author's calculations; data accessed via FRED

TEXAS HOUSING INSIGHT (EXCERPTS)
Texas A&M University – Texas Real Estate Research Center
Yanling Mayer (April 1, 2026)



Summary
The 2026 market opened with rising seller activity, elevated inventory levels, and persistent pricing pressure as affordability challenges continue to shape buyer demand. While demand is still weak and constrained, the balance of power at this point remains tilted toward buyers as supply continues to build.

Seller participation has accelerated at the start of the year, reversing the pullback seen in late 2025. The latest data indicates that fresh listings are returning at a pace that has pushed inventory above levels from the same period in 2025, when seller activity reached record highs. Whether this renewed momentum reflects improving seller confidence or an anticipation of a stronger spring market ahead – as mortgage rates eased and even briefly dipped below 6 percent – remains uncertain. (At publication time, rates had popped back above 6%) It is more likely tied to typical seasonal preparation for the spring market, combined with a desire to list before further price softening takes hold. In the ongoing downturn, home prices extended their declines into 2026, showing little signs of easing while even accelerating in Southeast and South Central Texas.

The surge in new listings has pushed active inventory higher across all major Texas metros. January levels exceeded those of the past two years, and the state is on track to reach new inventory highs in 2026. With new supply consistently outpacing sales, the market is entering the spring season with more options in the pool of available homes and offering buyers more choice.

At this point, the outlook for the spring 2026 market remains highly uncertain. Domestically, the lates job report and inflation reading offer mixed signals for monetary policy, leaving unclear whether there is sufficient room for interest-rate cuts. While the broader macro environment remains central to both U.S. and Texas housing conditions, ongoing geopolitical tensions, particularly the conflict in the Middle East, have introduced heightened volatility in the global energy markets and supply chains, potentially adding significant upward pressure on inflation. Should geopolitical risks persist and supply-driven inflation intensify, the U.S. economy and housing market could face substantial headwinds in the months ahead.

January Sales Broadly Down

Table 1

JANUARY 2026 STATE & NATIONAL SALES

	Closed Sales	YoY Change	YTD Change	Median Price	Pending Sales YoY
Texas	19,193	(2.9%)	(2.9%)	$321,000	0.4%
U.S.	223,000	(7.1%)	(7.1%)	$400,300	(0.4%)

Notes: The sales numbers reflect actual sales, not the seasonally adjusted annual rate.
Source: Texas REALTORS and National Association of REALTORS data (accessed at Haver Analytics)

Statewide, January recorded 19,193 closed sales, a 2.9% year-over-year (YoY) decline, giving back some of December's strong gains. Regionally, sales dropped 9.9% in San Antonio, 6.8% in Austin, 6.1% in DFW, and 3.9% in Houston (see Table 3 in the Appendix).

Statewide median home prices slipped to $321,000 from December's $330,000, or 2.7% month over month (MoM) and consistent with normal seasonal softening. Prices fell 1.5% YoY.

Nationally, seasonally unadjusted home sales fell more sharply to 7.1% YoY. Sales eased across all U.S. regions after a strong December month (not shown) led by a 9.7% drop in the Northeast, 9.4 percent in the Midwest, 8.9% in the West, and 4.5% in the South.

In January, the national median price for existing single-family homes were just above $400,000, relatively unchanged from a year ago.

Monthly Market Snapshot: January Sales and Inventory Trends:

Table 2

TEXAS HOUSING MARKET INDICATORS

Sales Activity	Jan-2024	Jan-2025	Jan-2026
Average Days on Market	65	74	80
Turnover Rate	27.5%	21.2%	18.9%
Median Seller Price Cuts	$15,000	$15,000	$19,000
Median Sale-to-List Price Ratio	0.96	0.96	0.95

Active Inventory	Jan-2024	Jan-2025	Jan-2026
Months' Supply	3.4	4.3	4.7
Average Days on Market	93	97	104

Notes: The turnover rate is calculated as pending sales divided by inventory, where inventory is the average of month-beginning and month-end inventory
Source: Texas Real Estate Research Center analysis of Data Relevance Project and Texas REALTORS data

In January, homes spent an average of 80 days on the market, up from 74 days in 2025 and 65 days in 2024. January is typically the slowest month for sales, and this year followed that pattern.

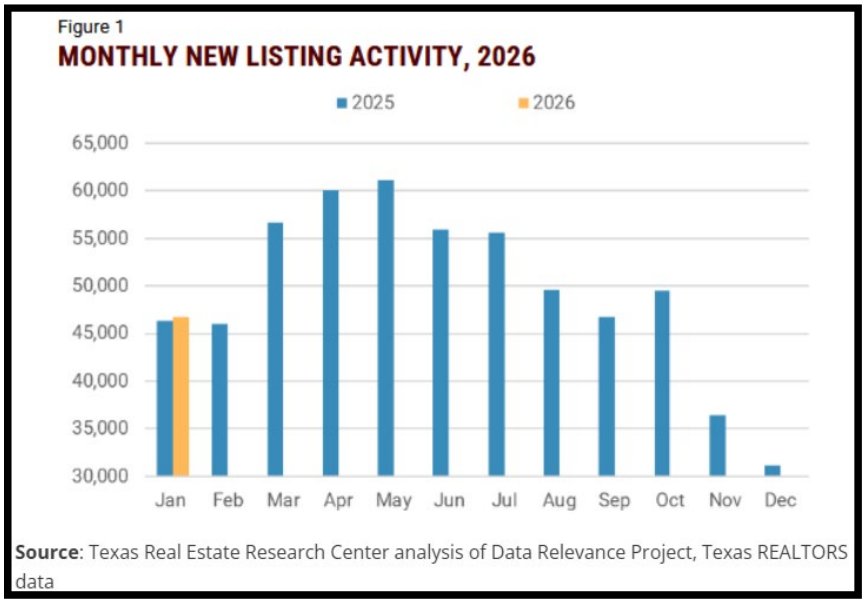
January also marks a multi-year low in housing turnover, with fewer than one in five active listings selling.

Median seller price cuts were $19,000, or 5% off the initial listing price, and were down from the month prior, which reached an all-time high of $19,900.

In January, active inventory rose to a 4.7-month supply, increasing from late-2025 levels as new listings returned ahead of the spring market. On a YoY basis, inventory at the start of 2026 surpassed both last year and the year before.

Average days-on-market (DOM) for unsold inventory climbed to 104 days, compared to 97 days in 2025 and 93 days in 2024.

Seller Activity Rebounds At The Start of 2026



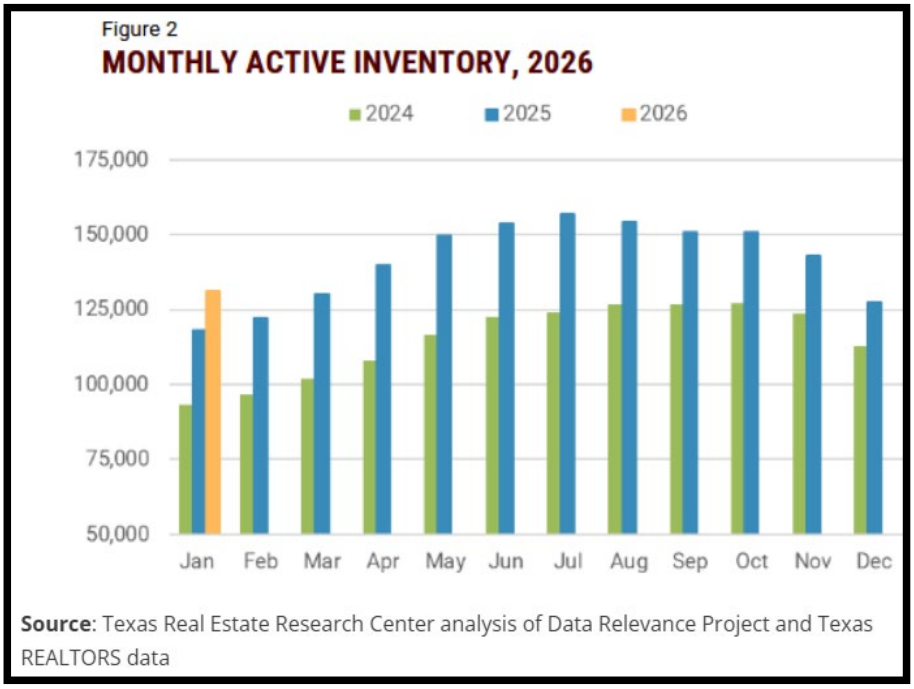
Seller activity was strong throughout 2025, with new listings consistently elevated for much of the year.

By fall and winter, many sellers pulled back, leading to a noticeable wave of delistings as market cooled.

The latest new listings activity shows sellers are re-entering the market ahead of the spring market, reversing the late-year retreat. In January, new listings surged 50% MoM.

Fresh listings are now rebuilding inventory and setting up for a more active spring market. Year over year, new listings have already surpassed early 2025 levels, a period that saw record seller activity.

Inventory Breaks Past 2025 Levels At The Start of 2026



Active inventory is climbing again, up 3% MoM, as fresh new listings accelerated with a strong influx of seller activity ahead of the 2026 spring market.

In January, active inventory totaled 131,420, or 11.2% higher YoY.

It is likely on track to reach new highs in 2026, supported by rebounding seller activity and rising listing momentum.

Inventory pressure on new- and existing-listing pricing is likely to put downward pressure on prices heading into the spring market, particularly if mortgage rates remain in the 6's and affordability continues to constrain buyer demand.

Ongoing Downturn: Home Price Extend Their Decline Into 2026

Figure 3

TEXAS HPI: TEXAS AND REGIONAL HOME PRICE TRENDS



Note: The year-over-year change in the price index is calculated as a three-month moving average ending in the report month.
Source: Texas Real Estate Research Center analysis of Data Relevance Project, Texas REALTORS data

The pace of price softening continued through January, showing little signs of easing and even accelerating in Southeast and South Central Texas. Statewide, YoY home prices declined 0.7%, following a 0.7% decline in December and 0.6% in November.

Entering 2026, Houston and San Antonio experienced increasing pricing pressure, with YoY price declines widening to 1% and 2.5% respectively, up from 0.6% and 1.8% the prior month

In Austin, prices continue to decline YoY in the 2% to 3% range. Median seller price cuts from the initial listing price reached $35,000, up from $28,000 a year earlier. Active inventory in January was 12.5% higher than a year ago, signaling continued inventory buildup heading into the 2026 spring market.

Price softening in DFW persisted through January, marking the 11th consecutive month of YoY declines.

Local Housing Market Indicators

Table 3

METRO-LEVEL HOME SALES, JANUARY 2026

Texas Metros	Monthly Sales	Sales YOY%	Sales YTD%	Median Price
Dallas-Fort Worth-Arlington	5,051	(6.1%)	(6.1%)	$375,000
Texas	19,193	(2.9%)	(2.9%)	$321,000

Source: Texas Real Estate Research Center analysis of Data Relevance Project, Texas REALTORS data

Table 4

METRO-LEVEL MONTH-END INVENTORY, JANUARY 2026

Texas Metros	Active Listings	Active Listings YoY%	New Listings YoY%	Months' Supply
Dallas-Fort Worth-Arlington	27,750	3.6%	(6.2%)	3.6
Texas	131,421	11.2%	0.8%	4.7

Source: Texas Real Estate Research Center analysis of Data Relevance Project, Texas REALTORS data

Table 5

SINGLE-FAMILY HOUSING PERMITS, JANUARY 2026

Texas Metros	Year-to-Date Units	YoY%, YTD	Permit Unit Value	Unit Value YoY%
Dallas-Fort Worth-Arlington	2,496	(24.3%)	254,037	(16.2%)
Texas	9,601	(21.9%)	265,915	(9.2%)

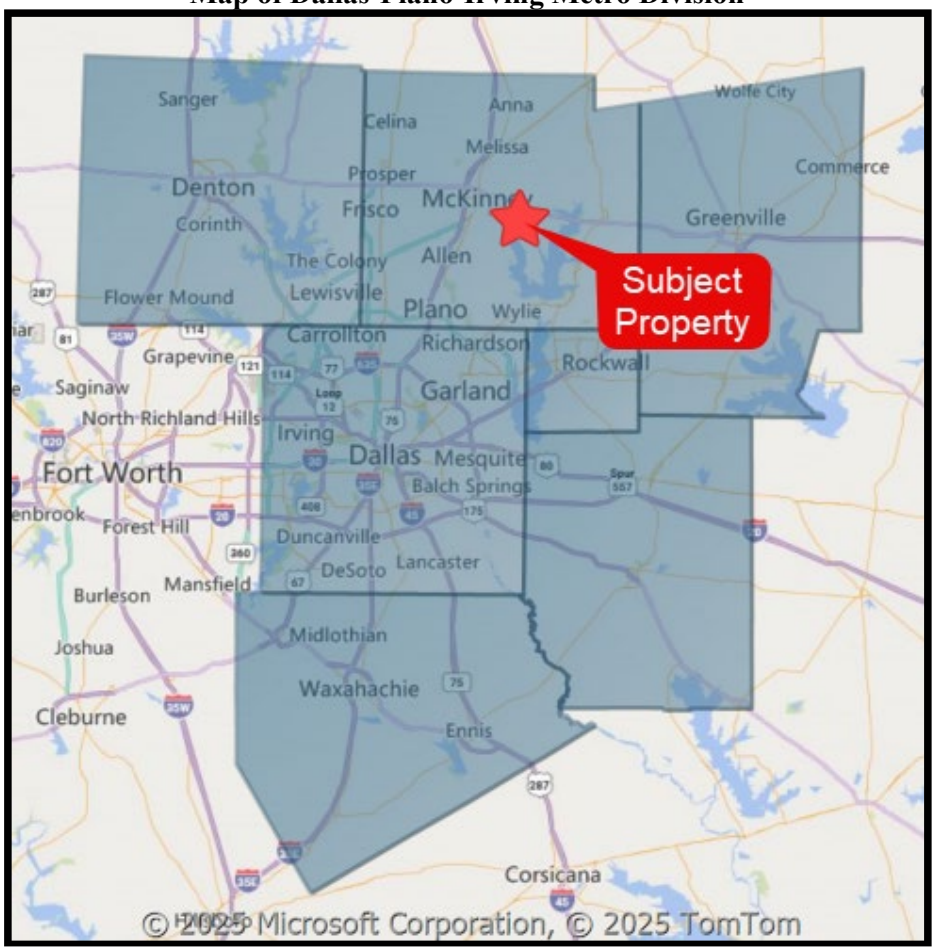
Notes: Permit value is builder estimated construction cost of the residential structure, not including land acquisition cost.
Source: Survey of New Construction of U.S. Census Bureau

DALLAS-PLANO-IRVING METRO DIVISION QUARTERLY HOUSING REPORT (EXCERPTS)
Texas A&M University – Texas Real Estate Research Center
(First Quarter, 2026)

Executive Summary

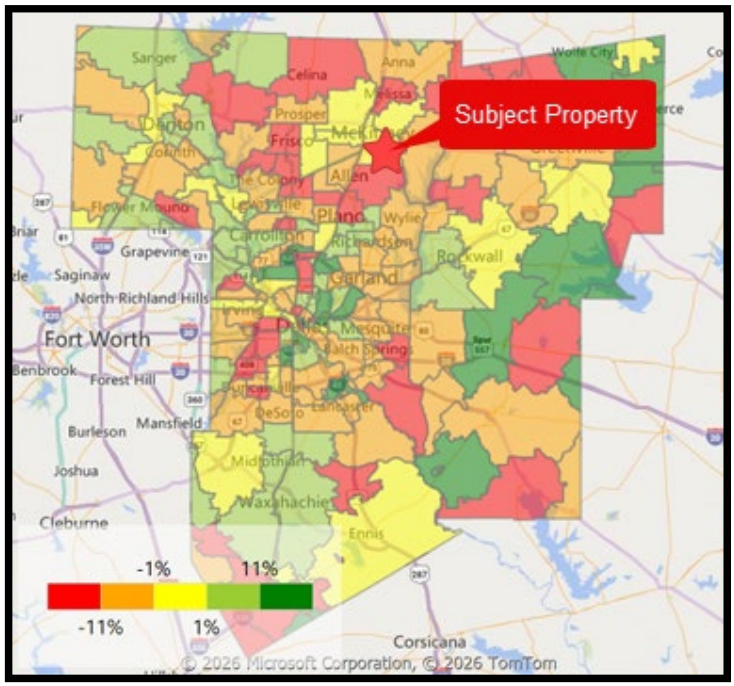
- *Metro area sales volume decreased 2.3% to 13,107 transactions. Median price decreased 3.2% year-over-year to $399,000.*
- *2026 Q1 months inventory for all residential properties rose 4.4% year-over-year to 4.2 months.*
- *Metro area residential property listings increased 5.2% year-over year to 21,662 active listings.*

Map of Dallas-Plano-Irving Metro Division



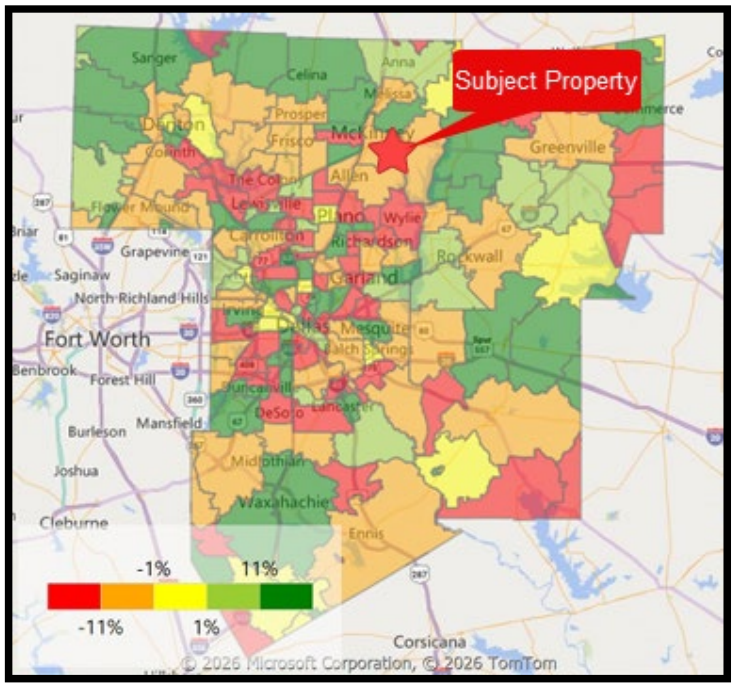
Median Price Change (YoY)

According to TREC, median sale price change year-over-year (YoY) in the subject's area near Lowry Trails PID IA#2 fluctuated between -1% to +1%.



Sales Volume Change (YoY)

According to TREC, sales volume change year-over-year (YoY) in the subject's area near Lowry Trails PID IA#2 decreased between -1% to -11%.



Lowry Trails Public Improvement District; Improvement Area #2

The following chart shows the housing metrics for Collin County:

Collin County

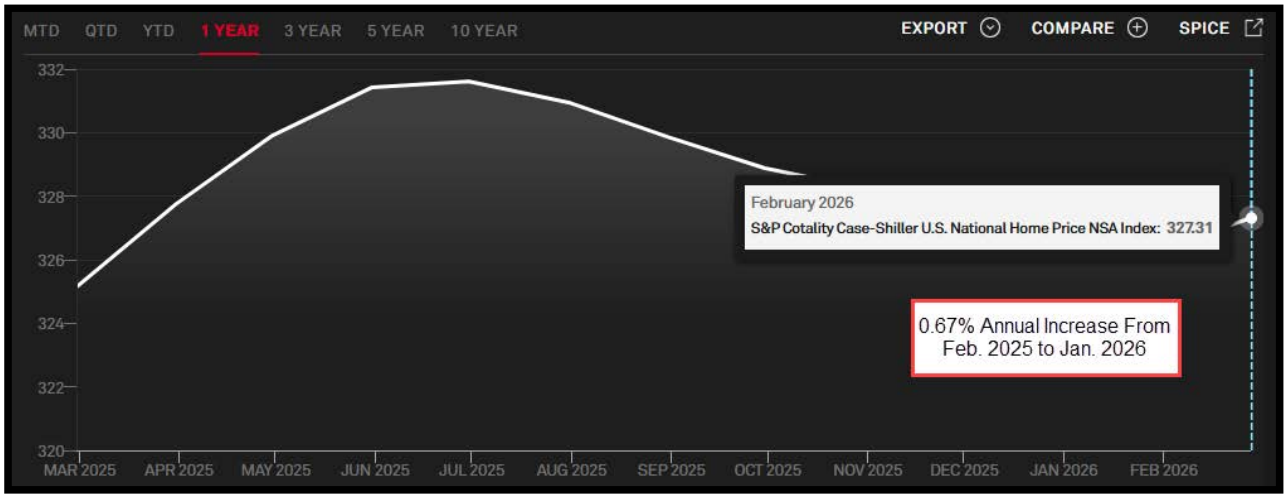
Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	1	-50%	0%	***	***	***	***	5	30.0	***	***
$70k < $100k	0	0%	0%	-	-	-	-	2	8.0	-	-
$100k < $150k	6	50%	0%	$116,450	-17%	$201.50	16%	14	4.1	626	1985
$150k < $200k	32	-36%	1%	$181,248	-5%	$150.00	-12%	44	4.1	1,189	2003
$200k < $250k	133	28%	4%	$230,000	0%	$161.32	-4%	130	2.4	1,409	2025
$250k < $300k	318	41%	9%	$280,000	0%	$166.15	-7%	375	3.3	1,656	2025
$300k < $400k	980	19%	27%	$345,000	-3%	$170.98	-9%	1,133	3.0	2,019	2025
$400k < $500k	755	-5%	21%	$441,125	-2%	$192.92	-4%	990	3.5	2,312	2016
$500k < $750k	977	-11%	27%	$587,500	0%	$200.28	-4%	1,558	3.9	2,976	2014
$750k < $1M	228	-17%	6%	$845,930	2%	$232.66	0%	602	5.0	3,650	2011
$1M+	199	-13%	5%	$1,324,000	0%	$305.54	1%	585	6.7	4,465	2014

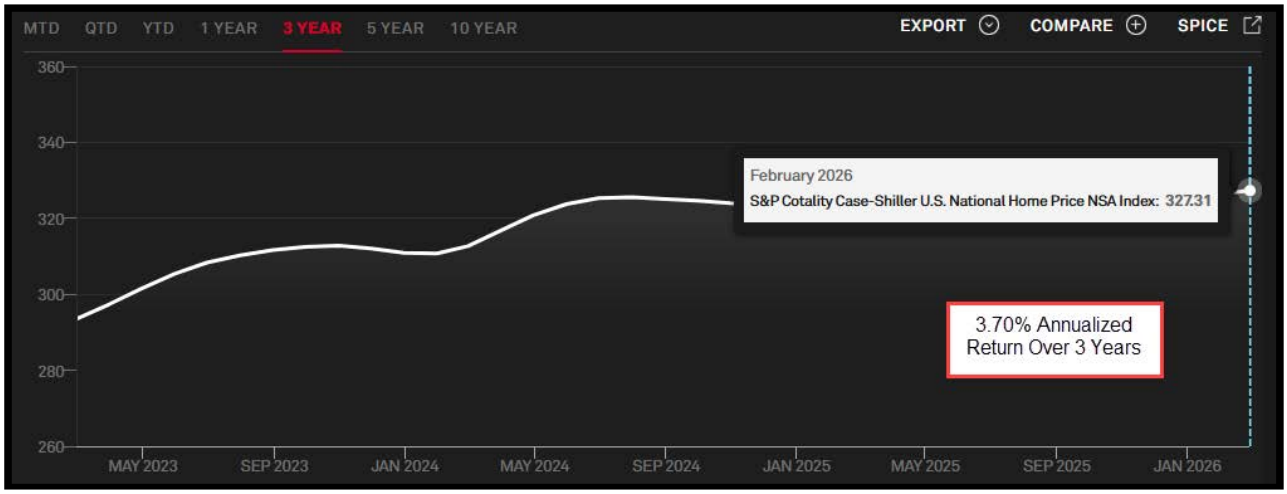
*** Not displayed when fewer than five sales

S&P CORELOGIC CASE-SHILLER INDEX

February 2026

Data reported from the Standard & Poor Dow Jones Indices (1-year and 3-year graphs shown below) from end of February 2026 showed that home prices nationally were up 0.67% YoY while the Dallas Metropolitan decreased -1.74% (Dallas Metro). Prices have retreated in mostly the southern states; however, the northern region has remained steady compared to the national average.





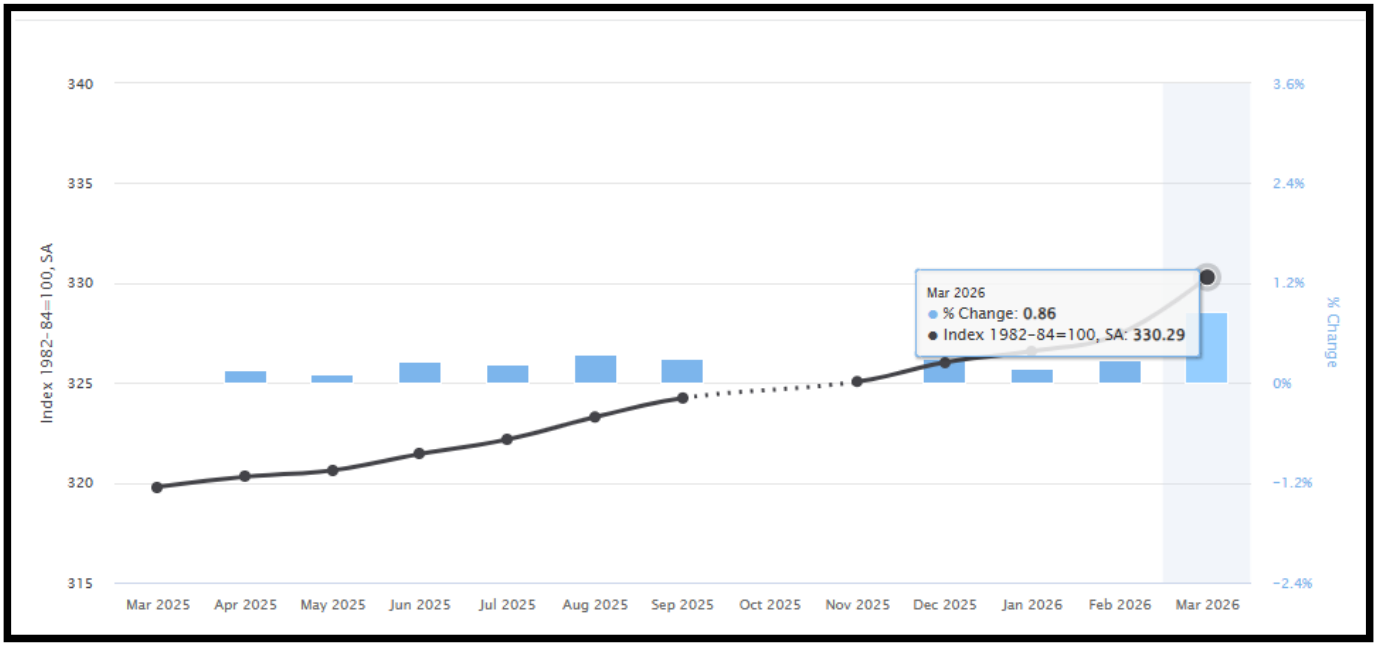
Metropolitan Area	February 2026 Level	February / January Change (%)	January '26 / December '25 Change (%)	1-Year Change (%)
Dallas	289.04	-0.15%	-0.40%	-1.74%
Composite-10	359.54	0.58%	-0.05%	1.46%
Composite-20	338.15	0.44%	-0.14%	0.90%
U.S. National	327.31	0.29%	-0.18%	0.67%

Sources: S&P Dow Jones Indices and Cotality
Data through February 2026

CONSUMER PRICE INDEX (CPI)

MOODY'S ANALYTICS CONSUMER PRICE INDEX (CPI) CHART

The US Bureau of Labor Statistics (BLS) tracks the Consumer Price Index (CPI) and a chart prepared by Moody's Analytics is shown below. The CPI measures the change in prices paid by consumers for goods and services which is an indicator of how costs for goods and services are trending throughout the country. The CPI is based on prices of food, clothing, shelter, fuels, transportation, healthcare services, drugs, and other goods and services that people buy for day-to-day living.



Moody's Analytics (Excerpts)

Spiking oil prices caused March's consumer price index to rise 0.9%. The sharp increase, in line with Moody's Analytics' expectations, lifted the year-ago rate from 2.4% in February to 3.3% in March. The CPI for gasoline surged 21.2% on the month, as the average price of gasoline climbed toward $4 per gallon. The CPI for food at home fell 0.2% in March. Excluding food and energy, core CPI rose 0.2% from February to March. The increase was a touch milder than our call for 0.27% growth; nonetheless, it lifted the year-ago rate from 2.5% to 2.6%.

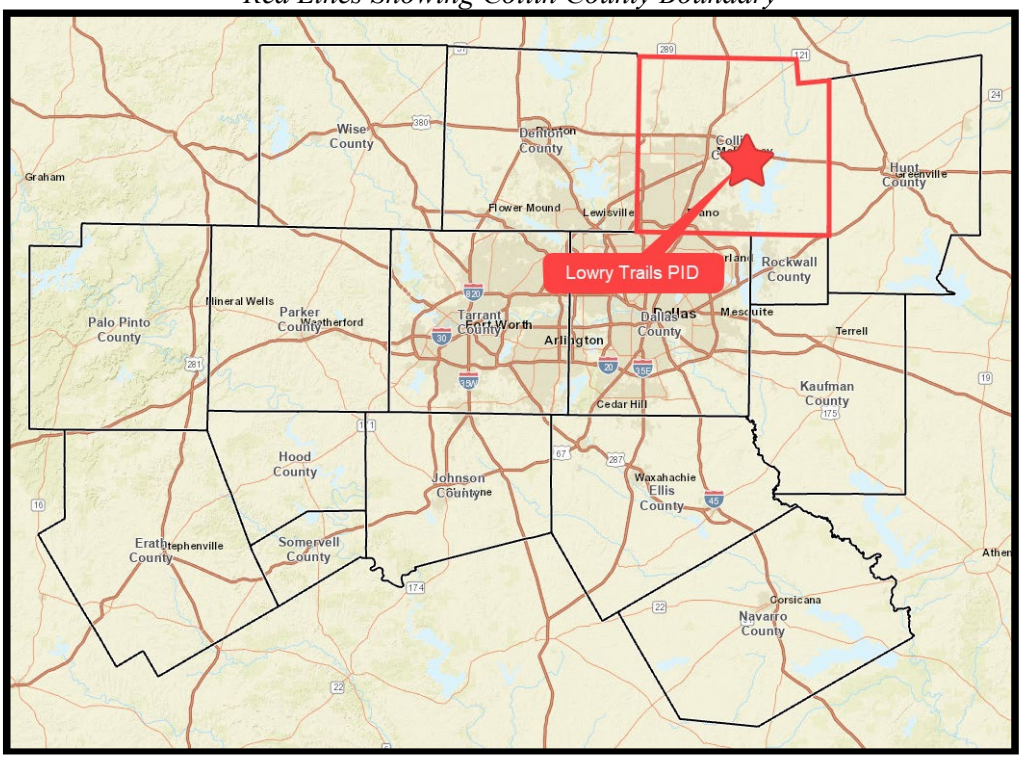
REGIONAL ANALYSIS

The subject is located in Collin County within the Dallas-Plano-Irving Metropolitan Statistical Area (MSA), often combined with the Fort Worth-Arlington-Grapevine MSA, and more commonly referred to as the Metroplex (DFW), which encompasses parts of 16 counties and contains 23 cities with populations over 50,000 in North Central Texas. As reported by the North Central Texas Council of Governments (NCTCOG), the estimated January 1, 2024, population for the NCTCOG region is 8,481,512. Last year the region added just under 200,000 people, nearly 40,000 more residents than were added in 2022. Dallas (30,201) added more population than any other city, followed by Fort Worth with just under 27,000 and surpassing 1 million residents. Celina (10,826), Frisco (6,696), and Princeton (6,374) round out the top 5 growth cities. For the second straight year, Collin County added more than 53,000 new residents while Dallas County added almost 42,000 and Tarrant County added over 35,000 new people. Since 2020, 650,000 new residents now call north Texas home. Contributing about one-third of Texas' GDP, the economy is the most diverse in the state. DFW is home to many business and professional services from major financial institutions to international law firms. It is also home to one of the top ranked container ports in the US and an extensive infrastructure network that serves multiple hotbeds for e-commerce fulfillment.

The region is anchored by two major passenger airports: Dallas-Fort Worth International Airport (DFW), which is the second busiest airport in the world in terms of aircraft movements and the largest hub for American Airlines, and Dallas Love Field Airport (DAL), which is a city-owned airport and the largest hub for Southwest Airlines – the largest carrier in the nation in terms of passengers carried.

MAP OF DALLAS-FORT WORTH METROPLEX

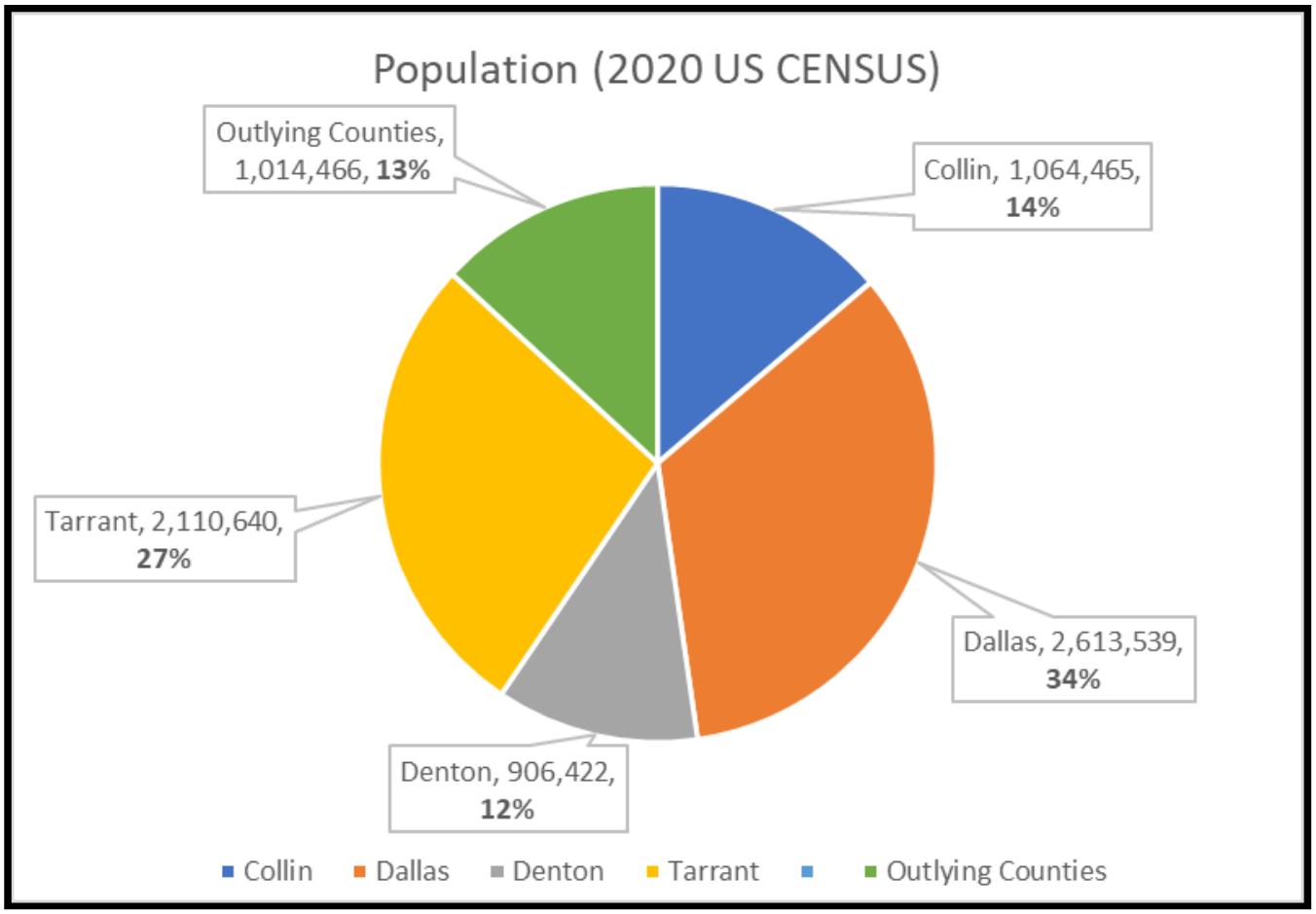
Red Lines Showing Collin County Boundary



When compared to the national economy, the DFW Metroplex is expected to experience expansion arising from growth in a variety of sectors including construction, transportation, manufacturing, finance, healthcare, business services, science and technology, education, and real estate. The expansion is fueled by the region's strategic location in the center of the country and is located at the nexus of major roadways such as Interstates 35, 30, 20, and 45. It is predicted by most analysts that economic activity in the area will exceed the state and national growth averages across most indicators. The region is set for long-term development due in part to its transportation infrastructure, low cost-of-living, business friendly regulatory environment, mild weather, young population, and large work force.

A chart of the four counties in the Metroplex, with the highest populations is shown below. Dallas County is the most populated county in the region with 2,613,539 residents, followed closely by Tarrant County with 2,110,640, Collin County with 1,064,465, and Denton County with 906,422. Other outlying counties such as Ellis, Johnson, Parker, Kaufman, Rockwall, Wise etc. add up to another 1,014,476 residents. The subject property is in central Collin County.

PIE CHART OF POPULATION PERCENTAGES IN DFW METROPLEX

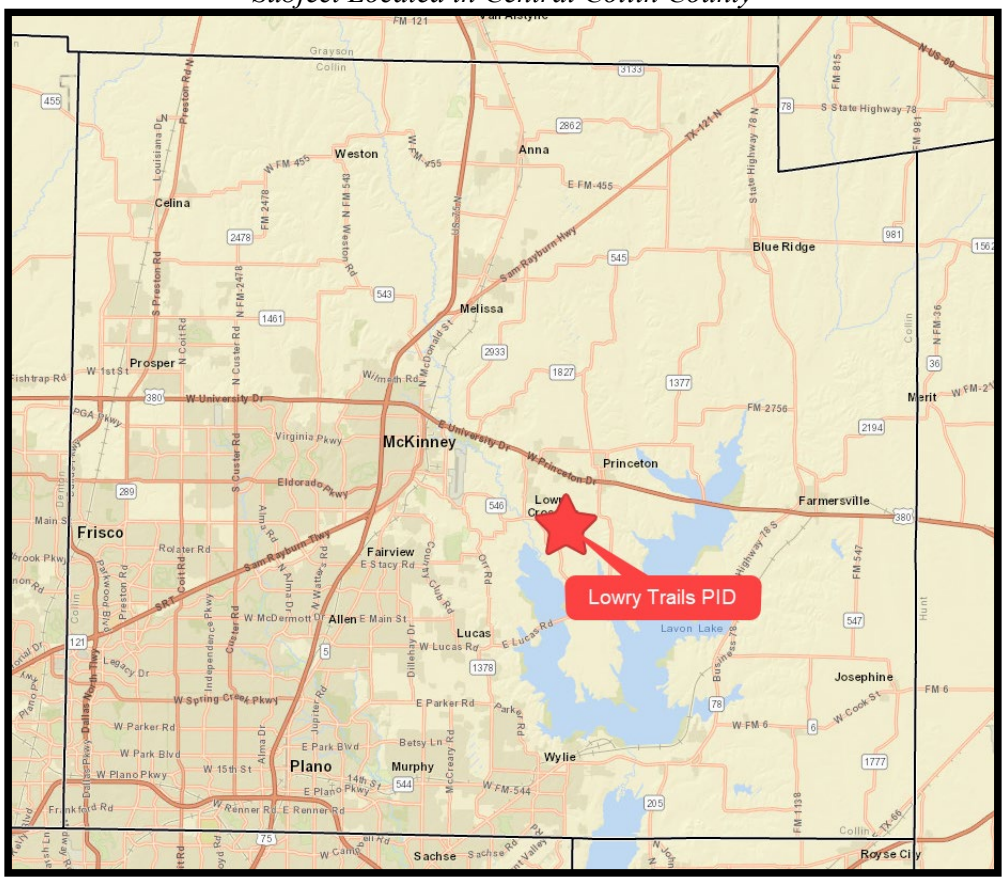


COLLIN COUNTY OVERVIEW

Collin County is a rapidly growing county located in north-central Texas, just north of Dallas. It is part of the Dallas-Fort Worth-Arlington metropolitan area and is known for its strong economy, excellent public schools, and high quality of life. Major cities in the county include Plano, Frisco, McKinney (the county seat), and Allen. The county has experienced significant population growth in recent decades, driven by suburban expansion, a thriving job market—particularly in tech, finance, and healthcare—and a family-friendly atmosphere. Collin County is also home to several corporate headquarters, shopping centers, parks, and cultural attractions. With a blend of urban development and preserved green spaces, Collin County offers both modern amenities and a sense of community, making it one of the most desirable places to live in Texas.

MAP OF COLLIN COUNTY

Subject Located in Central Collin County

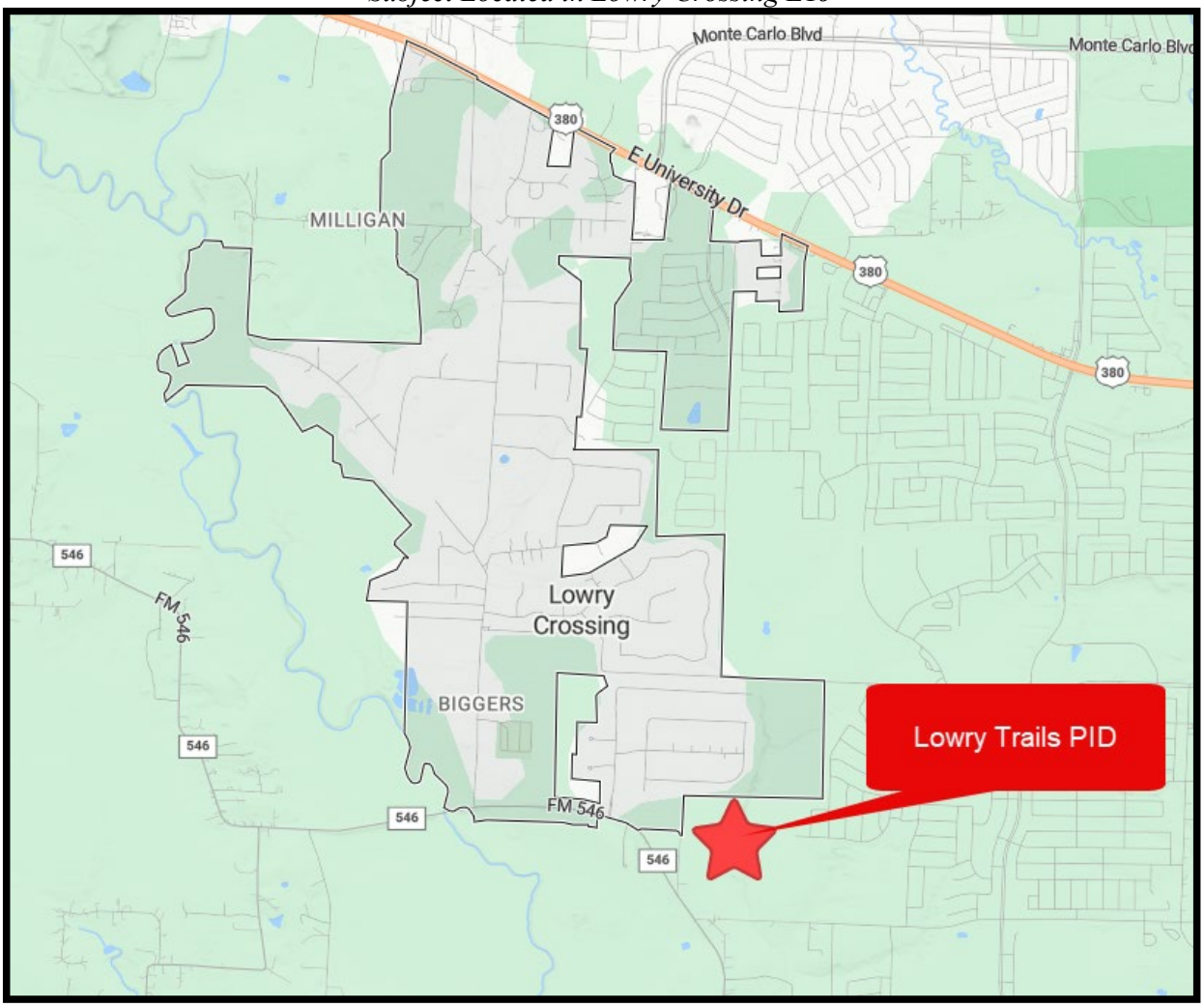


CITY OF LOWRY CROSSING OVERVIEW

Lowry Crossing is an incorporated city in Collin County, Texas, located approximately six miles southeast of McKinney within the northeast portion of the Dallas–Fort Worth Metroplex. The city encompasses about 2.6 square miles and maintains a semi-rural residential character, with development consisting primarily of single-family detached homes on larger lots, including a mix of older residences, custom homes, manufactured housing, and limited newer construction. Population growth has been moderate, and the community remains low density compared to surrounding suburban areas. Accessibility is provided by Farm Road 546 and nearby U.S. Highway 380, offering convenient commuting access to McKinney and other regional employment and retail centers. Municipal services are locally administered, with schools served by the McKinney Independent School District. Overall, Lowry Crossing appeals to buyers seeking privacy, open space, and a small-town environment while remaining within reasonable proximity to metropolitan amenities.

MAP OF THE CITY OF LOWRY CROSSING

Subject Located in Lowry Crossing ETJ

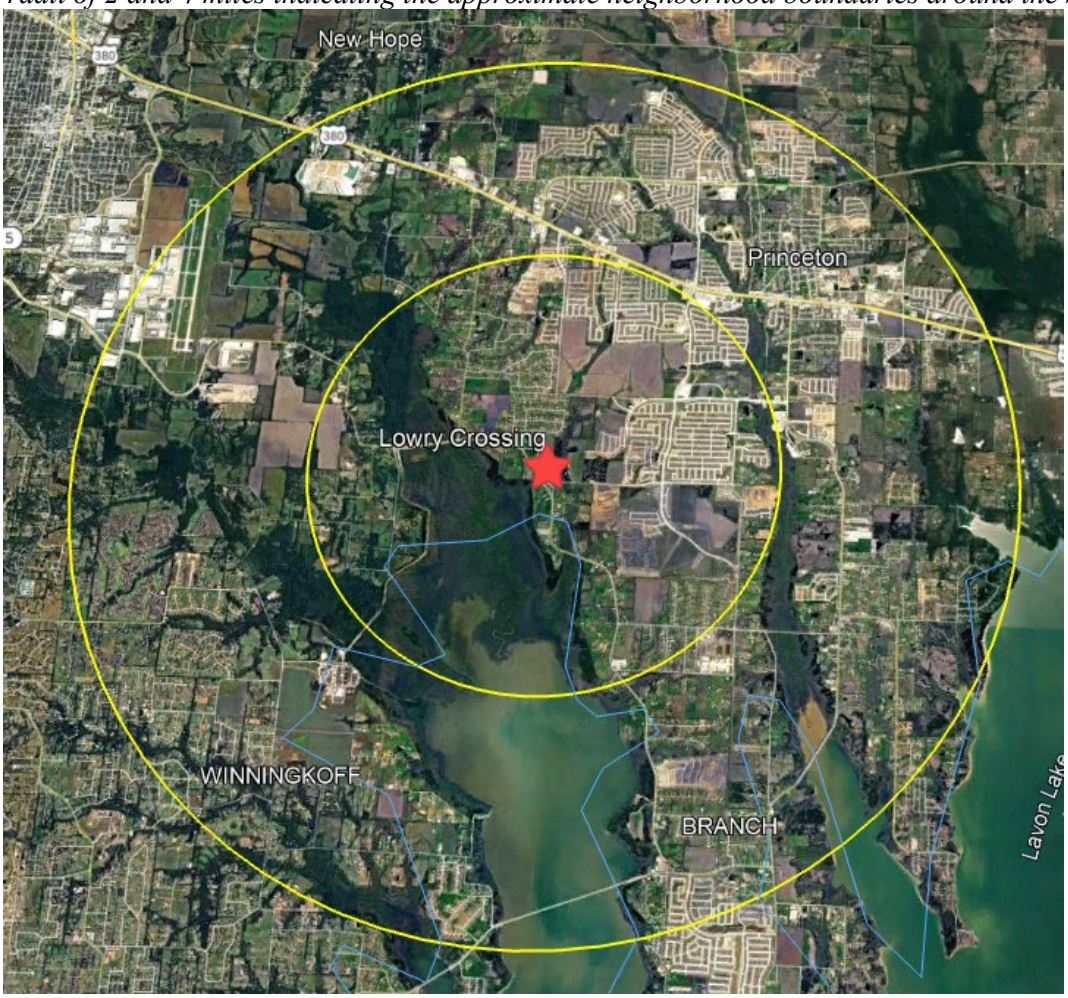


NEIGHBORHOOD ANALYSIS

A neighborhood may be defined as a section of a community or an entire community. It refers to relatively unified areas with definite boundaries which exhibit a fairly high degree of homogeneous uses – basically a group of complimentary land uses that exhibit a greater degree of commonality than the larger area. The boundaries of a neighborhood define the geographical area which exerts influence on the value of the subject property. Lowry Trails PID IA #2 is located outside the City limits of Lowry Crossing in the Extraterritorial Jurisdiction of the City of Lowry Crossing, Collin County, Texas and is within the Dallas-Plano-Irving MSA.

NEIGHBORHOOD MAP

Geographic radii of 2 and 4 miles indicating the approximate neighborhood boundaries around the Subject

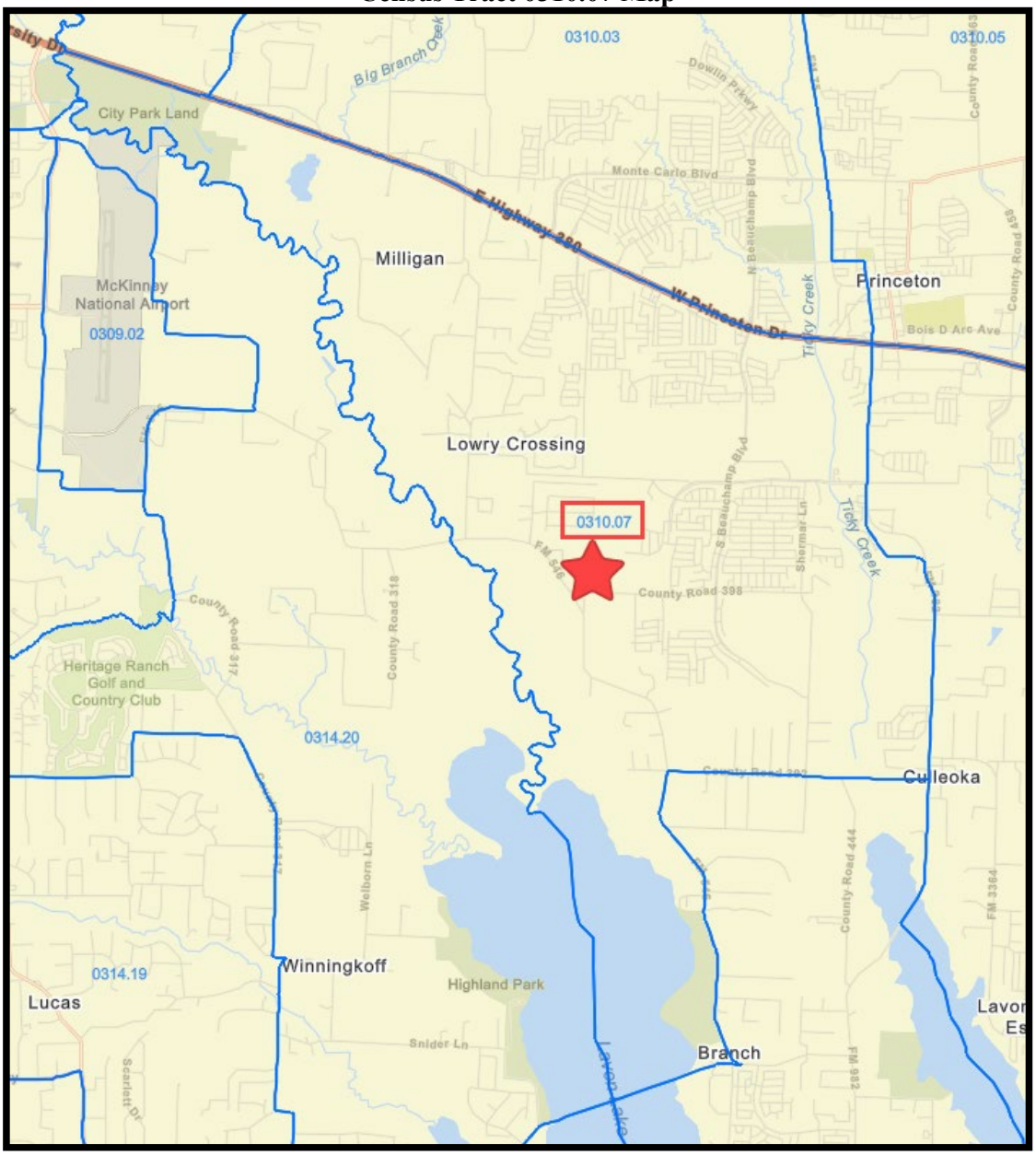


	2 Miles	4 Miles
North	Highway 380	Farm-to-Market 408
East	Farm-to-Market 982	Farm-to-Market 490
South	Lake Lavon	Lake Lavon
West	Farm-to-Market 324	Country Club Road

NEIGHBORHOOD DEMOGRAPHICS

The subject is located in census tract 0310.07 with the FFIEC Geocode Census Report shown on the following page. The census tract report for 0310.07 indicates that 6,291 people reside in the tract and family median income levels are in the middle tier with estimated median family incomes of $113,933. Within census tract 0310.07, approximately 75% of housing units are owner-occupied with 17% being renter-occupied and 8% being vacant. These housing and demographics statistics indicate middle class residents who tend to live in single-family homes.

Census Tract 0310.07 Map



Tract 0310.07 Census Report

FFIEC

2025 FFIEC Geocode Census Report

Address: Selected Tract
MSA: 19124 - DALLAS-PLANO-IRVING, TX
State: 48 -
County: 085 - COLLIN COUNTY
Tract Code: 0310.07

Summary Census Demographic Information

Tract Income Level	Middle
Underserved or Distressed Tract	No
2025 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$117,300
2025 Estimated Tract Median Family Income	$113,933
2020 Tract Median Family Income	$85,781
Tract Median Family Income %	97.13
Tract Population	6291
Owner-Occupied Units	1008
1- to 4- Family Units	1283

Census Income Information

Tract Income Level	Middle
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$88,315
2025 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$117,300
% below Poverty Line	3.93
Tract Median Family Income %	97.13
2020 Tract Median Family Income	$85,781
2025 Estimated Tract Median Family Income	$113,933
2020 Tract Median Household Income	$83,311

Census Population Information

Tract Population	6291
Number of Families	1042
Number of Households	1238

Census Housing Information

Total Housing Units	1353
1- to 4- Family Units	1283
Median House Age (Years)	19
Owner-Occupied Units	1008
Renter Occupied Units	230
Owner Occupied 1- to 4- Family Units	1008
Inside Principal City?	NO
Vacant Units	115

DEMOGRAPHIC SUMMARY

Analytics from CoStar of the area are provided below. Within a 10-mile radius of the subject there are 395,583 people which represents a 5.20% annual increase in population since 2020 and highlights steady growth that has occurred in this portion of Collin County. The population growth is expected to increase in the coming years and grow another 3.0% annually over the next five years. Median household incomes in the 10-mile radius is $112,644.

Population

	2 miles	5 miles	10 miles
2020 Population	5,410	35,980	313,733
2025 Population	11,205	57,618	395,583
2030 Population Projection	13,577	68,264	455,810
Annual Growth 2020-2025	0.2%	12.0%	5.2%
Annual Growth 2025-2030	4.2%	3.7%	3.0%
Median Age	36.7	37.8	38.6
Bachelor's Degree or Higher	19%	27%	41%
U.S. Armed Forces	0	0	62

Income

	2 miles	5 miles	10 miles
Avg Household Income	$113,810	$116,219	$141,342
Median Household Income	$95,049	$93,154	$112,644
< $25,000	429	1,834	10,037
$25,000 - 50,000	497	2,686	15,612
$50,000 - 75,000	453	2,554	16,635
$75,000 - 100,000	553	3,331	17,689
$100,000 - 125,000	507	2,053	13,381
$125,000 - 150,000	254	1,957	12,493
$150,000 - 200,000	553	2,114	18,053
$200,000+	399	2,457	29,582

EMPLOYMENT DATA

A table of the 2, 5, and 10-mile radius employment figures are shown below. The numbers highlight the area's economy with most employees in the area surrounding the subject in service-producing industries.

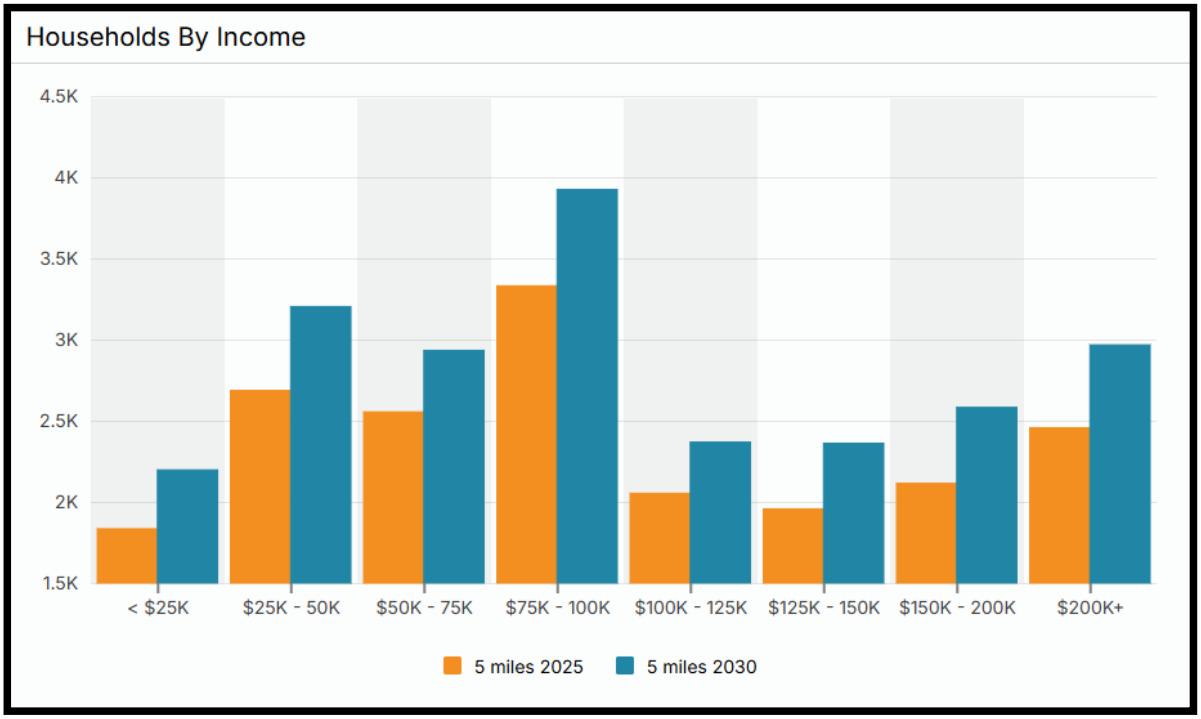
Daytime Employment

Radius	2 miles		5 miles		10 miles	
	Employees	Businesses	Employees	Businesses	Employees	Businesses
Service-Producing Industri...	**404**	**74**	**5,166**	**766**	**89,509**	**12,132**
Trade Transportation & Uti...	91	13	1,385	152	17,986	1,789
Information	4	1	97	15	2,805	224
Financial Activities	14	4	247	74	6,820	1,434
Professional & Business S...	83	15	627	135	9,180	1,788
Education & Health Services	93	28	819	125	24,054	3,909
Leisure & Hospitality	51	4	1,040	99	16,172	1,191
Other Services	34	7	712	146	7,253	1,564
Public Administration	34	2	239	20	5,239	233
Goods-Producing Industries	**136**	**19**	**1,875**	**174**	**12,502**	**1,365**
Natural Resources & Mining	2	1	11	5	384	49
Construction	40	11	496	128	5,650	966
Manufacturing	94	7	1,368	41	6,468	350
Total Daytime Employment	**540**	**93**	**7,041**	**940**	**102,011**	**13,497**

CoStar Analytics – Map of Median Household Income

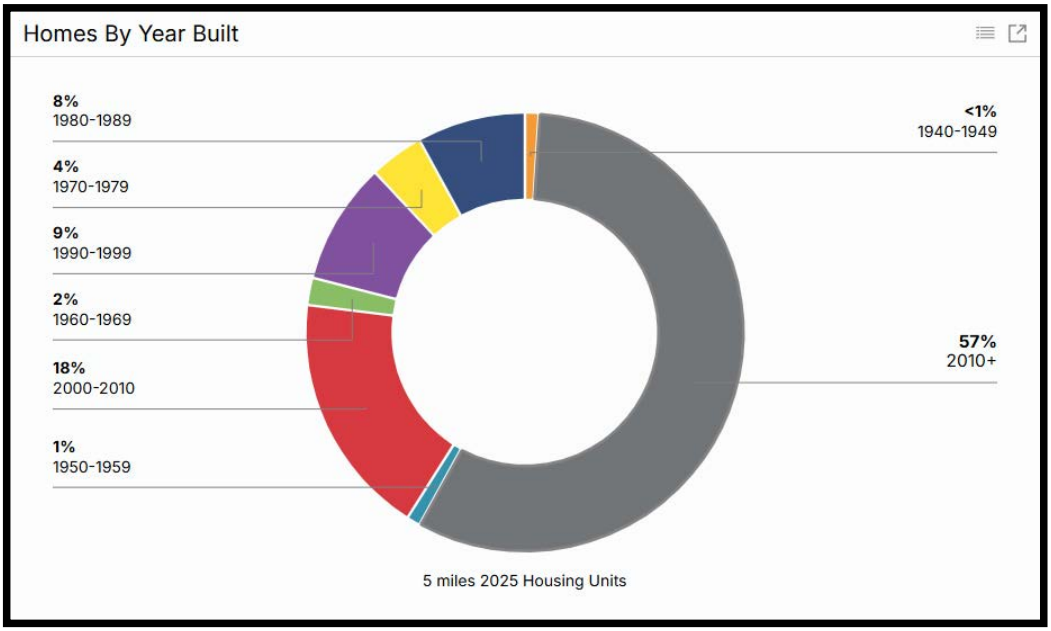
As indicated by the map below, median incomes in the vicinity of the subject property are below $84.2K. Median incomes north of the DFW metroplex tend to be lower in rural areas outside the population centers in Dallas and Fort Worth. This is especially true in areas north of Dallas where established communities have concentrated for the past few decades.





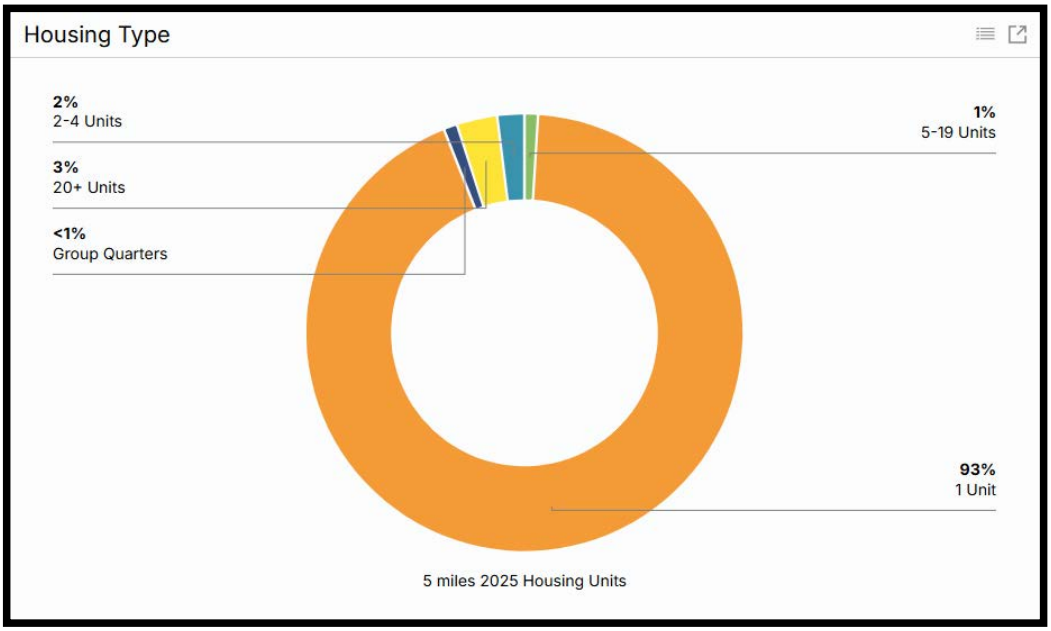
CoStar Analytics – Housing Statistics

Most housing in the area (57%) are homes that were built after 2010. This is consistent with the growth stage of the surrounding area, which has experienced numerous residential developments in recent years.



CoStar Analytics – Housing Statistics

In addition, the vast majority (93%) of housing in the 5-mile radius consists of single unit housing stock. The subject property is being developed with detached single-family housing that is consistent with the surrounding area.



Map of Notable Nearby Developing Residential Subdivisions

A map of notable built out, developing, and planning single-family residential subdivisions are shown below which highlights the similar and conforming uses around the subject property.



MAP KEY					
1	Acorn	*6*	Lowry Trails	*11*	Town Park North
2	Ashford Crossing	*7*	Monticello Park	*12*	Winchester Crossing
3	Bridgewater	*8*	Princeton Heights	*13*	Forest Park
4	Clearhaven	*9*	Simpson Crossing	-	-
5	Cypress Creek	*10*	Southridge	-	-

ABSORPTION ANALYSIS

RESIDENTIAL ANALYSIS

The subject property is Lowry Trails PID IA #2 which consists of approximately 39.288 acres in the Extraterritorial Jurisdiction of the City of Lowry Crossing, Collin County being developed into detached single-family lots for residential use. The property is owned by GRBK Edgewood, LLC.

When analyzing the financially feasible and maximally productive use of the site, uses that are both physically possible and legally permissible must be considered. An important factor affecting the development of the subject is the surrounding land usage. For the subject property, the primary potential use is single-family residential development as that conforms to recent land development in Extraterritorial Jurisdiction of the City of Lowry Crossing, Texas 75407 between Lowry Crossing and Princeton. The neighborhood is best described as the area, east of Farm-to-Market Road 546 and north of County Road 398. The neighborhood is a residential development to the north, east, south, and west. Approximately 3 miles north of the subject property, Highway 380 runs east/west, and has several community commercial uses that are located on this arterial traffic carrier.

Since the recession in 2008, the residential real estate market in this area of North Texas has continuously improved, and Extraterritorial Jurisdiction of the City of Lowry Crossing, Texas 75407 has experienced this consistent population growth. Low interest rates persisted nationally in 2020 and 2021, and the markets rose significantly, but 2022-2024 are years of the higher interest rates as the Fed seeks to combat inflation. Although rates remain relatively elevated, they have declined in 2025 and 2026 compared with peak rates observed during the 2022–2024 period. Still, with large numbers of immigration from outside DFW from higher cost-of-living states and an abundance of steady jobs, demand for residential real estate in growing communities in Collin County is expected to remain strong. Those end-user homebuyers in Lowry Trails PID IA #2 are expected to be middle income earners as the average home price for finished single-family homes in the community is expected to average out to $315,000+ for the 40-FF Lots.

Demand for vacant developed lots (VDLs) for home builders is currently very high. Developable residential land in DFW with good access to Fort Worth and Dallas is in high demand with developments moving ever further away from the Dallas CBD and highly developed areas north of Dallas where vacant land is scarce after decades of growth. The subject property –Lowry Trails PID IA #2– is removed from the large Central Business Districts in the Metroplex but relatively near areas of Collin County where many young families have migrated when searching for safe neighborhoods, good schools, relatively affordable new homes, and desirable residential amenities.

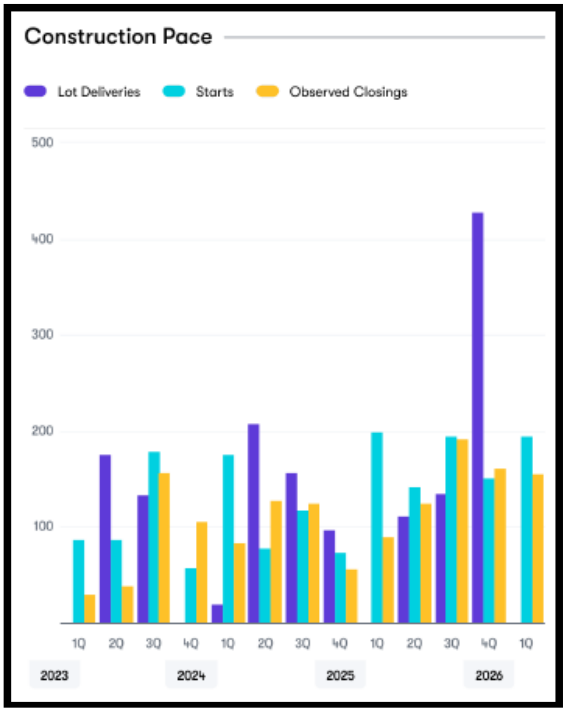
Based on the preceding, the proposed absorption of single-family home lots in the subject's neighborhood will be analyzed using historical absorption data provided by Zonda as well as information obtained from area market participants and developers. It is important to note that our absorption data is based on historical trends and current available data. Since the first residential lots are scheduled to be complete July 1, 2026 for Phase 2, and the first residential lots were scheduled to be complete June 1, 2026 for Phase 3, we will analyze the historical trends and attempt to forecast the absorption rates based off data, analytics, and our conversations with developers in the market.

We determined a 5-mile radius around the subject property is suitable for our absorption analysis as the competitive supply of lots is within this area. Further, we examined residential communities with lot widths between 40'- 45'.

Based on the construction pace data and the accompanying Construction Pace chart in the Zonda Historical Homebuilding Activity report, the market demonstrates a generally increasing level of building activity through the 2023–2026 period, with some quarterly volatility. Annual starts rose steadily from approximately 471 units in early 2025 to roughly 686–690 units by 2025–2026, reflecting a materially higher level of development activity compared with earlier years. Quarterly starts fluctuated but remained within a relatively tight range (generally between the mid-100s and around 200 units per quarter), indicating consistent builder commitment despite changing market conditions. Observed closings also trended upward on an annual basis, increasing from about 402 units to approximately 636 units by 1Q 2026, which suggests improving absorption and a stronger alignment between construction output and buyer demand. Lot deliveries, particularly vacant developed lot (VDL) deliveries, showed episodic spikes—most notably in late 2025—supporting continued construction momentum even as future lot supply declined. Overall, the pace data and chart indicate an active and expanding construction environment that has adapted to higher interest rates by maintaining steady starts and improving closings, rather than experiencing a sharp pullback in development activity.

Construction & Supply

	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026	1Q 2025 VS 1Q 2026
Pace						
Quarterly VDL Deliveries	0	112	135	429	0	-
Annual VDL Deliveries	464	367	344	676	676	45.69%
Quarterly Starts	200	143	196	151	196	-2.00%
Annual Starts	471	536	614	690	686	45.65%
Quarterly Observed Closings	90	126	192	162	156	73.33%
Annual Observed Closings	402	399	465	570	636	58.21%

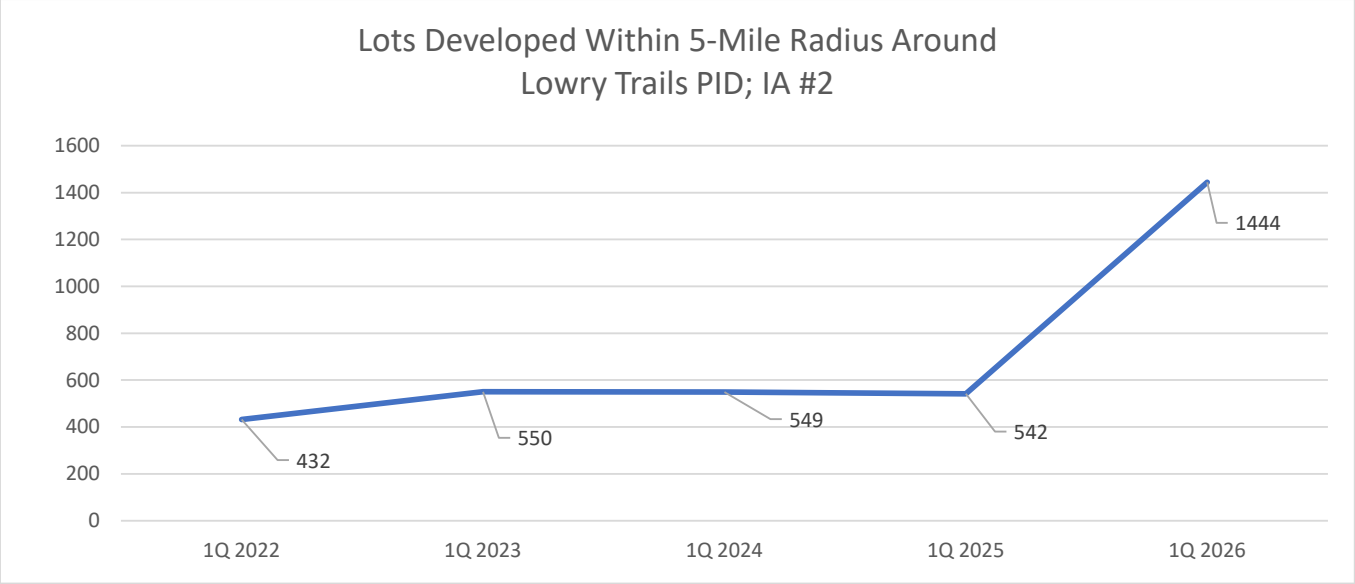


DEFINED SUBMARKET AREA

According to Zonda, the selected area absorbed the following number of 40'-45' FF lots year-over-year from 1Q 2022 to 1Q 2026:

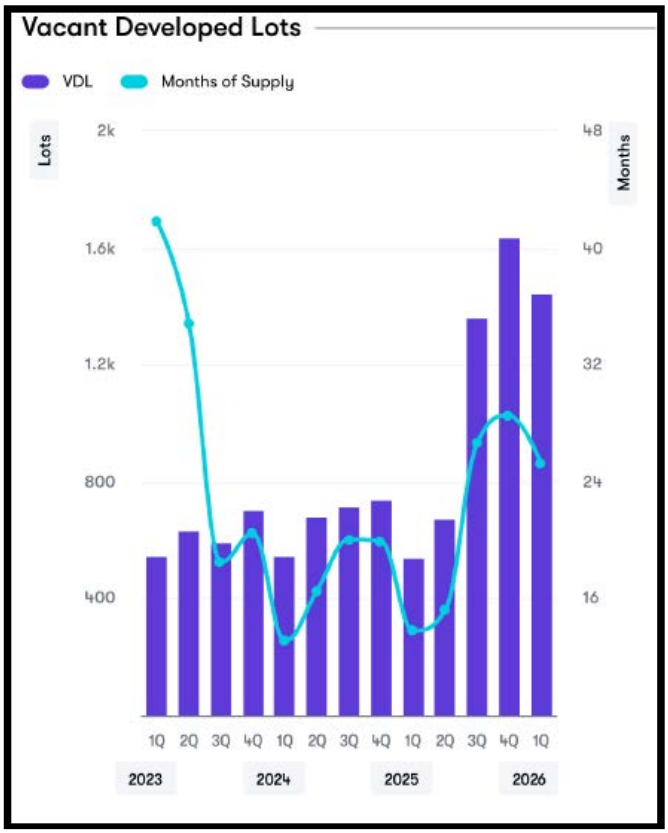
- 432 –lots absorbed in 1Q 2022
- 550 – lots absorbed in 1Q 2023
- 549 – lots absorbed in 1Q 2024
- 542 – lots absorbed in 1Q 2025
- 1444 – lots absorbed in 1Q 2026

From 2022-2026, the *annual average* of lots absorbed was 703 (3,517 ÷ 5). Utilizing the more recent 24-month absorption of lots (1Q2024 to 1Q2026), the annual average of lots absorbed increases to 845 (2,535 ÷ 3) lots in the area.



COMPETITIVE SUPPLY (LOT INVENTORY)

Based on the vacant developed lot (VDL) data in the Zonda Historical Homebuilding Activity report, the supply of finished lots expanded materially over the analyzed period, particularly through 2025, before moderating slightly in early 2026. Vacant developed lots increased from approximately 542 units in 1Q 2025 to a peak of about 1,640 units by 4Q 2025, before declining to roughly 1,444 units in 1Q 2026, representing a net increase of approximately 166% year over year. Correspondingly, months of supply for vacant developed lots rose from about 13.8 months to over 25 months during the same timeframe, reflecting lot deliveries that outpaced near-term absorption. The vacant developed lot chart illustrates this buildup visually, with a sharp upward trajectory through late 2025 followed by a modest pullback, suggesting builders accelerated lot development in anticipation of future demand while adjusting production heading into 2026. The elevated lot supply indicates a well-positioned pipeline for continued home construction, though the higher months of supply also point to a more competitive and balanced environment for builders compared to earlier periods with tighter lot availability.



Thus, the total lot supply is considered to be considerably **below** the ideal supply levels for a significantly developing market. Also, taking into consideration that new developments require a typical 12-to-18-month construction period, *with increasing demand and declining lot supply, it appears that additional lot product in the submarket is feasible and needed at the current time*. This corresponds to discussions we had with DFW homebuilders who state there is a scarcity of vacant developed lots currently on the market which is pushing prices higher.

Having considered the supply of lots in the market, it is now prudent to examine the absorption history of specific competing subdivisions in the subject's market area with similar lot features and amenities relative to the subject to determine the projected absorption of the subject's proposed lots.

ABSORPTION ANALYSIS – 40' FF LOTS

The similarities considered to be most important are lot size, home price range, and amenity features. The tables that follow detail the active subdivisions that are considered to compete with the subject's lots. All data is per Zonda as of 1Q2026.

40' Lots

We included data for lots that were 40'-45' lots within a 5-mile radius. Since data on 40' lots is plentiful, we selected thirteen comparable absorption schedules we concluded are similar to the subject and considered some of these communities are smaller and some larger than Lowry Trails PID IA #2.

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Acorn	40'	199	22	12	108.5	**1.8**
Ashford Crossing	40'	274	60	12	54.8	**5.0**
Bridgewater	40'	0	4	12	0.0	**0.3**
Clearhaven	40'	120	9	12	160.0	**0.8**
Cypress Creek	40'	4	58	12	0.8	**4.8**
Lowry Trails	40'	105	62	12	20.3	**5.2**
Monticello Park	40'	77	61	12	15.1	**5.1**
Princeton Heights	40'	12	49	12	2.9	**4.1**
Simpson Crossing	40'	0	75	12	0.0	**6.3**
Southridge	40'	116	99	12	14.1	**8.3**
Town Park North	40'	0	2	12	0.0	**0.2**
Winchester Crossing	40'	346	148	12	28.1	**12.3**
Forest Park	45	0	37	12	0.0	**3.1**
AVERAGE		***96.4***	***52.8***	***12.0***	***31.1***	***4.4***

Our analysis indicates Starts/Month is between 0.2 and 12.3 with an average of 4.4 starts/month and a median of 4.8 starts/month. We similarly weighed and considered **the subject property's 40' lots would likely absorb 5 lots/month, or approximately 15 lots per quarter.**

Absorption Summary Projection: 40' FF Lots

Based on the preceding, we estimate that lots in the subject property's development will sell 15 lots/quarter for 40' lots with absorption beginning July 2026 for Phase 2 and June 2026 for Phase 3. An Absorption Summary Projection for the 40' lot sizes is shown in the tables below for the 69 lots in Phase 2 and the 106 lots for Phase 3 in the Lowry Trails PID IA #2.

Projected Quarterly Absorption Summary - Lowry Trails PID IA #2 (Phase 2)						
Lot Type	*July-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	*July-2027*	**TOTAL**
40-FF	15	15	15	15	9	**69**
Total	**15**	**15**	**15**	**15**	**9**	**69**

The total absorption period for the 40' lots in Phase 2 is expected to be ~14 months (69 ÷ 5 lots/month) and expected to sell out in August 2027.

Projected Quarterly Absorption Summary - Lowry Trails PID IA #2 (Phase 3)									
Lot Type	*June-2026*	*July-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	*July-2027*	*Oct-2027*	*Jan-2028*	**TOTAL**
40-FF	5	15	15	15	15	15	15	11	**106**
Total	**5**	**15**	**15**	**15**	**15**	**15**	**15**	**11**	**106**

The total absorption period for the 40' lots in Phase 3 is expected to be ~22 months (106 ÷ 5 lots/month) and expected to sell out in March 2028.

SUBJECT PROPERTY ANALYSIS

The development of Lowry Trails PID IA #2 represents approximately 39.288 acres (1,711,385-SF) and is developed into two distinct areas as follows:

- Lowry Trails PID IA#2 consists of 69 40-FF improved residential lots in Phase 2 and 106 40-FF improved residential lots in Phase 3 on combined total of approximately 39.288 acres.

The following chart shows the lot breakdown of Lowry Trails PID IA #2:

Lowry Trails PID IA #2			
Area Type	**Size (Acres)**	**40' Lot Type**	**Total Lots Appraised**
Phase 2	*12.413-AC*	***69***	***69***
Phase 3	*22.822-AC*	***106***	***106***

Lowry Trails PID IA #2 is owned by GRBK Edgewood, LLC. Lowry Trails PID IA #2 is located in the Extraterritorial Jurisdiction of the City of Lowry Crossing, Texas 75407. This location is in the central area of Collin County. The neighborhood is surrounded by residential communities which are common in cities that are generally suitable for middle income households.

Access to the subject property is considered average as it is located along Farm-to-Market 546 and County Road 398 with the main retail and commercial options near the subject found on Highway 380.

The subject property will have a mandatory homeowner's association (HOA) over residential portions of the subject property in order to maintain open spaces, common areas, detention areas, and other related improvements or appurtenances that are not dedicated or maintained by the City.

Based on research and discussion with the development team, the price point of homes in the subject's community will be averaging in the low $300,000 and up range for the 40-FF lots, which should be a desirable price point for young families and first- and second-time homebuyers looking for a community within the Dallas-Fort Worth Metroplex with the amenities of a planned residential community. The information on the following page describes the development standards and improvements from the JBI Partners, Professional Engineers, Development Agreement.

Development Improvements

Based on information in the Engineer's Report provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property and Apportioned Property. The Authorized Improvements will be designed and constructed in accordance with the applicable City, City of Princeton, or TxDOT standards, regulations, requirements, and specifications and will be owned and operated by the City, the City of Princeton, the homeowners' association or TxDOT, as noted below.

A. *Major Improvements*

- *Water Improvements*
  - *Improvements including trench excavation and embedment, trench safety, piping, valves, fire hydrants, service connection, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide water service to all Lots within the District. These water improvements will be owned and operated by the City of Princeton.*

- *Sanitary Sewer Improvements*
  - *Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, lift station, force main, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide wastewater service to all Lots within the District. These sanitary sewer improvements will be owned and operated by the City of Princeton.*

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

- *Soft Costs*
  - *Costs related to designing, constructing, and installing the Major Improvements including engineering and design, construction inspection fees, geotechnical testing and governmental submittal fees associated with the water and sanitary sewer improvements as described above, and District Formation Costs.*

B. *Improvement Area #2 Improvements*

- *Street*
  - *Improvements including subgrade stabilization, earthwork, rights-of-way, erosion control, pavement, sidewalks, barrier free ramps, signage, striping, streetlights, and testing. All related earthwork, clearing and grubbing, excavation, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included, including landscaping within the right-of-way for the streets being dedicated to the City. The street improvements will provide street access to each Lot within Improvement Area #2. These street improvements will be owned and operated by the City. The landscaping within the right-of-way for the streets will be owned by the City and operated and maintained by the homeowners' association.*

- *Water*
  - *Improvements including trench excavation and embedment, trench safety, piping, valves, fire hydrants, service connections, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide water service to all Lots within Improvement Area #2. These water improvements will be owned and operated by the City of Princeton.*

- *Sanitary Sewer*
  - *Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2. These sanitary sewer improvements will be owned and operated by the City of Princeton.*

- *Storm Drainage*
  - *Improvements including trench excavation and embedment, trench safety, piping, manholes, inlets, headwalls, rock rip rap, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots within Improvement Area #2. These storm drainage improvements will be owned and operated by the City.*

- *Soft Cost*
  - *Costs related to designing, constructing, and installing the Improvement Area #2 Improvements including engineering and design, construction inspection fees, geotechnical testing and governmental submittal fees for the costs associated with the street, water, sanitary sewer, and storm drainage improvements as described above.*

C. Shared Improvements — IA#2 & Remainder Area

- *Sanitary Sewer*
  - *Improvements including trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, erosion control, and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #2 and the Remainder Area. These sanitary sewer improvements will be owned and operated by the City of Princeton.*

D. Bond Issuance Cost

- *Debt Service Reserve Fund*
  - *Equals the amount to be deposited in a debt service reserve fund under an applicable Indenture in connection with the issuance of PID Bonds.*

- *Underwriter's Discount*
  - *Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds, including the fees of the underwriter's counsel.*

- *Cost of Issuance*
  - *Includes costs of issuing a particular series of PID Bonds, including but not limited to issuer fees, attorney's fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City's costs, original issue discount, fees charged by the Texas Attorney General, original issue discount, and any other cost or expense directly associated with the issuance of PID Bonds.*

E. Other Cost

- *Deposit to Administrative Fund*
- *Equals the amount necessary to fund the first year's Annual Collection Costs for a particular series of PID Bonds.*

The chart on the following page shows an Opinion of Probable Construction Costs (OPC) with the breakdown of the costs associated with Lowry Trails PID IA #2. Where applicable, the construction costs included in the OPC are based on contractor proposals received to date.

Lowry Trails Public Improvement District; Improvement Area #2

	Total Costs[a]	Privately Funded	Authorized Improvements	Improvement Area #1 %	Improvement Area #1 Cost	Improvement Area #2 %	Improvement Area #2 Cost	Remainder Area %	Remainder Area Cost
Major Improvements [b]									
Water[c]	$ 732,891	$ -	$ 732,891	38.39%	$ 281,363	40.84%	$ 299,309	20.77%	$ 152,220
Sanitary Sewer[c]	2,677,203	-	2,677,203	38.39%	1,027,800	40.84%	1,093,355	20.77%	556,049
District Formation Costs	130,000	-	130,000	38.39%	49,908	40.84%	53,091	20.77%	27,001
Soft Costs[d]	513,404	-	513,404	38.39%	197,100	40.84%	209,671	20.77%	106,633
	$ 4,053,499	$ -	$ 4,053,499		$ 1,556,171		$ 1,655,426		$ 841,902
Improvement Area #1 Improvements									
Street[f]	$ 1,890,589	$ -	$ 1,890,589	100%	$ 1,890,589	0.00%	$ -	0.00%	$ -
Right-of-Way [g]	652,124	-	652,124	100%	652,124	0.00%	-	0.00%	-
Water[c]	540,829	-	540,829	100%	540,829	0.00%	-	0.00%	-
Sanitary Sewer[c]	617,806	-	617,806	100%	617,806	0.00%	-	0.00%	-
Storm Drainage	800,247	-	800,247	100%	800,247	0.00%	-	0.00%	-
Soft Costs[d]	498,330	-	498,330	100%	498,330	0.00%	-	0.00%	-
	$ 4,999,925	$ -	$ 4,999,925		$ 4,999,925		$ -		$ -
Improvement Area #2 Improvements									
Street	$ 1,531,589	$ -	$ 1,531,589	0%	$ -	100.00%	$ 1,531,589	0.00%	$ -
Right-of-Way [i]	220,293	-	220,293	0%	-	100.00%	220,293	0.00%	-
Landscaping [k]	208,986	-	208,986	0%	-	100.00%	208,986	0.00%	-
Water	587,069	-	587,069	0%	-	100.00%	587,069	0.00%	-
Sanitary Sewer	1,037,108	-	1,037,108	0%	-	100.00%	1,037,108	0.00%	-
Storm Drainage	939,784	-	939,784	0%	-	100.00%	939,784	0.00%	-
Soft Costs[d]	896,020	-	896,020	0%	-	100.00%	896,020	0.00%	-
	$ 5,420,849	$ -	$ 5,420,849		$ -		$ 5,420,849		$ -
Shared Improvements - IA#2 & Remainder Area [l]									
Sanitary Sewer	$ 162,246	$ -	$ 162,246	0.00%	$ -	66.29%	$ 107,549	33.71%	$ 54,697
	$ 162,246	$ -	$ 162,246		$ -		$ 107,549		$ 54,697
Private Improvements [e],[m]									
Private Improvements	$ 809,756	$ 809,756	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -
Storm Drainage[o]	83,275	83,275	-	0.00%	-	$ -	-	$ -	-
Soft Costs[p]	7,759	7,759	-	0.00%	-	$ -	-	$ -	-
	$ 900,790	$ 900,790	$ -		$ -		$ -		$ -
Bond Issuance Costs [n]									
Debt Service Reserve Fund	$ 1,122,655	$ -	$ 1,122,655		$ 546,490		$ 576,165		$ -
Underwriter Discount[j]	458,100	-	458,100		236,310		221,790		-
Cost of Issuance	904,830	-	904,830		424,785		480,045		-
Original Issue Discount	68,319	-	68,319		68,319		-		-
	$ 2,553,904	$ -	$ 2,553,904		$ 1,275,904		$ 1,278,000		$ -
Other Costs									
Deposit to Administrative Fund[h],[n]	$ 85,000	$ -	$ 85,000		$ 45,000		$ 40,000		$ -
	$ 85,000	$ -	$ 85,000		$ 45,000		$ 40,000		$ -
Total	**$ 18,176,213**	**$ 900,790**	**$ 17,275,423**		**$ 7,877,000**		**$ 8,501,824**		**$ 896,599**

Footnotes:

[a] Costs per Engineer's Reports dated 9/16/2025 and 5/11/2026.
[b] The Major Improvement costs were allocated to Improvement Area #1 and apportioned to the property now within Improvement Area #2 and the Remainder Area at the time the City Council approved the 2025 Assessment Ordinance. The costs apportioned to Improvement Area #2 and the Remainder Area are allocated to Improvement Area #2 and the Remainder Area at the time the City Council approved the 2026 Assessment Ordinance as further shown on **Exhibit B-2**.
[c] The City of Princeton will assume ownership and maintenance responsibility pursuant to an interlocal agreement.
[d] Soft costs include engineering, maintenance bonds, staking, surveying, construction management fees, and contingency.
[e] Not reimbursable to the Developer through the collection of Annual Installments or proceeds from the issuance of PID Bonds.
[f] Street costs also includes landscaping within the right-of-way.
[g] The Right-of-Way costs are based on the appraisal dated 11/5/2025.
[h] Deposit to Administrative Fund costs also includes third-party collections fees within Improvement Area #1.
[i] The Right-of-Way costs are estimates provided in the Engineer's Report dated 5/11/2026 and will be updated in the final Right-of-Way appraisal.
[j] Includes the fee of counsel to the Underwriter.
[k] Assumes 25% of landscaping improvements are within the public Right-of-Way.
[l] As allocated to Improvement Area #2 Assessed Property and the Remainder Area Apportioned Property per the Engineer's Report attached hereto as **Appendix A**.
[m] Private Improvements include landscaping and hardscaping.
[n] Bond Issuance Costs for Improvement Area #2 are preliminary estimates only and subject to change upon the issuance of PID Bonds.
[o] The County will assume ownership and maintenance responsibility of the privately funded costs of the storm drainage improvements within Improvement Area #2. Surch costs are not reimbursable to the Developer through the collection of Annual Installments or proceeds from the issuance of PID Bonds.
[p] Soft Costs include the Storm Drainange's allocable portion of City inspection & review rees and construction management fees.

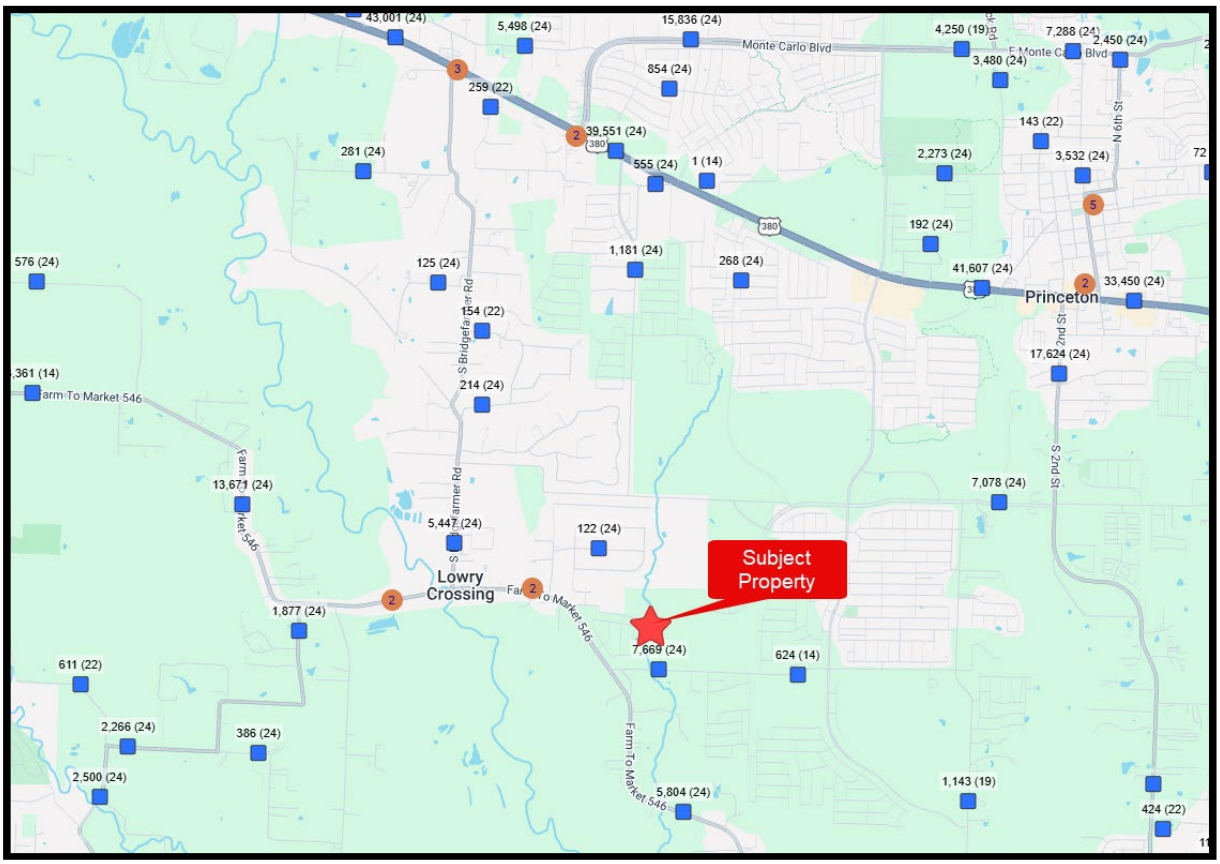
The preceding general descriptions of the subject's characteristics are based on review of available maps and data sources, as well as our physical on-site observations. Please refer to copies of the maps, photographs, and renderings for a visual perspective of the subject's physical characteristics.

ACCESSIBILITY, FRONTAGE, AND STREETS

The subject property is primarily accessed by Farm-to-Market 546 and County Road 398. The subject site is south of State Highway 380.

A map from TXDOT is shown below which highlights traffic counts in the vicinity. Notably, Farm-to-Market 546 runs to the west of the property and has over 5,800 average daily vehicles, County Road 398 runs south of the property and has over 7,600 average daily vehicles, while State Highway 380, which is north of the property, carries approximately 43,000 vehicles per day.

TXDOT Traffic Web Viewer



Traffic

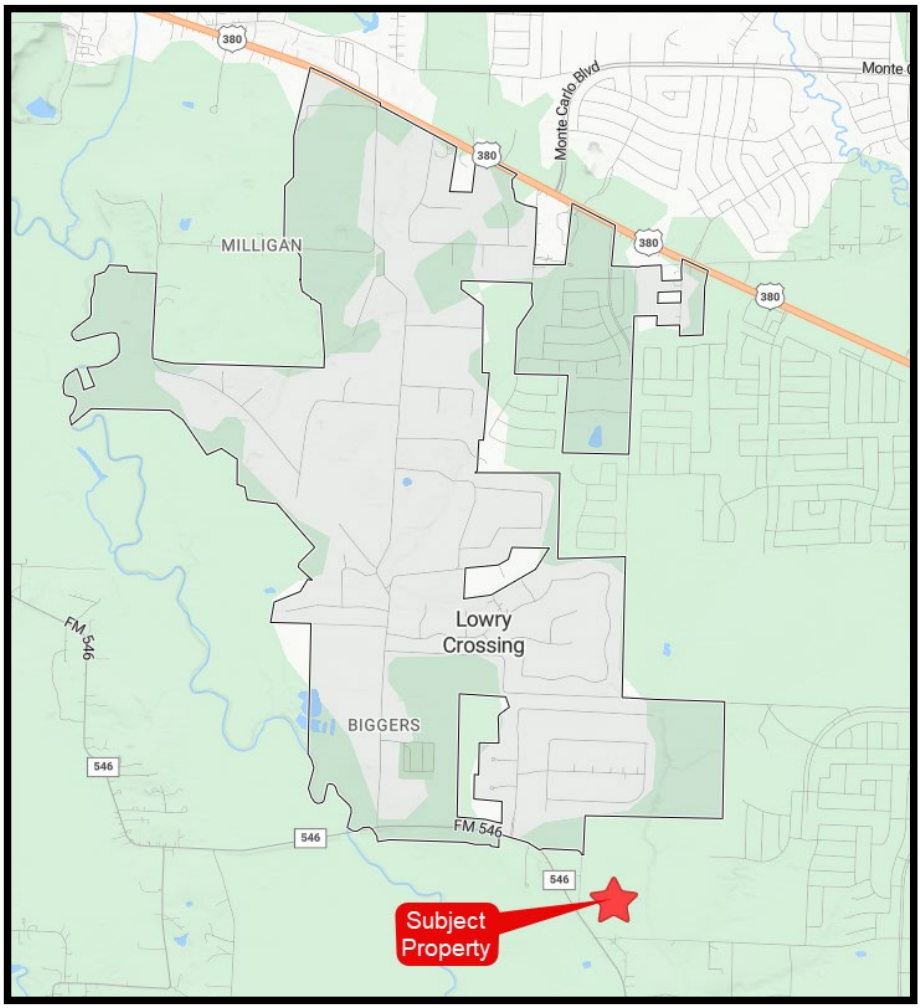
Collection Street	Cross Street	Traffic Volume	Count Year
Co Rd 398	Co Rd 394 W	148	2025
FM 546	Dovie Land Trl SE	4,643	2024
The Crossings Dr	The Crossings Pl N	751	2025
Co Rd 546	The Crossings Dr E	4,507	2025
Co Rd 392	Pvt Rd 5576 E	1,449	2025
S Bridgefarmer Rd	Chapel Ln N	2,583	2024
South Bridgefarmer Road	Chapel Ln N	1,943	2025
Co Rd 546	S Bridgefarmer Rd E	3,421	2025
Myrick Ln	Pvt Rd 5556 W	849	2025
Co Rd 324	Co Rd 546 N	660	2025

ZONING AND RESTRICTIONS

The City and GRBK Edgewood (Developer) entered into a Development Agreement as Instrument No. 2023000056830 in the Collin County Property Records (the "Development Agreement"). Development of the subject property and the PID is governed by the Development Agreement. The Development Agreement allows for detached single-family residential uses and sets forth requirements and standards for residential development for the subject property and the PID.

The subject must adhere to the Development Standards set forth in the Development Agreement. The proposed lot construction appears to be a conforming land use. The City of Lowry Crossing Map is shown below. The subject property is located outside the City in the ETJ.

CITY OF LOWRY CROSSING MAP



TOPOGRAPHY

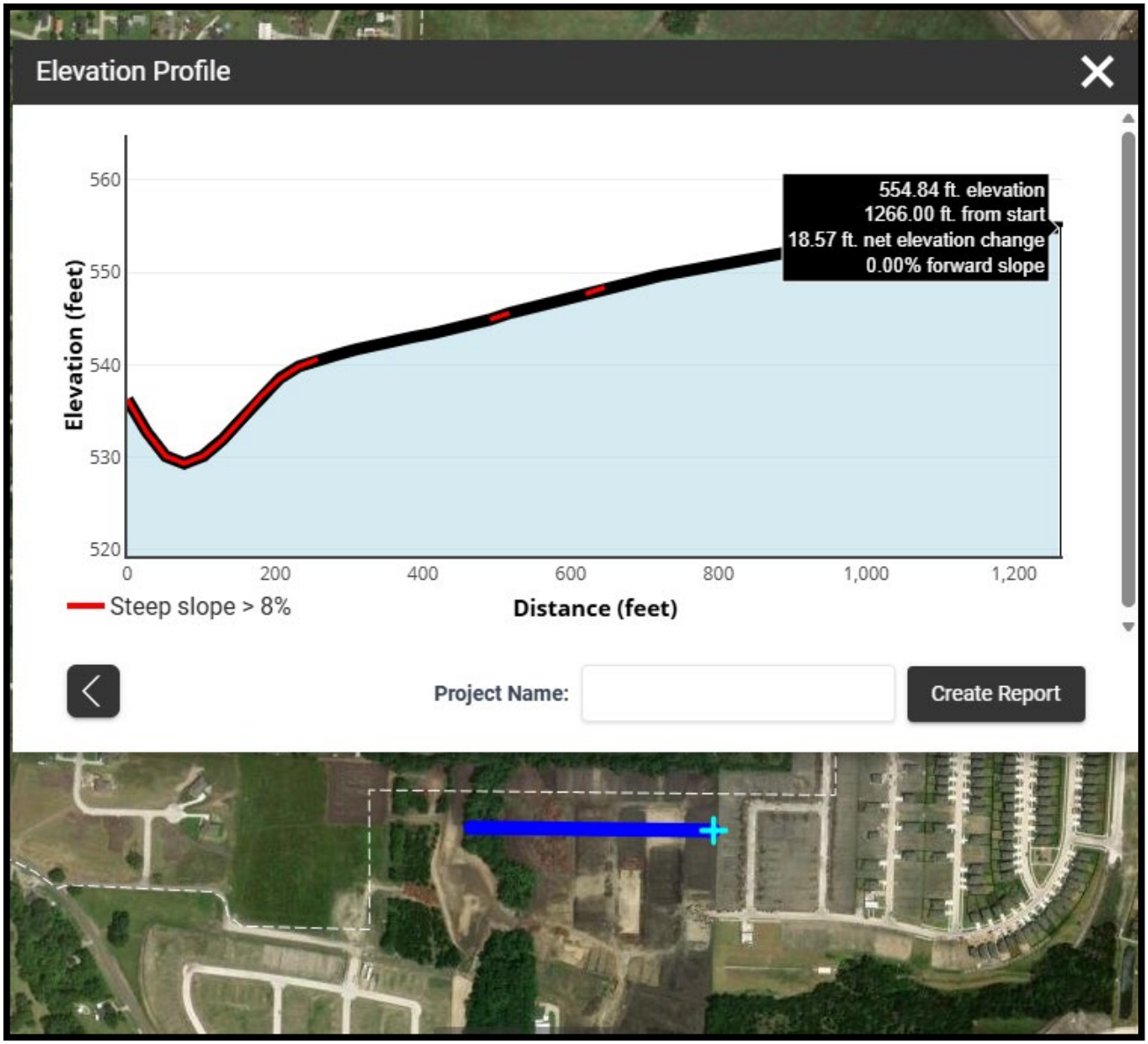
The topography of the subject property is described as gently sloping and is under construction as of the date of inspection. As of the inspection date, April 10, 2026, these topographic maps showing the contours are slightly out-of-date as the site is in the process of being improved for single-family lots with streets, storm sewer, and utilities in place. Topographic information is provided by the North Central Texas Council of Governments and Texas A&M Forest Service.

TOPOGRAPHIC MAP

Contours At 2'; Bold at 10'



TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY



General Slope of the Property Moving from East to West

- *Note that measurements <u>are in feet</u>*
- *Elevation profile is represented along illustrated axis*
- *Property slopes east to west with approximately 18.57 feet of variation over approximately 1,266 feet of run*

TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY



General Slope of the Property Moving from South to North

- *Note that measurements <u>are in feet</u>*
- *Elevation profile is represented along illustrated axis*
- *Property slopes north to south with approximately 14.02 feet of variation over approximately 2,343 feet of run*

SOIL AND SUB-SOIL CONDITIONS

No soil engineer's report was available to the appraisers and no recent soil tests are known to have been performed. We have assumed a stable soil condition that would ensure the structural integrity of any improvement to be constructed. As of the report date, the developer has begun excavation and earthwork. Our value conclusions are subject to revision should assumptions that land is stable prove incorrect. We caution and advise the user of this report to obtain engineering studies which may be required to ascertain any structural integrity.

UTILITIES

Electricity to the property will be maintained by Oncor and natural gas will be maintained by Atmos. Water and sanitary sewer services are provided by the City of Princeton. Telephone, fiber-optic, and internet are available through AT&T, Spectrum, T-Mobile, Optimum, and Nextlink.

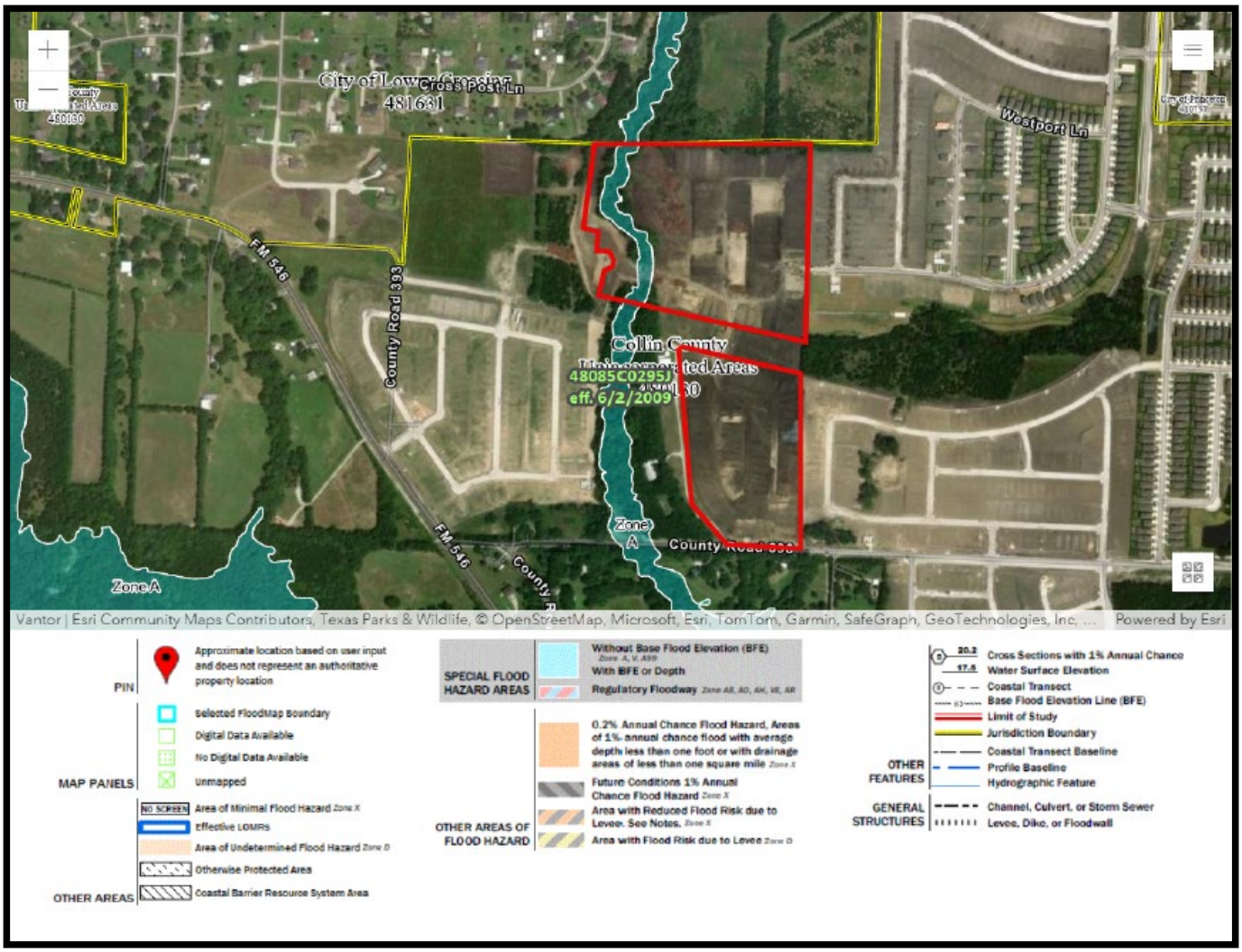
EASEMENTS/ENCROACHMENTS

A plat map was provided to the appraisers by the client. Based on a review of the plat map by JBI Partners dated April 1, 2026, GIS online maps, our physical site visit, warranty deeds, and review of available maps it is reasonable to suspect that there are typical setbacks and easements that exist on the subject property that have been approved by the City of Lowry Crossing. The appraisers assume the property is free from any detrimental easements or encroachments and specifically reserves the right to alter the conclusion of this analysis should another plat map be provided that indicates detrimental easements or encroachments.

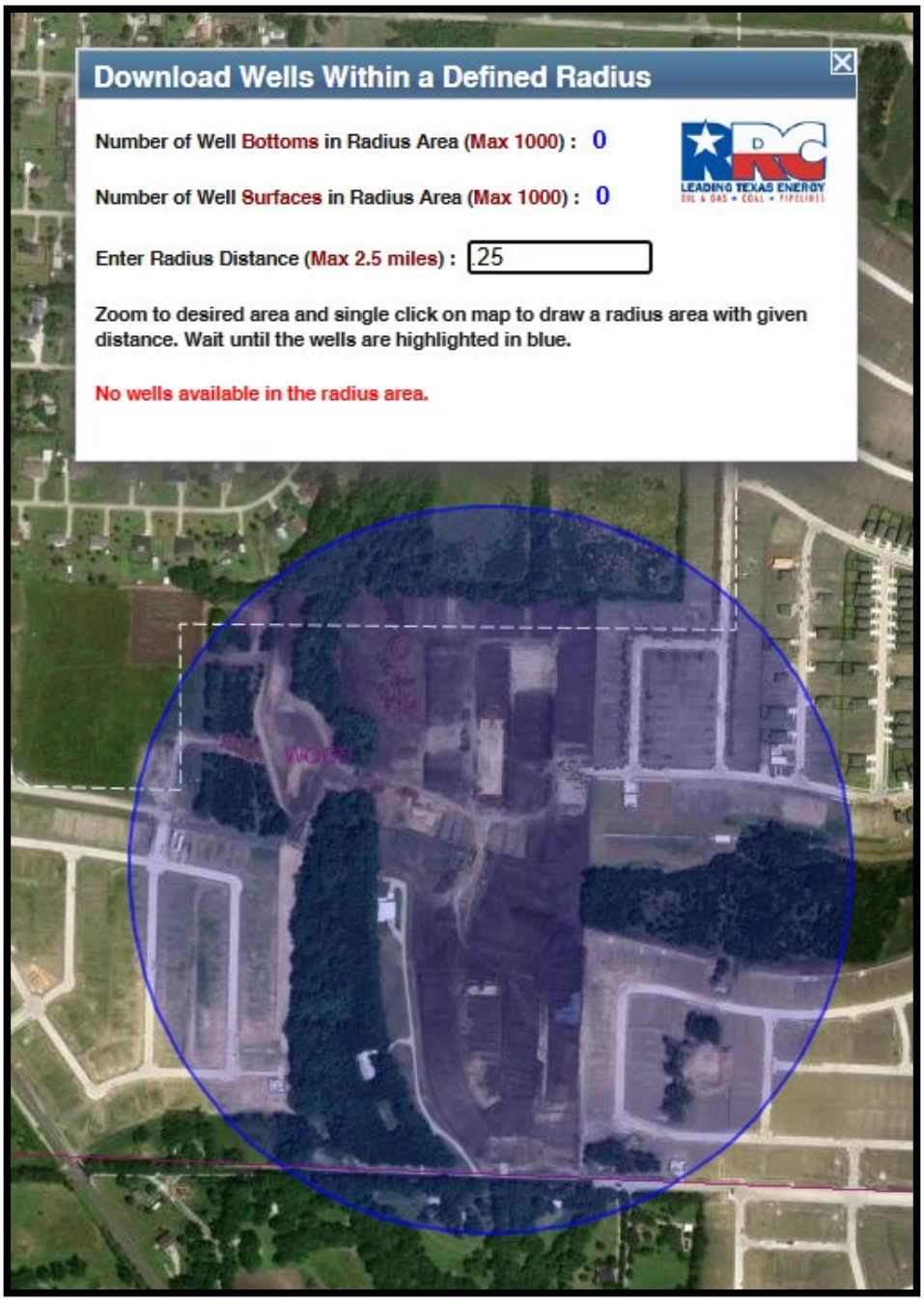
FEMA FLOOD ZONE

According to map panel 48085C0295J, dated June 2, 2009, the subject site appears to be located within unshaded Zone X, an area determined to be outside the 100-year and 500-year flood plains and within Zone A, an area determined to be within the 100-year floodplain. This determination is made by graphic plotting only and is not guaranteed. We recommend a surveyor be utilized to determine precise flood plain status. Development within Unshaded Zone X does not appear to be detrimental to the development of the subject property.

FLOODPLAIN MAP

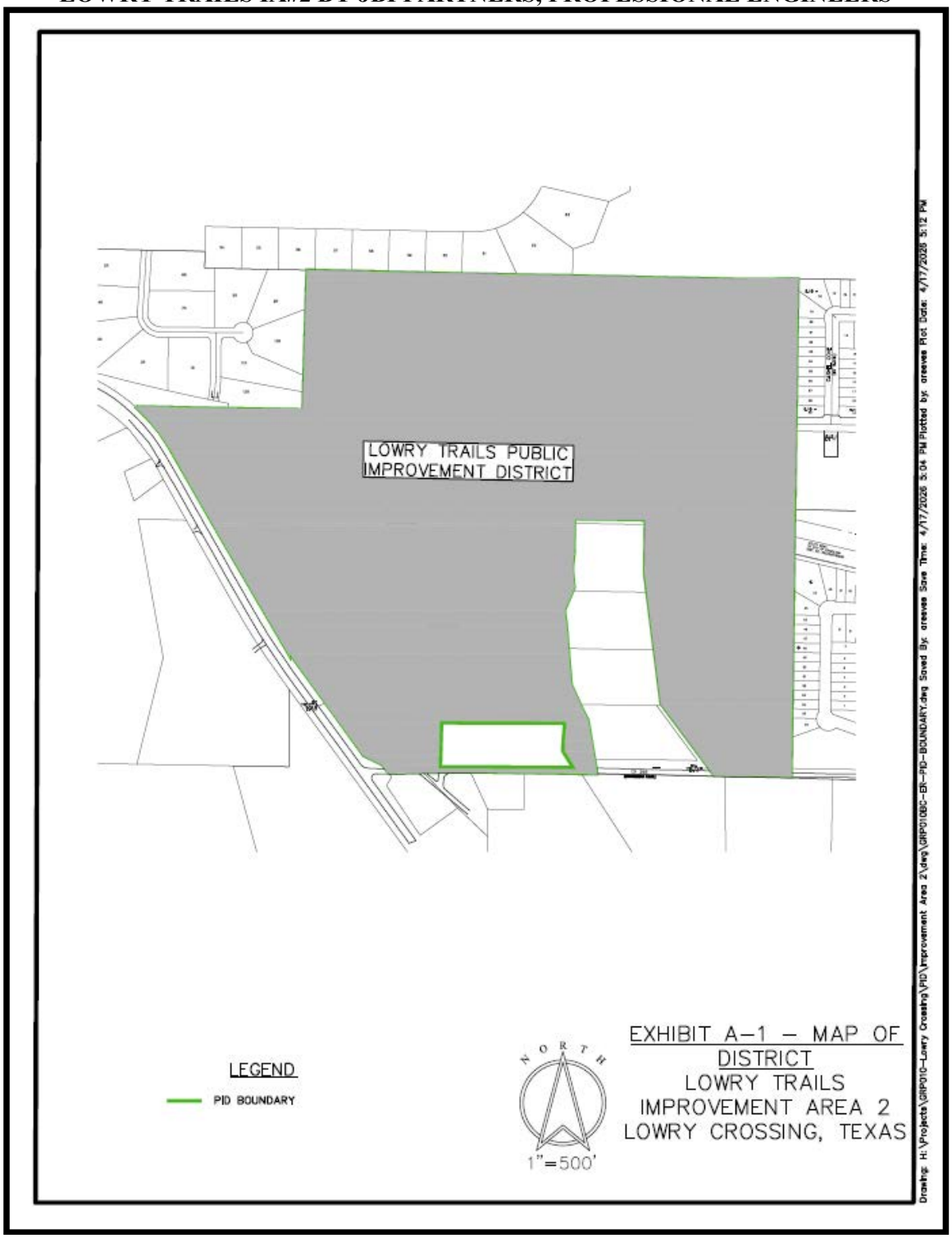


OIL AND GAS WELLS
Texas Railroad Commission

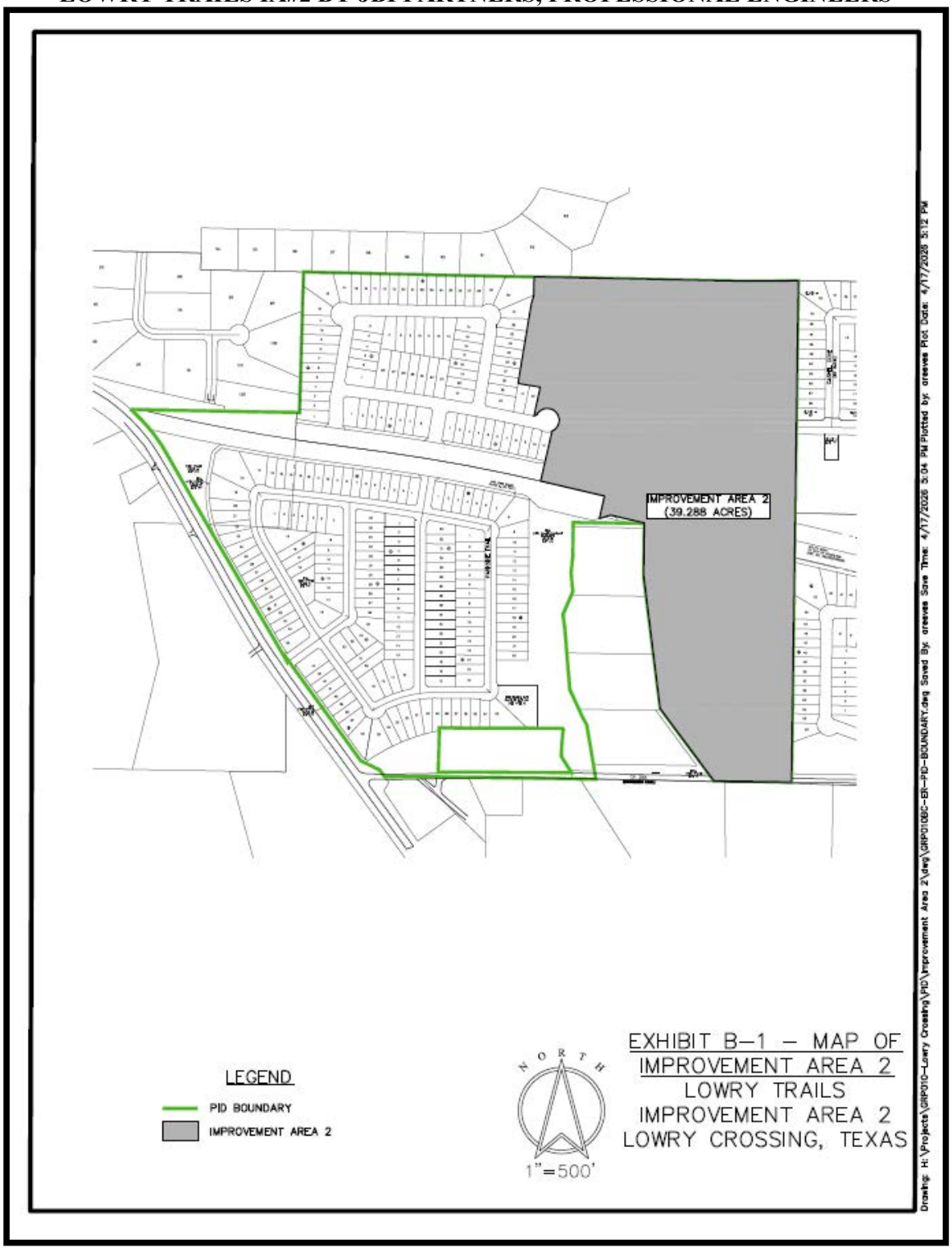


There are 0 well bottom sites and 0 well surface sites within 0.25 mile from the subject property according to the above referenced map from the Texas Railroad Commission. The subject site does not appear to be encumbered by any detrimental restrictions due to the proximity to surface or subsurface well locations because this area is minimally active in mineral extraction.

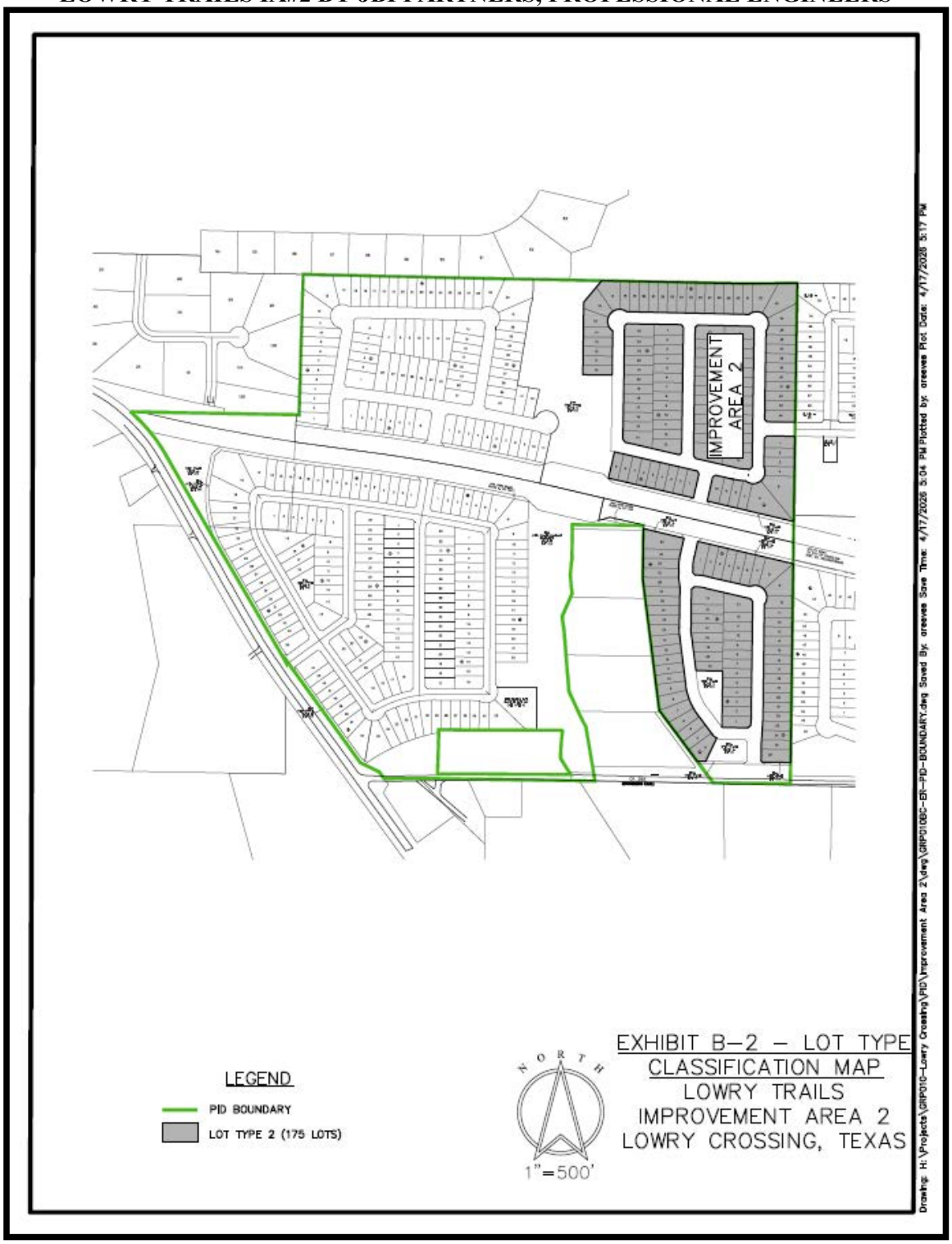
MAP OF THE DISTRICT EXHIBIT
LOWRY TRAILS IA#2 BY JBI PARTNERS, PROFESSIONAL ENGINEERS



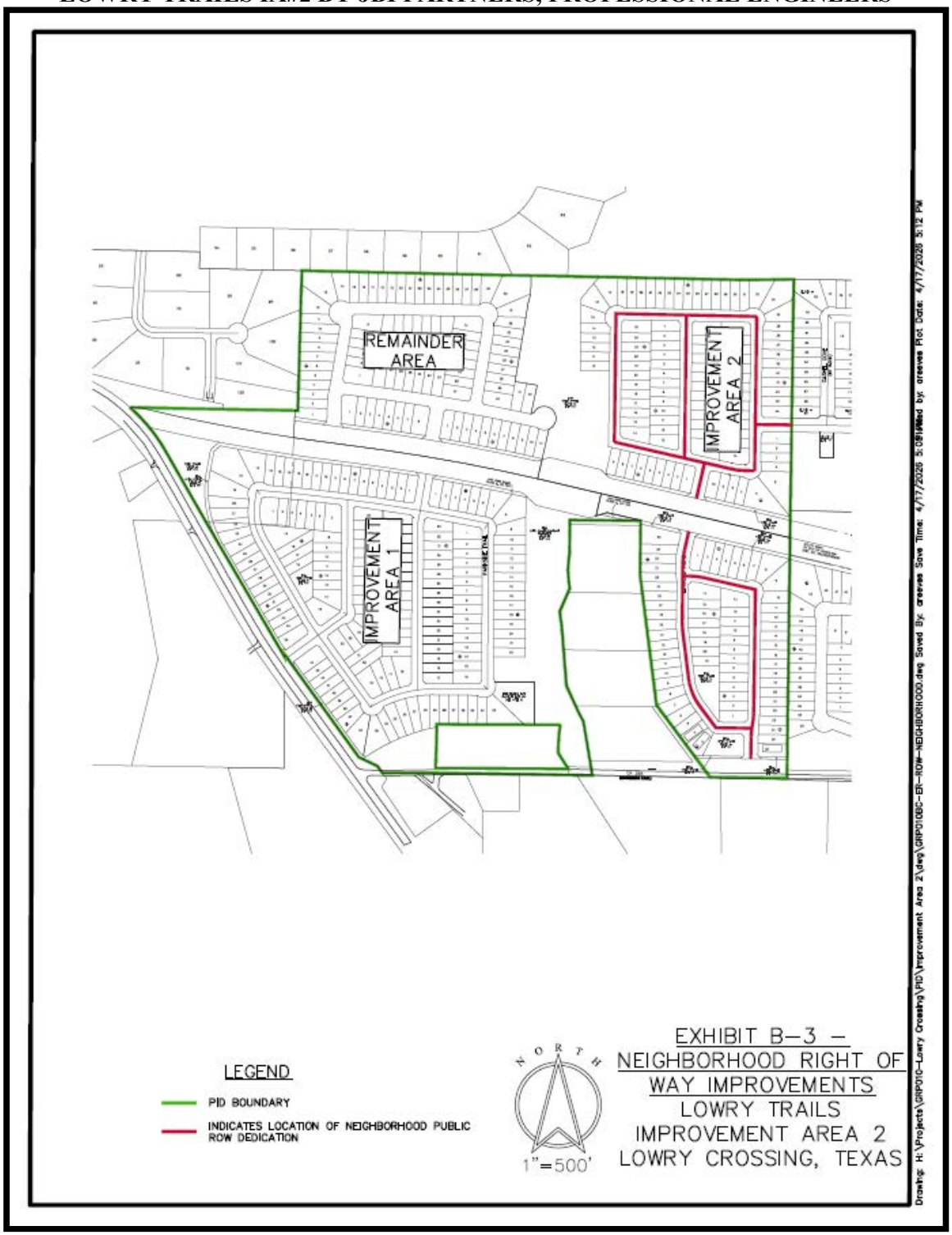
MAP OF IA#2 EXHIBIT
LOWRY TRAILS IA#2 BY JBI PARTNERS, PROFESSIONAL ENGINEERS



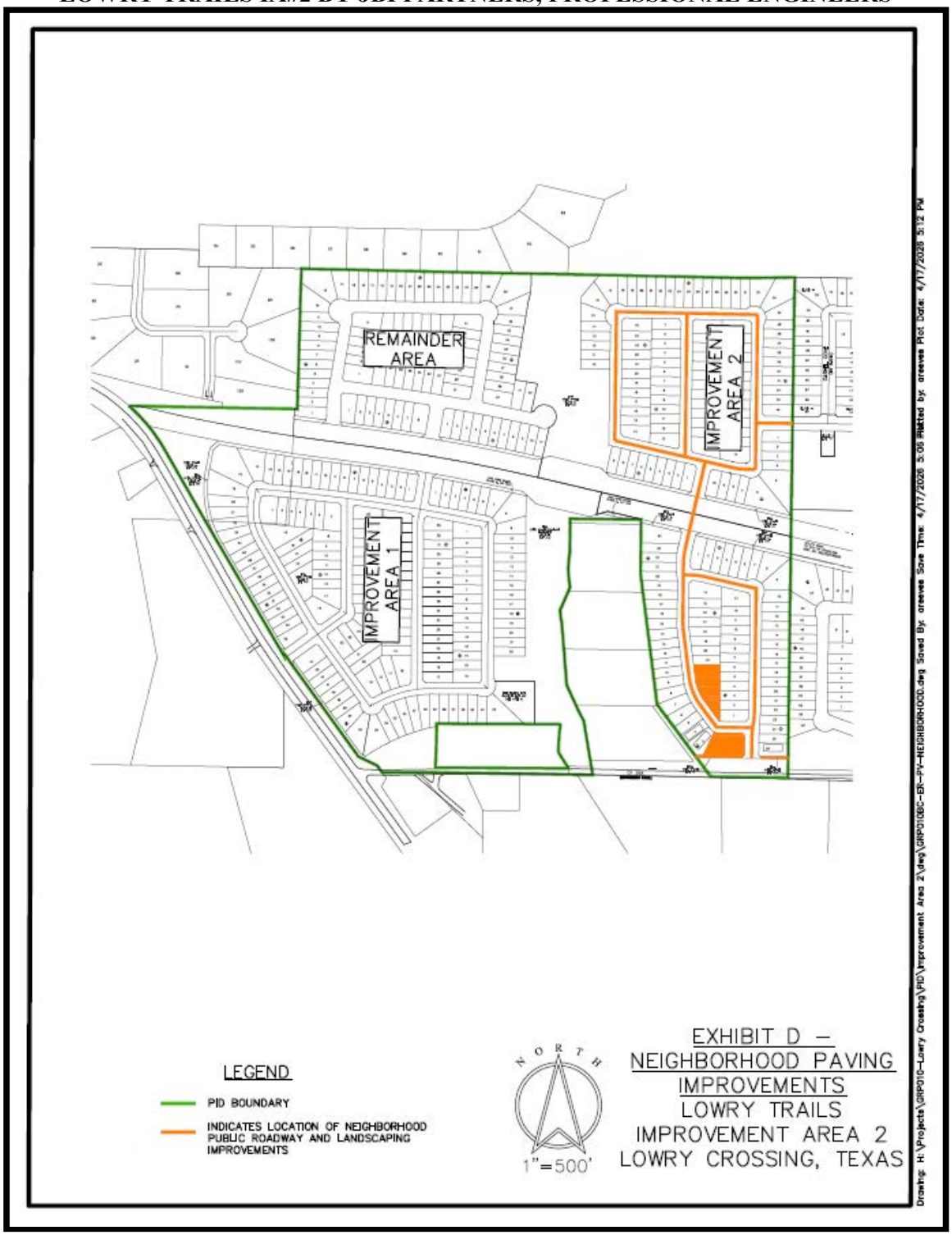
LOT TYPE CLASSIFICATION MAP
LOWRY TRAILS IA#2 BY JBI PARTNERS, PROFESSIONAL ENGINEERS



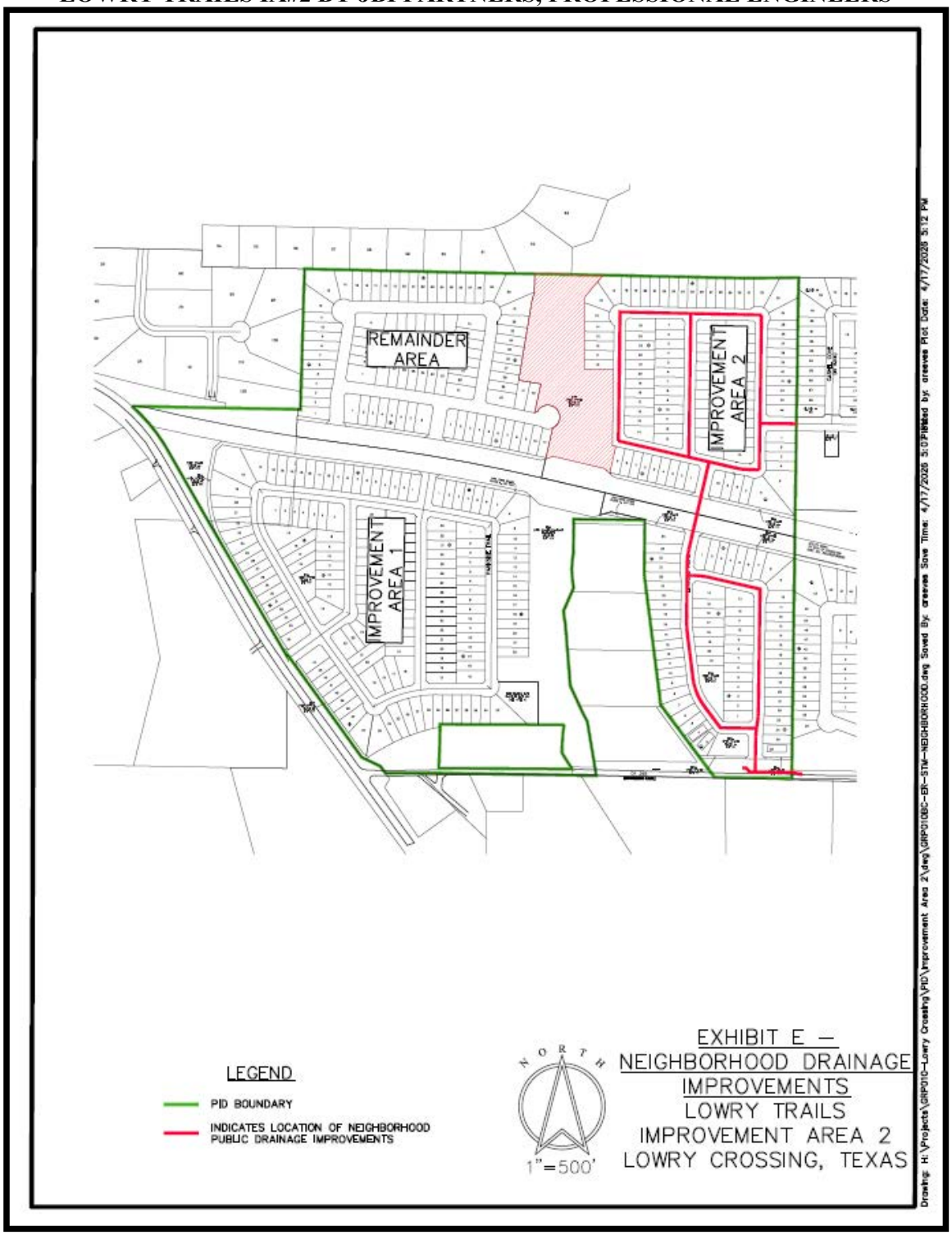
NEIGHBORHOOD RIGHT OF WAY IMPROVEMENTS EXHIBIT
LOWRY TRAILS IA#2 BY JBI PARTNERS, PROFESSIONAL ENGINEERS



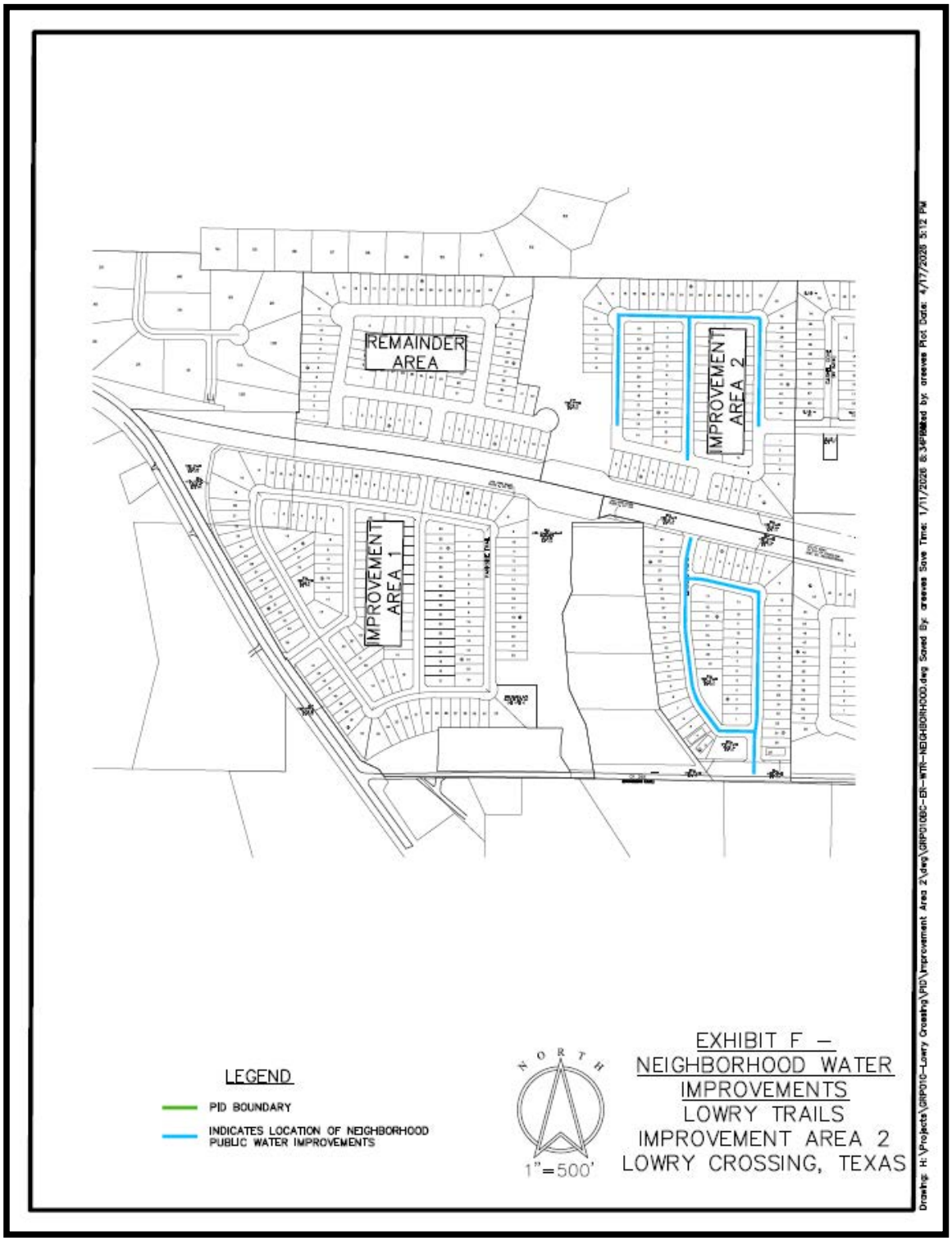
NEIGHBORHOOD PAVING IMPROVEMENTS EXHIBIT
LOWRY TRAILS IA#2 BY JBI PARTNERS, PROFESSIONAL ENGINEERS



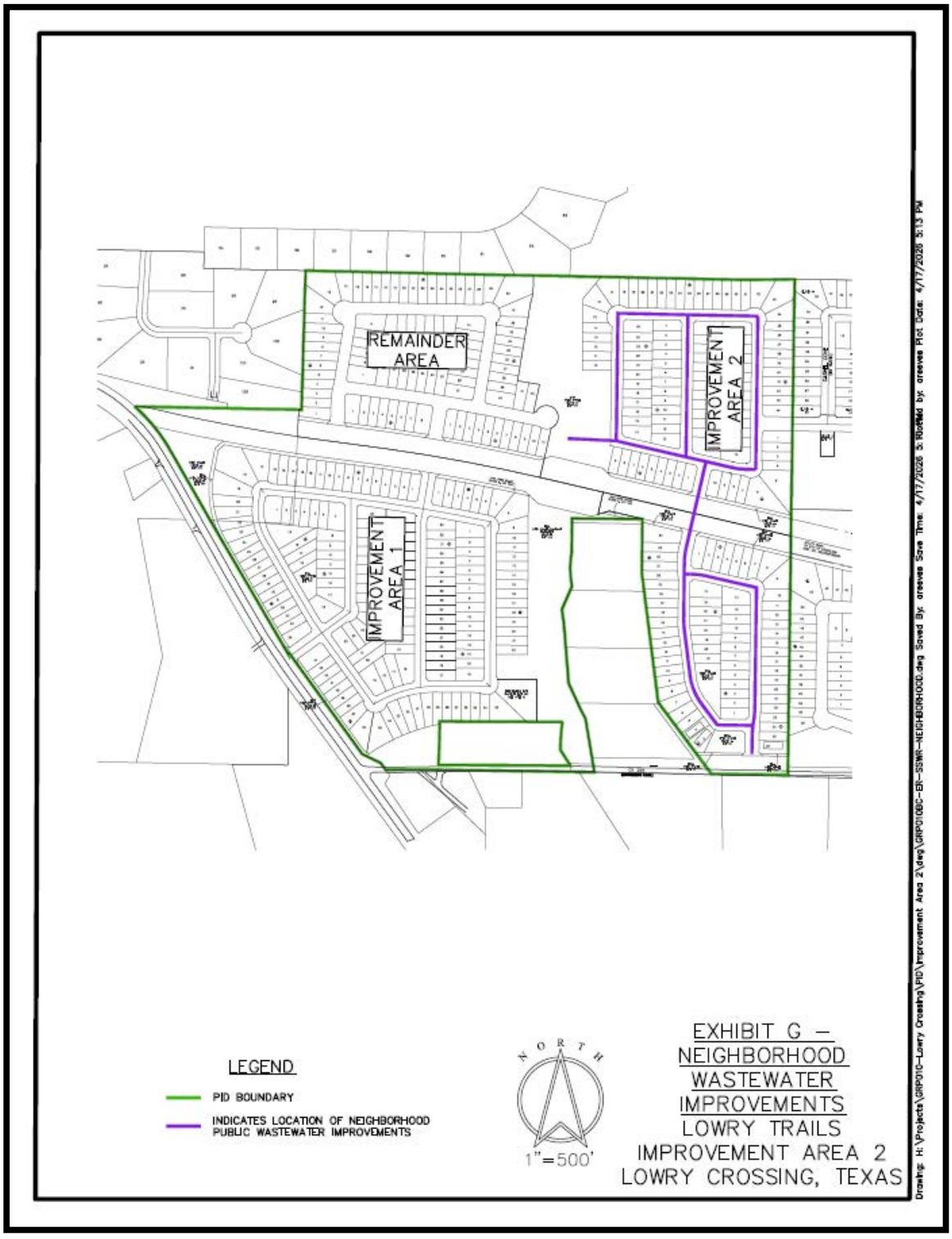
NEIGHBORHOOD DRAINAGE IMPROVEMENTS EXHIBIT
LOWRY TRAILS IA#2 BY JBI PARTNERS, PROFESSIONAL ENGINEERS



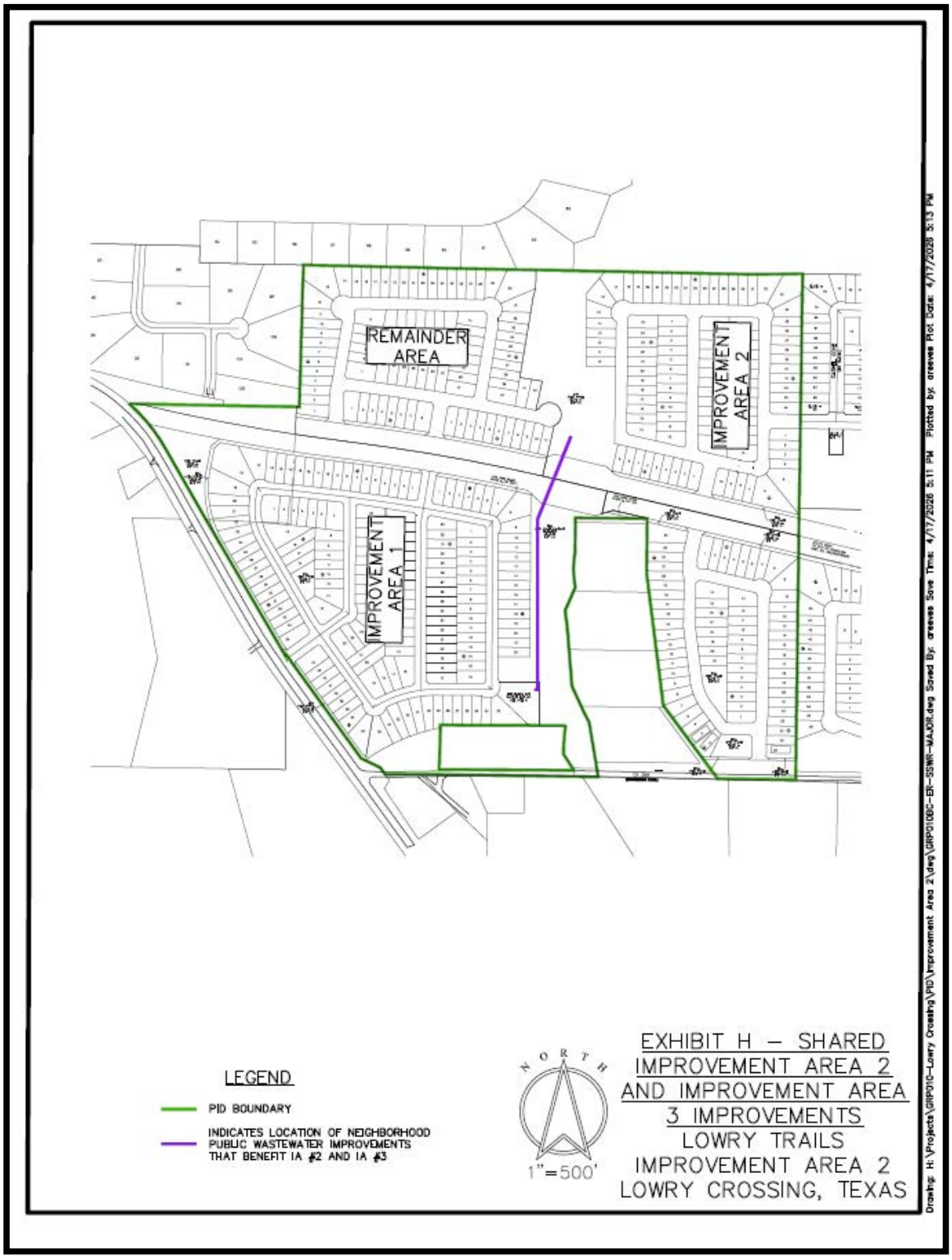
NEIGHBORHOOD WATER IMPROVEMENTS EXHIBIT
LOWRY TRAILS IA#2 BY JBI PARTNERS, PROFESSIONAL ENGINEERS



NEIGHBORHOOD WASTEWATER IMPROVEMENTS EXHIBIT
LOWRY TRAILS IA#2 BY JBI PARTNERS, PROFESSIONAL ENGINEERS



SHARED IA#2 AND IA#3 IMPROVEMENTS EXHIBIT
LOWRY TRAILS IMPROVEMENT AREA #2 BY JBI PARTNERS, PROFESSIONAL ENGINEERS



PROPERTY PHOTOGRAPHS



Main Entrance to Subject



Main Entrance to Subject



Phase 2



Phase 2



Phase 3



Phase 3

HIGHEST AND BEST USE

The highest and best use may be defined as the most profitable or likely profitable legal use for which a property may be utilized. The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand in the reasonably near future. Also, that reasonable and probable use that will support the highest present value, as defined, as of the Retrospective and Prospective Effective Dates of the appraisal.

Alternatively, that use, from among reasonably probable and legal alternative uses, is found to be:

a. Legally Permissible
b. Physically Possible
c. Financially Feasible
d. Maximally Productive

The definition, immediately above, applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

There are two distinct types of highest and best use, that being the highest and best use as if the site were vacant, and the highest and best use as improved. Both use determinations require consideration of the physical, legal, financial feasibility and maximal productivity for the site and improvements.

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use "As-Vacant"

Legally Permissible
The subject property is in Extraterritorial Jurisdiction (ETJ) of the City of Lowry Crossing, Texas and governed by a development agreement. The development agreement for the subject property we are evaluating (175 residential lots), allows for detached single-family residential uses and sets forth requirements and standards for residential development for the subject property.

No private deed restrictions were uncovered during a normal investigation, which would further limit the potential uses of the subject site. No other legal restrictions or covenants were found to be imposed on the subject property at the time of the appraisal, which would further restrict development.

Given surrounding land use patterns in the area, only detached single-family residential use is given further consideration in determining the highest and best use of the site as vacant.

Physically Possible
Considering the subject's physical characteristics including jurisdiction, location, size, shape, and availability of utilities, the site is capable of numerous uses which are physically possible without being constrained by the property itself.

Financially Feasible
In order to be economically feasible, the improvements should conform to the surrounding land uses. To meet the test of being financially feasible, the project must provide a net return over a reasonable period of time. The area surrounding the subject property is single-family residential homes and development of the surrounding area has accelerated considerably over the past decade as development north of Dallas and Fort Worth has shown almost

endless demand. Developers and home builders have moved further away from the center of the Metroplex and into areas of Collin County and are being developed with middle class housing stock. Based on review of homes on the market, we would expect home prices at approximately $300,000-$400,000 for the 40-FF Lots would be in demand in Lowry Trails PID IA #2.

Based on our analysis of the market, it is reasonable to expect a rise in demand for vacant developed lots (VDLs) in 2026 as homebuilders sell more homes when mortgage rates begin to fall precipitously as they did in previous years; Along with this, due to the lack of supply for VDLs and the long-term prospects of the subject's area, we expect ample demand for single-family lots in the next 2-5 years. When looking at the longer time horizon, it appears that a newly developed single-family residential use on the site would have a value commensurate with its cost. Therefore, single-family residential use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the subject property that would generate a higher residual land value than single-family residential use. Accordingly, it is our opinion that single-family residential use, developed to the normal market density allowed by the development agreement, is the maximally productive use of the property.

The resilient business climate in North Texas, the addition of new jobs to the area, and the continual development of neighborhoods similar to Extraterritorial Jurisdiction of the City of Lowry Crossing, Texas 75407 and Collin County has created increased demand for homes in the area. Coupled with increasing movement into DFW, and north of the Metroplex in particular, it is our opinion that the highest and best use of the property "As-Vacant" would be for the development of single-family residential community. Thus, the highest and best use of the property "As-Vacant" is for development of single-family residential use.

Highest and Best Use "As-Improved"

Development of the subject property, as proposed utilizing our extraordinary assumptions, is the only use that meets the four tests of highest and best use. Therefore, we conclude that the highest and best use of the property "As-Improved" is similar to our conclusion "As-Vacant" which is for single-family residential use.

We believe that the **most probable buyers** would be a developer of large single-family communities or a large homebuilder who is active in the DFW Metroplex market, as well as end-users of the developed lots once the houses are complete.

VALUATION – IMPROVED RESIDENTIAL LOTS

Three approaches to value are typically considered when developing a market value opinion for real property. These are the Cost Approach, the Sales Comparison Approach, and the Income (Subdivision Development) Approach. Use of the approaches in this assignment is summarized as follows:

Approach	***Applicability to Subject***	***Use in Assignment***
Cost Approach	*Not Appropriate Since the Subject Property is Developed in Multiple Phases*	*Not Utilized*
Income (Subdivision Development) Approach	*Appropriate in Determining Residential Subdivision Value*	*Utilized*
Sales Comparison Approach	*Aspects Used in Subdivision Valuation to Determine Retail Market Value of the 40-FF Lots*	*Partially Utilized*

Residential Subdivision (Improved Lots)

Cost Approach

The Cost Approach provides information that contrasts with information from the Income and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and typically used when units make up a substantial portion of the entire project. Since the subject property will be developed in multiple phases, *the Cost Approach is not appropriate and thus, was not utilized.*

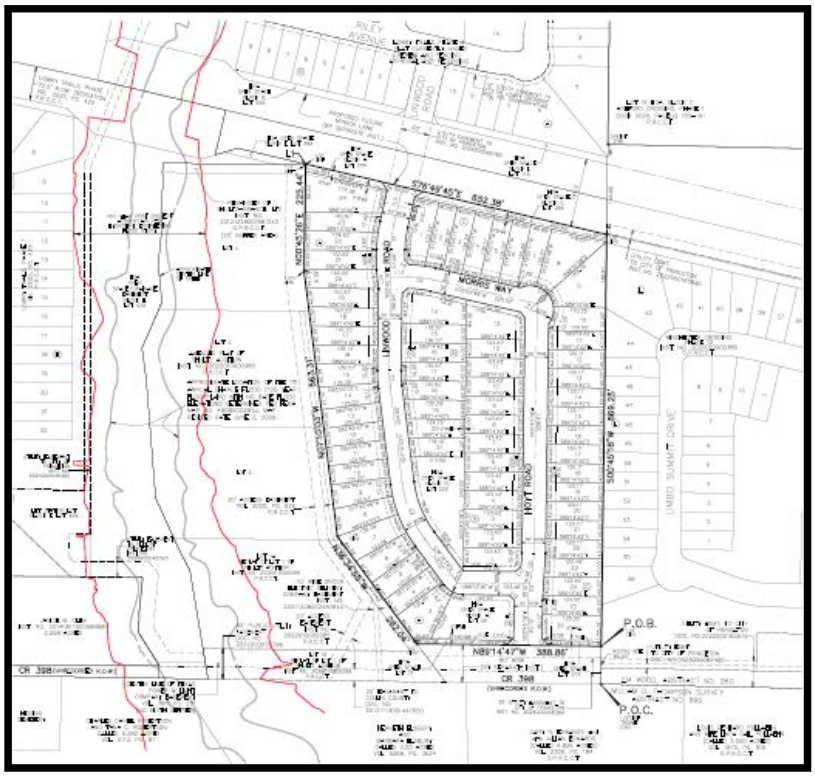
Income (Subdivision Development) Approach

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since the problem to be solved in this assignment is to determine the bulk sale value of 69 improved lots in Phase 2, as of the Prospective Effective Date of July 1, 2026, which is based on the Substantial Completion Date and 106 improved lots in Phase 3, as of the Retrospective Effective Date of June 1, 2026, *the Income (Subdivision Development) Approach is appropriate and was fully developed.*

Sales Comparison Approach

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, the sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify**,** *the Sales Comparison Approach was not fully developed by the appraisers.* Aspects of the Sales Comparison Approach were utilized to determine the retail value of the improved lots for analysis within the Income (Subdivision Development) Approach.

INCOME (SUBDIVISION DEVELOPMENT) APPROACH - IMPROVED RESIDENTIAL LOTS LOWRY TRAILS PID IA #2 PHASE 2



Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. The income methodology applied in subdivision analysis has been adapted to simulate what occurs in a bulk sale where one buyer purchases a group of lots at a discount. It provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

In order to complete the analysis, the appraisers:

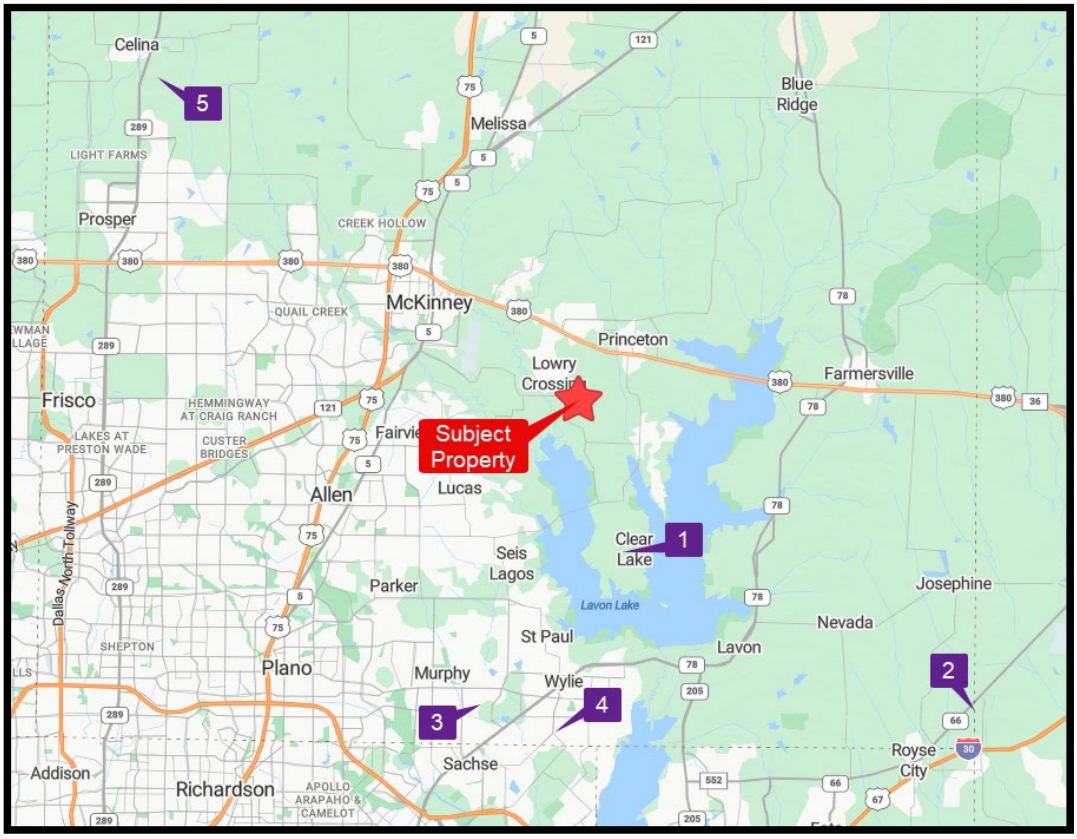
- Determined the value of the lots through aspects of the Sales Comparison Approach based on the concept plan provided by the developers
- Calculated the absorption period (earlier in the report) for the finished lots after construction is complete
- Analyzed the effect of appreciation, taxes, and sales costs over the absorption period
- Estimated the appropriate discount rate necessary to undertake the risks associated with the project
- Utilized discount cash flow (DCF) analysis to determine the present value of future cash flows realized by selling the lots at market prices over time

We utilized the following unit of comparison, which is the measure most commonly found in the market:

Sales Price Per Front Foot *– Obtained by dividing sale price by the front footage of the lot*

Following is our analysis of the 40-FF lots in Phase 2 of Lowry Trails PID IA#2.

MAP OF COMPARABLE LOT SALES –40' LOTS



Subject: Lowry Trails PID IA #2 Phase 2, Extraterritorial Jurisdiction of the City of Lowry Crossing, Texas 75407

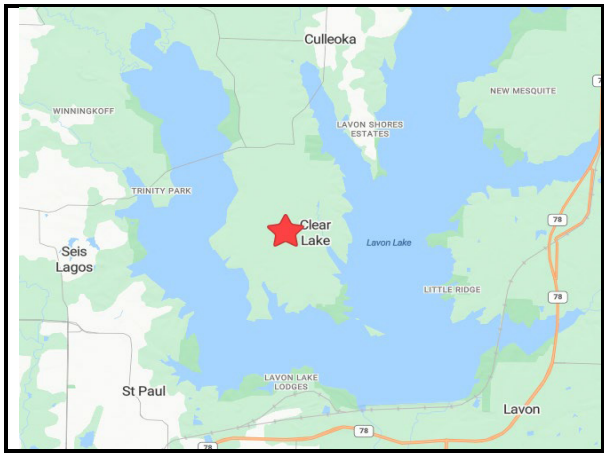
We selected the best and most recent comparable lot sales for our analysis of the 40-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 40' LOTS								
Sale	**Subdivision/Address**	**City**	**ISD**	**Contract Date**	**Sale Date**	**Base Lot Price**	**Front Feet (FF)**	***$/FF***
1	Tillage Farms	Princeton	Princeton	Feb-2024	Closed	$70,656	40	*$ 1,766*
2	Creekside PID, IA #2	Royse City	Royse City	June-2024	Closed	$70,000	40	*$ 1,750*
3	Manors at Woodbridge	Wylie	Wylie	Aug-2023	Closed	$77,500	40	*$ 1,938*
4	Wyndham Ridge	Wylie	Wylie	Oct-2023	Closed	$80,000	40	*$ 2,000*
5	Hillside Village	Celina	Celina	Apr-2024	Closed	$77,800	40	*$ 1,945*
Subject	**Lowry Trails PID; IA #2 Phase 2**	**Unincorporated Collin County**	**Princeton**	-	-	-	**40**	-

SALE COMPARABLE 1 – 40' LOTS



Comparable 1 Aerial



Comparable 1 Map

40-FF Sale Comparable 1				
Property Information				
Address	Tillage Farms			
Property Class	Residential Lot			
Address	Northwest corner of County Road 437 and FM 982, Princeton			
County	Collin			
Property Type	Residential / Single Family			
Site Information				
Site Size	4,600	SF	0.11	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	February - 2024			
Seller	TCL Land Bk 3 (2022) LP			
Buyer	Lennar Homes of Texas Land and Construction Ltd.			
Sale Price	$70,656			
Price per SF Land	$15.36			
Price per Front Foot	**$1,766**			

SALE COMPARABLE 2 – 40' LOTS



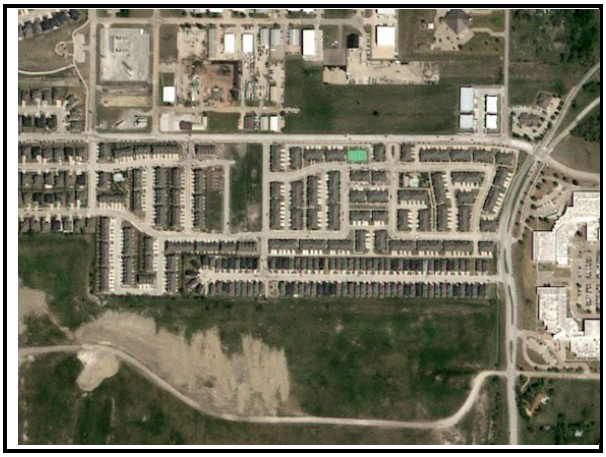
Comparable 2 Aerial



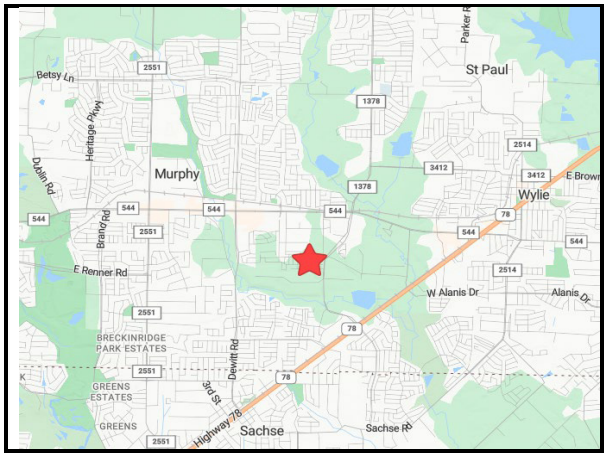
Comparable 2 Map

40-FF Sale Comparable 2				
Property Information				
Subdivision	Creekside PID, IA #2			
Property Class	Residential Lot			
Address	North side of SH-66, southwest of FM-2642, Royse City			
County	Collin			
Property Type	Residential / Single Family			
Site Information				
Site Size	4,400	SF	0.10	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	June - 2024			
Seller	HDP WRH TX LOTS			
Buyer	Ryan William Homes Texas, Inc.			
Sale Price	$70,000			
Price per SF Land	$15.91			
Price per Front Foot	**$1,750**			

SALE COMPARABLE 3 – 40' LOTS



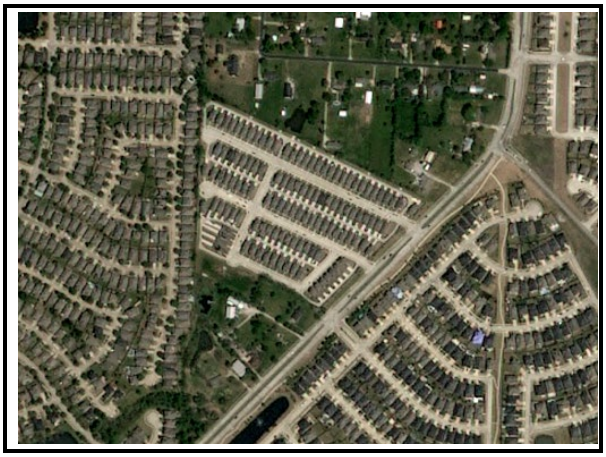
Comparable 3 Aerial



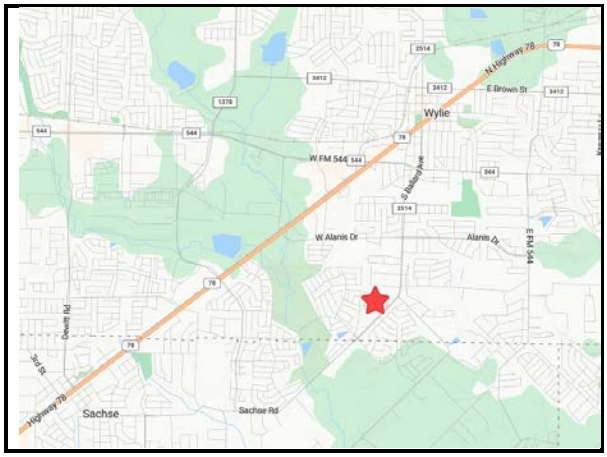
Comparable 3 Map

40-FF Sale Comparable 3				
Property Information				
Subdivision	Manors at Woodbridge			
Property Class	Residential Lot			
Address	West side of Woodbridge Parkway, south of Hensley Lane, Wylie			
County	Collin			
Property Type	Residential / Single Family			
Site Information				
Site Size	4,400	SF	0.10	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	August - 2023			
Seller	Manors at Woodbridge, LTD			
Buyer	Windsor Homes (Skorburg Company)			
Sale Price	$77,500			
Price per SF Land	$17.61			
Price per Front Foot	**$1,938**			

SALE COMPARABLE 4 – 40' LOTS



Comparable 4 Aerial



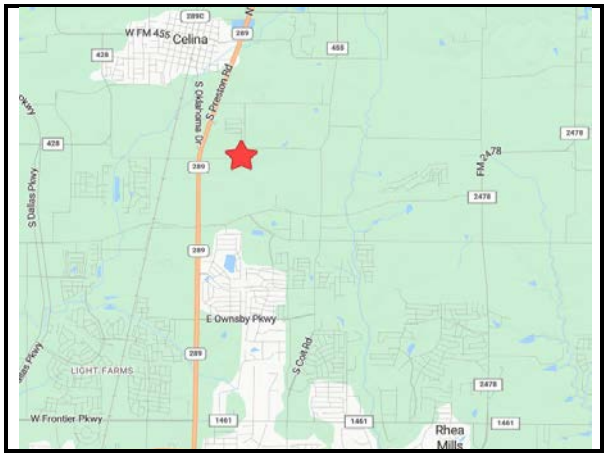
Comparable 4 Map

40-FF Sale Comparable 4				
Property Information				
Subdivision	Wyndham Ridge			
Property Class	Residential Lot			
Address	West side of Sachse Road, east of Highland Road, Wylie			
County	Collin			
Property Type	Residential / Single Family			
Site Information				
Site Size	4,600	SF	0.11	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	October - 2023			
Seller	Richard M. Skorburg Interests, Inc.			
Buyer	Meritage Homes of Texas LLC			
Sale Price	$80,000			
Price per SF Land	$17.39			
Price per Front Foot	**$2,000**			

SALE COMPARABLE 5 – 40' LOTS



Comparable 5 Aerial



Comparable 5 Map

40-FF Sale Comparable 5				
Property Information				
Subdivision Name	Hillside Village			
Property Class	Residential Lot			
Address	Northwest quadrant of Glendenning Parkway and County Road 89, Celina			
County	Collin			
Property Type	Residential / Single Family			
Site Information				
Site Size	4,000	SF	0.09	Acres
Zoning Code	Development Agreement			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	April - 2024			
Seller	WJ Hillside GP LLC Partner			
Buyer	HMH Lifestyles, L.P.			
Sale Price	$77,800			
Price per SF Land	$19.45			
Price per Front Foot	**$1,945**			

SALES ADJUSTMENT COMPARISON GRID –40' LOTS

Subdivision	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Lowry Trails PID; IA #2 Phase 2	Tillage Farms	Creekside PID, IA #2	Manors at Woodbridge	Wyndham Ridge	Hillside Village
	Unincorporated Collin County	Princeton	Royse City	Wylie	Wylie	Celina
Transactional Adjustments						
Sales Price/FF		$1,766	$1,750	$1,938	$2,000	$1,945
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		$1,766	$1,750	$1,938	$2,000	$1,945
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		$1,766	$1,750	$1,938	$2,000	$1,945
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		$1,766	$1,750	$1,938	$2,000	$1,945
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		$1,766	$1,750	$1,938	$2,000	$1,945
Time/Market Conditions		+7%	+6%	+9%	+8%	+7%
ADJUSTED Price/FF:		$1,890	$1,855	$2,112	$2,160	$2,081
Physical Adjustments						
Location/Access	East of Farm-to-Market 546 and North of Farm-to-Market 398	0%	+5%	-2%	-2%	0%
Amenities	playground, trails, and green space	-2%	-2%	-2%	+2%	-2%
Size	40-FF	0%	0%	0%	0%	0%
Topography/View	Gently Sloping; Zone X	0%	0%	0%	0%	0%
Zoning	Development Agreement	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		-2%	+3%	-4%	0%	-2%
ADJUSTED Price/FF:		$1,852	$1,911	$2,027	$2,160	$2,040
SUMMARY OF COMPARABLE VALUES						
Value Range/FF			$1,852	to	$2,160	
Average Value/FF	$1,998					
Median Value/FF	$2,027					
Size	40-FF					
Unit Value Indication	$2000/FF					
Overall Value Indication	$80,000					
Rounded	$80,000					

ANALYSIS OF ADJUSTMENTS –40' LOTS

Our research of comparable lot sales leads us to the determination that there have been ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $1,750 per front foot to $2,000 per front foot (FF) with Sales 1, 2, 3, 4, and 5 being 40-FF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale
Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase
Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions
The residential real estate market increased significantly in 2020-2025 and appears to be continuing with another interest rate decrease by the Federal Reserve that has lowered mortgage rates by 5 basis points to 6.10% as of February 2026. Prices increased from 2023-2026 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. We also considered that according to data from Zonda there is a shortage of 40-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically within Collin County which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +3% year-over year (YoY) increase throughout 2023-2025, and into the first quarter of 2026 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +6% and +9% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is located in Extraterritorial Jurisdiction of the City of Lowry Crossing, Texas 75407. Development in the subject's area has been increasing and consistent throughout the decades. The subject is located along Farm-to-Market 546 and County Road 398. The surrounding area comprises a blend of single-family residential communities and agricultural land.

The subject property resides in the Princeton ISD which has a "B" rating from the Texas Education Agency (TEA). Many prospective residents seeking a quasi-rural residential neighborhood might prefer a smaller and more appealing school district compared to the larger districts found closer to DFW. The area's accessibility is considered average. We have made the following adjustments for Location/Access:

- Sale 1: Similar; Located in Princeton with similar access to commercial uses and feeds into the Princeton ISD which has a "B" rating and is the same ISD as the subject; Adjusted 0%
- Sale 2: Inferior; Located in Royse City, with inferior access to commercial uses and feeds into the Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +5%
- Sale 3: Superior; Located in Wylie with similar access to commercial uses and feeds into the Wylie ISD which has an "A" rating and considered to be a superior ISD; Adjusted -2%
- Sale 4: Superior; Located in Wylie, with similar access to commercial uses and feeds into the Wylie ISD which has an "A" rating and considered to be a superior ISD; Adjusted -2%
- Sale 5: Similar; Located in Celina, with similar access to commercial uses and feeds into the Celina ISD which has a "B" rating and considered to be a similar ISD; Adjusted 0%

Amenities

The subject property's amenities will consist of a playground, trails, and green space. The subject's amenities are average for a master planned community the size of Lowry Trails PID IA #2 with development being built-out with 69 homes in Phase 2. We have made the following adjustments for Amenities:

- Sale 1: Superior; Tillage Farms Subdivision, which has superior amenities such as a community center, pool, sports court, and a park. Though this comparable does have some similar quality amenities, the access to a community center, pool, and sport courts makes it superior to the subject property; Adjusted -2%
- Sale 2: Superior; Creekside PID, IA #2 Subdivision which has superior amenities such as a clubhouse, pool, and a playground. Though this comparable does have some similar quality amenities, the access to the clubhouse and pool make it superior to the subject property; Adjusted -2%
- Sale 3: Superior; Manors at Woodbridge Subdivision, which has superior amenities such as a community center, pool, and a dog park. Though this comparable does have some similar quality amenities, the access to a community center, pool, and dog park makes it superior to the subject property; Adjusted -2%
- Sale 4: Inferior; Wyndham Ridge Subdivision, which only consists of a greenspace amenity. This comparable does not contain similar quality amenities such as a playground or trails therefore making it inferior to the subject property; Adjusted +2%
- Sale 5: Superior; Hillside Village Subdivision, which has superior amenities such as an amenity center, pool, trails, playground, and park. Though this comparable does have some similar quality amenities, the access to an amenity center, pool, and park makes it superior to the subject property; Adjusted -2%

Size

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). The converse also tends to be true. Sales 1, 2, 3, 4, and 5 are also 40' lots that can accommodate the same building pad, so no adjustment is made for Size to those comparable sales.

Topography/View
The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that lacks remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

Zoning
According to our due diligence, the development of the subject property is governed by the Development Agreement which permits the creation of single-family residential lots. At this stage, the land will possess entitlement rights for development, increasing its value compared to vacant agricultural land that does not have entitlement rights. The entitlements provided by the Development Agreement elevate the property's value beyond that of un-zoned raw land. Sales 1-5 are zoned PD for residential development or subject to a Development Agreement that allows single family development, which is similar to the subject property Development Agreement; thus, no adjustment is made for Zoning.

Conclusion for 40' Lots – The 40' Lot Sales have an adjusted range of $1,852/FF to $2,160/FF with an average of $1,998/FF and a median of $2,027/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 40' lots is $2,000, or $80,000/Lot in Lowry Trails IA#2, Phase 2.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
40' Detached Lots	175	July 1, 2026	$80,000

Cumulative Retail Lot Value – Phase 2

We believe a current lot market value of $2,000 for 40' improved Lots with a Prospective Effective Date of July 1, 2026 is accurate and well-supported. Not only do our compiled recent comparable lot sales indicate this price, but numerous conversations with market participants – land developers and homebuilders – regarding current prices of lots within the subject's market indicate that our concluded value per front foot is supported by the current retail price for 40-FF lots similar to the subject property. Market participants noted that prices for lots rose significantly in late 2020 and into 2026 which followed a spike in the residential housing market in DFW that contributed to a scarcity of vacant developed lots for homebuilders.

As of the Prospective Effective Date of July 1, 2026, the retail market value of the 40-FF lot price for Lowry Trails PID IA #2, Phase 2 is shown below:

LOWRY TRAILS PID IA #2 (PHASE 2), LOWRY CROSSING ETJ, COLLIN COUNTY					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
69	40 FF	$80,000	July 1, 2026	$2000/FF	$5,520,000
69					***$5,520,000***

Next, we will develop an opinion of value for the 69 residential lots using the Discount Cash Flow analysis.

DISCOUNT CASH FLOW ANALYSIS

Having completed the retail lot value conclusions using aspects of the Sales Comparison Approach, we will develop an opinion of the market value of the property to a single purchaser, as of the substantial completion date. This value will include a provision for compensating the developer, i.e., profit for risk and expenditure of time. This value contemplates that the developer of the subject property would sell the subject to another developer who would in turn sell the developed lots on a retail basis. This value represents the concept of market value to a single purchaser as of the substantial completion date, wherein a portion of the overall real property rights or physical asset would typically be sold to its ultimate users over some future period. Valuations involving such properties must fully reflect all appropriate deductions and discounts as well as the anticipated cash flows to be derived from the disposition of the asset over time. Appropriate deductions and discounts are those which reflect all expenses associated with the disposition of the property as well as the cost of capital and entrepreneurial profit. **This latter item of entrepreneurial profit is accounted for herein as part of the discount rate.**

The various assumptions necessary to complete our Discounted Cash Flow (DCF) analysis for the developed subject subdivision are discussed in detail in the following paragraphs.

Absorption

As discussed in detail in the "Absorption Analysis" section of the report, our quarterly absorption projections are summarized as follows for the subject property:

MARKET ABSORPTION FOR LOWRY TRAILS PID IA #2 – PHASE 2

Projected Quarterly Absorption Summary - Lowry Trails PID IA #2 (Phase 2)						
Lot Type	*Jul-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	*Jul-2027*	**TOTAL**
40-FF	15	15	15	15	9	**69**
Total	**15**	**15**	**15**	**15**	**9**	**69**

Note: Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the Prospective Effective Date is July 1, 2026, our analysis starts at the beginning of the 3rd quarter.

Value Increases During Takedown Period

Historically, in the sales contracts of volume lot sales in the marketplace, the lot prices are typically adjusted upward. The Wall Street Journal Prime Rate (6.75% as of late April 2026), plus 1% (annually) up to 7.75%. Contracts between land developers and homebuilders typically have a 6% escalation which is consistent with recent improved lot appreciations over many years. Thus, for valuation purposes moving forward, we have estimated an annual appreciation on the subject's lots at 6% per year which is also consistent with residential real estate appreciation over the past decade. This is also considered reasonable given the lack of available lot and housing supply in the area and the historical realization of interest carry/appreciation by developers within DFW and surrounding market areas.

EXPENSES

Taxes are paid by the developer annually. The estimation of taxes paid per period is based upon the principle that taxes are prorated at closing and are paid in arrears. Therefore, we have deducted taxes based upon the estimated retail market value of the unsold lots. The taxes are prorated in each calendar year based upon the projected sales in each period. The current tax rate for the bulk of the property is **0.01437700 per $100 assessed – 1.437700%** for the purpose of our analysis – with taxes due to Collin College, Collin County, and Princeton ISD.

Based upon our experience as property tax consultants and information gathered from builders/developers, we do not believe the vacant lots will be assessed for their full market value once Substantial Completion is achieved. We believe the builder will have their lots assessed at approximately 70% of the market value, i.e., if a lot has a retail value of $100,000 then the assessed value will be $70,000. We believe this 30% discount is justified as taxing districts do not typically have access to cost data and assessments typically lag the market. In addition, many taxing districts allow for a 20% builder's inventory reduction.

Cost of Sales has been estimated at 1.5% of gross sales proceeds for various closing costs, surveys, commissions, and title policies.

Marketing expenses are not included as there is a shortage of vacant developed lots on the market and we would expect these lots to be absorbed by volume builders.

Discount Rate

The discount rate utilized herein is essentially an anticipated Internal Rate of Return (IRR) for the subject property, as estimated from investment performance realized by market participants. The discount rate used for the subject should be less than the typical land development project because the value we are determining is for a fully entitled project in a city-approved Planned Development which has less risk exposure than that of raw land development. Therefore, it is appropriate to utilize a discount rate adjusted for this risk. The appraisers have included a recent discount rate survey published by Realty Rates that considers the market conditions, risk, entrepreneurial profit, and liquidity inherent in a project such as the subject that developers of similar properties would consider.

RealtyRates.com DEVELOPER SURVEY - 1st Quarter 2026*
Texas - Subdivisions & PUDs

	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	15.41%	33.80%	22.83%	14.80%	32.45%	21.92%
-100 Units	15.41%	29.14%	21.83%	14.80%	27.97%	20.96%
100-500 Units	15.80%	32.05%	22.97%	15.16%	30.77%	22.05%
500+ Units	16.18%	33.51%	23.36%	15.53%	32.17%	22.42%
Mixed Use	16.57%	33.80%	23.17%	15.90%	32.45%	22.24%
Manufactured Housing	15.90%	36.95%	24.51%	15.26%	35.47%	23.53%
-100 Units	15.90%	32.13%	23.54%	15.26%	30.85%	22.59%
100-500 Units	16.30%	35.35%	24.79%	15.65%	33.93%	23.80%
500+ Units	16.69%	36.95%	25.21%	16.03%	35.47%	24.21%
Business Parks	15.84%	35.32%	23.75%	15.21%	33.91%	22.80%
-100 Acres	15.84%	30.72%	22.81%	15.21%	29.49%	21.90%
100-500 Acres	16.24%	33.79%	24.01%	15.59%	32.44%	23.05%
500+ Acres	16.63%	35.32%	24.42%	15.97%	33.91%	23.44%
Industrial Parks	15.93%	29.77%	21.28%	15.30%	28.58%	20.43%
-100 Acres	15.93%	25.88%	20.49%	15.30%	24.85%	19.67%
100-500 Acres	16.33%	28.47%	21.51%	15.68%	27.33%	20.65%
500+ Acres	16.73%	29.77%	21.85%	16.06%	28.58%	20.98%

*4th Quarter 2025 Data

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As shown, the minimum actual rates in Texas range from 15.41% for less than 100 units; 15.80% for 100 to 500 units; and 16.18% for 500+ units with minimum pro-forma rates ranging from 14.80% to 15.53%.

The 7th Edition of the Dictionary of Real Estate Appraisal defines this term as "a discount rate that is adjusted to offset one or more risk factors, i.e., when a future downswing in the business cycle is likely, the risk associated with a project may increase near the end of its term, necessitating a special adjustment to the discount rate. Such discount rates include all of the elements of risk associated with an income stream for a specified period adjusted to offset additional term risk." Thus, it is our opinion that a potential purchaser would expect to receive a much lower return on his investment for a completed project similar to the subject, which has numerous purchasers of the end product relative to that of a vacant tract of land awaiting eventual development (higher risk of escalating costs to site development and of the eventual timing of completion).

Based upon the preceding, an internal rate of return (IRR) that is similar to the minimum actual rates provided by the Realty Rates "Developer Survey" for Texas of 15.41% for less than 100 units; and 14.80% for likewise minimum pro-forma rates is considered reasonable for the subject. Hence, taking into consideration the supply and demand levels within the subject's submarket area, we have selected a discount rate of **15%** for the subject which takes into consideration the degree of risk, developer profit, and the liquidity inherent in a project such as the subject (assisted by involvement of the PID), as well as the current market conditions. To be consistent with the timing of the cash flows, the annual income stream is discounted quarterly with an annual DCF also included. With each of the required elements now identified, we will analyze the subject in DCF analyses as shown on the following pages.

DISCOUNT CASH FLOW (DCF) ANALYSIS - LOWRY TRAILS PID IA #2-PHASE 2

The following assumptions are made in our analysis which are supported by other research and analysis found earlier in this report:

- Substantial Complete July 1, 2026 (Prospective)
- Retail lot values: $80,000 for 40-FF lots
- 6% Appreciation/Year (1.5%/Quarter)
- 40-FF Lots sell at 15/Quarter starting 3Q2026
- Discount Rate 15% (3.75%/Quarter)
- Tax Expense on Inventory is 1.437700%/Year, 0.359425%/Quarter, but is discounted 30%
- Sales and Marketing Expense (1.5% of Revenue)

As Substantial Completion (July 1, 2026) on the improved lots in Lowry Trails PID IA#2, Phase 2, we believe lot prices will continue to appreciate closer to their historical average which is closer to 6% per year. Thus, we have concluded that current retail improved lot values will be similar when absorption begins. **Therefore, as of the expected Substantial Completion Date (July 1, 2026) the retail lot value for 69 40-FF lots is $5,520,000, as shown in the following table:**

LOWRY TRAILS PID IA #2 (PHASE 2), LOWRY CROSSING ETJ, COLLIN COUNTY					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
69	40 FF	$80,000	July 1, 2026	$2000/FF	$5,520,000
69					***$5,520,000***

Discount cash flow analysis was completed on a quarterly and annual basis as a check for reasonableness. The annual DCF is a more rudimentary calculation, and we consider the quarterly analysis to be more accurate. When applying the DCF on a quarterly basis, the discount rate is divided by 4 and a discount rate of 3.75% is applied for each period. Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the Substantial Completion Date was July 1, 2026, we will analyze on a quarterly basis starting July 2026, then proceeds to the beginning of each subsequent quarter.

DISCOUNT CASH FLOW DATA – LOWRY TRAILS PID IA #2 - PHASE 2 (QUARTERLY)

	Jul-2026			Oct-2026			Jan-2027		
Lot Type	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lots	69	$ 80,000	15	54	$ 81,200	15	39	$ 82,418	15
Revenue		**$ 1,200,000**			**$ 1,218,000**			**$ 1,236,270**	
Tax Expense		*$ (13,888)*			*$ (11,032)*			*$ (8,087)*	
Sales Expense		*$ (18,000)*			*$ (18,270)*			*$ (18,544)*	
Net Income		**$ 1,168,112**			**$ 1,188,698**			**$ 1,209,639**	
Factor		**0.982681**			**0.948939**			**0.916355**	
Income Net Present Value (NPV)		**$ 1,147,882**			**$ 1,128,002**			**$ 1,108,459**	

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	Apr-2027			Jul-2027		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lots	24	$ 83,654	15	9	$ 84,909	9
Revenue		**$ 1,254,814**			**$ 764,182**	
Tax Expense		*$ (5,051)*			*$ (1,282)*	
Sales Expense		*$ (18,822)*			*$ (11,463)*	
Net Income		**$ 1,230,941**			**$ 751,437**	
Factor		**0.884890**			**0.859496**	
Income Net Present Value (NPV)		**$ 1,089,247**			**$ 645,858**	

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Total Net Revenue Over ~5 Quarters	***$5,548,826***
Net Present Value (As-Is) at 15% Discount Rate	***$5,119,447***
Rounded	**$5,119,000**

Note: Quarterly discount and appreciation calculations are averaged to the middle of the period.

DISCOUNT CASH FLOW DATA – LOWRY TRAILS PID IA #2 – PHASE 2(ANNUAL)

	2026			2027		
Lot Type	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lots	69	$ 80,640	30	39	$ 83,664	39
Revenue		**$ 2,419,200**			**$ 3,262,896**	
Tax Expense		*$ (27,999)*			*$ (21,892)*	
Sales Expense		*$ (36,288)*			*$ (48,943)*	
Net Income		**$ 2,354,913**			**$ 3,192,061**	
Factor		**0.965663**			**0.879752**	
Income Net Present Value (NPV)		**$ 2,274,052**			**$ 2,808,222**	

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Total Net Revenue Over ~2 Years	***$5,546,974***
Net Present Value (As-Is) at 15% Discount Rate	***$5,082,275***
Rounded	**$5,083,000**

Note: Annual discount and appreciation calculations are averaged to the middle of the period

DCF Conclusion (69 Improved 40') – Phase 2

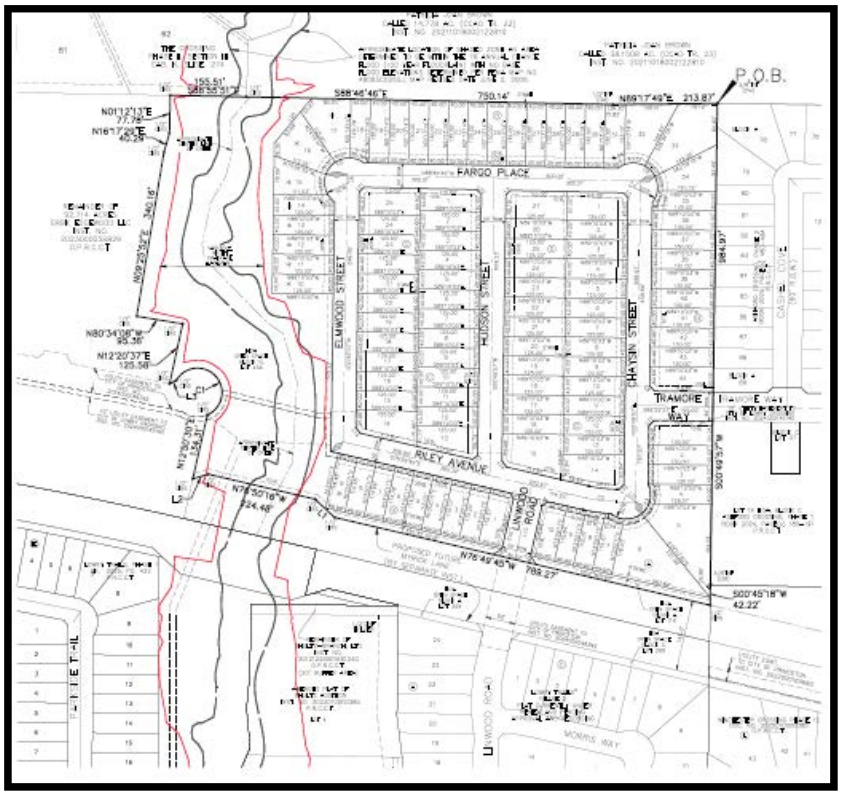
Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for the 69 improved lots in Lowry Trails PID IA #2 Phase 2 in a bulk sale transaction would be between $5,082,275 and $5,119,447, which is approximately $37,173 (0.73%) different. Both annual and quarterly DCF analyses have relevance and are a check of reasonableness on each other, but we consider the quarterly analysis to be the more accurate and precise calculation. Thus, we have determined that the **market value for Lowry Trails PID IA #2 Phase 2 "Upon Completion" with a Prospective Effective Date of July 1, 2026, for 69 improved lots is** $5,119,000 **($74,100 per lot rounded).**

INCOME (SUBDIVISION DEVELOPMENT) APPROACH CONCLUSION

Using the Discount Cash Flow Analysis to determine the net present value as of the substantial completion date (July 1, 2026), we have determined the following value for Lowry Trails PID IA #2 Phase 2 as shown in the table below:

INCOME APPROACH VALUE INDICATION	
Fee Simple Interest, Complete July 1, 2026	
Lowry Trails PID IA #2 (Phase 2) ***69 Improved Residential Lots***	***$5,119,000 ($74,200/Lot)***

INCOME (SUBDIVISION DEVELOPMENT) APPROACH - IMPROVED RESIDENTIAL LOTS LOWRY TRAILS PID IA #2 PHASE 3



Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. The income methodology applied in subdivision analysis has been adapted to simulate what occurs in a bulk sale where one buyer purchases a group of lots at a discount. It provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

In order to complete the analysis, the appraisers:

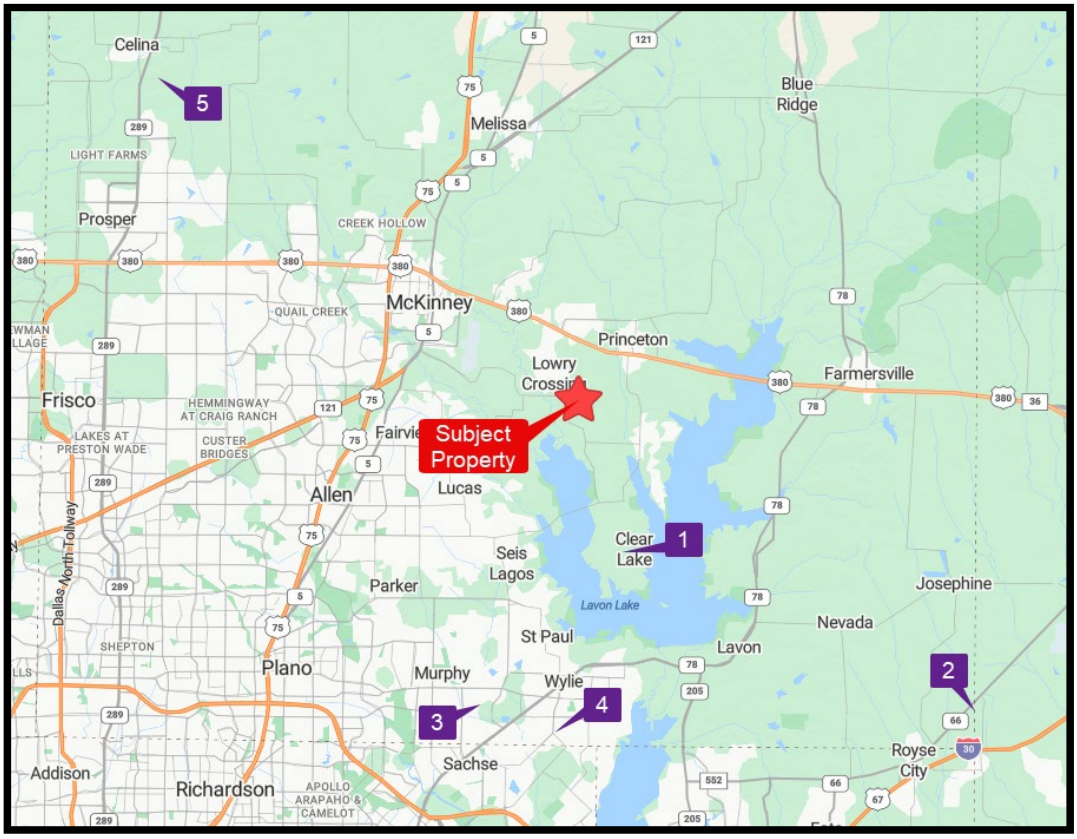
- Determined the value of the lots through aspects of the Sales Comparison Approach based on the concept plan provided by the developers
- Calculated the absorption period (earlier in the report) for the finished lots after construction is complete
- Analyzed the effect of appreciation, taxes, and sales costs over the absorption period
- Estimated the appropriate discount rate necessary to undertake the risks associated with the project
- Utilized discount cash flow (DCF) analysis to determine the present value of future cash flows realized by selling the lots at market prices over time

We utilized the following unit of comparison, which is the measure most commonly found in the market:

Sales Price Per Front Foot *– Obtained by dividing sale price by the front footage of the lot*

Following is our analysis of the 40-FF lots in Phase 3 of Lowry Trails PID IA#2.

MAP OF COMPARABLE LOT SALES –40' LOTS



Subject: Lowry Trails PID IA #2 Phase 3, Extraterritorial Jurisdiction of the City of Lowry Crossing, Texas 75407

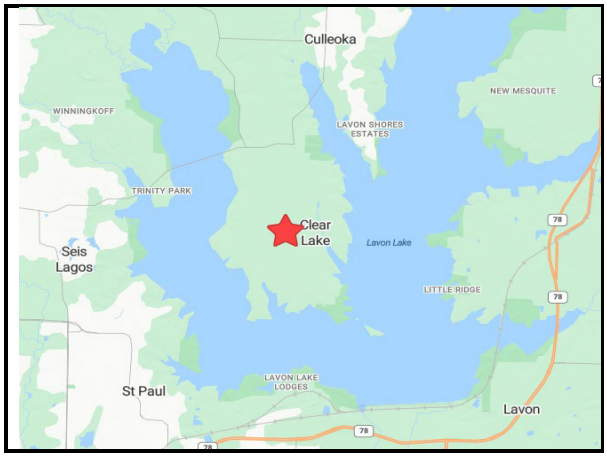
We selected the best and most recent comparable lot sales for our analysis of the 40-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 40' LOTS								
Sale	**Subdivision/Address**	**City**	**ISD**	**Contract Date**	**Sale Date**	**Base Lot Price**	**Front Feet (FF)**	***$/FF***
1	Tillage Farms	Princeton	Princeton	Feb-2024	Closed	$70,656	40	*$ 1,766*
2	Creekside PID, IA #2	Royse City	Royse City	June-2024	Closed	$70,000	40	*$ 1,750*
3	Manors at Woodbridge	Wylie	Wylie	Aug-2023	Closed	$77,500	40	*$ 1,938*
4	Wyndham Ridge	Wylie	Wylie	Oct-2023	Closed	$80,000	40	*$ 2,000*
5	Hillside Village	Celina	Celina	Apr-2024	Closed	$77,800	40	*$ 1,945*
Subject	**Lowry Trails PID; IA #2 Phase 3**	**Unincorporated Collin County**	**Princeton**	-	-	-	**40**	-

SALE COMPARABLE 1 – 40' LOTS



Comparable 1 Aerial



Comparable 1 Map

40-FF Sale Comparable 1				
Property Information				
Address	Tillage Farms			
Property Class	Residential Lot			
Address	Northwest corner of County Road 437 and FM 982, Princeton			
County	Collin			
Property Type	Residential / Single Family			
Site Information				
Site Size	4,600	SF	0.11	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	February - 2024			
Seller	TCL Land Bk 3 (2022) LP			
Buyer	Lennar Homes of Texas Land and Construction Ltd.			
Sale Price	$70,656			
Price per SF Land	$15.36			
Price per Front Foot	**$1,766**			

SALE COMPARABLE 2 – 40' LOTS



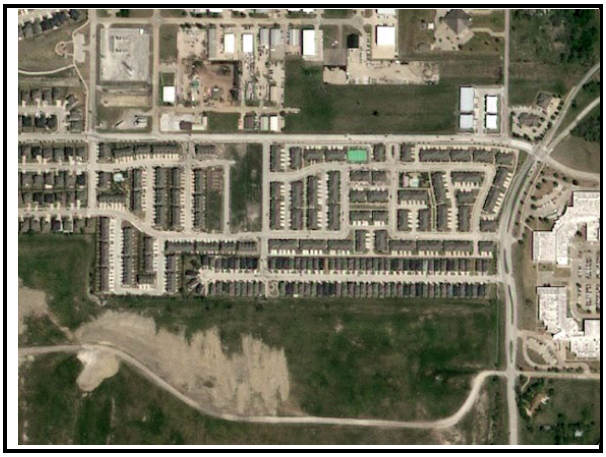
Comparable 2 Aerial



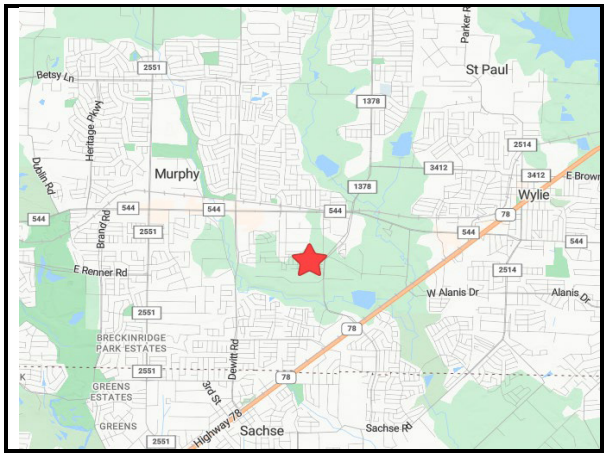
Comparable 2 Map

40-FF Sale Comparable 2				
Property Information				
Subdivision	Creekside PID, IA #2			
Property Class	Residential Lot			
Address	North side of SH-66, southwest of FM-2642, Royse City			
County	Collin			
Property Type	Residential / Single Family			
Site Information				
Site Size	4,400	SF	0.10	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	June - 2024			
Seller	HDP WRH TX LOTS			
Buyer	Ryan William Homes Texas, Inc.			
Sale Price	$70,000			
Price per SF Land	$15.91			
Price per Front Foot	**$1,750**			

SALE COMPARABLE 3 – 40' LOTS



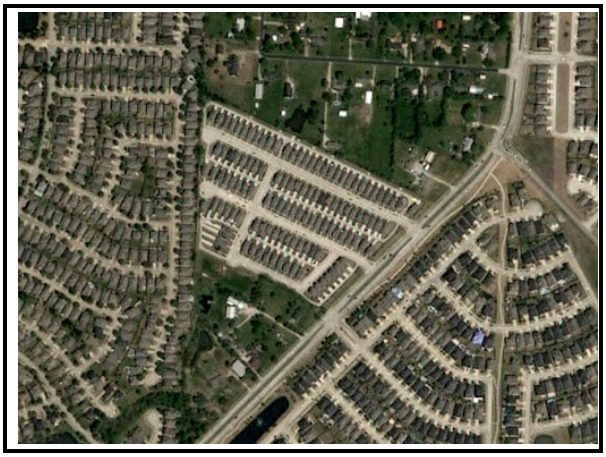
Comparable 3 Aerial



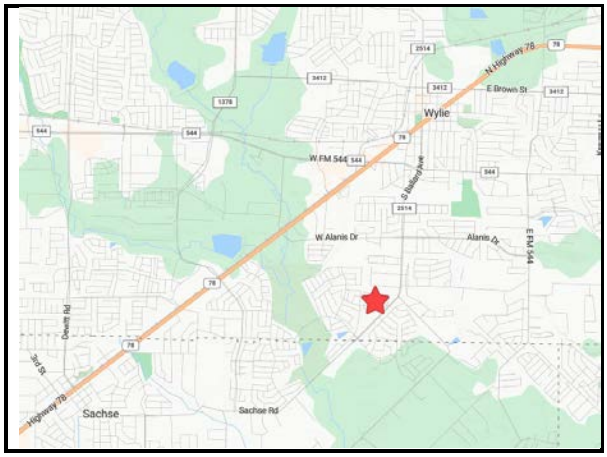
Comparable 3 Map

40-FF Sale Comparable 3				
Property Information				
Subdivision	Manors at Woodbridge			
Property Class	Residential Lot			
Address	West side of Woodbridge Parkway, south of Hensley Lane, Wylie			
County	Collin			
Property Type	Residential / Single Family			
Site Information				
Site Size	4,400	SF	0.10	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	August - 2023			
Seller	Manors at Woodbridge, LTD			
Buyer	Windsor Homes (Skorburg Company)			
Sale Price	$77,500			
Price per SF Land	$17.61			
Price per Front Foot	**$1,938**			

SALE COMPARABLE 4 – 40' LOTS



Comparable 4 Aerial



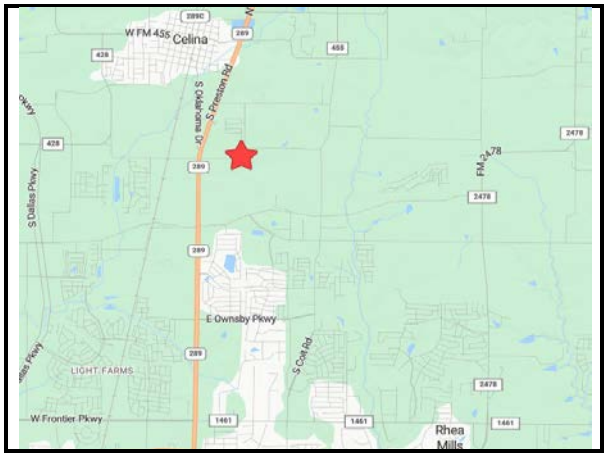
Comparable 4 Map

40-FF Sale Comparable 4				
Property Information				
Subdivision	Wyndham Ridge			
Property Class	Residential Lot			
Address	West side of Sachse Road, east of Highland Road, Wylie			
County	Collin			
Property Type	Residential / Single Family			
Site Information				
Site Size	4,600	SF	0.11	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	October - 2023			
Seller	Richard M. Skorburg Interests, Inc.			
Buyer	Meritage Homes of Texas LLC			
Sale Price	$80,000			
Price per SF Land	$17.39			
Price per Front Foot	**$2,000**			

SALE COMPARABLE 5 – 40' LOTS



Comparable 5 Aerial



Comparable 5 Map

40-FF Sale Comparable 5				
Property Information				
Subdivision Name	Hillside Village			
Property Class	Residential Lot			
Address	Northwest quadrant of Glendenning Parkway and County Road 89, Celina			
County	Collin			
Property Type	Residential / Single Family			
Site Information				
Site Size	4,000	SF	0.09	Acres
Zoning Code	Development Agreement			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	April - 2024			
Seller	WJ Hillside GP LLC Partner			
Buyer	HMH Lifestyles, L.P.			
Sale Price	$77,800			
Price per SF Land	$19.45			
Price per Front Foot	**$1,945**			

SALES ADJUSTMENT COMPARISON GRID –40' LOTS

Subdivision	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Lowry Trails PID; IA #2 Phase 3	Tillage Farms	Creekside PID, IA #2	Manors at Woodbridge	Wyndham Ridge	Hillside Village
	Unincorporated Collin County	Princeton	Royse City	Wylie	Wylie	Celina
Transactional Adjustments						
Sales Price/FF		$1,766	$1,750	$1,938	$2,000	$1,945
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		$1,766	$1,750	$1,938	$2,000	$1,945
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		$1,766	$1,750	$1,938	$2,000	$1,945
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		$1,766	$1,750	$1,938	$2,000	$1,945
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		$1,766	$1,750	$1,938	$2,000	$1,945
Time/Market Conditions		+7%	+6%	+9%	+8%	+7%
ADJUSTED Price/FF:		$1,890	$1,855	$2,112	$2,160	$2,081
Physical Adjustments						
Location/Access	East of Farm-to-Market 546 and North of Farm-to-Market 398	0%	+5%	-2%	-2%	0%
Amenities	playground, trails, and green space	-2%	-2%	-2%	+2%	-2%
Size	40-FF	0%	0%	0%	0%	0%
Topography/View	Gently Sloping; Zone X	0%	0%	0%	0%	0%
Zoning	Development Agreement	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		-2%	+3%	-4%	0%	-2%
ADJUSTED Price/FF:		$1,852	$1,911	$2,027	$2,160	$2,040
SUMMARY OF COMPARABLE VALUES						
Value Range/FF			$1,852	to	$2,160	
Average Value/FF	$1,998					
Median Value/FF	$2,027					
Size	40-FF					
Unit Value Indication	$2000/FF					
Overall Value Indication	$80,000					
Rounded	$80,000					

ANALYSIS OF ADJUSTMENTS –40' LOTS

Our research of comparable lot sales leads us to the determination that there have been ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $1,750 per front foot to $2,000 per front foot (FF) with Sales 1, 2, 3, 4, and 5 being 40-FF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale
Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase
Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions
The residential real estate market increased significantly in 2020-2025 and appears to be continuing with another interest rate decrease by the Federal Reserve that has lowered mortgage rates by 5 basis points to 6.10% as of February 2026. Prices increased from 2023-2026 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. We also considered that according to data from Zonda there is a shortage of 40-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically within Collin County which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +3% year-over year (YoY) increase throughout 2023-2025, and into the first quarter of 2026 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +6% and +9% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is located in Extraterritorial Jurisdiction of the City of Lowry Crossing, Texas 75407. Development in the subject's area has been increasing and consistent throughout the decades. The subject is located along Farm-to-Market 546 and County Road 398. The surrounding area comprises a blend of single-family residential communities and agricultural land.

The subject property resides in the Princeton ISD which has a "B" rating from the Texas Education Agency (TEA). Many prospective residents seeking a quasi-rural residential neighborhood might prefer a smaller and more appealing school district compared to the larger districts found closer to DFW. The area's accessibility is considered average. We have made the following adjustments for Location/Access:

- Sale 1: Similar; Located in Princeton with similar access to commercial uses and feeds into the Princeton ISD which has a "B" rating and is the same ISD as the subject; Adjusted 0%
- Sale 2: Inferior; Located in Royse City, with inferior access to commercial uses and feeds into the Royse City ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +5%
- Sale 3: Superior; Located in Wylie with similar access to commercial uses and feeds into the Wylie ISD which has an "A" rating and considered to be a superior ISD; Adjusted -2%
- Sale 4: Superior; Located in Wylie, with similar access to commercial uses and feeds into the Wylie ISD which has an "A" rating and considered to be a superior ISD; Adjusted -2%
- Sale 5: Similar; Located in Celina, with similar access to commercial uses and feeds into the Celina ISD which has a "B" rating and considered to be a similar ISD; Adjusted 0%

Amenities

The subject property's amenities will consist of a playground, trails, and green space. The subject's amenities are average for a master planned community the size of Lowry Trails PID IA #2 with development being built-out with 106 homes in Phase 3. We have made the following adjustments for Amenities:

- Sale 1: Superior; Tillage Farms Subdivision, which has superior amenities such as a community center, pool, sports court, and a park. Though this comparable does have some similar quality amenities, the access to a community center, pool, and sport courts makes it superior to the subject property; Adjusted -2%
- Sale 2: Superior; Creekside PID, IA #2 Subdivision which has superior amenities such as a clubhouse, pool, and a playground. Though this comparable does have some similar quality amenities, the access to the clubhouse and pool make it superior to the subject property; Adjusted -2%
- Sale 3: Superior; Manors at Woodbridge Subdivision, which has superior amenities such as a community center, pool, and a dog park. Though this comparable does have some similar quality amenities, the access to a community center, pool, and dog park makes it superior to the subject property; Adjusted -2%
- Sale 4: Inferior; Wyndham Ridge Subdivision, which only consists of a greenspace amenity. This comparable does not contain similar quality amenities such as a playground or trails therefore making it inferior to the subject property; Adjusted +2%
- Sale 5: Superior; Hillside Village Subdivision, which has superior amenities such as an amenity center, pool, trails, playground, and park. Though this comparable does have some similar quality amenities, the access to an amenity center, pool, and park makes it superior to the subject property; Adjusted -2%

Size

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). The converse also tends to be true. Sales 1, 2, 3, 4, and 5 are also 40' lots that can accommodate the same building pad, so no adjustment is made for Size to those comparable sales.

Topography/View
The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that lacks remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

Zoning
According to our due diligence, the development of the subject property is governed by the Development Agreement which permits the creation of single-family residential lots. At this stage, the land will possess entitlement rights for development, increasing its value compared to vacant agricultural land that does not have entitlement rights. The entitlements provided by the Development Agreement elevate the property's value beyond that of un-zoned raw land. Sales 1-5 are zoned PD for residential development or subject to a Development Agreement that allows single family development, which is similar to the subject property Development Agreement; thus, no adjustment is made for Zoning.

Conclusion for 40' Lots – The 40' Lot Sales have an adjusted range of $1,852/FF to $2,160/FF with an average of $1,998/FF and a median of $2,027/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 40' lots is $2,000, or $80,000/Lot for Lowry Trails PID IA#2, Phase 3.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
40' Detached Lots	106	June 1, 2026	$80,000

Cumulative Retail Lot Value – Phase 3

We believe a current lot market value of $2,000 for 40' improved Lots with a Retrospective Effective Date of June 1, 2026 is accurate and well-supported. Not only do our compiled recent comparable lot sales indicate this price, but numerous conversations with market participants – land developers and homebuilders – regarding current prices of lots within the subject's market indicate that our concluded value per front foot is supported by the current retail price for 40-FF lots similar to the subject property. Market participants noted that prices for lots rose significantly in late 2020 and into 2026 which followed a spike in the residential housing market in DFW that contributed to a scarcity of vacant developed lots for homebuilders.

As of the Retrospective Effective Date of June 1, 2026, the retail market value of the 40-FF lot prices for Lowry Trails PID IA #2, Phase 3 are shown below:

LOWRY TRAILS PID IA #2 (PHASE 3), LOWRY CROSSING ETJ, COLLIN COUNTY					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
106	40 FF	$80,000	June 1, 2026	$2000/FF	$8,480,000
106					***$8,480,000***

Next, we will develop an opinion of value for the 106 residential lots using the Discount Cash Flow analysis.

DISCOUNT CASH FLOW ANALYSIS

Having completed the retail lot value conclusions using aspects of the Sales Comparison Approach, we will develop an opinion of the market value of the property to a single purchaser, as of the substantial completion date. This value will include a provision for compensating the developer, i.e., profit for risk and expenditure of time. This value contemplates that the developer of the subject property would sell the subject to another developer who would in turn sell the developed lots on a retail basis. This value represents the concept of market value to a single purchaser as of the substantial completion date, wherein a portion of the overall real property rights or physical asset would typically be sold to its ultimate users over some future period. Valuations involving such properties must fully reflect all appropriate deductions and discounts as well as the anticipated cash flows to be derived from the disposition of the asset over time. Appropriate deductions and discounts are those which reflect all expenses associated with the disposition of the property as well as the cost of capital and entrepreneurial profit. **This latter item of entrepreneurial profit is accounted for herein as part of the discount rate.**

The various assumptions necessary to complete our Discounted Cash Flow (DCF) analysis for the developed subject subdivision are discussed in detail in the following paragraphs.

Absorption

As discussed in detail in the "Absorption Analysis" section of the report, our quarterly absorption projections are summarized as follows for the subject property:

MARKET ABSORPTION FOR LOWRY TRAILS PID IA #2 – PHASE 3

Projected Quarterly Absorption Summary - Lowry Trails PID IA #2 (Phase 3)									
Lot Type	*June-2026*	*July-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	*July-2027*	*Oct-2027*	*Jan-2028*	**TOTAL**
40-FF	5	15	15	15	15	15	15	11	**106**
Total	**5**	**15**	**15**	**15**	**15**	**15**	**15**	**11**	**106**

Note: Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the Retrospective Effective Date is June 1, 2026, our analysis starts in the end of the 2nd quarter of 2026, then proceeded at the beginning of the 3rd quarter.

Value Increases During Takedown Period

Historically, in the sales contracts of volume lot sales in the marketplace, the lot prices are typically adjusted upward. The Wall Street Journal Prime Rate (6.75% as of late April 2026), plus 1% (annually) up to 7.75%. Contracts between land developers and homebuilders typically have a 6% escalation which is consistent with recent improved lot appreciations over many years. Thus, for valuation purposes moving forward, we have estimated an annual appreciation on the subject's lots at 6% per year which is also consistent with residential real estate appreciation over the past decade. This is also considered reasonable given the lack of available lot and housing supply in the area and the historical realization of interest carry/appreciation by developers within DFW and surrounding market areas.

EXPENSES

Taxes are paid by the developer annually. The estimation of taxes paid per period is based upon the principle that taxes are prorated at closing and are paid in arrears. Therefore, we have deducted taxes based upon the estimated retail market value of the unsold lots. The taxes are prorated in each calendar year based upon the projected sales in each period. The current tax rate for the bulk of the property is **0.01437700 per $100 assessed – 1.437700%** for the purpose of our analysis – with taxes due to Collin College, Collin County, and Princeton ISD.

Based upon our experience as property tax consultants and information gathered from builders/developers, we do not believe the vacant lots will be assessed for their full market value once Substantial Completion is achieved. We believe the builder will have their lots assessed at approximately 70% of the market value, i.e., if a lot has a retail value of $100,000 then the assessed value will be $70,000. We believe this 30% discount is justified as taxing districts do not typically have access to cost data and assessments typically lag the market. In addition, many taxing districts allow for a 20% builder's inventory reduction.

Cost of Sales has been estimated at 1.5% of gross sales proceeds for various closing costs, surveys, commissions, and title policies.

Marketing expenses are not included as there is a shortage of vacant developed lots on the market and we would expect these lots to be absorbed by volume builders.

Discount Rate

The discount rate utilized herein is essentially an anticipated Internal Rate of Return (IRR) for the subject property, as estimated from investment performance realized by market participants. The discount rate used for the subject should be less than the typical land development project because the value we are determining is for a fully entitled project in a city-approved Planned Development which has less risk exposure than that of raw land development. Therefore, it is appropriate to utilize a discount rate adjusted for this risk. The appraisers have included a recent discount rate survey published by Realty Rates that considers the market conditions, risk, entrepreneurial profit, and liquidity inherent in a project such as the subject that developers of similar properties would consider.

RealtyRates.com DEVELOPER SURVEY - 1st Quarter 2026*
Texas - Subdivisions & PUDs

	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	15.41%	33.80%	22.83%	14.80%	32.45%	21.92%
-100 Units	15.41%	29.14%	21.83%	14.80%	27.97%	20.96%
100-500 Units	15.80%	32.05%	22.97%	15.16%	30.77%	22.05%
500+ Units	16.18%	33.51%	23.36%	15.53%	32.17%	22.42%
Mixed Use	16.57%	33.80%	23.17%	15.90%	32.45%	22.24%
Manufactured Housing	15.90%	36.95%	24.51%	15.26%	35.47%	23.53%
-100 Units	15.90%	32.13%	23.54%	15.26%	30.85%	22.59%
100-500 Units	16.30%	35.35%	24.79%	15.65%	33.93%	23.80%
500+ Units	16.69%	36.95%	25.21%	16.03%	35.47%	24.21%
Business Parks	15.84%	35.32%	23.75%	15.21%	33.91%	22.80%
-100 Acres	15.84%	30.72%	22.81%	15.21%	29.49%	21.90%
100-500 Acres	16.24%	33.79%	24.01%	15.59%	32.44%	23.05%
500+ Acres	16.63%	35.32%	24.42%	15.97%	33.91%	23.44%
Industrial Parks	15.93%	29.77%	21.28%	15.30%	28.58%	20.43%
-100 Acres	15.93%	25.88%	20.49%	15.30%	24.85%	19.67%
100-500 Acres	16.33%	28.47%	21.51%	15.68%	27.33%	20.65%
500+ Acres	16.73%	29.77%	21.85%	16.06%	28.58%	20.98%

*4th Quarter 2025 Data

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As shown, the minimum actual rates in Texas range from 15.41% for less than 100 units; 15.80% for 100 to 500 units; and 16.18% for 500+ units with minimum pro-forma rates ranging from 14.80% to 15.53%.

The 7th Edition of the Dictionary of Real Estate Appraisal defines this term as "a discount rate that is adjusted to offset one or more risk factors, i.e., when a future downswing in the business cycle is likely, the risk associated with a project may increase near the end of its term, necessitating a special adjustment to the discount rate. Such discount rates include all of the elements of risk associated with an income stream for a specified period adjusted to offset additional term risk." Thus, it is our opinion that a potential purchaser would expect to receive a much lower return on his investment for a completed project similar to the subject, which has numerous purchasers of the end product relative to that of a vacant tract of land awaiting eventual development (higher risk of escalating costs to site development and of the eventual timing of completion).

Based upon the preceding, an internal rate of return (IRR) that is similar to the minimum actual rates provided by the Realty Rates "Developer Survey" for Texas of 15.80% for 100-500 units; and 15.16% for likewise minimum pro-forma rates is considered reasonable for the subject. Hence, taking into consideration the supply and demand levels within the subject's submarket area, we have selected a discount rate of **16%** for the subject which takes into consideration the degree of risk, developer profit, and the liquidity inherent in a project such as the subject (assisted by involvement of the PID), as well as the current market conditions. To be consistent with the timing of the cash flows, the annual income stream is discounted quarterly with an annual DCF also included. With each of the required elements now identified, we will analyze the subject in DCF analyses as shown on the following pages.

DISCOUNT CASH FLOW (DCF) ANALYSIS - LOWRY TRAILS PID IA #2-PHASE 3

The following assumptions are made in our analysis which are supported by other research and analysis found earlier in this report:

- Substantial Complete June 1, 2026 (Retrospective)
- Retail lot values: $80,000 for 40-FF lots
- 6% Appreciation/Year (1.5%/Quarter)
- 40-FF Lots sell at 5/Month for 2Q2026, then 15/Quarter starting 3Q2026
- Discount Rate 16% (4.00%/Quarter)
- Tax Expense on Inventory is 1.437700%/Year, 0.359425%/Quarter, but is discounted 30%
- Sales and Marketing Expense (1.5% of Revenue)

As Substantial Completion (June 1, 2026) on the improved lots in Lowry Trails PID IA#2, Phase 3, we believe lot prices will continue to appreciate closer to their historical average which is closer to 6% per year. Thus, we have concluded that current retail improved lot values will be similar when absorption begins. **Therefore, as of the expected Substantial Completion Date (June 1, 2026) the retail lot value for 106 40-FF lots is $8,480,000, as shown in the following table:**

LOWRY TRAILS PID IA #2 (PHASE 3), LOWRY CROSSING ETJ, COLLIN COUNTY					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
106	40 FF	$80,000	June 1, 2026	$2000/FF	$8,480,000
106					***$8,480,000***

Discount cash flow analysis was completed on a quarterly and annual basis as a check for reasonableness. The annual DCF is a more rudimentary calculation, and we consider the quarterly analysis to be more accurate. When applying the DCF on a quarterly basis, the discount rate is divided by 4 and a discount rate of 4.00% is applied for each period. Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the Substantial Completion Date was June 1, 2026, we will analyze on a quarterly basis starting June 2026, then proceeds to the beginning of each subsequent quarter.

DISCOUNT CASH FLOW DATA – LOWRY TRAILS PID IA #2-PHASE 3 (QUARTERLY)

	June-2026			Jul-2026			Oct-2026		
Lot Type	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lots	106	$ 80,000	5	101	$ 81,200	15	86	$ 82,418	15
Revenue		**$ 400,000**			**$1,218,000**			**$1,236,270**	
Tax Expense		*$ (7,112)*			*$ (20,634)*			*$ (17,833)*	
Sales Expense		*$ (6,000)*			*$ (18,270)*			*$ (18,544)*	
Net Income		**$ 386,888**			**$1,179,096**			**$1,199,893**	
Factor		**0.993835**			**0.969552**			**0.934236**	
Income Net Present Value (NPV)		**$ 384,503**			**$1,143,195**			**$1,120,984**	

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	Jan-2027			Apr-2027			Jul-2027		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lots	71	$ 83,654	15	56	$ 84,909	15	41	$ 86,183	15
Revenue		**$1,254,814**			**$1,273,636**			**$1,292,741**	
Tax Expense		*$ (14,944)*			*$ (11,963)*			*$ (8,890)*	
Sales Expense		*$ (18,822)*			*$ (19,105)*			*$ (19,391)*	
Net Income		**$1,221,048**			**$1,242,568**			**$1,264,460**	
Factor		**0.900207**			**0.867417**			**0.835821**	
Income Net Present Value (NPV)		**$1,099,196**			**$1,077,825**			**$1,056,862**	

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	Oct-2027			Jan-2028		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lots	26	$ 87,475	15	11	$ 88,788	11
Revenue		**$1,312,132**			**$ 976,664**	
Tax Expense		*$ (5,722)*			*$ (2,457)*	
Sales Expense		*$ (19,682)*			*$ (14,650)*	
Net Income		**$1,286,728**			**$ 959,556**	
Factor		**0.805376**			**0.776040**	
Income Net Present Value (NPV)		**$1,036,300**			**$ 744,654**	

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Total Net Revenue Over ~8 Quarters	***$8,740,237***
Net Present Value (As-Is) at 16% Discount Rate	***$7,663,518***
Rounded	**$7,663,000**

Note: Quarterly discount and appreciation calculations are averaged to the middle of the period.

DISCOUNT CASH FLOW DATA – LOWRY TRAILS PID IA #2 – PHASE 3 (ANNUAL)

	2026			2027			2028		
Lot Type	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lots	106	$ 81,200	35	71	$ 85,552	60	11	$ 88,786	11
Revenue		**$ 2,842,000**			**$ 5,133,139**			**$ 976,648**	
Tax Expense		*$ (50,530)*			*$ (61,130)*			*$ (2,457)*	
Sales Expense		*$ (42,630)*			*$ (76,997)*			*$ (14,650)*	
Net Income		**$ 2,748,840**			**$ 4,995,012**			**$ 959,541**	
Factor		**0.957634**			**0.851472**			**0.776040**	
Income Net Present Value (NPV)		**$ 2,632,384**			**$ 4,253,114**			**$ 744,643**	

▼
▼

Total Net Revenue Over ~3 Years	***$8,703,394***
Net Present Value (As-Is) at 16% Discount Rate	***$7,630,141***
Rounded	**$7,631,000**

Note: Annual discount and appreciation calculations are averaged to the middle of the period

DCF Conclusion (106 Improved 40') – Phase 3

Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for the **106** improved lots in Lowry Trails PID IA #2 Phase 3 in a bulk sale transaction would be between $7,630,141 and $7,663,518, which is approximately $33,377 (0.44%) different. Both annual and quarterly DCF analyses have relevance and are a check of reasonableness on each other, but we consider the quarterly analysis to be the more accurate and precise calculation. Thus, we have determined that the **market value for Lowry Trails PID IA #2 Phase 3 "Upon Completion" with a Retrospective Effective Date of June 1, 2026, for 106 improved lots is $7,663,000 ($72,300 per lot rounded).**

INCOME (SUBDIVISION DEVELOPMENT) APPROACH CONCLUSION

Using the Discount Cash Flow Analysis to determine the net present value as of the substantial completion date (June 1, 2026), we have determined the following value for Lowry Trails PID IA #2 Phase 3 as shown in the table below:

INCOME APPROACH VALUE INDICATION	
Fee Simple Interest, Complete June 1, 2026	
Lowry Trails PID IA #2 (Phase 3) ***106 Improved Residential Lots***	***$7,663,000 ($72,300/Lot)***

RECONCILIATION AND FINAL VALUE CONCLUSION

The Appraisal of Real Estate, Fourteenth Edition, copyright 2013, pages 641-642, published by the Appraisal Institute states,

"Resolving the differences among various value indications is called reconciliation…. The final value opinion is not the average of the different value indications derived. No mechanical formula is used to select one indication over the others…Final reconciliation relies on proper application of appraisal techniques and the appraiser's judgment."

Three approaches to value are recognized in the appraisal profession (Sales Comparison Approach, Cost Approach, and Income Approach). All three approaches were analyzed as part of the scope of work of this assignment. A summary of each approach follows:

Cost Approach
The Cost Approach involves research, verification, and comparison of sales of other vacant land with the subject land. The sales are then adjusted for value-related differences. Cost figures are obtained from the developer and engineer and compared to cost figures on competing developments. A developer's profit is based on profit expectations reported by developers as well as actual profit on similar developments.

The Cost Approach provides information that contrasts with information from the Income Capitalization and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when finished lots make up a substantial portion of the entire project. The subject property is being developed in two phases, however, the totality of Lowry Trails will be spread across four phases, therefore, *the Cost Approach is not appropriate and thus was not utilized* for the 69 improved residential lots in Phase 2 and 106 improved residential lots in Phase 3.

Income (Subdivision Development) Approach
For the improved residential lots, the Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases the bulk of the lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

Since the problem to be solved is to determine the bulk sale value of the 69 improved residential lots in Phase 2 and 106 improved residential lots in Phase 3 for Lowry Trails PID IA #2, as of the substantial completion dates, the Income Approach is appropriate and was developed. **Through Discounted Cash Flow Analysis, we determined the market value of the 69 improved lots "Upon Completion" in Lowry Trails PID IA #2 Phase 2 as of July 1, 2026, is $5,119,000 ($74,100 per lot rounded). The market value of the 106 improved lots "Upon Completion" in Lowry Trails PID IA #2 Phase 3 as of June 1, 2026, is $7,663,000 ($72,300 per lot rounded).**

Sales Comparison Approach
For the improved lots, the Sales Comparison Approach was not fully developed because finding highly similar and recent sales of improved groups of lots or subdivisions is not available in the market. Aspects of the Sales Comparison Approach were utilized in concluding the retail lot market values for use in the Income Approach for the improved lots within the Lowry Trails PID IA#2.

Final Value Conclusion Summary

As a result of our investigations, studies and analysis of the sale, cost, income, and expense data, interpreted within the context of all the factors in the marketplace which effect value, our reconciliation of the indicated values between the utilized approaches to value are listed in the table below. We utilized the Income (Subdivision Development) Approach to value the 175 improved lots. Our final value conclusion for the retail lot value and the cumulative value of the lots are shown below:

LOWRY TRAILS PID IA #2 (PHASE 2), LOWRY CROSSING ETJ, COLLIN COUNTY					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
69	40 FF	$80,000	July 1, 2026	$2000/FF	$5,520,000
69					***$5,520,000***

LOWRY TRAILS PID IA #2 (PHASE 3), LOWRY CROSSING ETJ, COLLIN COUNTY					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Effective Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
106	40 FF	$80,000	June 1, 2026	$2000/FF	$8,480,000
106					***$8,480,000***

After considering discount cash flows, our final value conclusion "Upon Completion" is shown below:

INCOME APPROACH VALUE INDICATION	
Fee Simple Interest, Complete July 1, 2026	
Lowry Trails PID IA #2 (Phase 2) ***69 Improved Residential Lots***	***$5,119,000 ($74,200/Lot)***
Fee Simple Interest, Complete June 1, 2026	
Lowry Trails PID IA #2 (Phase 3) ***106 Improved Residential Lots***	***$7,663,000 ($72,300/Lot)***

Exposure Time

Assuming adequate exposure and normal marketing efforts, the estimated exposure time (i.e. the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded to in this analysis as of the date of this valuation) would have been at least 6-12 months; the estimated marketing time (i.e. the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be between 6-12 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the Effective Date of value. Market conditions are presently strong, and we expect no significant changes in the near term. It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6-12 months.

ADDENDA

ENGAGEMENT LETTER

Peyco Southwest Realty Inc.
In Arlington Since 1976

Real Estate Brokerage * Development * Appraisals * Property Tax Consulting
1703 N. Peyco Dr. Arlington, Texas 76001
Metro 817-467-6803 * Fax 817-465-7464 * www.peycosouthwest.com

April 7, 2026

Mr. R.R. "Tripp" Davenport, III
Director
FMSbonds, Inc.
5 Cowboys Way, Ste. 300-25
Frisco, Texas 75034
tdavenport@fmsbonds.com

SUBJECT: Proposal/Authorization for Valuation and Consulting Services of a residential master planned development known as the "Lowry Trails Public Improvement District" located in the Extraterritorial Jurisdiction (ETJ) of Lowry Crossing, Collin County, Texas

Dear Mr. Davenport:

Upon your acceptance of this contract engagement, Peyco Southwest Realty, Inc. ("Peyco"), will prepare an appraisal of the Subject Property:

Purpose of the Assignment The purpose of the appraisal is to provide an opinion of the "As-Complete" and "As-If Improved" market value of the Fee Simple interest in the Subject Property outlined herein. We will assume that the City of Lowry Crossing will approve or has approved the proposed development and that all development entitlements are in place for the "Project" to proceed. Further, our valuation will also be based upon, and assume that:

a) Only limited specific offsite general infrastructure indicated is fully funded with cash or cash-equivalent (lines of credit, completion agreements, etc.) with special assessments levied on property within the Lowry Trails Public Improvement District ("PID"), and
b) Improvement relating to the "Project" will be completed based on engineering plans provided to the appraisers

It is our understanding that the Appraisal Report will be included in the Preliminary and Final Official Statements for the sale of one or more series of Public Improvement District (PID) bonds for the Project, and we will provide our written consent to the inclusion of the Appraisal Report in the Preliminary and Final Official Statements. The appraisal will be prepared in conformance with and subject to, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice* (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation. The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three-year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We represent that we have not performed any services that require disclosure under this rule.

In accordance with our correspondence, the scope of this assignment will require Peyco to consider all relevant and applicable approaches to value as determined during the course of our research, Subject Property analysis, and preparation of the report. **The report will include an opinion of the Fee Simple market value of the following:**

- **Improvement Area #2 (IA#2) with approximately 175 improved residential lots to be sold in bulk in Phase 2 and Phase 3 of the Lowry Trails PID. We will report the estimated retail value of the lots during the sellout period consisting of:**
  - **175 lots of 40-FF sizes**

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, this appraisal may not be accepted by a federally regulated financial institution.

The appraisal will be communicated in an Appraisal Report-Standard Format Report. All work will be performed under the direct supervision of the undersigned, together with other staff members. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions, a copy of which is attached as Attachment 1.

The total fee for this assignment will be **$14,000** which will be paid for by the Developer, but payment may be reimbursed to the developer as a qualified creation and issuance cost of the "Public Improvement District". Please note that the full fee must be received in our office before the commencement of this appraisal. The delivery date will be within 30 days from your signed acceptance of this letter agreement, receipt of the fee and receipt of requested documents from the developer, but subject to extension based upon late delivery of the requested data and scheduled access for inspection. **We will require the full fee of $14,000 prior to the commencement of this appraisal assignment.** If the assignment is cancelled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the percentage of work completed.

Two hard copies of the appraisal report will be provided upon request. Digital copies, in PDF format, will be delivered upon completion via email or other file transfer as client requests. Additionally, we confirm our permission to use the final appraisal report in the offer and sale of public securities secured by the special assessments levied on property within the PID for the "Project"; and we confirm that we will execute, subject to our approval of the same, a certificate related to the use of the appraisal for such purpose. The 30-day delivery date is contingent upon the absence of events outside our control, timely access for inspection of the Subject Property, as well as our receipt of all requested information necessary to complete the assignment. Should, upon review of the draft Appraisal Report, the client requests material changes, or additions beyond the agreed to Scope of Work that materially affect the appraisal report and/or resulting values; the Client agrees to additional scope of work changes at our current hourly rates ($300/hour).

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance, or wetlands. Therefore, unless we have been provided with appropriate third-party expert reports, the appraisals will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment, and actions.

In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our current hourly rates ($300/hour) for such preparation and presentation of testimony.

You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, Peyco and its partner companies may utilize, sell, and include such data (either in the aggregate or individually), in the Peyco database and for use in derivative products. You agree that all data already in the public domain may be utilized on an unrestricted basis. Finally, you agree that we may use commercially available, as well as proprietary software programs, to perform your assignment (web based and others).

If you are in agreement with the terms set forth in this letter and wish us to proceed with the contract engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

Sincerely,



James L. Maibach, C.P.M.
TX-1323658
State Certified General Real Estate Appraiser

AGREED TO AND ACCEPTED THIS ____DAY OF _____, 2025.

BY:

FMS Bonds, Inc.

Tripp Davenport
Authorized Signature

_____
Name (printed)

ATTACHMENT 1: STANDARD ASSUMPTIONS & LIMITING CONDITIONS

The appraisal report and any work product related to the engagement will be limited by the following standard assumptions:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements, and restrictions. The Subject Property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the Subject Property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the Subject Property more or less valuable. Furthermore, there is no asbestos or environmental contamination at the Subject Property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The Subject Property is in compliance with all applicable building, environmental, zoning, and other federal, state, and local laws, regulations, and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

The appraisal report and any work product related to the engagement will be subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the Subject Property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state, or local laws, regulations, or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena, or attend any court, governmental or other hearing with reference to the Subject Property without compensation relative to such additional employment.
6. We have made no survey of the Subject Property and assume no responsibility in connection with such matters. Any sketch or survey of the Subject Property included in the appraisal report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the Subject Property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, if any, and we have assumed that the Subject Property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural, and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the Subject Property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates, and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

13. If the Subject Property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the Subject Property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the Subject Property or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the Subject Property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues and render no opinion regarding compliance of the Subject Property with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the Subject Property or in the improvements, and our valuation is predicated upon the assumption that the Subject Property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances, and mold. No representations or warranties are made regarding the environmental condition of the Subject Property. Peyco and/or any of its officers, owners, managers, directors, agents, subcontractors, or employees (the "Peyco Parties") shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the Subject Property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the Subject Property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the Subject Property, and the value conclusion is predicated on the assumption that wetlands are nonexistent or minimal.
22. We are not a building or environmental inspector. Peyco does not guarantee that the Subject Property is free of defects or environmental problems. Mold may be present in the Subject Property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assumes the satisfactory completion of construction, repairs, or alterations in a workmanlike manner.
24. Peyco is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
25. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Peyco is not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we

assume competent and effective management and marketing for the duration of the projected holding period of the Subject Property.

26. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.
27. As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.

Concept Plan by JBI Partners, Professional Surveyors



Page 7 of 7

LEGAL DESCRIPTION

EXHIBIT C

LEGAL DESCRIPTION
(39.288 ACRES)

Being a parcel of land located in Collin County, Texas, a part of the EM Wood Survey, Abstract Number 960, and being a part of that called 92.714 acres described in deed to GRBK EDGEWOOD LLC as recorded in Instrument Number 2023000056829, Official Public Records of Collin County, Texas and being further described as follows:

BEGINNING at a point at the southeast corner of said 92.714 acre tract, said point being in the approximate centerline of County Road No. 398 (unrecorded right-of-way);

THENCE North 89 degrees 14 minutes 47 seconds West for a distance of 327.84 feet along the south line of said 92.714 acre tract and the approximate centerline of County Road No. 398 to a point for corner;

THENCE departing the centerline of County Road No. 398, northerly along the south line of said 92.714 acre tract as follows:

North 36 degrees 34 minutes 55 seconds West for a distance of 382.66 feet to a point for corner;

North 07 degrees 10 minutes 03 seconds West for a distance of 563.31 feet to a point for corner;

North 00 degrees 45 minutes 26 seconds East for a distance of 225.44 feet to a point for corner;

THENCE North 13 degrees 10 minutes 15 seconds East for a distance of 1.95 feet to a point for corner;

THENCE North 76 degrees 49 minutes 45 seconds West for a distance of 147.49 feet to a point for corner;

THENCE South 73 degrees 09 minutes 44 seconds West, 49.60 feet to a point for corner;

THENCE North 13 degrees 10 minutes 15 seconds East for a distance of 97.30 feet to a point for corner,

THENCE North 76 degrees 49 minutes 45 seconds West for a distance of 248.44 feet to a point for corner, the beginning of a tangent curve to the left;

THENCE along said curve to the left through a central angle of 00 degrees 12 minutes 33 seconds, having a radius of 8,100.00 feet, an arc length of 29.57 feet, a chord bearing of North 76 degrees 56 minutes 03 seconds West and a chord distance of 29.57 feet to a point for corner;

THENCE North 12 degrees 50 minutes 30 seconds East for a distance of 217.37 feet to a point for corner, the beginning of a non-tangent curve to the left;

THENCE along said curve to the left through a central angle of 216 degrees 23 minutes 21 seconds, having a radius of 50.00 feet, an arc length of 188.84 feet, a chord bearing of North 41 degrees 59 minutes 28 seconds West and a chord distance of 95.00 feet to a point for corner;

THENCE South 63 degrees 13 minutes 35 seconds West for a distance of 15.51 feet to a point for corner;

THENCE North 12 degrees 20 minutes 37 seconds East for a distance of 125.58 feet to a point for corner;

THENCE North 80 degrees 34 minutes 08 seconds West for a distance of 95.36 feet to a point for corner;

THENCE North 09 degrees 25 minutes 52 seconds East for a distance of 340.16 feet to a point for corner;

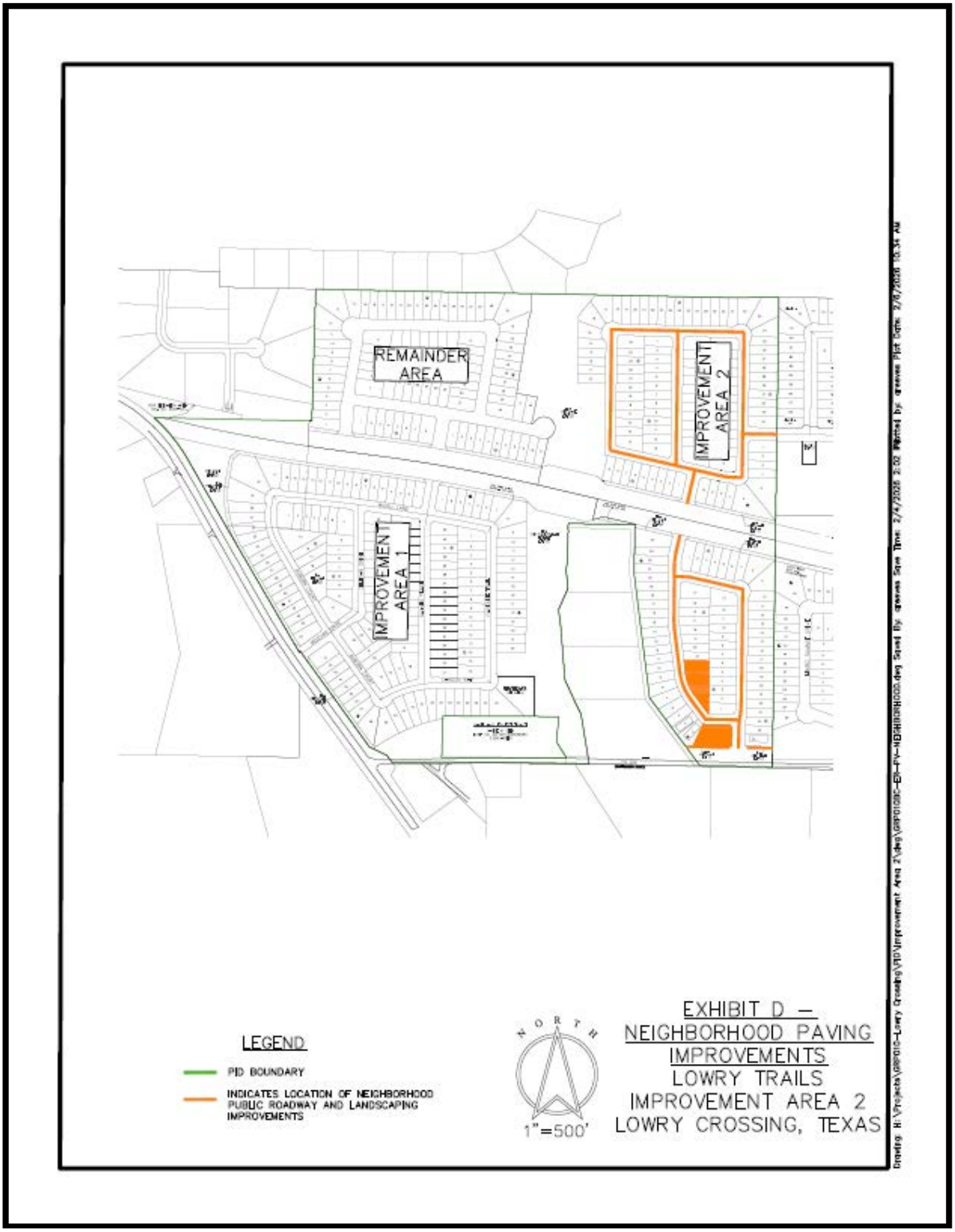
THENCE North 16 degrees 17 minutes 29 seconds East for a distance of 40.29 feet to a point for corner;

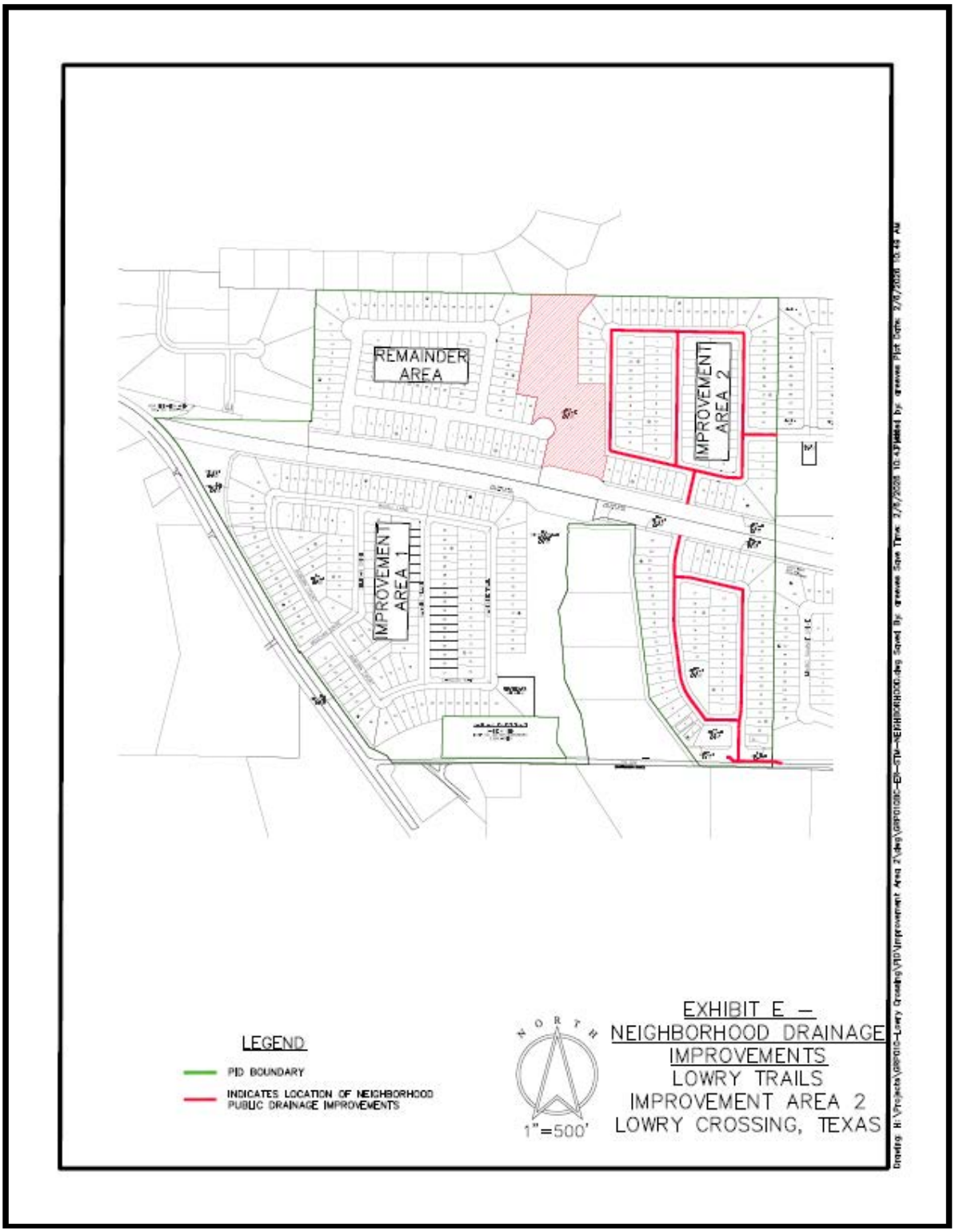
THENCE North 01 degrees 12 minutes 13 seconds East for a distance of 77.78 feet to a point for corner in the north line of said 92.714 acre tract;

THENCE along the north line of said 92.714 acre tract as follows:
South 88 degrees 55 minutes 51 seconds East for a distance of 155.51 feet to a point for corner;
South 88 degrees 46 minutes 46 seconds East for a distance of 750.14 feet to a point for corner;
North 89 degrees 17 minutes 49 seconds East for a distance of 213.87 feet to point at the northeast corner of said 92.714 acre tract;

THENCE along the east line of said 92.714 acre tract as follows:
South 00 degrees 49 minutes 57 seconds West for a distance of 984.97 feet to a point for corner;
South 00 degrees 45 minutes 18 seconds West for a distance of 1,139.93 feet to the POINT OF BEGINNING and containing 1,711,367 square feet or 39.288 acres of land.

THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED


REMAINDER AREA
IMPROVEMENT AREA 2
IMPROVEMENT AREA 1
LEGEND
PID BOUNDARY
INDICATES LOCATION OF NEIGHBORHOOD PUBLIC ROADWAY AND LANDSCAPING IMPROVEMENTS
NORTH
1"=500'
EXHIBIT D – NEIGHBORHOOD PAVING IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 2
LOWRY CROSSING, TEXAS


REMAINDER AREA
IMPROVEMENT AREA 1
IMPROVEMENT AREA 2
LEGEND
PID BOUNDARY
INDICATES LOCATION OF NEIGHBORHOOD PUBLIC DRAINAGE IMPROVEMENTS
NORTH
1"=500'
EXHIBIT E –
NEIGHBORHOOD DRAINAGE IMPROVEMENTS
LOWRY TRAILS
IMPROVEMENT AREA 2
LOWRY CROSSING, TEXAS

DEVELOPMENT STANDARDS

EXHIBIT "C"
DEVELOPMENT STANDARDS

- Uses. The Property may be developed with single-family uses as generally depicted on the attached Exhibit A (the "Concept Plan"). The Concept Plan is conceptual in nature and may be revised/refined at time of preliminary and final plat.

- Development Standards. Development regulations for the Property shall be limited to: (i) the express terms of the Agreement, and (ii) those provisions of the City's subdivision regulations which are applicable in the ETJ (the "Development Standards"). The Property shall not be subject to any zoning regulations of the City. Any conflicts between the Agreement and any other City ordinance, rule, or regulation shall be resolved in favor of the Agreement.

- Single-Family Uses. Single family uses shall be permitted anywhere on the Property in accordance with this section.

    - Lot Size.

        - Area. Minimum 4000 square feet.
        - Width. Minimum 40 feet at the building line.
        - Depth. Minimum 110 feet on the shortest side.

    - Minimum Setbacks (in feet) for primary structures.

        - Front Yard: 20.
        - Side Yard (street): 10.
        - Side Yard (interior): 5.
        - Rear Yard: 10.

    - Height. Single-family structures located on lots abutting existing homes on Cross Post Lane (within the City limits) shall be limited to one-story in height. Otherwise, single-family structures shall be limited to two-stories in height.

    - Dwelling Size. Single-family dwellings shall contain a minimum of 1,300 square feet.

- Projections.

    - Required yards shall generally remain open and unobstructed except for:

        - Accessory Buildings;

        - Ordinary Projections (e.g., windowsills, belt courses, cornices, and other architectural features), which may extend up to 12 inches into the required setback;

- Roof Eaves (inclusive of gutters), which may extend up to 24 inches into the required setback; and
- Porches and patios (covered or uncovered), which may extend up to 5 feet into the required front or rear setback. When attached to a porch or patio, Ordinary Projections and Roof Eaves may further project up to 12 inches and 24 inches, respectively, into the required setback.

- Accessory Buildings. Each dwelling unit shall be permitted one Accessory Building (herein so called), provided:
  - the building maintains a minimum setback from side and rear property lines of at least 3 feet;
  - the building is located behind the front building line; and
  - the area of the building does not exceed the lesser of: 150 square feet or 5% of the Lot Area.

- HOA. Developer shall establish an HOA to govern the Property and to maintain private common areas within the community.
- Subdivision Standards. The City shall be the platting authority for the Project.
  - Interior Street Standards. All interior public streets shall have 50-feet of ROW, with 31 feet of concrete pavement, back-to-back. Mountable curbs shall be permitted.
  - Sidewalks. All sidewalks shall be a minimum of 5 feet wide.
  - Street Lighting. Street lights shall be installed no less than 1 every 500 feet, measured along the centerline of the street.
  - Fire Hydrants. Fire hydrants shall be installed at a minimum spacing of 1 per 500' as measured along the street centerline(s).
  - Screening. Lots backing to existing single-family homes on Cross Post Lane (within the City limits) shall be developed with a minimum 8-foot tall privacy fence along the rear property line.
  - Guest Parking. As generally depicting on the Concept Plan, the Property may include guest parking in multiple locations. Guest Parking may be head-in or parallel, and may be wholly or partially located within the right-of-way, provided the vehicle travel lanes are not obstructed and sidewalk continuity is maintained, which may require the dedication of additional right-of-way or a public sidewalk easement in these locations.

City of Lowry Crossing Development Agreement
GRBK Edgewood LLC
Exhibit C, Page 2

ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the following assumptions and limiting conditions:

1) The value assumes of responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise described herein. No responsibility is assumed by the appraiser for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.

2) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser assumes no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches, and other exhibits that have been furnished and have been used in this report are not guaranteed.

3) The value rendered herein is based on preliminary analyses of the subject and market area. The market value is expressed in terms of the current purchasing power of the dollar.

4) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.

5) Appraisers assume no responsibility for any hidden agreements known as "side reports", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.

6) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other valuation and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser, and in any event, only in its entirety.

7) The appraiser, by reason of this report, is not required to give testimony in court with reference to the property unless notice and proper arrangements have been previously made, therefore.

8) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.

9) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for engineering, which might be required to discover such factors.

10) Any construction and physical condition of the improvements described herein are based on the building construction plans and specifications and construction budgets <u>if</u> provided. No liability is assumed by the appraiser for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No responsibility is assumed for engineering, which might be required to discover such factors. We urge the user of this report to retain an expert in this field as this is any considered “to-be-built” improvements.

11) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser site visit. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the value is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.

12) We have made no survey of the property and assume no responsibility in connected with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

13) We accept no responsibility for issues requiring expertise in other fields. Such factors include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic items such as soils and seismic stability; civil, mechanical, electrical, structural, and other engineering and environmental matters. Such issues may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.

14) The projections of income, expenses, terminal values, or future sales prices are not predictions of the future; rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.

15) The client or user of this report agrees to notify the appraiser of any error, omission or inaccurate data contained in the report within 15 days of receipt and return the report and all copies thereof to the appraiser for correction prior to any use.

16) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, and specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.

17) We have assumed no extreme fluctuations in the economic cycles will occur over the dates analyzed herein.

18) The appraisal report and value conclusions assume the satisfactory development proceeds in a workmanlike manner.

19) The conclusions in this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, existing trends, interviews with parties knowledgeable and experienced in the market, data obtained from public records, and research conducted by third parties. Such data is not always completely reliable. The appraisers are not responsible for these and other future occurrences that could not have reasonably been foreseen on the Effective Date of this assignment. In addition, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we hold the opinion that our finding is reasonable based on current market conditions, we do not represent that these estimates will be achieved, as they are forecasts and subject to risk and uncertainty. Additionally, we assume competent and effective management and market for the duration of the projected holding period of this property.

20) Prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to risk and uncertainty. Many events could occur that may substantially alter the outcome of our estimates such as changes in the economy, interest rates, capitalization rates, the behavior of consumers, investors, and lenders, and changes in title or conveyances of easements and deed restrictions. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.

21) This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan. However, it is based on a hypothetical assumption that access to the south tract is achievable in accordance with all applicable regulations, and any building is to be constructed according to the approved plans and specifications provided by a licensed general contractor.

22) The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since we have no direct evidence relating to the issue of compliance, we did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.

23) In addition to the preceding assumptions and limiting conditions, this appraisal is subject to the following extraordinary assumptions and/or hypothetical conditions:

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **Extraordinary Assumptions** that may affect the assignment results. An Extraordinary Assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Effective Dates of the appraisal, we reserve the right to modify our value conclusions. Extraordinary Assumptions are used in this assignment because the improved residential lots to be delivered by the dates utilized in this report are currently incomplete as of the report date.

- Our opinions of retrospective and prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications by JBI Partners, the Professional Engineers, for 175 improved residential lots in Lowry Trails PID IA #2.
- All information relative to the property located within Lowry Trails PID IA #2 including land areas, lot totals, lot sizes, and other pertinent data that was provided by GRBK Edgewood, LLC (Developer), GRBK Edgewood, LLC (Owner), JBI Partners (Professional Engineers), JBI Partners (Professional Surveyors), and the Collin Central Appraisal District is assumed to be correct.
- The subject is residential lots construction with a retrospective completion date of July 1, 2026 and a prospective completion date of June 1, 2026; therefore, this report contains retrospective and prospective opinions of value. Considering this, we have assumed that the market conditions discussed and considered within this report will be similar on the retrospective and prospective valuation dates.

The use of these extraordinary assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **Hypothetical Conditions** that may affect the assignment results. A Hypothetical Condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

No Hypothetical Conditions are used in this report.

ENVIRONMENTAL ASSUMPTIONS

This report is subject to the following environmental assumptions:

1) There is a safe, lead-free, adequate supply of drinking water.

2) The subject property is free of soil contamination.

3) There is no uncontained friable asbestos or other hazardous asbestos material on the property. The appraiser is not qualified to detect such substances.

4) There are no uncontained PCB's on or near the property.

5) The radon level is at or below EPA recommended levels.

6) Any functioning underground storage tanks (UST's) are not leaking and are properly registered; any abandoned UST's are free from contamination and were properly drained, filled, and sealed.

7) There are no hazardous waste sites on or near the subject property that negatively affect the value and/or safety of the property.

8) There is no significant urea formaldehyde (UFFI) insulation or other urea formaldehyde material on the property.

9) There is no flaking or peeling of lead-based paint on the property.

10) The property is free of air pollution.

11) There are no wetlands/flood plains on the subject property (unless otherwise stated in the report).

12) There are no other miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site (excess noise, radiation, light pollution, magnetic radiation, acid mine drainage, agricultural pollution, waste heat, miscellaneous chemical, infectious medical wastes, pesticides, herbicides, and the like).

DEFINITIONS

Fee Simple Estate
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

Leased Fee Interest
The ownership interest held by the lessor includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest
The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Market Rent
The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Market Value
Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1) Buyer and seller are typically motivated;
(2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
(3) A reasonable time is allowed for exposure in the open market;
(4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
(5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The value conclusions expressed within this report are in terms of cash ($US).

Extraordinary assumptions are assignment-specific assumptions as of the Effective Date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Hypothetical condition a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the Effective Date of the assignment results but is used for the purpose of analysis.

Prospective Opinion of Value
A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a valued opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Prospective Market Value "As Completed" and "As Stabilized"
A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an Effective Date that is subsequent to the date of the Appraisal Report. Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data. Two prospective value opinions may be required to reflect the time frame during which development, construction, and occupancy will occur. The prospective market value—as completed - reflects the property's market value as of the time that development is expected to be completed. The prospective market value - as stabilized - reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (See USPAP Statement 4* and Advisory Opinion 17.) (Interagency Appraisal and Evaluation Guidelines)

Retrospective Value Opinion
A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a valuable opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."

Neighborhood
(1) A group of complementary land users; a congruous grouping of inhabitants, buildings, or business enterprises.
(2) A developed residential super pad within a master-planned community usually has a distinguishing name and entrance.

Depreciation

1. In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the Effective Date of the appraisal and the market value of the improvement on the same date.
2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques.

The three major types of accrued depreciation are:

Physical Deterioration
Physical deterioration is loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition is generally the measure of deferred maintenance.

Functional Obsolescence
Functional obsolescence is loss in value from conditions existing within the property which make the property inadequate or less desirable to the typical prudent purchaser. It, too, may be curable or incurable. Incurable obsolescence is normally measured by the loss in income which may accrue to the property by reason thereof.

External Obsolescence
According to the Dictionary of Real Estate Appraisal, Sixth Edition, external obsolescence is "*A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent."*

Paper Lot
Consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.

Definition Sources:

- Office of the Comptroller of the Currency (12 CFR Part 34)
- Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Sixth Edition, copyright 2015.
- The Appraisal Foundation: USPAP (Uniform Standards of Professional Appraisal Practice) 2018-2019 edition

JAMES L. MAIBACH, CPM - STATE CERTIFIED GENERAL REAL ESTATE APPRAISER

EDUCATION:
Graduate North Quincy High School, Quincy, Massachusetts, 1976
Bachelor of Science in Business Administration (with Honors)
Northeastern University, Boston Massachusetts, 1981
Major: Accounting Minor: Marketing

TECHNICAL TRAINING:
Institute of Real Estate Management Courses:
#303 - Leasing and Management of Shopping Center and Retail Space
#400 - Managing Real Estate as an Investment
#500 - Problem-Solving & Decision-Making for the Property Manager
#800 - Ethics in Real Estate Management
University of Texas at Arlington: Real Estate Courses:
RE 001 Real Estate Finance; RE 004 Real Estate Mathematics;
RE 101 Principles of Real Estate; RE 301 Texas Real Estate Law: Contracts;
RE 501 Texas Real Estate Law; RE 701 Property Management
East Texas Baptist University:
Uniform Standards of Professional Appraisers and Code of Ethics. The Appraisal Foundation:
USPAP Update
Texas Association of Property Tax Professionals, Inc.:
Principles of Property Tax Consulting; A Survey of Texas Property Tax Law
Other: USPAP-97 Instructor's Workshop, USPAP Instructor 1997
TREC Licensed Instructor – Commercial Investment Course, CEI 1998
Continuing Education Institute:
Deceptive Trade Practices Act; Let's Talk-Not Fight; Property Taxes: Rights, Remedies and Responsibilities; USPAP Update
Institute for Real Estate Professionals, Inc.
Preparing & Presenting an Ethical Ad Valorem Property Tax Valuation; Texas Property Tax Law 2007
Texas Association of Realtors:
Tarrant County Appraisal Review Board Member (1991-1992)

PROFESSIONAL AFFILIATIONS:
Texas Appraiser Licensing and Certification Board - State Certified General Real Estate Appraiser No. TX-1323658-CG since 1992
Institute of Real Estate Management (IREM)- Certified Property Manager, CPM Designation No. 14942 since 1993
Texas Real Estate Broker's License, No. 375882-B since 1989
Texas Dept. of Licensing & Regulations - Licensed Property Tax Consultant, License #1360 since inception
Texas Property Tax Arbitrator #32020394139 since 2006
Tarrant Appraisal Review Board Member 1991-1992 Appointment
City of Arlington - Planning and Zoning – Commissioner1997-2003 (Appointed by Mayor and City Council)
American Planning Association – Member 1997 to 2003
Greater Arlington Chamber of Commerce - Board of Directors 1995 to 2001 – Reappointed 2003 to 2006 – Reappointed 2008 to 2014 – Chairman of the Board 2022, now servicing as Chairman of the Chamber Foundation Board
City of Arlington Parks & Recreation – Board of Directors, Appointed 2003 to 2007
Levitt Pavilion – Board of Directors since 2014

EXPERIENCE:
Active field appraiser, property manager, developer, broker, and tax consultant of all types of real property since June,1986. Appeared in Texas State Court as an expert witness on real estate values on numerous occasions (1990s, 2000s, 2020s). A property manager and developer for nineteen years at Peyco Properties, Inc. and twenty-one years through Peyco Southwest Realty, Inc. (formerly Southwest Real Estate Services, Inc.), involved in real estate development, leasing, management, rent analysis and consulting services through the DFW metroplex and Colorado. President and founder of Peyco Southwest Realty, Inc. (Southwest Real Estate Services, Inc.), a full-service brokerage company, real estate appraisal, and ad valorem property tax representation firm.



TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: JAMES LAWRENCE MAIBACH

License #: 1323658-CG **License Expires: 09/30/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

LESLIE TOLLIVER - STATE CERTIFIED GENERAL REAL ESTATE APPRAISER

EDUCATION:
MBA – Masters in Business Administration – *University of Phoenix* (3.95 GPA)
Bachelor of Science in Business Administration - *University of Phoenix*
Graduate *Owings Mills High School*, Owings Mills, Maryland, 1988

TECHNICAL TRAINING:
Appraisal Institute, Associate Member – 300+ hours of qualifying and continuing education
University of Texas in Arlington – 180 hours of qualifying education for the Texas Real Estate License
Southern Methodist University – qualifying education for the Texas Comptroller Arbitrator registry

PROFESSIONAL AFFILIATIONS:
Texas Appraiser Licensing and Certification Board – State Certified General Appraiser No. TX-1381494-CG
Texas Appraiser Licensing and Certification Board – State Certified Residential Appraiser No. TX-1361274-CR
Texas Real Estate Commission – Real Estate Broker License, No. 0468343-B

EXPERIENCE:

- 10 Years' experience as a fee appraiser for residential and commercial properties for *Peyco Southwest Realty, Aloft Appraisals*, and *G.S. Zachary Company*
    - Residential appraisals – area of expertise is in north Texas region; FHA certified
    - Commercial appraisals - throughout the states of Texas and Oklahoma
- 25 Years' experience as a residential and commercial real estate broker for multiple firms
    - *Savage Realty Investments* – Founding President
        - Negotiated contracts for clients in over $50 million dollars of real estate transactions
        - Managed and trained over 25 Real Estate Agents
    - *Fathom Realty* – Broker Team Leader
        - Trained and mentored Real Estate Agents and assisted them with contracts and client transactions
- 25 Years' experience as a Property Tax Consultant
    - Valued properties, prepared cases, and appeared before Appraisal Review Boards to dispute the tax valuations of residential, commercial, and business personal property throughout the nation. Major clientele base included national accounts such as: Sonic restaurants, Church's Chicken restaurants, and Chuck-E-Cheese restaurants
- 10 Years' experience as a Real Estate Arbitrator on the *Texas Comptroller* registry
    - Act as an Arbitrator for real estate cases involving property tax disputes on residential, commercial, and business personal property taxes throughout Texas
    - Made binding valuation determinations for the disputed properties
- 16 Years' experience as a Real Estate Instructor at the *University of Texas in Arlington*
    - Adjunct instructor, teaching real estate classes to students pursuing a Real Estate Agent license in Texas
- 6 Years' experience as a Real Estate Arbitrator Instructor at the *University of Texas in Arlington*
    - Adjunct instructor, teaching continuing education classes to existing Arbitrators on the Texas Comptroller's registry
    - Trained and mentored many Arbitrators
- 3 Year's expectancy as a Real Estate Acquisition and Valuation Analyst for multiple firms
    - *KeyGlee* – Provided valuation of residential real estate for wholesaling to real estate investors
    - *Hyperion Homes* – Provided valuation of residential real estate for rent-to-own clients



TALCB

TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: LESLIE ELIZABETH TOLLIVER

License #: 1381494-CG **License Expires: 09/30/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

JORDAN C. TYLER – STATE LICENSED RESIDENTIAL REAL ESTATE APPRAISER

Education:

Bachelor of Arts – General Studies - Texas Tech University
Graduate *Hobbs High School*, Hobbs, New Mexico, 2012

Technical Training:

- Basic Appraisal Principles (QE) – 30 hours
- Basic Appraisal Procedures (QE) – 30 hours
- 15 Hour National USPAP Course (QE) – 15 hours
- Appraising for the Supervisor and Trainee – 4 hours
- Market Analysis and Highest and Best Use (QE) – 15 hours
- Site Valuation and Cost Approach (QE) – 15 hours
- Sales Comparison and Income Approach (QE) – 30 hours
- Residential Report Writing and Case Studies (QE) – 15 hours
- 7 Hour National USPAP Course (QE) 7 hours

Professional Affiliations:

Texas Appraiser Licensing and Certification Board – State Licensed Residential Appraiser No. TX-1350907-L

Appraiser Experience:

July 2023-Present

- Appraiser Trainee – *First National Bank of Granbury* (2023-2025)
- Licensed Residential Real Estate Appraiser – *Peyco Southwest Realty*, Inc.
  (March 2026 – Present)



TALCB

TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Licensed Residential Real Estate Appraiser

Appraiser: **Jordan Charles Tyler**

License #: **TX 1350907 L** License Expires: **10/31/2027**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Licensed Residential Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

BRANDON LAWSON – APPRAISER TRAINEE

EDUCATION:
Bachelor of Arts - Communication, 2021 - University of Arkansas (3.97 GPA)
Master of Arts - Communication, 2023 - University of Arkansas (4.0 GPA)
Graduate *Arlington Martin High School*, Arlington, Texas, 2017

TECHNICAL TRAINING:
- *McKissock* – 79 hours of qualifying education for the Appraiser Trainee license
- 2024-2025 15 Hour National USPAP Course (QE) – 15 hours
- General Appraiser Sales Comparison Approach – 30 hours
- Business Practices and Ethics – 6 hours
- The Discounted Cash Flow Model: Concepts, Issues, and Apps. – 5 hours
- Artificial Intelligence, Blockchain, and the Metaverse: Implications for Valuation – 7 hours
- Subdivision Valuation – 7 hours
- *Champions School of Real Estate* - 180 hours of qualifying education for the Texas Real Estate License
- Real Estate Brokerage – 30 hours

PROFESIONAL AFFILIATIONS:
Texas Appraiser Licensing and Certification Board – Appraisal Trainee No. TX-1343865-T
Texas Real Estate Commission – Real Estate Sales Agent License, No. 818543-SA
Associate Member, Appraisal Institute – since 2023

APPRAISER EXPERIENCE
July 2023-Present
Appraiser Trainee with *Peyco Southwest Realty*, Arlington TX
- Commercial Appraisals – throughout that state of Texas



TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Appraiser Trainee

Trainee: BRANDON L LAWSON

Authorization #: 1343865-T Authorization Expires: 11/30/2027

Review the list of the above Trainee's Supervisors on the License Holder Search at www.talcb.texas.gov.

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Appraiser Trainee

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

APPENDIX F

PHOTOGRAPHS OF DEVELOPMENT IN IMPROVEMENT AREA #2

(Phase 3}



(Phase 2}



APPENDIX G

DEVELOPMENT AGREEMENT

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DEVELOPMENT AGREEMENT

This Development Agreement (this "Agreement") is entered into by and between GRBK EDGEWOOD LLC, a Texas limited liability company ("Developer") and the CITY OF LOWRY CROSSING, TEXAS (the "City"), to be effective on the date upon which the last of all of the Parties has approved and duly executed this Agreement (the "Effective Date"), subject to termination as provided herein.

RECITALS

WHEREAS, certain capitalized terms used herein are defined in Article I; and

WHEREAS, the City is a Type A General Law municipality of the State of Texas located within Collin County; and

WHEREAS, Developer 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 date the City Council voted to approve this Agreement, 111 Bluebonnet I, LLC, a Texas limited liability company ("Bluebonnet"), owned approximately 92 acres of land, which lies wholly within the extraterritorial jurisdiction of the City ("ETJ") and entirely within Collin County, Texas, and which is described by metes and bounds on **Exhibit A** (the "Property"); and

WHEREAS, pursuant to that certain City-County Plat Approval Agreement, dated March 25, 2002, the City has exclusive jurisdiction to regulate all subdivision plats and approve all related permits in the City's ETJ and the County shall not exercise any of these functions in the ETJ; and

WHEREAS, Developer intends to purchase the Property and to develop the Property pursuant to the terms of this Agreement; and

WHEREAS, the Parties intend that this Agreement will apply to the Property upon Developer acquiring fee simple title to the Property; and

WHEREAS, should Developer acquire any additional lands adjacent to the Property not to exceed 25 acres and within the ETJ or adjacent to and eligible for inclusion in the ETJ (the "Additional Land"), Developer shall have the right to incorporate such Additional Land into this Agreement under the same terms and conditions set forth herein, and to include such Additional Land in any PID created pursuant hereto; 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 that the Property will be developed as a residential community generally in accordance with the concept plan attached hereto as **Exhibit B** (the "Concept Plan") and the development standards attached hereto as **Exhibit C** (the "Development Standards") (collectively, the "Project"); and

WHEREAS, Developer intends to construct and/or make financial contributions toward the construction of certain onsite and/or offsite public improvements to serve the Project; and

WHEREAS, the Parties desire for the creation of a PID or PID(s) over the Property; and

WHEREAS, in consideration of Developer's agreements contained herein and upon the creation of the PID(s), the City shall exercise its powers under Chapter 372, Texas Local Government Code, to provide financing arrangements that will enable: (1) Developer to do the following in accordance with the procedures and requirements of the PID Act and this Agreement: (a) receive funding or reimbursement for all or a portion of the PID Improvements using the PID Bond proceeds; or (b) receive funding or reimbursement for all or a portion of the PID Improvements, the source of which reimbursement will be installment payments from assessments on the Property within the PID(s); and (2) City to use maintenance and operations PID assessments for the ongoing maintenance of the City PID Improvements as described in Section 2.4(b); and

WHEREAS, the City shall use good faith efforts to: (i) adopt a service and assessment plan under the PID Act; (ii) adopt one or more assessment ordinances to reimburse Developer for all or a portion of the PID Project Costs and the costs associated with the administration of the PID and the issuance of the PID Bonds, and for repayment of PID Bonds; and (iii) issue, in multiple series, PID Bonds for the purpose of financing the PID Improvements in accordance with the service and assessment plan and reimbursing Developer for certain associated costs as described herein; and

WHEREAS, pursuant to that certain Non-Standard Water and Sewer Service Agreement by and between City of Princeton, Texas, and 111 Bluebonnet I, LLC, dated November 16, 2022 (the "NSSA"), the City of Princeton ("Princeton") will be the retail water and sewer provider to the Property; and

WHEREAS, in connection with the development of the Property, and for the benefit of the same, Developer may build and/or dedicate land for certain onsite and offsite infrastructure, including streets and roads; drainage; water and sanitary sewer systems; open space, landscaping, and trail systems to serve and benefit the Property (collectively, "PID Improvements"); and

WHEREAS, due to the location and other natural features of the Property, the cost of the PID Improvements does not allow for the intended Project in a cost-effective and market-competitive manner without participation by the City; and

WHEREAS, the City and Developer agree that the Project 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 Chapter 43 and Section 212.171 *et seq* of the Texas Local Government Code; and

WHEREAS, the Parties intend that this Agreement shall be a permit under Chapter 245, Texas Local Government Code.

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:

Additional Land is defined in the Recitals.

Agreement is defined in the introductory paragraph.

Bank Qualified Debt Fee is defined in Section 6.2(a).

Bluebonnet is defined in the Recitals.

City is defined in the introductory paragraph.

City Assignee is defined in Section 8.2.

City Council means the city council of the City.

City PID Improvements means all PID Improvements (including Onsite Roadway Improvements, wherever located) other than the Perimeter Road Improvements, Water Improvements, and the Sewer Improvements.

City Regulation(s) means any ordinance, rule, regulation, standard, policy, order, guideline or other City-adopted or City-enforced requirement, as they may be subsequently amended and adopted by the City for uniform application (except as altered by an agreement) throughout the ETJ and as are applicable to the Project.

Claims is defined in Section 4.1.

Concept Plan means the concept plan as shown in **Exhibit B**, as may be amended in accordance with this Agreement.

County means Collin County, Texas.

CR 398 means that certain four-lane undivided roadway with a proposed right-of-way width of 70 feet and street pavement width of 50 feet, face-to-face, in accordance with the cross section depicted in **Exhibit E.**

Developer is defined in the introductory paragraph.

Developer Assignee is defined in Section 8.1.

Development Standards means the development standards for the Property, which are set forth on **Exhibit C**, and which shall rule in the event of a conflict with the City Regulations.

Effective Date is defined in the introductory paragraph.

Eminent Domain Fees is defined in Section 2.3.

End-Buyer is defined in Section 9.1.

ETJ is defined in the Recitals.

HOA means the homeowners association created for the Project of the Property.

Indemnified Party is defined in Section 4.1.

NSSA is defined in the Recitals.

Onsite Roadway Improvements are the roadway paving, grading, and/or drainage improvements to the internal roads of the Project, which will be constructed in accordance with City standards and owned and operated by the City and maintained in accordance with Section 2.4 herein.

O&M PID means the public improvement district for maintenance and operation of the Onsite Roadway Improvements serving and benefitting the Property in accordance with Section 2.4(b) of this Agreement. As distinguished from the PID defined herein, the O&M PID is not intended to be utilized by Developer for the financing of capital improvements.

Party means Developer or the City.

PID means a public improvement district created by the City to finance PID Improvements for the benefit of the Property pursuant to the PID Act. As distinguished from the O&M PID, the PID is intended to finance capital improvements.

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

PID Bonds means the assessment revenue bonds secured solely by PID assessments.

PID Fee is defined in Section 6.4.

PID Improvements is defined in Section 6.1(c).

PID Project Costs is defined in Section 6.1(d).

Perimeter Roads means Myrick Lane and CR 398, which will not be dedicated to the City.

Perimeter Road Improvements are the roadway paving, grading, and/or drainage improvements to the Perimeter Roads, but excluding the creek crossing structure over the tributary for the East Fork of the Trinity River.

Princeton is defined in the Recitals.

Professional Services Reimbursement Agreement means that certain Professional Services Reimbursement Agreement executed by the Parties with an effective date of April 11, 2023.

Project is defined in the Recitals.

Property is defined in the Recitals and is as described in **Exhibit A**.

Security means a cash escrow deposit pursuant to an escrow agreement between Developer and the City for the benefit of the County. All interest earned on any deposits shall belong to Developer, and no funds may be released to the County under any Security unless and until the County is Under Construction of the applicable Perimeter Road for which the Security has been provided.

Sewer Improvements are the sewer PID Improvements necessary to serve the Property with sewer service, which will be constructed in accordance with Princeton standards and owned and operated by Princeton.

Tax Certificate is defined in Section 6.6.

Under Construction means construction activity has physically commenced on the applicable Perimeter Road.

Water Improvements are the water PID Improvements necessary to serve the Property with treated water service, which will be constructed in accordance with Princeton standards and owned and operated by Princeton.

ARTICLE II
PUBLIC INFRASTRUCTURE

2.1 PID Improvements.

(a) Standards. Except as otherwise expressly provided for in this Agreement, all PID Improvements shall be designed, constructed and installed by Developer in compliance with the regulations set forth by the applicable approving authority, whether it be the City, for City PID Improvements; Princeton, for the Water Improvements and Sewer Improvements; or otherwise, except to the extent that Princeton's regulations do not require fire flow considered adequate for fire department operations, as determined by the Fire Marshal or similar position under an international code, the Water Improvements shall also comply with the applicable standards designated by the Fire Marshal. Construction and/or installation of City PID Improvements shall not begin until complete and accurate plans and specifications have been approved by the City. Each contract for construction of City PID Improvements shall require a two-year maintenance bond following completion of such City PID Improvements, which bond shall run in favor of the City. To the extent easements or rights-of-way are needed within the Property for City PID Improvements, they shall be dedicated by Developer to the City pursuant to the terms of this Agreement, but the City shall have no obligation to pay for such dedications, other than the reimbursement of Developer through PID Bonds and/or PID assessments.

(b) Sewer Improvements. The NSSA contemplates the construction of the Sewer Improvements and provides for sewer service to the Property. The Sewer Improvements to be constructed include those internal improvements necessary to serve the Property. The land costs and/or acquisition costs necessary to obtain or dedicate sewer easements necessary to serve the Property shall be reimbursable through the PID to the maximum extent permitted by law. To the extent that sewer treatment service is required within the Property prior to the completion of the Sewer Improvements contemplated herein, the City agrees to allow Princeton or Developer to provide alternative sewer transportation services within the Property in the manner allowed under applicable law, including applicable regulations of the Texas Commission on Environmental Quality, or to make such other arrangements as are compatible with applicable law and regulations in order to adequately provide and address necessary sewer treatment services until the completion of the Sewer Improvements. The City shall not withhold plat or plan approvals or refuse to issue building permits due to the timeliness of the Sewer Improvements, so long as Developer or City has made arrangements for alternative sewer transportation solutions.

(c) Water Improvements. The NSSA contemplates the construction of the Water Improvements and provides for water service to the Property. The Water Improvements to be constructed include those internal improvements necessary to serve the Property. The land costs and/or acquisition costs necessary to obtain or dedicate water easements necessary to serve the Property shall be reimbursable through the PID to the maximum extent permitted by law.

(d) Roadway Improvements.

(i) Perimeter Roads.

(A) Myrick Lane.

(1) Dedication. If Collin County has not acquired right-of-way for Myrick Lane on the Property at the time of final plat for any phase of the Project abutting Myrick Lane, Developer shall dedicate one half (up to seventy (70) feet) of right-of-way, as designed by Collin County, along the platted frontage (i.e., since Collin County's designs show that Myrick Lane will run through the Property, Developer will, upon final platting of both sides of the right-of-way, dedicate the full right-of-way). However, if Collin County acquires such right-of-way prior to the recordation of such final plat, then no dedications shall be required for Myrick Lane. If dedication is made, GRBK shall retain rights to cross the right-of-way to provide suitable access and utilities to all areas of the Property.

(2) Funding. As a condition to approval of the final plat for the first phase of the Project, Developer shall post Security in an amount equal to the lesser of: 10.0% of the total cost, verified by both Parties, of two lanes of the Perimeter Road Improvements for the entire portion of Myrick Lane running through the Property, or $425,331.00, being an estimate of such amount provided by the County at the Effective Date. The City shall not sign the final plat

for any phase and no final plat for any phase shall be recorded until the full Security is received. The Security shall be applicable to costs for the Perimeter Road Improvements to Myrick Lane until the later of (i) recordation of the final plat of the last phase of the Project, or (ii) ten (10) years from the Effective Date of this Agreement. If Collin County has secured and committed, at its discretion, adequate funding for Myrick Lane before the later date in the preceding sentence, then no Security or other financial contribution from Developer shall be required.

(B) CR 398.

(1) Dedication. At the time of final plat, for any portion of the Property abutting CR 398, Developer shall dedicate one-half, or thirty-five (35) feet of the ultimate roadway of CR 398. Additionally, Developer shall dedicate additional right-of-way where reasonably necessary to account for the location of Higgins Cemetery. However, if Collin County acquires any of such rights-of-way prior to the recordation of the final plat, then no dedication shall be required for CR 398.

(2) Construction; Funding. As a condition to approval of any final plat of the Property that abuts CR 398, and subject to coordination and approval by Collin County, Developer shall construct one-half of the Perimeter Road Improvements for CR 398 along the platted frontage of the Property, including any temporary transitions from the existing road as needed. Notwithstanding the foregoing, if, after the Developer has submitted full construction plans to Collin County, Collin County does not approve such construction plans, or provide reasonable revisions thereof, then Developer may instead post Security equal to the cost to construct one-half of the Perimeter Road Improvements for CR 398 along the platted frontage.

(ii) Internal Roadways. The Developer shall design and construct all internal, Onsite Roadway Improvements needed to serve and benefit the Property. The Developer shall dedicate such easements and/or rights of way as are necessary to construct the Onsite Roadway Improvements within the Property.

(iii) CR 393. Developer may elect to pursue abandonment of CR 393 in coordination with abutting owners and the County, and the City shall not oppose any such efforts.

(e) Reimbursement Eligibility. The City agrees that all Developer's costs in design, construction and land dedication, whether through rights of way, easements, or otherwise, for the PID Improvements shall be items reimbursable through the PID to the maximum extent permitted

by law, but the City shall have no obligation to pay for such dedications with any City funds, other than the reimbursement of Developer through PID Bonds and/or PID assessments.

2.2 Inspections, Acceptance of PID Improvements.

(a) Inspection. The City shall be the permitting authority and have the right to inspect, at any time, the construction of all City PID Improvements necessary to support the Project, which shall be inspected, designed, and constructed in compliance with all statutory and regulatory requirements, including design and construction criteria, and the City Regulations. The City's inspections shall not release Developer from its responsibility to construct, or ensure the construction of, adequate City PID Improvements in accordance with approved engineering plans, construction plans, and other approved plans related to the Project provided the City satisfies its obligations under this Agreement. The responsibility for the inspection of the Water Improvements and Sewer Improvements shall be borne by Princeton or the appropriate entity having authority. The City may charge a roadway inspection fee of 3.0% of Developer's actual costs to construct the applicable Onsite Roadway Improvements. Inspection fees charged by any entity having authority shall be considered a cost eligible for PID reimbursement to the extent permitted under law.

(b) Building Permits. The City may enforce its residential building code within the Property and shall, upon payment of applicable permit fees, issue permits for vertical construction in compliance with such code. Upon the completion of the Onsite Roadway Improvements, Water Improvements, and Sewer Improvements (subject to Section 2.1(b)), and posting of Security (if applicable) for a given phase of the project, the City shall issue a minimum of ten (10) early building permits, excluding model homes, for such phase.

(c) Ownership.

(i) City PID Improvements. From and after the inspection and acceptance by the City of the City PID Improvements, and any other dedications to City required under this Agreement, such improvements and dedications shall be owned by the City. Operation and maintenance of the City PID Improvements shall be as set forth in Section 2.4 below. The Developer will transfer to the City by final plat or separate instrument any onsite rights-of-way and onsite easements necessary for the onsite City PID Improvements.

(ii) Non-City PID Improvements. The Water Improvements and Sewer Improvements shall be owned by Princeton in accordance with the NSSA. Further, if necessary for the approval by the Texas Attorney General of PID Bonds financing Water Improvements or Sewer Improvements, the City will enter into an interlocal agreement with Princeton related to the ownership and operation of such facilities, in a form acceptable to the City.

(d) Approval of Plats/Plans. Approval of plats, permits, plans, designs or specifications by the City shall be in accordance with the City Regulations and this Agreement. 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 Developer,

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 Developer or Developer'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 Developer related to the Property shall meet the requirements of the applicable City Regulations and this Agreement, and such plats and plans that so conform shall be approved by the City.

2.3 Eminent Domain. The Developer agrees to use commercially reasonable efforts to obtain all third-party rights-of-way or easements, if any, required for the PID Improvements. If, however, Developer is unable to obtain such third-party rights-of-way, consents, or easements within ninety (90) days of commencing efforts to obtain the needed easements and right-of-way, the City agrees to take reasonable steps to secure same through the use of the City's power of eminent domain. Developer shall be responsible for funding all reasonable and necessary legal proceeding/litigation costs, attorney's fees and related expenses, and appraiser and expert witness fees (collectively, "Eminent Domain Fees") actually 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 initiation 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 PID Improvements can be constructed as soon as reasonably practicable. If the City's Eminent Domain Fees exceed the amount of funds escrowed in accordance with this paragraph, Developer shall deposit additional funds as requested by the City into the escrow account within thirty (30) days after written notice from the City. Any unused escrow funds will be refunded to Developer with thirty (30) days after any condemnation award or settlement becomes final and non-appealable. All Eminent Domain Fees paid by Developer shall be considered PID Project Costs to the extent permitted by law. 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 City PID Improvements or any portion thereof, the City shall only be required to maintain and operate the accepted City PID Improvements or any accepted portion thereof using only assessment revenue from the O&M PID assessment to be levied/assessed upon the Property pursuant to the PID Act. Any maintenance and operation costs in excess of the O&M PID assessment revenue shall be the responsibility of the Developer, or its successors and assigns, including the HOA; provided, however, that such Developer's obligations shall be assigned to the HOA upon the expiration of the declarant control period under the governing documents of the HOA. Thereafter, all maintenance obligations shall be shared between the City and the HOA as contemplated herein.

(b) All Onsite Roadway Improvements (i.e., not including the Perimeter Roads) constructed pursuant to this Agreement shall be conveyed to the City for operation and maintenance as set forth in subsection (a), including all appurtenances within the dedicated right-of way, which include but are not limited to vehicle pavement, sidewalks, and streetlights. The

City agrees to accept all Onsite Roadway Improvements for operation and maintenance. The Parties agree that the City may create a separate O&M PID for the purpose of financing a portion of the maintenance and operation costs of the Onsite Roadway Improvements, and upon closing on the Property, Developer agrees to submit to the City a petition for the creation of the O&M PID. The City may utilize PID assessments generated by the O&M PID in the operation and maintenance of all Onsite Roadway Improvements serving and benefitting the Property, and shall not be required to use any additional funds for such operation and maintenance. Such assessments to be utilized by the City in the operation and maintenance of the Onsite Roadway Improvements (i) shall be levied on an improvement area by improvement area basis at the time of the levy of PID Assessments for the capital improvements PID on a given improvement area, and (ii) shall not exceed a tax rate equivalent of $0.0734 per $100 assessed valuation. The City may continue to maintain and utilize the O&M PID past the term of this Agreement and the reimbursement of Developer for its costs related to the PID Improvements in order to operate and maintain the Onsite Roadway Improvements as set forth herein.

(c) Maintenance and operation of open spaces, trails, common areas, right-of-way irrigation systems, right-of-way landscaping, screening walls, and any other common improvements or appurtenances is addressed in the Development Standards, and to the extent not addressed shall be maintained and operated by the HOA in accordance with the City Regulations. Parkway landscape and irrigation between curb and sidewalk shall be the responsibility of the individual lot owner.

ARTICLE III
DEVELOPMENT REGULATIONS

3.1 Full Compliance with City Standards.

(a) The development of the Property shall be subject to the applicable City Regulations, unless expressly superseded by this Agreement. The Property shall not be subject to any zoning regulations of the City. Any conflicts between this Agreement and any other City ordinance, rule, or regulation shall be resolved in favor of this Agreement.

(b) The Concept Plan is conceptual and general in nature and was created by Developer for illustrating the boundary, lot mix and general layout of the Project. 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 shall administratively approve or deny any minor amendments to the Concept Plan. Any change in the Concept Plan that does not materially alter the size of perimeter buffers or increase the number of residential lots by more than ten percent (10%) shall be deemed a minor amendment.

(c) All internal roads constructed pursuant to this Agreement shall be constructed in compliance with the cross-sections illustrated in **Exhibit D** to this Agreement.

(d) This Agreement, including the Concept Plan and the Development Standards, memorialize the plan for development of the Property as provided in Section 212.171, Texas Local Government Code, and other applicable law.

3.2 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 this executed Agreement is filed in the land records of Collin County. The Developer 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, Developer 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.

3.3 Impact and Development Fees. The City does not currently impose any water, sewer, roadway, park, or other impact fees. The Parties agree that for the duration of this Agreement, no development-related fees, including but not limited to impact fees, capital recovery fees, pro-rata fees, park dedication or development fees, tree mitigation fees, or other similar fees shall be assessed against the Property by the City, except as otherwise described herein.

3.4 Mandatory Homeowners Associations. Prior to the closing of the first lot for a single-family residential home by a homebuilder within the residential portion of the Property, Developer will create an HOA over said Property that shall be required to levy and collect from homeowners annual fees in an amount calculated to maintain the Onsite Roadway Improvements to the extent described herein, open spaces, common areas, hike and bike trails located in common areas, portions of which will be open to the public, right-of-way irrigation systems, raised medians and other right-of-way landscaping, and screening walls within the Property. Common areas including but not limited to all landscaped entrances to the Property and right-of-way landscaping shall be maintained solely by the HOA. Maintenance of public rights-of-way by the HOA shall comply with City Regulations. The Parties shall cooperate with each other to execute documents necessary to give each HOA permission to maintain and operate facilities on City-owned property.

ARTICLE IV
INDEMNIFICATION

4.1 INDEMNIFICATION AND HOLD HARMLESS.

(a) **THE DEVELOPER AND ITS SUCCESSORS AND ASSIGNS SHALL INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN "INDEMNIFIED PARTY"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED BY REASON OF, OR RESULTING FROM (I) THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY DEVELOPER; (II) THE NEGLIGENT DESIGN, ENGINEERING AND/OR CONSTRUCTION BY DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY DEVELOPER OF ANY OF THE PID IMPROVEMENTS ACQUIRED FROM DEVELOPER HEREUNDER; (III) DEVELOPER'S NONPAYMENT UNDER CONTRACTS BETWEEN DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION AND/OR CONSTRUCTION OF THE PID IMPROVEMENTS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY DEVELOPER OR ITS AGENTS TO CONSTRUCT THE PID IMPROVEMENTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES, AND/OR TRUSTEES, REGARDING OR**

RELATED TO THE PID IMPROVEMENTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE PID IMPROVEMENTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY, EXCEPT TO THE EXTENT ANY SUCH CLAIMS ARISE FROM THE CITY'S OPERATION AND/OR MAINTENANCE OF THE CITY PID IMPROVEMENTS (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 OR CONCURRENT NEGLIGENCE OF ANY INDEMNIFIED PARTY. DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

(b) CITY SHALL HAVE THE RIGHT TO APPROVE DEFENSE COUNSEL TO BE RETAINED BY DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING; SUCH APPROVAL SHALL NOT BE UNREASONABLY WITHHELD, CONDITIONED, OR DELAYED. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND OR INDEMNIFY INDEMNIFIED PARTIES PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN DEFENSE COUNSEL WITHIN TEN (10) BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON THEIR OWN BEHALF, AND DEVELOPER SHALL BE 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 4.1 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 DEVELOPER.

4.2 DEVELOPER'S ACKNOWLEDGEMENT OF THE CITY'S COMPLIANCE WITH FEDERAL AND STATE CONSTITUTIONS, STATUTES AND CASE LAW AND FEDERAL, STATE AND LOCAL ORDINANCES, RULES AND REGULATIONS/DEVELOPERS' WAIVER AND RELEASE OF CLAIMS FOR OBLIGATIONS EXPRESSLY SET FORTH IN THIS AGREEMENT.

(a) THE DEVELOPER ACKNOWLEDGES AND AGREES THAT, PROVIDED THERE ARE NO CITY DEFAULTS UNDER THIS AGREEMENT:

(i) THE PID IMPROVEMENTS 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 MAT BE AMENDED; AND/OR

(C) NUISANCE.

(ii) THE AMOUNT OF DEVELOPER'S FINANCIAL AND INFRASTRUCTURE CONTRIBUTION FOR THE PID IMPROVEMENTS EXPRESSLY SET FORTH IN THIS AGREEMENT IS ROUGHLY PROPORTIONAL TO THE DEMAND THAT DEVELOPER'S ANTICIPATED IMPROVEMENTS AND DEVELOPER'S DEVELOPMENT OF THE PROPERTY PLACES ON THE CITY'S INFRASTRUCTURE.

(iii) DEVELOPER HEREBY AGREES, STIPULATES AND ACKNOWLEDGES THAT: (A) ANY PROPERTY THAT IT CONVEYS TO THE CITY OR ACQUIRES FOR THE CITY PURSUANT TO THIS AGREEMENT IS ROUGHLY PROPORTIONAL TO THE BENEFIT RECEIVED BY DEVELOPER FOR SUCH LAND, AND DEVELOPER HEREBY WAIVES ANY CLAIM THEREFOR THAT IT MAY HAVE; AND (B) ALL PREREQUISITES TO SUCH DETERMINATION OF ROUGH PROPORTIONALITY HAVE BEEN MET, AND ANY VALUE RECEIVED BY THE CITY RELATIVE TO SAID CONVEYANCE IS RELATED BOTH IN NATURE AND EXTENT TO THE IMPACT OF THE PROJECT OF THE PROPERTY ON THE CITY'S INFRASTRUCTURE. THE DEVELOPER FURTHER AGREES TO WAIVE AND RELEASE ALL CLAIMS IT MAY HAVE AGAINST THE CITY UNDER THIS AGREEMENT RELATED TO ANY AND ALL: (A) CLAIMS OR CAUSES OF ACTION BASED ON ILLEGAL OR EXCESSIVE EXACTIONS; AND (B) ROUGH PROPORTIONALITY AND INDIVIDUAL DETERMINATION REQUIREMENTS MANDATED BY THE UNITED STATES SUPREME COURT IN *DOLAN V. CITY OF TIGARD*, 512 U.S. 374 (1994), AND ITS PROGENY, AS WELL AS ANY OTHER REQUIREMENTS OF A NEXUS BETWEEN DEVELOPMENT CONDITIONS AND THE PROJECTED IMPACT OF THE PID IMPROVEMENTS.

(b) Nothing in this Agreement, including this Section 4.2, waives (and Developer expressly reserves) any right Developer 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 Developer set forth in this Agreement.

(c) THIS SECTION 4.2 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

ARTICLE V
TERM

5.1 Term. The term of this Agreement shall be for a period of twenty (20) years after the Effective Date. The Parties may extend the term of this Agreement if they execute an agreement in writing. Notwithstanding anything to the contrary in this Agreement, this Agreement shall automatically terminate, be void ab initio and shall be of no further force or effect if Developer does not purchase the Property by August 31, 2023, or if Developer notifies the City in writing prior to that date that it will not purchase the Property. Developer shall notify City it has become the owner of the Property within thirty (30) days of closing on the Property by delivery of a fully recorded copy hereof, and a recorded deed.

5.2 Continuance of ETJ Status. The Property shall remain in the ETJ for the duration of this Agreement, and the City shall not seek to annex the Property except with the consent of all owners at the time of such annexation.

ARTICLE VI
INFRASTRUCTURE FINANCING

6.1 PID Financing. The City proposes to create the capital improvements PID over the Property to fund, in part, the design, construction, and acquisition of the PID Improvements that will confer a special benefit upon the Property. As soon as reasonably practicable following a request by Developer, and provided the City's financial advisor confirms the bonds are credit worthy and marketable to third party institutional investors, accredited investors, or qualified institutional buyers the City agrees to issue PID Bonds, subject to City Council approval. The process to create the PID and finance the PID Improvements shall be as follows:

(a) A PID creation petition will be submitted by Developer to the City.

(b) PID funding of certain PID Improvements as authorized by the PID Act and approved by the City will include, to the maximum extent authorized by State law, one or more of the following: (i) annual payments by the City to Developer 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; (iii) 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 $45,000,000.

(c) The PID Improvements to be funded by the PID will be described in the PID Service and Assessment Plan, which PID Improvements are described in this Agreement and confer a special benefit on the Property, including the Water Improvements, the Sewer Improvements, the Onsite Roadway Improvements, the Perimeter Road Improvements (to the extent permitted by law), and any other authorized improvements contemplated by the PID Act (the "PID Improvements"). The Parties agree that the Service and Assessment Plan shall provide that payment of the City's cost to administer the PID shall have first priority for payment using PID assessments.

(d) The total estimated cost of the PID Improvements (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 Improvements, the cost of which bonds will be considered an item eligible for reimbursement through the PID.

(e) The City and Developer will jointly determine the PID Project Costs, which PID Project Costs shall include the costs of lands acquired or dedicated as rights of way for roadway purposes and 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 Developer will enter into a PID reimbursement agreement that provides for Developer's construction of certain PID Improvements and the City's reimbursement to Developer of certain PID Project Costs. It is the intention of the Parties to this Agreement that Developer be reimbursed through PID assessments and/or the issuance of PID Bonds as allowed by law, regardless of the timing of the reimbursement agreement. Failure to enter into a PID Reimbursement Agreement does not absolve the City of payment or of reimbursement of PID Project Costs if authorized PID Improvements have been conveyed to or accepted by the City.

(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 City will issue PID Bonds at a value-to-lien ("VTL") of 2:1 or such lower VTL as is recommended as marketable by the City's underwriter and agreed by 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 the adequacy of the bond security and the financial obligation of Developer 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. If the PID Bonds to be issued are to fund PID Improvements to be constructed after the issuance of the PID Bonds, the City may require Developer to secure its obligation to pay any deficit between the amount of the PID Bonds and the costs of construction of the relevant improvements by providing a lender set-aside letter, performance bond, letter of credit, or other security acceptable to the City, in its sole discretion, prior to the issuance of the PID Bonds. 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.

(h) The maximum maturity for any sales of PID Bonds shall not exceed 30 years from the date of delivery thereof, and PID assessments to be utilized to secure PID Bonds shall not be levied for any period exceeding 40 years from the Effective Date of this Agreement.

(i) The PID Bonds shall be offered and sold and may be transferred or assigned only (A) upon compliance with applicable securities laws; and (B) unless otherwise agreed to by the City, (i) to qualified institutional buyers, investors or accredited investors as such buyers/investors are defined in compliance with applicable securities laws, and (ii) in minimum denominations of $100,000 or integral multiples of $1,000 in excess thereof.

(j) No information regarding the City, including without limitation financial information, shall be included in any offering document relating to PID Bonds without the consent of the City.

(k) Developer agrees to provide periodic information and notices of certain events regarding Developer and Developer's development of the Property within the PID in accordance

with Securities and Exchange Commission Rule 15c2-12 and any Developer continuing disclosure agreement related to PID Bonds.

6.2 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 Chapter 311, Texas Tax Code, or bonds authorized by the PID Act, then Developer 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 developers or owners benefitting from the City issuing debt are similarly burdened with an obligation to compensate the City. The Bank Qualified Debt Fee of Developer and all other developers 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 arbitrage 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 developer (including Developer, as applicable) and the denominator of which is the total debt issued by the City for the benefit of all owners or developers (including Developer, as applicable).

(b) To the extent any developer(s) or owner(s) (including Developer, 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 developer or owner (including Developer, as applicable) to the City applicable to the same calendar year shall be reimbursed by the City to the developer(s) or owner(s) (including Developer, as applicable) as necessary so as to put all developers 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 developer 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 Developer from lawfully available and otherwise unencumbered funds.

6.3 PID Notices. When selling any of the Property after the PID is created, Developer shall provide notices in a form required by Section 5.014, 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) any other information as may be required by current applicable law.

6.4 PID Fee. The Parties agree and acknowledge that at the time PID Bonds are issued by the City, Developer shall remit to the City the sum of $2,500 per lot for each residential lot burdened by assessments securing the PID Bonds issued (the "PID Fee"). The PID Fee shall be paid by Developer if, and only if, PID Bonds are issued and only on such lots as are burdened by assessment securing the PID Bonds. The PID Fee may be payable, at the option of Developer, through the proceeds of the PID Bonds or other proceeds of Developer. Should the City fail or refuse to issue PID Bonds for any phase, no PID Fee shall be owed by Developer for the lots in such phase.

6.5 Disclosure Information. Prior to the issuance of a series of PID Bonds by the City, Developer agrees to provide all relevant information, including financial information that is reasonably necessary in order to provide potential bond investors with a true and accurate offering document for any PID Bonds. Developer agrees, represents, and warrants that any information provided by Developer for inclusion in a disclosure document for an issue of PID Bonds will not contain any untrue statement of a material fact or omit any statement of material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and Developer further agrees that it will provide a certification to such effect as of the date of the closing of any PID Bonds.

6.6 Tax Certificate. If, in connection with the issuance of a series of PID Bonds, the City is required to deliver a certificate as to tax exemption (a "Tax Certificate") to satisfy requirements of the Internal Revenue Code of 1986, Developer agrees to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. Developer represents that such facts and estimates will be based on its reasonable expectations as of the date of issuance of the PID Bonds and will be, to the best of the knowledge of the officers of Developer providing such facts and estimates, true, correct and complete as of such date. To the extent that it exercises control or direction over the use or investment of the proceeds of PID Bonds, including, but not limited to, the use of the Public Infrastructure, Developer further agrees that it will not knowingly make, or permit to be made, any use or investment of such funds that would cause any of the covenants or agreements of the City contained in a Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the PID Bonds for federal income tax purposes.

6.7 Legislative Discretion. The City shall use its best efforts to initiate and approve all necessary documents and ordinances required to effectuate this Agreement including, but not limited to, the creation of the PID, the levying of assessments, and the issuance of PID Bonds. Nothing contained in this Agreement, however, shall be construed as creating a contractual obligation that controls, waives, or supplants the City Council's legislative discretion. If, however, the City fails to issue any series of PID Bonds described in this Agreement, within nine (9) months of Developer's request regarding same, and provided Developer is not in default of this Agreement and is not the cause of the City's failure to issue PID Bonds, Developer may terminate this Agreement and shall thereafter have no further obligation or liability under this Agreement.

ARTICLE VII
EVENTS OF DEFAULT; REMEDIES

7.1 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 thirty (30) days to cure the alleged failure. 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.

7.2 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, BUT EXCEPT AS OTHERWISE PROVIDED HEREIN, NO DEFAULT UNDER THIS AGREEMENT SHALL ENTITLE THE AGGRIEVED PARTY TO TERMINATE THIS AGREEMENT OR LIMIT THE TERM OF THIS AGREEMENT.

ARTICLE VIII
ASSIGNMENT AND ENCUMBRANCE

8.1 Assignment by Developer to Successors.

(a) Developer 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 Developer under this Agreement, to any person or entity (an "Developer Assignee") that (i) is or will become an owner of any portion of the Property, (ii) is controlled by or under common control by Developer and becomes an owner of any portion of the Property, or (iii) is a land bank entity or other entity that facilitates the acquisition, development, or disposition of the Property, provided that Developer is not in breach of this Agreement at the time of such assignment. A Developer Assignee is considered the "Developer" and a "Party," under this Agreement for purposes of the obligations, rights, title, and interest assigned to Developer Assignee. Notice of each proposed assignment to a Developer 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 Developer Assignee.

(b) Each assignment shall be in writing executed by Developer and Developer Assignee and shall obligate Developer 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 Developer 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 Developer Assignee for the performance of all obligations assigned to Developer Assignee and

agrees that Developer shall be released from subsequently performing the assigned obligations and from any liability that results from Developer 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, Developer shall not be released until the City receives such copy of the assignment.

(c) No assignment by Developer shall release Developer from any liability that resulted from an act or omission by Developer that occurred prior to the effective date of the assignment unless the City approves the release in writing.

(d) Developer shall maintain written records of all assignments made to Developer Assignees, including a copy of each executed assignment and Developer 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.

8.2 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) with the prior, written consent of Developer, 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.

8.3 Collateral Assignments. Developer and Developer 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.

8.4 Transfer of Warranties. Any PID Improvements that are transferred to the City or Princeton shall be accompanied by all applicable third-party bonds and warranties related to construction and maintenance of such PID Improvements.

8.5 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 "Developer" and have all of the obligations of Developer as set forth in this Agreement and all related documents to the extent of said ownership or ownership interest.

8.6 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.

8.7 Obligated Person. No conveyance, transfer, assignment, mortgage, pledge, or other encumbrance shall be made by Developer or any successor or assignee of Developer of this Agreement or any PID reimbursement agreement that results in the City being an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the City. No conveyance, transfer, assignment, mortgage, pledge, or other encumbrance shall be made by Developer or any successor or assignee of Developer of or related to payments received pursuant to this Agreement or any PID reimbursement agreement as security for or the payment of bonds or other securities issued by any entity other than the City.

ARTICLE IX
RECORDATION AND ESTOPPEL CERTIFICATES

9.1 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 Collin County on the date Developer becomes the owner of all of the Property, and Developer shall cause this Agreement to be filed simultaneously with the deed conveying ownership of the Property to Developer. City shall provide all wet signature pages immediately upon execution to enable Developer to timely file this Agreement. Developer shall provide a file-stamped copy within fourteen (14) days of such recording in the manner provided for providing notices in Section 10.2. After recording, this Agreement touches the Property and constitutes a covenant running with the Property. Upon recording, 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 Project within 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.

9.2 Estoppel Certificates. From time to time upon written request of Developer, if needed to facilitate a sale of all or a portion of the Property or a loan secured by all or a portion of the Property, the City 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 Developer under this Agreement that are in default. Developer shall pay the City $1,000 at the time of Developer's request for an estoppel certificate for each request in excess of one per calendar year.

ARTICLE X
ADDITIONAL PROVISIONS

10.1 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.

10.2 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 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 Secretary City of Lowry Crossing 1405 S. Bridgefarmer Road Lowry Crossing, Texas 75069
With a copy to:	Attn: Julie Fort Messer, Fort & McDonald, PLLC 6371 Preston Road, Suite 200

Frisco, Texas 75034

To Developer:
Attn: Bobby Samuel
GRBK Edgewood LLC
2805 Dallas Parkway, Suite 400
Plano, Texas 75093

With a copy to:
Attn: Sarah Landiak
Winstead PC
2728 N. Harwood Street, Suite 500
Dallas, Texas 75201

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.

10.3 Additional Land. If Developer should acquire any Additional Land and desire that such Additional Land be developed in accordance with this Agreement, except as provided herein, Developer shall have the right to incorporate such Additional Land into this Agreement and the Additional Land shall be deemed a part of the Property. The City shall include such Additional Land into the PID and O&M PID or create a new PID and O&M PID covering the Additional Land. The Parties agree that they may mutually agree in writing to amend this Agreement by including commercial uses and development standards for the Additional Land, as well as terms for limited purpose annexation by the City.

10.4 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.

10.5 Time. In this Agreement, time is of the essence and compliance with the times for performance herein is required.

10.6 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. Developer represents and warrants that this Agreement has been approved by appropriate action of Developer, and that the individual executing this Agreement on behalf of Developer has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions and to the extent provided by law.

10.7 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.

10.8 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.

10.9 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 Collin County. Exclusive venue for any action to enforce or construe this Agreement shall be in the Collin County District Court.

10.10 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.

10.11 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.

10.12 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.

10.13 Exhibits. The following exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Description of the Property
Exhibit B	Concept Plan
Exhibit C	Development Standards
Exhibit D	Internal Roadway Cross Sections
Exhibit E	CR 398 Cross Sections

10.14 Governmental Powers; Waivers of Immunity. By its execution of this Agreement, the City does not waive or surrender any of its respective governmental powers, immunities, or rights except as provided in this section. The Parties acknowledge that the City waives its sovereign and governmental immunity as to suit and liability solely for the purpose of enforcing

or adjudicating a claim under this Agreement. In addition, this Agreement is an agreement for the provision of goods or services to the City under Section 271.151 *et seq.*, Texas Local Government Code.

10.15 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within 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.

10.16 Amendments. This Agreement cannot be modified, amended, or otherwise varied, except in writing signed by the City and Developer expressly amending the terms of this Agreement.

10.17 Consideration. This Agreement is executed by the Parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is hereby acknowledged.

[*signatures on following pages*]

EXECUTED by the City and Developer on the respective dates stated below after approval of the City Council of the City on 5/9/23.

Date: 5/9/23

CITY OF LOWRY CROSSING

By: _____
Mayor

ATTEST:

_____
City Secretary

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on the 9th day of May 2023, by Bob Pettit, the Mayor of the City of Lowry Crossing, Texas, on behalf of said City.

_____
Notary Public, State of Texas

(SEAL)

JANIS M. CABLE
ID #126785210
My Commission Expires
January 27, 2025

Janis M. Cable
Name printed or typed

Commission Expires: 1/27/2025

DEVELOPER

GRBK Edgewood LLC,
a Texas limited liability company

By: _____
Name: Bobby L. Samuel, III
Title: Vice President

STATE OF TEXAS §
COUNTY OF COLLIN §

This instrument was acknowledged before me on the 4 day of May 2023, by Bobby L. Samuel, III, Vice President of GRBK Edgewood LLC, a Texas limited liability company on behalf of said company.

_____
Notary Public, State of Texas

(SEAL)

KRISTY LYN CHANDLER
Notary ID #129770238
My Commission Expires
April 1, 2026

EXHIBIT "A"
DESCRIPTION OF THE PROPERTY

Being a parcel of land located in Collin County, Texas, a part of the EM Wood Survey, Abstract Number 960, and being a part of that called 94.982 acres described in deed 111 Bluebonnet I, LLC as recorded in Instrument Number 2022000070794, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at a one-half inch iron rod with cap stamped "ROOME" found at the southeast corner of said 94.982 acre tract, said point being the southwest corner of that called 187.250 acre tract of land described in deed to D.R. Horton-Texas, LTD as recorded in Instrument Number 20211201002443260, Official Public Records of Collin County, Texas, said point also being in County Road Number 398;

THENCE North 89 degrees 14 minutes 47 seconds West, 327.84 feet along the south line of said 94.982 acre tract to a one-half inch iron rod with cap stamped "JBI" set for corner in County Road Number 398, from which said set point bears North 89 degrees 14 minutes 47 seconds West, 25.15 feet to a one-half inch iron rod with cap stamped "HOLDER" found at the southeast corner of Shultz Addition, an addition to Collin County, as recorded in Volume 2020, Page 626, Official Public Records of Collin County, Texas;

THENCE in a northerly direction and maintaining a 20 foot offset east and parallel to the east property line of said Shultz Addition and along the south line of said 94.982 acre tract as follows:

North 36 degrees 34 minutes 55 seconds West, 382.66 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

North 07 degrees 10 minutes 03 seconds West, 563.31 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

North 00 degrees 45 minutes 26 seconds East, 225.44 feet to a one-half inch iron rod with cap stamped "JBI" set for corner, from which said set point bears South 45 degrees 45 minutes 26 seconds West, 28.28 feet to a one-half inch iron rod with cap stamped "HOLDER" found at the northeast corner of said Shultz Addition;

THENCE North 89 degrees 14 minutes 34 seconds West, 301.54 feet parallel and maintaining a 20 foot offset from the north line of said Shultz Addition and along the south line of said 94.982 acre tract to a one-half inch iron rod with cap stamped "JBI" set for corner;

THENCE South 01 degrees 48 minutes 39 seconds West, 20.00 feet along the south line of said 94.982 acre tract to a one-half inch iron rod with cap stamped "JBI" set for corner, said point being the northwest corner of said Shultz Addition;

THENCE along the west line of said Shultz Addition and along the south line of said 94.982 acre tract as follows:

South 03 degrees 50 minutes 22 seconds East, 11.49 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

South 01 degrees 32 minutes 30 seconds West, 117.02 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 05 degrees 32 minutes 52 seconds West, 64.81 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 05 degrees 16 minutes 18 seconds East, 81.40 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 23 degrees 35 minutes 28 seconds West, 105.16 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 07 degrees 57 minutes 10 seconds East, 64.59 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 04 degrees 31 minutes 15 seconds East, 253.48 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 24 degrees 28 minutes 51 seconds East, 116.32 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 27 degrees 00 minutes 21 seconds East, 53.76 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 09 degrees 26 minutes 52 seconds East, 231.20 feet to a Mag Nail found for corner, said point being the southwest corner of said Shultz Addition, said point also being in the south edge of asphalt paving for County Road Number 398;

THENCE North 89 degrees 05 minutes 42 seconds West, 668.91 feet along the south line of said 94.982 acre tract to a Mag Nail found for corner in the approximate centerline of County Road Number 398;

THENCE North 89 degrees 57 minutes 50 seconds West, 226.16 feet to a Mag Nail found at the most southerly southwest corner of said 94.982 acre tract, said point also being at the intersection of approximate centerline of County Road Number 398 with the east right-of-way line of Farm-to-Market (FM 546);

THENCE along the west line of said 94.982 acre tract and along the east right-of-way of FM 546 as follows:

North 36 degrees 54 minutes 58 seconds West, 35.58 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

North 63 degrees 57 minutes 58 seconds West, 89.10 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

North 35 degrees 50 minutes 45 seconds West, 537.75 feet to a Mag Nail found for corner, said point also being in the approximate centerline of County Road Number 393;

South 01 degrees 06 minutes 36 seconds West, 9.48 feet along the approximate centerline of County Road Number 393 to a Mag Nail found for corner, said point also being in the east right-of-way line of FM 546;

North 30 degrees 15 minutes 16 seconds West, 665.71 feet along the east right-of-way line of FM 546 to a one-half inch iron rod with cap stamped "JBI" set for corner, said point being the most westerly corner of said 94.982 acre tract;

South 87 degrees 38 minutes 34 seconds East, 355.88 feet along or near a fence line to a Mag Nail found for corner, said point being in the approximate centerline of County Road Number 393;

North 02 degrees 43 minutes 36 seconds East, 489.56 feet to a five-eighths inch iron rod with cap stamped "ADAMS SURVEYING COMPANY, LLC" found for corner, said point being in the south line of a 30 foot wide right-of-way dedication by plat Regatta Oaks Phase 1, an addition to the City of Lowry Crossing as recorded in Volume 2007, Page 363, Official Public Records of Collin County, Texas;

South 89 degrees 14 minutes 33 seconds East, 12.40 feet to a one-half inch iron rod found for corner, said point being the southeast corner of said 30 foot wide right-of-way dedication by said Regatta Oaks Phase 1 plat;

North 01 degrees 38 minutes 13 seconds East, 597.13 to a five-eighths inch iron rod with cap stamped "ADAMS SURVEYING COMPANY, LLC" found for corner, said point being the northwest corner of said 94.982 acre tract, said point being the northeast corner of said Regatta Oaks Phase 1 Addition, said point also being in the south line of Lot 56, The Crossing Phase II, Section III, an addition to the City of Lowry Crossing as recorded in Cabinet K, Slide 274, Official Public Records of Collin County, Texas;

THENCE along the north line of said 94.982 acre tract as follows:

South 88 degrees 43 minutes 10 seconds East, 720.11 feet to a one-half inch iron rod with cap stamped "JBI" set for corner in the south line of Lot 61, of said The Crossing Phase II, Section III Addition;

South 88 degrees 55 minutes 51 seconds East, 413.33 feet to a one-half inch iron rod with cap stamped "JBI" set for corner, said point being the southeast corner of Lot 62, of said The Crossing Phase II, Section III Addition, said point also being the southwest corner of that called 28.485 acre tract of land described in deed to

George W. Brown as recorded in Instrument Number 20090330000362370, Official Public Records of Collin County, Texas;

South 88 degrees 46 minutes 46 seconds East, 750.14 feet along the south line of said 28.485 acre tract to a one-half inch iron pipe found for corner;

North 89 degrees 17 minutes 49 seconds East, 213.87 feet along the south line of said 28.485 acre tract to a three-eighths inch iron rod found for corner, said point being the northeast corner of said 94.982 acre tract, said point also being in the west line of that called 109.96 acre tract of land described in deed to AJE Group, LLC as recorded in Instrument Number 20170927001295150, Official Public Records of Collin County, Texas;

THENCE along the east line of said 94.982 acre tract as follows:

South 00 degrees 49 minutes 57 seconds West, 984.97 feet to a three-eighths inch iron rod found for corner, said point being the southwest corner of said 109.96 acre tract, said point also being the most westerly northwest corner of said 187.250 acre tract;

South 00 degrees 45 minutes 18 seconds West, 1,139.93 feet along the west line of said 187.250 acre tract to the POINT OF BEGINNING and containing 4,137,414 square feet or 94.982 acres of land.

BASIS OF BEARING: The basis of bearing is based on the coordinate system (North Central Zone 4202 state plane coordinates, NAD83), distances shown hereon are grid distance values.

SAVE AND EXCEPT THE FOLLOWING DESCRIBED 2.268 ACRES

Being a parcel of land located in Collin County, Texas, a part of the EM Wood Survey, Abstract Number 960, and being all of that tract of land described in deed to Janice M. Clem as recorded in Instrument Number 20140611000589680, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a Mag Nail found at the southwest corner of Shultz Addition, an addition to Collin County, as recorded in Volume 2020, Page 626, Official Public Records of Collin County, Texas, said point also being in the south edge of asphalt paving for County Road Number 398;

THENCE North 89 degrees 05 minutes 42 seconds West, 103.65 feet along the south edge of asphalt paving for County Road Number 398 to a point for corner;

THENCE North 00 degrees 54 minutes 18 seconds East, 26.94 feet to a five-eighths inch iron rod with cap stamped "ADAMS SURVEYING COMPANY, LLC" found for corner, said point being the POINT OF BEGINNING of this tract of land;

THENCE North 89 degrees 44 minutes 18 seconds West, 565.02 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 01 degrees 45 minutes 30 seconds East, 186.71 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 89 degrees 45 minutes 45 seconds East, 521.79 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 39 degrees 12 minutes 52 seconds East, 4.17 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 05 degrees 49 minutes 04 seconds West, 70.77 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 41 minutes 32 seconds West, 45.52 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 32 degrees 05 minutes 57 seconds East, 80.14 feet to the POINT OF BEGINNING and containing 98,798 square feet or 2.268 acres of land.

BASIS OF BEARING: The basis of bearing is based on the coordinate system (North Central Zone 4202 state plane coordinates, NAD83), distances shown hereon are grid distance values

EXHIBIT "B"
CONCEPT PLAN

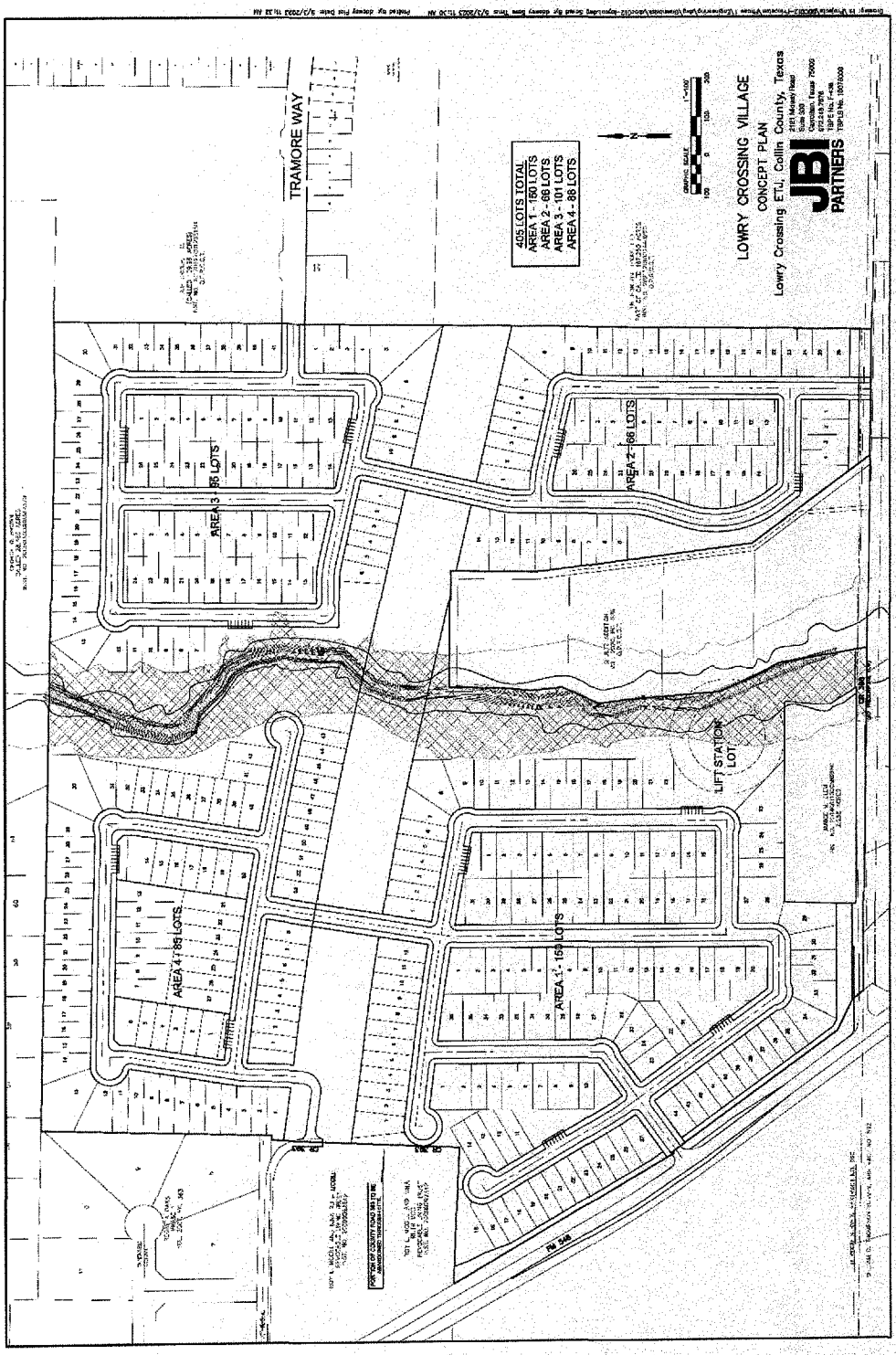


EXHIBIT "C"
DEVELOPMENT STANDARDS

- Uses. The Property may be developed with single-family uses as generally depicted on the attached Exhibit A (the "Concept Plan"). The Concept Plan is conceptual in nature and may be revised/refined at time of preliminary and final plat.

- Development Standards. Development regulations for the Property shall be limited to: (i) the express terms of the Agreement, and (ii) those provisions of the City's subdivision regulations which are applicable in the ETJ (the "Development Standards"). The Property shall not be subject to any zoning regulations of the City. Any conflicts between the Agreement and any other City ordinance, rule, or regulation shall be resolved in favor of the Agreement.

- Single-Family Uses. Single family uses shall be permitted anywhere on the Property in accordance with this section.

    - Lot Size.

        - Area. Minimum 4000 square feet.
        - Width. Minimum 40 feet at the building line.
        - Depth. Minimum 110 feet on the shortest side.

    - Minimum Setbacks (in feet) for primary structures.

        - Front Yard: 20.
        - Side Yard (street): 10.
        - Side Yard (interior): 5.
        - Rear Yard: 10.

    - Height. Single-family structures located on lots abutting existing homes on Cross Post Lane (within the City limits) shall be limited to one-story in height. Otherwise, single-family structures shall be limited to two-stories in height.

    - Dwelling Size. Single-family dwellings shall contain a minimum of 1,300 square feet.

- Projections.

    - Required yards shall generally remain open and unobstructed except for:

        - Accessory Buildings;

        - Ordinary Projections (e.g., windowsills, belt courses, cornices, and other architectural features), which may extend up to 12 inches into the required setback;

- Roof Eaves (inclusive of gutters), which may extend up to 24 inches into the required setback; and

- Porches and patios (covered or uncovered), which may extend up to 5 feet into the required front or rear setback. When attached to a porch or patio, Ordinary Projections and Roof Eaves may further project up to 12 inches and 24 inches, respectively, into the required setback.

- Accessory Buildings. Each dwelling unit shall be permitted one Accessory Building (herein so called), provided:

  - the building maintains a minimum setback from side and rear property lines of at least 3 feet;

  - the building is located behind the front building line; and

  - the area of the building does not exceed the lesser of: 150 square feet or 5% of the Lot Area.

- HOA. Developer shall establish an HOA to govern the Property and to maintain private common areas within the community.

- Subdivision Standards. The City shall be the platting authority for the Project.

  - Interior Street Standards. All interior public streets shall have 50-feet of ROW, with 31 feet of concrete pavement, back-to-back. Mountable curbs shall be permitted.

  - Sidewalks. All sidewalks shall be a minimum of 5 feet wide.

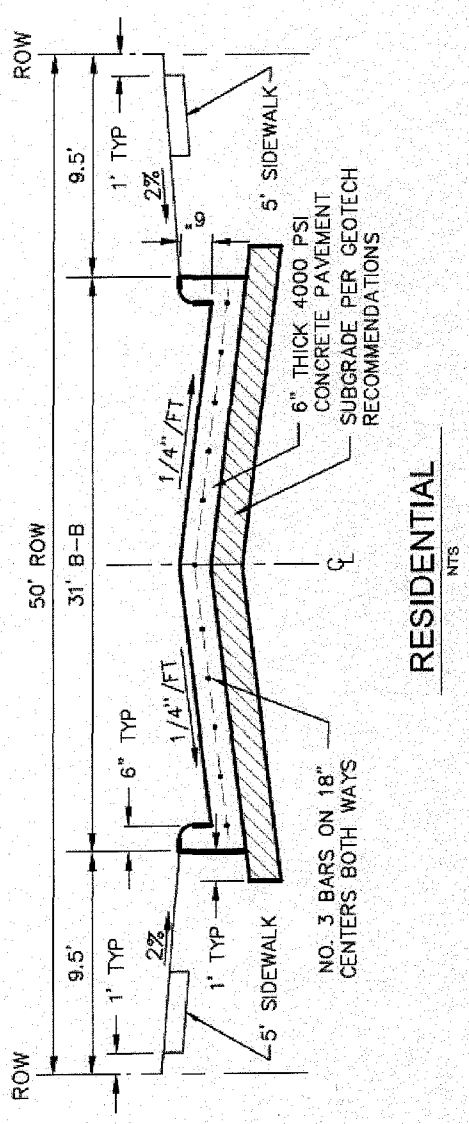
  - Street Lighting. Street lights shall be installed no less than 1 every 500 feet, measured along the centerline of the street.

  - Fire Hydrants. Fire hydrants shall be installed at a minimum spacing of 1 per 500' as measured along the street centerline(s).

  - Screening. Lots backing to existing single-family homes on Cross Post Lane (within the City limits) shall be developed with a minimum 8-foot tall privacy fence along the rear property line.

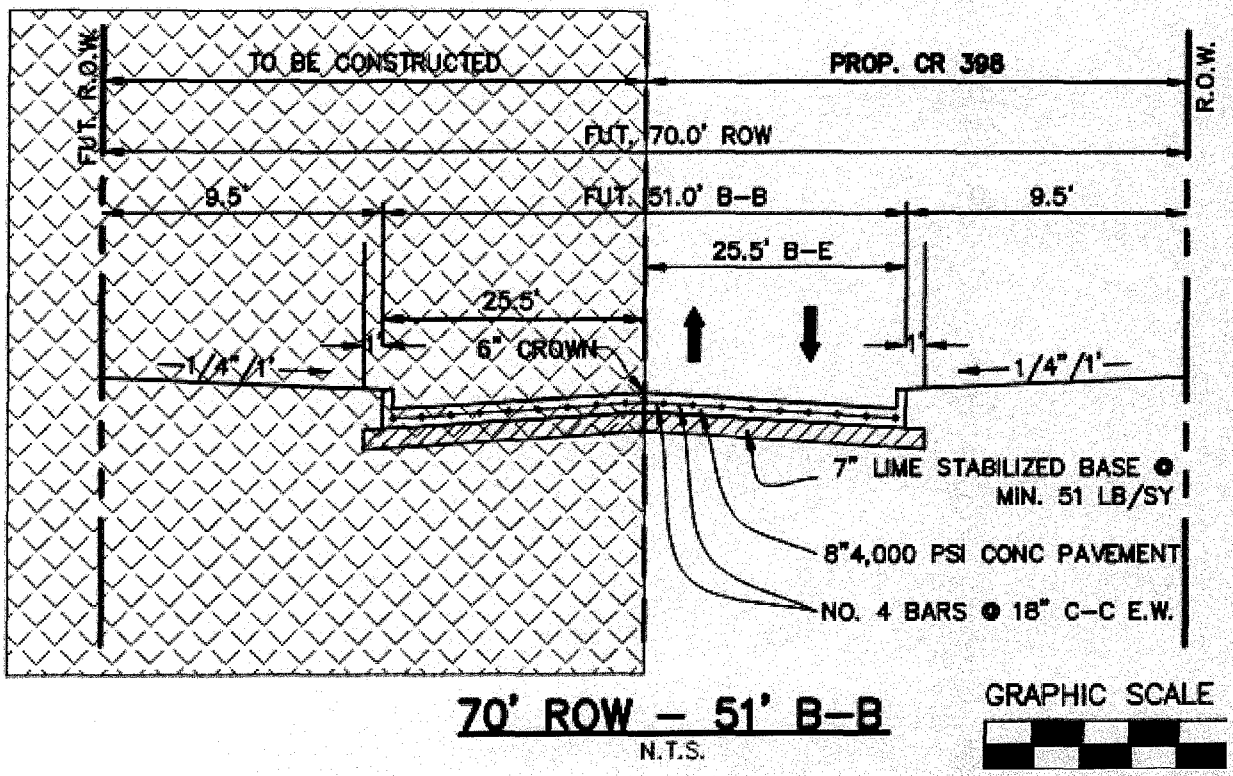
  - Guest Parking. As generally depicting on the Concept Plan, the Property may include guest parking in multiple locations. Guest Parking may be head-in or parallel, and may be wholly or partially located within the right-of-way, provided the vehicle travel lanes are not obstructed and sidewalk continuity is maintained, which may require the dedication of additional right-of-way or a public sidewalk easement in these locations.

EXHIBIT "D"
INTERNAL ROADWAY CROSS SECTION



*Provided, however, that mountable curbs shall be permitted.

EXHIBIT "E"
CR 398 CROSS SECTION



Collin County
Honorable Stacey Kemp
Collin County Clerk

Instrument Number: 2023000056830

eRecording - Real Property

AGREEMENT

Recorded On: May 24, 2023 10:56 AM

Number of Pages: 36

" Examined and Charged as Follows: "

Total Recording: $162.00

********** **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:	2023000056830
Receipt Number:	20230523000544
Recorded Date/Time:	May 24, 2023 10:56 AM
User:	Jennifer W
Station:	Station 3

Record and Return To:

Simplifile

STATE OF TEXAS
COUNTY OF COLLIN

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 Public Records of Collin County, Texas.**

Honorable Stacey Kemp
Collin County Clerk
Collin County, TX

Stacey Kemp

FIRST AMENDMENT TO
DEVELOPMENT AGREEMENT

This First Amendment to Development Agreement (this "Amendment") is entered into by and between GRBK EDGEWOOD LLC, a Texas limited liability company ("Developer") and the CITY OF LOWRY CROSSING, TEXAS a General Law A municipality located within Collin County, Texas (the "City") (the Developer and the City are each individually, a "Party" and collectively, the "Parties").

WHEREAS, this Amendment amends that certain Development Agreement between the Parties that was entered into as of the 9th day of May 2023, recorded in the Official Public Records of Collin County, Texas, as Instrument Number 2023000056830 (the "Development Agreement"); and

WHEREAS, the Development Agreement governs land in the City of Lowry Crossing, Collin County, Texas, containing approximately 92 acres (as defined in the Development Agreement, the "Property"); and

WHEREAS, in Section 10.3 of the Development Agreement the Parties agreed that Developer shall have the right to incorporate Additional Land (as originally defined in the Development Agreement) into the Property by amendment to the Development Agreement; and

WHEREAS, the Developer has provided notice to the City of its desire to incorporate approximately 5.692 acres of land ("Additional 5.692 Acres"), legally described by metes and bounds on **Exhibit "A-1"**, attached hereto and incorporated herein for all purposes, into the Development Agreement, such that the Additional 5.692 Acres can be developed in accordance with the Development Agreement and be deemed part of the Property totaling approximately 98.406 acres of land (the "Property with Additional Land"), as legally described by metes and bounds on **Exhibit "A-2"**; and

WHEREAS, the Concept Plan, as approved in the Development Agreement as Exhibit B, shall be amended to include the Additional 5.692 Acres, as attached hereto as "**Exhibit B**"; and

WHEREAS, all capitalized terms in this Amendment shall be as defined in the Development Agreement, unless otherwise defined herein; and

WHEREAS, the Parties have determined that they have the authority to enter into this Amendment; and

WHEREAS, it is the intent of this Amendment to establish certain legally binding restrictions and commitments to be imposed upon the Property and the City and the Developer are proceeding in reliance on the enforceability of this Amendment.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the Parties hereby agree to amend the Development Agreement as follows:

1. Amendment to Incorporate Additional Land. In accordance with Section 10.3 of the Development Agreement, the Additional 5.692 Acres, as legally described by metes and bounds on **Exhibit "A-1"**, shall be incorporated into the Development Agreement, such that the Additional 5.692 Acres can be developed in accordance with the Development Agreement and be deemed part of the Property totaling approximately 98.406 acres of land, as legally described by metes and bounds on **Exhibit "A-2"**.

2. Amendment to Update Concept Plan. The Concept Plan, as approved in the Development Agreement as Exhibit B, shall be amended to include the Additional 5.692 Acres, as depicted in **Exhibit "B"**.

3. Ratification of Development Agreement. The Development Agreement, as amended by this Amendment, shall continue in full force and effect and is hereby ratified and confirmed in all respects.

4. Binding Agreement. Each Party acknowledges and agrees that this Amendment is binding upon such Party and enforceable against such Party in accordance with its terms and conditions.

5. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

[the remainder of this page intentionally left blank - signature pages and exhibits to follow]

EXECUTED by the City and Developer on the respective dates stated below after approval of the City Council of the City on April 23, 2024.

Date: 4/23/24

CITY OF LOWRY CROSSING

By: _____
Bob Petitt, Mayor

ATTEST:

_____
Janis Cable, City Secretary

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on the 23 day of April 2024, by Bob Petitt, the Mayor of the City of Lowry Crossing, Texas, on behalf of said City.

(SEAL)

JANIS M. CABLE
ID #126765210
My Commission Expires
January 27, 2025

_____
Notary Public, State of Texas

Janis M. Cable
Name printed or typed

Commission Expires: 1/27/25

DEVELOPER
GRBK Edgewood LLC,
a Texas limited liability company

By: _____
Name: Bobby L. Samuel, III
Title: Vice President

STATE OF TEXAS §
COUNTY OF COLLIN §

This instrument was acknowledged before me on the 9 day of April 2024, by Bobby L. Samuel, III, Vice President of GRBK Edgewood LLC, a Texas limited liability company on behalf of said company.

(SEAL) KRISTY LYN CHANDLER
Notary ID #129770238
My Commission Expires
April 1, 2026

_____
Notary Public, State of Texas

Exhibit A-1
Description of Additional Land

Being a parcel of land located in Collin County, Texas, a part of the EM Wood Survey, Abstract Number 960, and being part of a called 6 acre tract described in deed to Roy L. McGill and Nina Ruth McGill recorded in Volume 479, Page 239, Deed Records, Collin County, Texas, being all of those tracts of land described in deeds to The Roy L. McGill and Nina Ruth McGill Revocable Living Trust recorded in Volume 4740, Page 590 and Volume 4740, Page 593, Deed Records of Collin County, Texas, and being further described as follows:

BEGINNING at a Mag-Nail found for the southeast corner of said 6 acre tract, being in the approximate centerline of County Road No. 393 (unrecorded right-of-way), being an inside "ell" corner of a called 92.714 acre tract of land described in deed to GRBK Edgewood, LLC recorded as Document No. 2023000056829, Official Public Records, Collin County, Texas;

THENCE, along the south line of said 6 acre tract and the westerly north line of said 92.714 acre tract, North 87 degrees 38 minutes 34 seconds West for a distance of 355.88 feet to a one-half inch iron rod with cap stamped "JBI" set in the northeasterly right-of-way line of F.M. Highway No. 546 (90 foot wide right-of-way) as described in Judgment to the State of Texas recorded in Volume 522, Page 16, Deed Records, Collin County, Texas;

THENCE, along said northeasterly right-of-way line as follows:

North 29 degrees 40 minutes 14 seconds West for a distance of 334.80 feet to one-half inch iron rod with cap stamped "JBI" set for the beginning of aa curve to the left;

Along said curve to the left through a central angle of 19 degrees 04 minutes 53 seconds, having a radius of 761.78 feet, an arc length of 253.70 feet, a chord bearing of North 38 degrees 37 minutes 20 seconds West and a chord distance of 252.53 feet to a Mag-Nail set in the north line of said 6 acre tract, being in the south line of a Right-of-Way Dedication Area as shown on the Replat of Regatta Oaks Phase 1, an addition to the City of Lowery Crossing recorded as Volume 2023, Pages 64-65. Plat Records, Collin County, Texas and being in the approximate centerline of County Road No. 393 (unrecorded right-of-way);

THENCE, along the approximate centerline of County Road No. 393, the north line of said 6 acre tract and the south line of said Regatta Oaks Phase 1, South 88 degrees 52 minutes 18 seconds East a distance of 702.36 feet to a five-eighths inch iron rod with cap stamped "Adams Surveying Company, LLC", found for the northeast corner of said 6 acre tract, being in the west line of said 92.714 acre tract;

THENCE, continuing along the approximate centerline of County Road NO. 393 (projected), the west line of said 92.714 acre tract and east line of said 6 acre tract, South 02 degrees 43 minutes 36 seconds West for a distance of 489.56 feet to the **POINT OF BEGINNING** and containing 5.692 acres of land.

BASIS OF BEARING: The basis of bearing is based on the coordinate system (North Central Zone 4202 state plane coordinates, NAD83), distances shown hereon are grid distance values.

Exhibit A-2
Description of Property with Additional Land

Being a parcel of land located in Collin County, Texas, a part of the EM Wood Survey, Abstract Number 960, and being all of that called 92.714 acres described in deed to GRBK EDGEWOOD LLC as recorded in Instrument Number 2023000056829, Official Public Records of Collin County, Texas, and being all of that called 5.692 acres described in deed to GRBK EDGEWOOD LLC as recorded in instrument Number 2024000014993, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at a one-half inch iron rod with cap stamped "ROOME" found at the southeast corner of said 92.714 acre tract, said point being the southwest corner of that called 187.250 acre tract of land described in deed to D.R. Horton-Texas, LTD as recorded in Instrument Number 20211201002443260, Official Public Records of Collin County, Texas, said point also being in County Road Number 398;

THENCE North 89 degrees 14 minutes 47 seconds West, 327.84 feet along the south line of said 92.714 acre tract to a one-half inch iron rod with cap stamped "JBI" set for corner in County Road Number 398, from which said set point bears North 89 degrees 14 minutes 47 seconds West, 25.15 feet to a one-half inch iron rod with cap stamped "HOLDER" found at the southeast corner of Shultz Addition, an addition to Collin County, as recorded in Volume 2020, Page 626, Official Public Records of Collin County, Texas;

THENCE in a northerly direction and maintaining a 20 foot offset east and parallel to the east property line of said Shultz Addition and along the south line of said 92.714 acre tract as follows:

North 36 degrees 34 minutes 55 seconds West, 382.66 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

North 07 degrees 10 minutes 03 seconds West, 563.31 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

North 00 degrees 45 minutes 26 seconds East, 225.44 feet to a one-half inch iron rod with cap stamped "JBI" set for corner, from which said set point bears South 45 degrees 45 minutes 26 seconds West, 28.28 feet to a one-half inch iron rod with cap stamped "HOLDER" found at the northeast corner of said Shultz Addition;

THENCE North 89 degrees 14 minutes 34 seconds West, 301.54 feet parallel and maintaining a 20 foot offset from the north line of said Shultz Addition and along the south line of said 92.714 acre tract to a one-half inch iron rod with cap stamped "JBI" set for corner;

THENCE South 01 degrees 48 minutes 39 seconds West, 20.00 feet along the south line of said 92.714 acre tract to a one-half inch iron rod with cap stamped "JBI" set for corner, said point being the northwest corner of said Shultz Addition;

THENCE along the west line of said Shultz Addition and along the south line of said 92.714 acre tract as follows:

South 03 degrees 50 minutes 22 seconds East, 11.49 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

South 01 degrees 32 minutes 30 seconds West, 117.02 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 05 degrees 32 minutes 52 seconds West, 64.81 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 05 degrees 16 minutes 18 seconds East, 81.40 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 23 degrees 35 minutes 28 seconds West, 105.16 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 07 degrees 57 minutes 10 seconds East, 64.59 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 04 degrees 31 minutes 15 seconds East, 253.48 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 24 degrees 28 minutes 51 seconds East, 116.32 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 27 degrees 00 minutes 21 seconds East, 53.76 feet to a one-half inch iron rod found with cap stamped "HOLDER" found for corner;

South 09 degrees 26 minutes 52 seconds East, 231.20 feet to a Mag Nail found for corner, said point being the southwest corner of said Shultz Addition, said point also being in the south edge of asphalt paving for County Road Number 398;

THENCE North 89 degrees 05 minutes 42 seconds West, 668.91 feet along the south line of said 92.714 acre tract to a Mag Nail found for corner in the approximate centerline of County Road Number 398;

THENCE North 89 degrees 57 minutes 50 seconds West, 226.16 feet to a Mag Nail found at the most southerly southwest corner of said 92.714 acre tract, said point also being at the intersection of approximate centerline of County Road Number 398 with the east right-of-way line of Farm-to-Market (FM 546);

THENCE along the west line of said 92.714 acre tract and along the east right-of-way of FM 546 as follows:

North 36 degrees 54 minutes 58 seconds West, 35.58 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

North 63 degrees 57 minutes 58 seconds West, 89.10 feet to a one-half inch iron rod with cap stamped "JBI" set for corner;

North 35 degrees 50 minutes 45 seconds West, 537.75 feet to a Mag Nail found for corner, said point also being in the approximate centerline of County Road Number 393;

South 01 degrees 06 minutes 36 seconds West, 9.48 feet along the approximate centerline of County Road Number 393 to a Mag Nail found for corner, said point also being in the east right-of-way line of FM 546;

North 30 degrees 15 minutes 16 seconds West, 665.71 feet along the east right-of-way line of FM 546 to a one-half inch iron rod with cap stamped "JBI" set for corner, said point being the most westerly corner of said 92.714 acre tract, said point also being in the southwest corner of said 5.692 acre tract;

North 29 degrees 40 minutes 14 seconds West, 334.80 feet to a one-half inch iron rod with cap stamped "JBI" set for the beginning of a curve to the left;

Along said curve to the left through a central angle of 19 degrees 04 minutes 53 seconds, having a radius of 761.78 feet, an arc length of 253.70 feet, a chord bearing of North 38 degrees 37 minutes 20 seconds West and a chord distance of 252.53 feet to a Mag-Nail set in the north line of said 5.692 acre tract, being in the south line of a Right-of-Way Dedication Area as shown on the Replat of Regatta Oaks Phase 1, an addition to the City of Lowery Crossing recorded as Volume 2023, Pages 64-65. Plat Records, Collin County, Texas and being in the approximate centerline of County Road No. 393 (unrecorded right-of-way);

THENCE along the approximate centerline of County Road No. 393, the north line of said 5.692 acre tract and the south line of said Regatta Oaks Phase 1, South 88 degrees 52 minutes 18 seconds East, 702.36 feet to a five-eighths inch iron rod with cap stamped "Adams Surveying Company, LLC", found for the northeast corner of said 5.692 acre tract, being in the west line of said 92.714 acre tract;

THENCE South 89 degrees 14 minutes 33 seconds East, 12.40 feet to a one-half inch iron rod found for corner, said point being the southeast corner of said 30 foot wide right-of-way dedication by said Regatta Oaks Phase 1 plat;

THENCE North 01 degrees 38 minutes 13 seconds East, 597.13 to a five-eighths inch iron rod with cap stamped "ADAMS SURVEYING COMPANY, LLC" found for corner, said point being the northwest corner of said 92.714 acre tract, said point being the northeast corner of said Regatta Oaks Phase 1 Addition, said point also being in the south line of Lot 56, The Crossing Phase II, Section III, an addition to the City of Lowry Crossing as recorded in Cabinet K, Slide 274, Official Public Records of Collin County, Texas;

THENCE along the north line of said 92.714 acre tract as follows:

South 88 degrees 43 minutes 10 seconds East, 720.11 feet to a one-half inch iron rod with cap stamped "JBI" set for corner in the south line of Lot 61, of said The Crossing Phase II, Section III Addition;

South 88 degrees 55 minutes 51 seconds East, 413.33 feet to a one-half inch iron rod with cap stamped "JBI" set for corner, said point being the southeast corner of Lot 62, of said The Crossing Phase II, Section III Addition, said point also being the southwest corner of 52.9288 acre (calc'd.) tract of land described in deed to Patricia Joan Brown as recorded in Instrument Number 20211018002122810, Official Public Records of Collin County, Texas;

South 88 degrees 46 minutes 46 seconds East, 750.14 feet along the south line of said 52.9288 acre tract to a one-half inch iron pipe found for corner;

North 89 degrees 17 minutes 49 seconds East, 213.87 feet along the south line of said 52.9288 acre tract to a three-eighths inch iron rod found for corner, said point being the northeast corner of said 92.714 acre tract, said point also being in the west line of that called 86.032 acre tract of land described in deed to Pulte Homes of Texas, LP as recorded in Instrument Number 2023000038987, Official Public Records of Collin County, Texas;

THENCE along the east line of said 92.714 acre tract as follows:

South 00 degrees 49 minutes 57 seconds West, 984.97 feet to a three-eighths inch iron rod found for corner, said point being the southwest corner of said 109.96 acre tract, said point also being the most westerly northwest corner of said 187.250 acre tract;

South 00 degrees 45 minutes 18 seconds West, 1,139.93 feet along the west line of said 187.250 acre tract to the POINT OF BEGINNING and containing 4,385,345 square feet or 100.674 acres of land.

BASIS OF BEARING: The basis of bearing is based on the coordinate system (North Central Zone 4202 state plane coordinates, NAD83), distances shown hereon are grid distance values.

SAVE AND EXCEPT THE FOLLOWING DESCRIBED 2.268 ACRES

Being a parcel of land located in Collin County, Texas, a part of the EM Wood Survey, Abstract Number 960, and being all of that tract of land described in deed to Janice M. Clem as recorded in Instrument Number 20140611000589680, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a Mag Nail found at the southwest corner of Shultz Addition, an addition to Collin County, as recorded in Volume 2020, Page 626, Official Public Records of Collin County, Texas, said point also being in the south edge of asphalt paving for County Road Number 398;

THENCE North 89 degrees 05 minutes 42 seconds West, 103.65 feet along the south edge of asphalt paving for County Road Number 398 to a point for corner;

THENCE North 00 degrees 54 minutes 18 seconds East, 26.94 feet to a five-eighths inch iron rod with cap stamped "ADAMS SURVEYING COMPANY, LLC" found for corner, said point being the POINT OF BEGINNING of this tract of land;

THENCE North 89 degrees 44 minutes 18 seconds West, 565.02 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 01 degrees 45 minutes 30 seconds East, 186.71 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 89 degrees 45 minutes 45 seconds East, 521.79 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 39 degrees 12 minutes 52 seconds East, 4.17 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

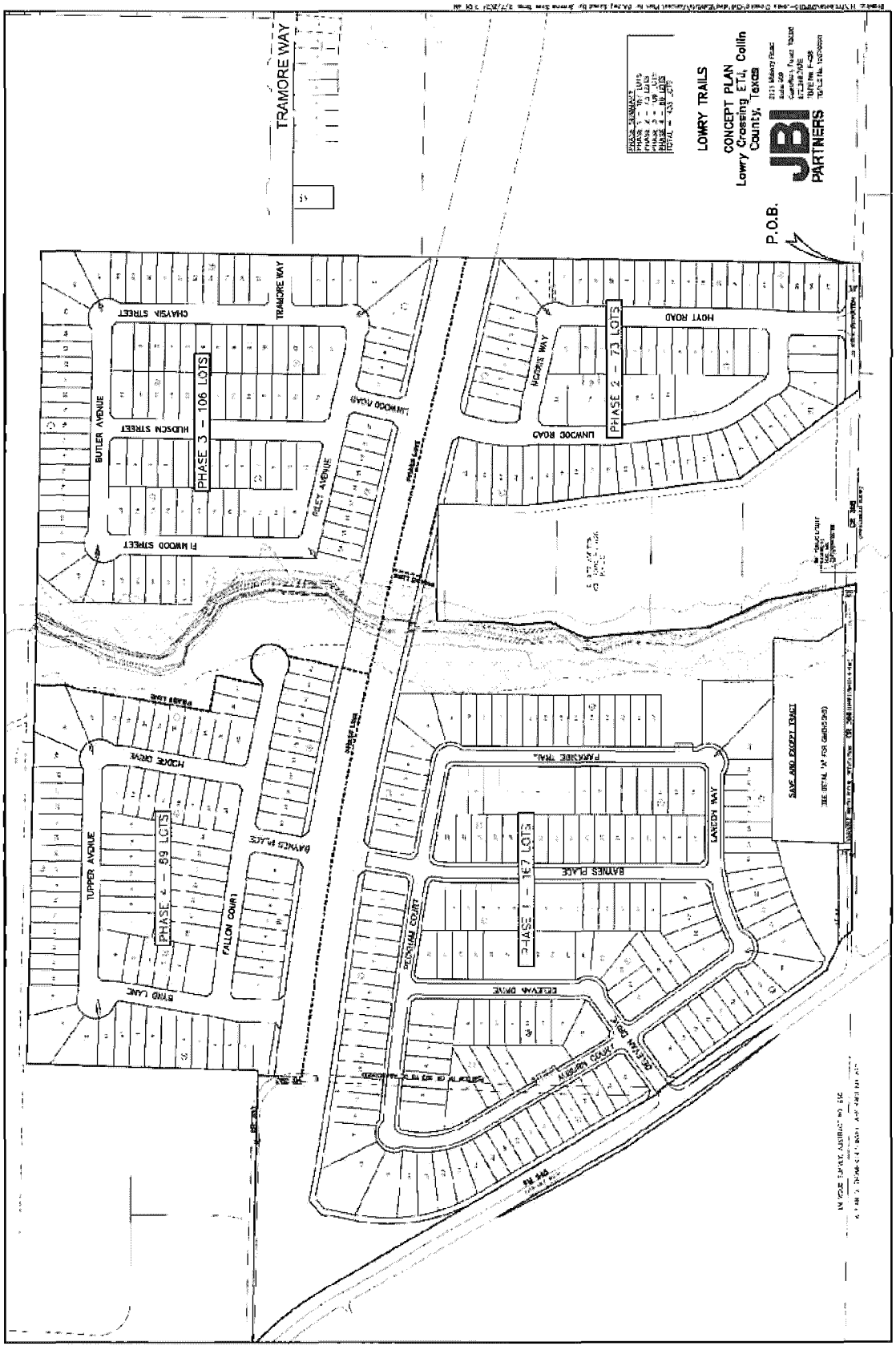
THENCE South 05 degrees 49 minutes 04 seconds West, 70.77 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 41 minutes 32 seconds West, 45.52 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 32 degrees 05 minutes 57 seconds East, 80.14 feet to the POINT OF BEGINNING and containing 98,798 square feet or 2.268 acres of land.

BASIS OF BEARING: The basis of bearing is based on the coordinate system (North Central Zone 4202 state plane coordinates, NAD83), distances shown hereon are grid distance values.

Exhibit B


LOWRY TRAILS
CONCEPT PLAN
Lowry Crossing ETJ, Collin County, Texas
JBI PARTNERS
TRAMORE WAY
P.O.B.
HOYT ROAD
LINWOOD ROAD
PHASE 2 - 73 LOTS
PHASE 3 - 106 LOTS
PHASE 4 - 89 LOTS
PHASE 1 - 167 LOTS
CHAVSIN STREET
HUDSON STREET
FLINT AVENUE
BUTLER AVENUE
TUPPER AVENUE
HODGE DRIVE
FLYNN LANE
FALLON COURT
BARNES PLACE
FARMSIDE TRAIL
LANDON WAY
DEERHAM COURT
DEERHAM DRIVE
SAVE AND EXCEPT TRACT

Collin County
Honorable Stacey Kemp
Collin County Clerk

Instrument Number: 2024000048734

eRecording - Real Property

AMENDMENT

Recorded On: April 25, 2024 02:34 PM

Number of Pages: 11

" Examined and Charged as Follows: "

Total Recording: $61.00

********** 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:	2024000048734
Receipt Number:	20240425000464
Recorded Date/Time:	April 25, 2024 02:34 PM
User:	Suzanne S
Station:	Station 9

Record and Return To:
Simplifile

STATE OF TEXAS
COUNTY OF COLLIN

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 Public Records of Collin County, Texas.**

Honorable Stacey Kemp
Collin County Clerk
Collin County, TX

Stacey Kemp

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